

Stock Code:5876



上海商業儲蓄銀行股份有限公司
The Shanghai Commercial & Savings Bank, Ltd.

**Handbook for the 2022 Annual General
Meeting of Shareholders**

Meeting Time : June 17, 2022, at 9:00am

Place : 1F, No. 8, Sec. 3, Minsheng East Road, Taipei, Taiwan

Amazing Hall, Light Chanson

Table of Contents

	<u>Pages</u>
Meeting Agenda · · · · ·	1
Report Items	
1.The 2021 Business Report · · · · ·	3
2.The 2021 Audit Committee's Review Report · · · · ·	15
3.The 2021 Director and Employee Remuneration Distribution Report ·	17
4. The company's " Standard for Sustainable Development Promotion "	
Report · · · · ·	19
5.The Company's Bank Debentures Issued in 2021 Report · · · · ·	25
Ratification Items	
1.To accept 2021 Business Report and Financial Statements · · · · ·	31
2.To approve the Proposal for Distribution of 2021 Earnings · · · · ·	53
Discussion Items	
1. Amendment to the Company's Articles of Incorporation · · · · ·	57
2. Amendment to the Company's Procedures Governing the Acquisition	
and Disposal of Assets · · · · ·	61
3. Release of the Board of Directors from Non-Competition Restrictions. ·	81
Extempore Motions	
Appendices	
1.Articles of Incorporation · · · · ·	83
2.Rules of Procedure for Shareholder Meetings · · · · ·	97
3. Procedures Governing the Acquisition and Disposal of Assets · · · ·	107
4.Current Shareholding of Directors · · · · ·	133
5.Other disclosures · · · · ·	135

Notice to Readers

For the convenience of readers, the handbook has been translated into English from the original Chinese version prepared. 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 version shall prevail.

2022 Annual General Meeting of Shareholders

Meeting Agenda

Meeting Time: June 17, 2022, at 9:00am

Place : 1F, No. 8, Sec. 3, Minsheng East Road, Taipei, Taiwan
Amazing Hall, Light Chanson

Means of Meeting Convention :

Physical, assisted with visual communication

1. Report of the number of shares represented by shareholders present at the meeting
2. Chairman's announcement of the commencement of the Meeting
3. Chairman's Remarks
4. Report Items
 - (1). The 2021 Business Report
 - (2). The 2021 Audit Committee's Review Report
 - (3). The 2021 Director and Employee Remuneration Distribution Report
 - (4). The company's " Standard for Sustainable Development Promotion " Report
 - (5). The Company's Bank Debentures Issued in 2021 Report
5. Ratification Items
 - (1). To accept 2021 Business Report and Financial Statements
 - (2). To approve the Proposal for Distribution of 2021 Earnings
6. Discussion Items
 - (1). Amendment to the Company's Articles of Incorporation
 - (2). Amendment to the Company's Procedures Governing the Acquisition or Disposal of Assets
 - (3). Release of the Board of Directors from Non-Competition Restrictions.
7. Extempore Motions
8. Adjournment

Report Items

Report No. 1

Proposed by the Board of Directors

Agenda : The 2021 Business Report.

Explanation : The 2021 business report is on page 4- 14.

The Shanghai Commercial & Savings Bank, Ltd.

2021 Business Report

I. Foreword

In 2021, global economic activity was clearly on the rebound thanks to growing vaccination coverage and eased restrictions in many economies worldwide. SCSB continued to uphold the principles of "asset safety, liquidity sufficiency and capital adequacy" in stable business operations and created consistently solid returns in business performance. SCSB achieved a net income after tax of NT\$14.26 billion, a year-end NPL ratio of 0.13%, a liquidity ratio of 31.19% and a capital adequacy ratio of 14.87%.

The results of SCSB's operating performance in 2021, business plans and future development strategies for 2022, the impact of external competitive environment, regulatory environment and macroeconomic environment, and the latest affirmed credit ratings are illustrated as follows:

II. Operating Performance in 2021

1. Overview of Global & Domestic Financial Environment

Strong exports and private sector investment continued to drive economic growth in 2021. Taiwan's annual economic growth reached 6.45%, a new high since the financial crisis. In terms of financial conditions, the Central Bank of Taiwan continued to adopt a loose monetary policy and held interest rates unchanged for seven consecutive quarters. The NTD to USD exchange rate was buoyed by returning Taiwanese

businesses from overseas and export surplus, and showed a steady upward trend. The exchange rate closed at 27.69 at the end of the year, up by 3.0% over the year. Driven by the sound fundamentals of industries related to semiconductor, IT, communication, and electric vehicle parts companies, the TWSE reached a new high and closed at 18,218 at the end of the year, up by 23.7%.

2. Organizational Changes

President John S.C. Chen reached retirement age at the end of 2020, and passed the baton to Chih-Hung Lin who became the new President in 2021. During the Annual General Meeting in July of the same year, an election of directors was conducted. Chairman Hung-Ching Yung retired, and was replaced by Ching-Yen Lee. The board voted unanimously to name Hung-Ching Yung honorary chairman in recognition of his years of excellent service to the bank.

SCSB is one of the three banks that received the FSC's approval to launch High Net-worth wealth management services; in addition, the Wealth Succession Management Center was established in April. The Center "manages wealth transfer for a better future," and focuses on both "asset allocation" and "asset inheritance." It provides differentiated wealth management services that are tailored to each high net-worth customer. Furthermore, SCSB continued to build up toward becoming a regional bank in the Asia-Pacific region. The Bac Ninh representative office in Vietnam opened in May to provide a wider range of international financial services for Taiwanese businesses. In terms of Environmental, Social, and Governance

(ESG) practices, SCSB established the ESG Steering Committee, which consists of cross functional teams that focus on: environmental sustainability, social welfare, customer rights, responsible finance, employee care, and corporate governance. The teams work collaboratively and have delivered satisfactory results.

3. Operational Plans, Strategies and Results

The 2021 business plan allocated many resources to a range of core businesses, including corporate banking, personal banking, wealth management, treasury marketing, deposits and remittances, and digital banking. The plan focused on increasing the usage of fintech, accelerating the digital transition and promoting ESG to create sustainable value.

The results of 2021 business plans and strategies were reflected on the growth of main businesses and profits, year on year, in which the average deposit balance was NT\$1,029.1 billion, up 1.3%, and average loan balance was NT\$750.3 billion, down 0.2%; profit before income tax was NT\$15.35 billion, up 3.9%, net income after income tax was NT\$14.26 billion, up 5.9%; EPS was NT\$3.19, up 6.0%; after-tax return on assets and after-tax return on equity were 1.05% and 9.11% respectively.

4. Budget Implementation

As for main businesses and net income after income tax, the budgets achieving ratio of operational targets for average deposit balance was 94.4%, average loan balance was 90.8%, and foreign exchange business was 103.2%.

5. Income, Expense and Profit

Unit: NT\$ Billion, except as indicated

Item	Year	2021	2020	Change(%)
Net interest income		11.64	11.62	0%
Total non-interest income		11.95	11.19	7%
Net revenue		23.59	22.81	3%
Provisions for bad-debt expense, commitment and guarantee liability		0.9	0.9	0%
Total operating expenses		7.34	7.14	3%
Profit before income tax		15.35	14.77	4%
Net income		14.26	13.46	6%
Earnings Per Share (in dollars)		3.19	3.01	6%
ROA (after income tax)		1.05%	1.03%	0.02%
ROE (after income tax)		9.11%	8.72%	0.39%

6. Research and Development

In 2021, in response to changes in external operating environment and to market competition, SCSB continued to adopt a customer centric approach to intensify research and development, improve business competitiveness, and raise customer satisfaction. In terms of corporate banking, SCSB continued to comply with government policies to promote the return of capital from Taiwanese businesses overseas. SCSB offered credit guarantee schemes for economic relief, financing for startups and green energy loans, aged building redevelopment loans, and government projects. In terms of personal banking, SCSB continued to strengthen the consumer financial services and promoted loans for small businesses and target groups as well as mortgage loans for green buildings.

SCSB also optimized the online personal loan platform. In terms of customer finance, SCSB continued to expand the line of financial products and inclusive financial services. SCSB built a smart financial system and invested resources to develop high net-worth wealth management services, collective investment trust funds for target maturity bonds, overseas structured products, care trusts, inheritance management, and retirement insurance products.

In terms of deposits and remittances, SCSB continually optimized the deposit structure, reduced the cost of deposits, promoted retail deposits and demand deposits, and strengthened the partnerships with securities brokerage firms and electronic payment service providers. SCSB also promoted separate account services and linking of deposit accounts and payment services. In terms of digital banking, SCSB continued to promote the digital transition, build a digital culture, expand the digital talent pool, and create cross-functional teams. Plans were made to establish the Fin Tech Space “T8”, an innovation base, to create scenario-based finance centered around small and medium sized businesses. In addition, SCSB upgraded digital platforms, created new Big data analysis platforms, and implemented robotic process automation (RPA) and Reg Tech. SCSB strengthened smart financial services and the presence on social media in order to increase digital exposure and visibility of sub-brands.

Furthermore, SCSB committed investments to upgrade new IT core banking systems in order to increase competitiveness in this field. SCSB advanced toward "small cores, large middle platform, and flexible front end," and strengthened business

growth drivers. SCSB updated IT infrastructures to meet the demands of business growth, and created key application platforms, enabling business innovation. In response to the risks and opportunities associated with climate change, SCSB built a sustainable governance framework and established relevant management mechanisms to align with international trends, laying a solid foundation for sustainable development competitiveness.

III. Business Plans for 2022

1. Business Guidelines

In 2022, SCSB's strategies will follow the theme of "digital sustainability and talents first." Key business policies include enhancing digital culture, improving use of smart technology, creating a digital ecosystem, optimizing digital customer experiences, responding to climate change, establishing a green finance ecosystem, focusing on talent recruitment, training and retention, fulfilling social responsibility, and creating new sustainable value.

2. Business Targets

Taking into account factors including economic growth forecasts, market competition, as well as the growth result in 2021 and business strategies for 2022, SCSB is setting up appropriate growth for 2022 targets.

3. Business Policies

A. Fundamental Policy: Maintain stable operations with integrity, achieve healthy sustainability, place equal emphasis on operations and management, and strengthen

finance and businesses.

- B. Operating Policy: Develop various core businesses, corporate banking, personal banking, wealth management, treasury marketing, and deposits and remittances with equal emphasis, and strengthen digital banking business.
- C. Sales Policy: Unite sales personnel on all four lines to promote integrated marketing, and pay attention to financial customer protection, and treat customers with fairness.
- D. Management Policy: Implement the three lines of defense in internal control, optimize risk management, enhance information security governance, strengthen corporate governance, and develop a sustainable environment.

IV. Future Development Strategies

SCSB's main development strategies for 2022 are as follows:

1. Overall operations: Maintain stable operations with integrity, place equal emphasis on operations and management, strengthen finance and businesses, and create sustainable value.
2. Channel development: Continue to gain greater presence in the Asia-Pacific region, utilize the tri-shanghai banks strategic alliance, connect services across borders, and implement smart technologies in all channels.
3. Business development: Deploy multiple cores, develop sustainable finance, expand high net-worth wealth management services, and strengthen family finance.
4. Customer relations: Treat customers with fairness, adopt

customer segmentation, focus on high value customer groups, and support integrated marketing.

5. Digital banking: Accelerate the digital transformation, integrate interdisciplinary and cross-sectoral collaborations, implement scenario-based finance, and promote inclusive finance.
6. Information technology: Stabilize system maintenance and operation, upgrade core banking systems, strengthen information utilization, and create robust information governance.
7. Human resources: Cultivate a diverse workforce, enhance professional competencies, strengthen management succession, and enrich human capital.
8. Internal control and management: Implement internal control, fully implement the three lines of defense, strengthen the culture of compliance, and optimize risk management.
9. Sustainable development: Promote environmental sustainability, fulfill CSR, strengthen corporate governance, and combine resilience and innovation.

V. The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Environment

1. External Competitive Environment

The world is still facing the threat of more SARS-CoV-2 variants, and thus risk factors remain in many world economies. Such uncertainty combined with supply chain disruptions and an imminent rising inflation are likely to push

the world into an interest rate hike cycle with higher sector risks. Meanwhile, the progress of the digital transformation in the financial sector is being accelerated by the pandemic, which also alters business models. SCSB will expand the business in response to the competitive external environment and use value competition to replace price competition. SCSB shall actively enhance digital banking products and services and continue to expand in the Asia-Pacific region in pursuit of growth and a competitive position.

2. Regulatory Environment

As part of the FSC's efforts to promote the "Green Finance Action Plan 2.0," which sets core strategies for sustainable finance development goals, the FSC has strengthened supervision of domestic banks in management of climate-related risks. The FSC also released the Climate Risk Disclosure Guidelines for Domestic Banks to guide banks toward green business and sustainable development. The Guidelines improved the quality and transparency of disclosures made by domestic banks. They also served to urge banks to review their ability to respond to climate-related risks. In addition, the FSC released the Sustainable Development Roadmap for TWSE/TPEx-Listed Companies to establish the schedules for GHG inventories and disclosure and boards of directors' sustainable development responsibility. SCSB will closely follow FSC policies, strengthen climate-risk governance frameworks and risk management mechanisms, enhance green finance, and ensure the effectiveness and achieve sustainability.

3. Macroeconomic Environment

In 2022, the global economy will still confront risks including the COVID-19 pandemic and the trade and tech war. In the meantime, the Russia-Ukraine war and Western countries' sanctions on Russia may also increase economic risks and thus deserve close attention. Benefiting from transferred purchase orders and supported by investments from the private sector, Taiwan's economy is expected to grow continuously. In the face of such volatile external challenges, SCSB will examine changes to the business environment at all times and anticipate future development trends, seize market opportunities, and adopt suitable operational measures to stably expand the businesses and create sources of revenue and profit.

VI. Credit Ratings

Rating Agency	Ratings		Outlook	Release Date
	Long-Term	Short-term		
Taiwan Ratings	twAA	twA-1+	Stable	2021/12/15
Fitch	AA(twn)	F1+(twn)	Stable	2021/4/28
Standard & Poor's	BBB+	A-2	Stable	2021/12/15
Fitch	A-	F2	Stable	2021/4/28

In the future, SCSB will continue to uphold the business motto of "serving society and supporting industry" and adopt "developing diversified core businesses, driving digital

transformation, strengthening international financial services, building up talent pools, and creating sustainable values" as the development strategy. SCSB will continue to strengthen talent cultivation, steadily promote business development, and attach importance to ESG. All employees will also uphold the service ideals for "considerate, efficient and respectful" and "always placing customers' needs first" and work together to create the outstanding performance. SCSB welcomes and appreciates the continued guidance and support from all shareholders.

Chairman: Lee, Ching-Yen

President: Lin, Chih-Hung

Chief Accountant: Hsu, Shou-Ming

Report No. 2

Proposed by the Board of Directors

Agenda : The 2021 Audit Committee's Review Report.

Explanation :

The 2021 Audit Committee's review report of Business Reports, Financial Reports and Distribution of Earnings are on page 16 .

The Shanghai Commercial & Savings Bank, Ltd.
Audit Committee's Review Report

The board of directors has complied and submitted the company's 2021 financial statements audited by Certified Public Accountants Chun-Hung Chen and Tzu-Jung Kuo of Deloitte & Touche, who issued the unqualified opinions, business report and profit distribution plan. The above statements and reports have been examined by the Audit Committee and no irregularities were found. This report is hereby prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Please kindly approve.

To : 2022 Annual General Shareholders' Meeting

The Shanghai Commercial & Savings Bank, Ltd.
Convener of Audit Committee

Mu-Tsai Chen

March 26, 2022

Report No. 3

Proposed by the Board of Directors

Agenda : The 2021 Director and Employee Remuneration
Distribution Report.

Explanation :

NT\$ 50.8 million is for directors' compensation and
NT\$ 60 million is for the Company's 2021 employees'
compensation. Both are paid in cash.

Agenda : The company's " Standard for Sustainable Development Promotion " Report.

Explanation :

In accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, The Company's "Standard for Sustainable Development Promotion" have included the details of the "Sustainable Development Mission, Vision, Policies, Systems, Relevant Management Guidelines and Concrete Promotion Plans" approved in the 4th meeting of the 21th Board of Directors on March 26, 2022 are enclosed on page 20-24 of the handbook.

Shanghai Commercial & Savings Bank (SCSB)

Standard for Sustainable Development Promotion

Instituted under strategic planning of the Head Office
Established on 2022.03.26

Chapter 1. General Rules

(Legal basis)

Article 1. In accordance with Article 5 of the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, which states that “TWSE/GTSM listed companies shall [... ...], in establishing their policies, systems or relevant management guidelines, and concrete promotion plans for sustainable development programs, which shall be approved by the board of directors and then reported to the shareholders meeting. ”, thus, the “SCSB Standard for Sustainable Development Promotion” is established (hereinafter referred to as the Standard).

Chapter 2. Mission and vision for sustainable development

(Sustainable development mission)

Article 2. SCSB is committed to the mission of “to serve society, to support industry, and to promote international trade” to create superior operating performance and to actively promote Environmental, Social and Governance (ESG) towards sustainable development.

(Sustainable development vision)

Article 3. SCSB actively implements its corporate social responsibility by putting in efforts to create a harmonious and sharing society and environment for its customers, employees, shareholders, and SCSB. It is a goal to become an exemplar model and a happy enterprise in sustainable development.

Chapter 3. Sustainable Development Policy

(Sustainable Development Policy)

Article 4. SCSB’s sustainable development policy is as below:

1. (Aspects of sustainable development)

SCSB’s core values in ethics and integrity build stable operations, legal compliance, and commitments. It is devoted to promoting six aspects of sustainable development in responsible finance, environmental sustainability, social welfare, customer rights, employee care and corporate

governance, realizing international sustainable development initiatives and standards.

2. (Responsible finance)

SCSB adopts international standards and responses to the Principles for Responsible Banking (PRB), Principles for Responsible Investing (PRI) and so forth international initiatives for the development of green finance, integrating ESG into investments, credit, and wealth management and in every decision-making. With hopes to contribute to sustainable influences in the finance sector, driving a virtuous cycle stimulating the green economy.

3. (Sustainable environment)

SCSB complies with United Nations and government environmental protection policies, is concerned about climate change, establishes climate change risks assessments and management system, strengthens climate change resilience, supports green procurement, implements energy conservation and carbon reduction, and raises energy efficiency usage to stimulate sustainable environment, building a pleasant and inclusive environment.

4. (Social welfare)

SCSB upholds the concept of giving back to society and commits to corporate social responsibility. SCSB makes donations to its cultural and educational foundation and charity foundation with the goal to promote the society, culture, education, and charities, caring for the disadvantaged and participating in community development. It is in the hope to build up a harmonious, safe, pleasant and inclusive society.

5. (Rights of customers)

SCSB is committed to the service concept of “Customers’ Considerations First.” Thus, it builds a corporate culture of treating customers fairly, maintaining customers’ rights, and customer-oriented services. It also drives innovations, promotes digital transition, and finance products and services with professionalism, efficiency, and security. It is a goal to promote financial inclusion, and create partnerships working towards a better and win-win future together.

6. (Employee care)

SCSB complies with the United Nations Universal Declaration of Human Rights and values our employees, which is a key to sustainable development. We aim to

enhance employee health and wellbeing and to create a happy enterprise by nurturing employees' professional capacity, accumulating human capital, actively caring for employee benefits, and creating a safe and friendly work environment.

7. (Corporate governance)

SCSB continues to enhance its corporate governance by aligning with international stewardship principles, promoting best practices in corporate governance and strengthening the functions and operations effectiveness of the Board of Directors. It is in the hope to guarantee shareholders' rights, value stakeholders' benefits, and increase transparency in information disclosure. This is to establish sustainable corporate governance culture promoting sustainable development.

8. (Promoting and Implementation)

SCSB establishes the Sustainable Development Committee and appoints Head Office as the responsible unit, integrating resources to realize all aspects of the policy objectives for environment, social, and corporate governance in an organizational and systemic way.

9. (Reporting and disclosure)

SCSB adopts the Global Reporting Initiatives (GRI) standards and guidelines by related regulations of competent authorities to prepare the annual sustainability report. The preparation includes obtaining third party verification, assurance, or guarantee, and the report will be disclosed on the websites of TWSE MOPS and SCSB.

Chapter 4. Sustainable Development System and Related Management Directions

(Sustainable development system)

Article 5. SCSB's Head Office is the responsible unit for planning and promoting sustainable development. It is assigned with suitable personnel and a Sustainable Development Committee is established to integrate the promotion of sustainable development. Six major function groups are created under the Committee in responsible finance, environmental sustainability, social welfare, customers rights, employee care and corporate governance. In combination with SCSB's donations to its cultural and educational foundation and charity foundation resources, with such division of work,

working together in the promotion of sustainable development.

(Sustainable development management direction)

Article 6. SCSB formulates the SCSB Standard for Sustainable Development Promotion based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies as its management direction for promoting sustainable development.

Chapter 5. Sustainable Development Promotion Plan

(Concrete sustainable development promotion plan)

Article 7. SCSB includes sustainable development in its operations activities and development direction. Concrete promoting plans are as below:

1. SCSB is committing to energy savings and carbon reduction by increasing its green energy proportion towards reaching the 2050 net zero carbon emissions goal in cooperating with the government's sustainable development policies and action plans.
2. SCSB will execute greenhouse gases emissions inventory and disclosure according to The Roadmap for Sustainable Development of Listed Companies by the Financial Supervisory Committee (FSC).
3. SCSB will establish a suitable system, governance, strategies, risks management, index and goals for climate change related risks management and opportunities to disclose management information on climate risks, in accordance with the Climate Change Risks and Financial Disclosure Guide for Domestic Banks by the FSC.
4. SCSB supports industry sustainable development by increasing the proportion of sustainable lending, investments and wealth management businesses, and releasing sustainable financial bonds in compliance with the Green Finance Action Plan 2.0 by the FSC, to contribute to sustainable finance influences.
5. SCSB responds to international initiatives by integrating Equator Principles, Principles for Responsible Banking and Principles for Responsible Investing, aligning with international sustainable development.
6. Besides the continuous promotion of the original activities and functions of SCSB's cultural and educational foundation and charity foundation, SCSB combines its volunteer

resources and the financial resources of its foundations to promote the society, culture, and education and charity activities at the same time to enhance societal and cultural literacy. The organizing of the “Gratitude and Care” charity activity has been ongoing for the care of the disadvantaged and for community development. The same goes for the “Love Earth, Save Earth” charity activity to protect the ecological environment.

7. SCSB provides customer-centric, comprehensive financial products and services, establishes a new core information system, utilizes finance technologies, improves the digital platform functions, strengthens digital finance services, and realizes financial inclusion and principles in treating customers fairly to protect finance consumer rights.
8. SCSB guarantees basic human rights for its employees, strengthens talent nurturing, implements employee stock ownership trust, and actively cares for employee benefits to provide a safe and friendly work environment.
9. SCSB complies with Corporate Governance 3.0 to strengthen its corporate governance, complete its corporate governance system, optimize the functions of the board of directors, increase communications with its stakeholders, and improve its stewardship practices to enhance its corporate governance performance.
10. SCSB makes establishments complying with international standards for Energy Management System and Environment and Occupational Health and Safety System, and has passed the international verifications, promoting sustainable procurement and consumption.

Chapter 6. Supplemental Provisions

Article 8. This Standard shall be implemented after approval by the Board of Directors and reported to the Shareholders General Meeting. The same applies to its amendments.

Agenda : The Company's Bank Debentures Issued in 2021 Report.

Explanation :

1. For enhancing capital, and improving risk-taking capacity, the Company issued NT\$ 5 billion bank debentures with the approval granted by the Financial Supervisory Commission. The terms and conditions of the bank debentures issued in 2021 are as follows :

Name of Bank Debentures	Issuing Date	Maturity Date	Tenor (years)	Coupon Rate (%)	Amount of Issuance
SCSB 1 st Unsecured Subordinated Financial Debentures – A Issue in 2021	2021/10/25	2028/10/25	7	0.60%	NT\$ 2.05 billion
SCSB 1 st Unsecured Subordinated Financial Debentures – B Issue in 2021	2021/10/25	2031/10/25	10	0.72%	NT\$ 2.95 billion

2. The issuing guidelines for the Company's bank debentures issued in 2021 are shown in Page 26-30 of the handbook.

The Issuing Guidelines

For The Shanghai Commercial & Savings Bank Ltd.

1st Unsecured Subordinated Financial Debentures

Issue in 2021

Pursuant to the letter (no. 1090229155) of approval by the Financial Supervisory Commission dated 10 November, 2020, The Shanghai Commercial & Savings Bank, Ltd. (hereinafter referred to as "the Bank") issues the Bank's 1st Unsecured Subordinated Financial Debentures in 2021 with the following issuing guidelines:

Article 1 **Name of the Financial Debentures:**
The Shanghai Commercial & Savings Bank Ltd 1st
Unsecured Subordinated Financial Debentures Issue in
2021 (hereinafter referred to as "the Debentures").

Article 2 **The Order of Priority of Claims and Investment Risk:**

1. The Debentures are subordinated financial debentures, and the right of the holders of the Debentures to be compensated for repayment of the Debentures is subordinate to the right of all depositors of the Bank and other creditors (including holders of senior financial debentures of the Bank) and only better than the remaining property distribution rights of our shareholders. However, in case when the competent authority assigns officials to take receivership over the Bank, order the Bank to suspend and wind up business, or liquidate the Bank, the order of priority of claims shall be the same for the holders of the Debentures and the Bank's common equity shareholders.
2. The Debentures are unsecured.
3. The Debentures are not bank deposits and not insured by the Central Deposit Insurance Corporation.

- Article 3 The Debentures Credit Rating:
A+(tw) (Fitch Ratings October 12, 2021).
- Article 4 Sales Objects of the Debentures:
The Debentures must sell to "professional investor" as defined under Article 3 of the "Regulations Governing Offshore Structured Products".
- Article 5 Amount of Issuance and Par Value:
1. Amount of Issuance:
The total amount of issuance is NT\$ 5,000,000,000, divided into 2 series as follows:
Series A - The total amount of issuance is NT\$ 2,050,000,000.
Series B - The total amount of issuance is NT\$ 2,950,000,000.
2. Par Value:
The par value of each debenture is NT\$ 10,000,000.
- Article 6 Issuance Period (the Issuing and Maturity Dates):
Series A – 7 years (from Oct. 25, 2021 to Oct. 25, 2028)
Series B – 10 years (from Oct. 25, 2021 to Oct. 25, 2031)
- Article 7 Issue Price:
The Debentures will be issued at 100% of the par value.
- Article 8 Coupon Rate:
Series A –Coupon rate is 0.60% fixed per annum.
Series B –Coupon rate is 0.72% fixed per annum.
- Article 9 Method of Interest Calculation, Interest Payment and Principal Repayment:
1. Starting from the date of issuance, interest will be calculated once every year with simple interest method and paid once per year, based on the actual/actual basis.

2. Subject to the Bank's calculation, the amount of interest payment will be calculated based on the par value of each debenture and rounded to the nearest NT dollar.
3. The principal of the Debentures is due at maturity and will be repaid 100% of par value in full.
4. If the date of principal repayment and/or interest payment is not a business day for the paying bank, the principal and/or interest will be paid on the first following day that is a business day and no additional interest will be accrued/paid. If the holders of the Debentures collect the principal and/or interest after the respective payment dates, no additional interest will be accrued or imposed further for such late payment.

Article 10 Form of the Debentures:

The Debentures issued in registered form without the printing of physical certificates, and the registration will be handled by the Taiwan Depository & Clearing Corporation.

Article 11 Listing and Trading:

The Debentures will be listed and traded on the Taipei Exchange.

Article 12 Prescription of the Principal and Interest of the Debentures:

The principal of the Debentures shall be payable within 15 years from the date the principal is due, and the interest shall be payable within 5 years from the interest payment date. No payment will be made after the foregoing periods.

Article 13 Announcement:

Matters relating to the Debentures required to be

notified to the holders of the Debentures may be announced on the Market Observation Post System or by other means of announcement (including the Bank's website).

Article 14 Other Provisions:

1. The Debentures may be freely transferred and provided as security.
2. The Debentures shall be handled in accordance with the applicable laws when there is liquidation, clearance, bankruptcy or reorganization of the Bank. Except for the aforementioned circumstances, the holders or creditors of the Debentures cannot cancel the contract midway through the term of the Debentures, cannot sell the Debentures back to the Bank and may not require the Bank to pay the outstanding principal and interest in advance. If the Bank carries out liquidation proceedings or declares bankruptcy, the interest of the Debentures shall cease to be accrued from the date of commencement of the liquidation proceedings or the date of the declaration of bankruptcy, and the principal and interest shall be deemed to have expired. The holders of the Debentures should waive the exercise of the right of set-off.
3. The Bank and its affiliated businesses do not provide guarantee, collateral or other arrangements to enhance the seniority of the holders of the Debentures.
4. The handling of the transfer, provision as security, inheritance, gift, book-entry transfer of the Debentures and related operations shall be in accordance with the Taiwan Depository & Clearing Corporation related provisions and relevant laws and regulations, and the relevant handling costs shall be borne by the applicant.

5. When making interest payments, the Business Department shall withhold or deduct taxes and other fees pursuant to the Income Tax Act and other applicable laws.
6. The Business Department of the Bank's Head Office is in charge of principal repayment and interest payment services, and handles the book-entry transfer of principal and interest in accordance with the list of the holders of the Debentures provided by the Taiwan Depository & Clearing Corporation.

Article 15 If there is any inadequacy of the Issuing Guidelines, it shall comply with the “Regulations Governing Issuance of Bank Debentures by Banks” enacted by the Financial Supervisory Commission, other relevant laws and regulations of the competent authorities as well as the Bank’s relevant regulations.

Ratification Items

Acceptance No 1:

Proposed by the Board of Directors

Agenda : To accept 2021 Business report and Financial statements.

Explanation :

The 2021 Financial Reports of the Company were audited by Chun-Hung Cheng, CPA, and Tzu-Jung Kuo, CPA, both of Deloitte Taiwan. These Financial and Business Reports have been approved by the Board and examined by the Audit Committee. The 2021 Business Report , independent auditors' report, and the above-mentioned Financial Reports are attached in the Meeting Agenda, page 4-14 and page 32-51.

RESOLUTION :

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
The Shanghai Commercial & Savings Bank, Ltd.
Taipei, Taiwan

Opinion

We have audited the accompanying financial statements of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank"), which comprise the balance sheets as of December 31, 2021 and 2020, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2021 and 2020, its financial performance and its cash flows for the years ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters

were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Bank's financial statements as of and for the year ended December 31, 2021 are described as follows:

Allowance for Impairment Losses on Discounts and Loans

The Bank primarily engages in the loan business. As of December 31, 2021, the loan business is significant to the accompanying financial statements. The Bank assessed its discounts and loans for impairment in accordance with IFRS 9 and recognized the allowance for bad debts according to authorities' regulations. The Bank's management applied the expected credit loss model in the impairment assessment of discounts and loans. The Bank assessed whether the credit risk had increased significantly since initial recognition by taking into consideration factors like the amount of impairment loss based on past experience, current market situation and perceptiveness. In addition, credit-impaired loans were also evaluated for the prospect of future recovery. Refer to Notes 4, 5, 14 and 38 to the financial statements for disclosures related to the impairment of loan portfolios. As the cash flow forecasts involved management's critical judgments in accounting estimates and assumptions, we determined the impairment assessment of loan portfolios as a key audit matter.

In response to the abovementioned key audit matter, our key audit procedures performed included the following:

1. We understood and tested the Bank's internal control procedures that were relevant to the assessment of loan impairment.
2. We verified that the method and important parameters adopted in the expected credit loss model had properly reflected actual situations and calculated the amount of impairment loss.
3. We tested the classification of credit assets and confirmed that the allowance for loss met the requirements of the competent authorities' regulations.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations

Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms for such internal control, as management determines is necessary to ensure the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in Taiwan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Bank audit. We remain solely responsible for our audit opinion.

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

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

independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chun-Hung Chen, and Tzu-Jung Kuo.

Deloitte & Touche

Taipei, Taiwan

March 11, 2022

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in Taiwan and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in Taiwan.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in Taiwan. 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 independent auditors' report and financial statements shall prevail.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 35,872,472	3	\$ 37,427,286	3
11500	Due from the Central Bank and call loans to banks	79,087,362	6	107,088,363	8
12000	Financial assets measured at fair value through profit or loss	2,011,522	-	2,635,633	-
12100	Financial assets measured at fair value through other comprehensive income	230,166,946	17	234,358,461	17
12200	Investments in debt instruments measured at amortized cost	153,739,028	11	106,436,440	8
12500	Securities purchased under resell agreements	278,486	-	146,817	-
13000	Receivables, net	7,601,615	-	7,933,610	1
13200	Current income tax assets	1,024	-	71,571	-
13500	Discounts and loans, net	759,956,478	56	760,036,481	56
15000	Investments under the equity method, net	75,997,090	6	75,632,138	6
15500	Other financial assets, net	4,817	-	1,298,179	-
18500	Properties, net	12,356,199	1	12,086,661	1
18600	Right-of-use assets, net	712,482	-	833,353	-
19000	Intangible assets, net	170,199	-	108,574	-
19300	Deferred income tax assets	604,581	-	666,257	-
19500	Other assets, net	7,211,749	-	3,756,750	-
10000	Total assets	\$ 1,365,772,050	100	\$ 1,350,516,574	100
Codes	LIABILITIES AND EQUITY				
21000	Deposits from the central Bank and other banks	\$ 16,104,744	1	\$ 15,947,884	1
21500	Due to the central bank and other banks	17,787,080	1	6,052,010	1
22000	Financial liabilities measured at fair value through profit or loss	2,780,535	-	2,782,900	-
22500	Securities sold under repurchase agreements	14,505,024	1	25,781,411	2
23000	Payables	23,863,369	2	23,618,520	2
23200	Current income tax liabilities	606,423	-	744,511	-
23500	Deposits and remittances	1,050,439,562	77	1,038,553,856	77
24000	Bank debentures	66,950,000	5	66,850,000	5
25500	Other financial liabilities	2,823,239	-	2,163,455	-
25600	Provisions	1,811,506	-	1,763,688	-
26000	Lease liabilities	722,147	-	844,497	-
29300	Deferred income tax liabilities	8,408,491	1	9,164,381	1
29500	Other liabilities	1,168,114	-	1,146,205	-
20000	Total liabilities	1,207,970,234	88	1,195,413,318	89
	Equity				
31101	Ordinary shares	44,816,031	4	44,816,031	3
31500	Capital surplus	16,666,144	1	16,550,661	1
	Retained earnings				
32001	Legal reserve	60,224,639	4	56,344,918	4
32003	Special reserve	7,669,374	1	7,669,374	1
32005	Unappropriated earnings	27,585,920	2	24,913,053	2
32000	Total retained earnings	95,479,933	7	88,927,345	7
32500	Other equity	922,852	-	4,892,363	-
32600	Treasury shares	(83,144)	-	(83,144)	-
30000	Total equity	157,801,816	12	155,103,256	11
	Total liabilities and equity	\$ 1,365,772,050	100	\$ 1,350,516,574	100

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Comprehensive Income
For the Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	For the Year Ended December 31				Change
	2021		2020		
	Amount	%	Amount	%	
41000 Interest income	\$ 16,021,891	68	\$ 18,514,299	81	(13)
51000 Interest expenses	4,381,269	19	6,892,369	30	(36)
49010 Net interest income	11,640,622	49	11,621,930	51	-
Non-interest income					
49100 Service fee income, net	3,420,118	14	3,078,928	14	11
49200 Gain(loss) on financial assets and liabilities measured at fair value through profit or loss	(116,342)	-	963,407	4	(112)
49310 Realized gain on financial assets measured at fair value through other comprehensive income	1,095,311	5	1,025,744	5	7
49450 Gain on Investment in debt instruments measured at amortized cost	5,420	-	1,526	-	255
49600 Foreign exchange gain(loss), net	1,101,814	5	(177,779)	(1)	720
49700 Impairment loss on assets	(4,172)	-	(21,445)	-	(81)
49750 Proportionate share of profit of associates under the equity method	6,404,583	27	6,256,337	27	2
49800 Other non-interest income, net	46,418	-	62,339	-	(26)
49020 Total non-interest income	11,953,150	51	11,189,057	49	7
4xxxx Net revenue	23,593,772	100	22,810,987	100	3
58200 Provisions for bad-debt expense, commitment and guarantee liability	900,164	4	900,000	4	-
Operating expenses					
58500 Employee benefits	4,564,595	19	4,384,983	19	4
59000 Depreciation and amortization	631,324	3	615,362	3	3
59500 Other general and administrative	2,148,294	9	2,138,014	9	-
58400 Total operating expenses	7,344,213	31	7,138,359	31	3
61001 Profit before income tax	15,349,395	65	14,772,628	65	4
61003 Income tax expense	(1,093,814)	(5)	(1,309,683)	(6)	(16)
64000 Net income	14,255,581	60	13,462,945	59	6
Items that will not be reclassified subsequently to profit or loss:					
65201 Remeasurement of defined benefit plans	(132,455)	(1)	(134,006)	-	(1)
65204 Gain on investments in equity instruments measured at fair value through other comprehensive income	962,319	4	201,221	1	378
65205 Financial liabilities designated at FVTPL which the amount of change derived from credit risk	17,650	-	51,831	-	(66)
65207 Proportionate share of other comprehensive income of associates under the equity method	(551,964)	(2)	(1,082,469)	(5)	(49)
65220 Income tax relating to items that will not be reclassified subsequently to profit or loss	25,740	-	26,394	-	(2)
65200 Subtotal of items that will not be reclassified subsequently to profit or loss	321,290	1	(937,029)	(4)	134
Items that may be reclassified subsequently to profit or loss:					
65301 Exchange differences on translating foreign operations	(1,289,632)	(5)	(5,095,716)	(23)	(75)
65307 Share of the other comprehensive income of associates accounted for using the equity method	(1,643,022)	(7)	1,539,302	7	(207)
65309 Gain on debt instruments measured at fair value through other comprehensive income	(1,968,286)	(8)	1,095,732	5	(280)
65310 Loss allowance for debt instruments measured at fair value through other comprehensive income	5,081	-	21,392	-	(76)
65320 Income tax relating to items that may be reclassified subsequently to profit or loss	520,790	2	718,232	3	(27)
65300 Subtotal of items that may be reclassified subsequently to profit or loss	(4,375,069)	(18)	(1,721,058)	(8)	(154)
65000 Other comprehensive income for the period, net of income tax	(4,053,779)	(17)	(2,658,087)	(12)	(53)
66000 Total comprehensive income for the period	\$ 10,201,802	43	\$ 10,804,858	47	(6)
Earnings per share					
67500 Basic	\$ 3.19		\$ 3.01		
67700 Diluted	\$ 3.19		\$ 3.01		

The accompanying notes are an integral part of the financial statements

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		Share Capital (Note 30)	Retained Earnings			Other Equity					
		Ordinary Shares	Capital Surplus (Note 30)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Total Equity Attributable to Owners of the Bank
Codes											
A1	Balance at January 1, 2020	\$ 44,816,031	\$ 16,432,561	\$ 51,946,585	\$ 7,669,374	\$ 25,566,273	\$ (1,905,481)	\$ 9,170,839	\$ (45,419)	\$ (83,144)	\$ 153,567,619
	Appropriation of 2019 earnings										
B1	Legal reserve	-	-	4,398,333	-	(4,398,333)	-	-	-	-	-
B9	Cash dividends	-	-	-	-	(9,187,286)	-	-	-	-	(9,187,286)
C7	Changes in capital surplus from subsidiaries accounted for using the equity method	-	10,798	-	-	-	-	-	-	-	10,798
C17	Unclaimed dividends	-	107,302	-	-	-	-	-	-	-	107,302
M5	Changes in equity of subsidiaries	-	-	-	-	(200,035)	-	-	-	-	(200,035)
D1	Net profit for the year ended December 31, 2020	-	-	-	-	13,462,945	-	-	-	-	13,462,945
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(105,249)	(3,737,681)	1,133,012	51,831	-	(2,658,087)
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	13,357,696	(3,737,681)	1,133,012	51,831	-	10,804,858
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(225,262)	-	225,262	-	-	-
Z1	Balance at December 31, 2020	44,816,031	16,550,661	56,344,918	7,669,374	24,913,053	(5,643,162)	10,529,113	6,412	(83,144)	155,103,256
	Appropriation of 2020 earnings										
B1	Legal reserve	-	-	3,879,721	-	(3,879,721)	-	-	-	-	-
B9	Cash dividends	-	-	-	-	(7,618,725)	-	-	-	-	(7,618,725)
C7	Changes in capital surplus from subsidiaries accounted for using the equity method	-	8,954	-	-	-	-	-	-	-	8,954
C17	Unclaimed dividends	-	106,529	-	-	-	-	-	-	-	106,529
D1	Net profit for the year ended December 31, 2021	-	-	-	-	14,255,581	-	-	-	-	14,255,581
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(110,225)	(1,220,626)	(2,740,578)	17,650	-	(4,053,779)
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,145,356	(1,220,626)	(2,740,578)	17,650	-	10,201,802
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	25,957	-	(25,957)	-	-	-
Z1	Balance at December 31, 2021	\$ 44,816,031	\$ 16,666,144	\$ 60,224,639	\$ 7,669,374	\$ 27,585,920	\$ (6,863,788)	\$ 7,762,578	\$ 24,062	\$ (83,144)	\$ 157,801,816

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2021	2020
	Cash flows from operating activities		
A00010	Net profit before income tax	\$ 15,349,395	\$ 14,772,628
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	473,952	464,600
A20200	Amortization expenses	157,372	150,762
A20300	Provisions for bad debt expense, commitment and guarantee liability	900,164	900,000
A20400	Loss (gain) on financial assets and liabilities at fair value through profit or loss	459,411	(274,016)
A20900	Interest expenses	4,381,269	6,892,369
A21200	Interest income	(16,021,891)	(18,514,299)
A21300	Dividend income	(513,944)	(399,738)
A22400	Proportionate share of profit of associates	(6,404,583)	(6,256,337)
A22500	(Gain) loss on disposal of properties and equipment, net	(906)	5,512
A23500	Loss on expected credit loss	4,630	21,418
A23700	Loss on non-financial asset impairment	-	27
A23800	(Reversal) loss on non-financial asset impairment	(458)	-
A29900	Other adjustments	(416,532)	589,197
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	12,728,949	8,620,257
A41120	Financial assets measured at fair value through profit or loss	483,154	1,049,941
A41123	Financial assets measured at fair value through other comprehensive income	3,246,718	(25,592,887)
A41125	Investments in debt instruments measured at amortized cost	(47,308,683)	(6,693,412)
A41150	Receivables	83,703	(664,025)
A41160	Discounts and loans	(684,841)	(38,051,244)
A41190	Other financial assets	1,293,148	3,986,054
A42110	Deposits from the central Bank and other banks	156,860	(9,795,883)
A42120	Financial liabilities at fair value through profit or loss	(303,169)	(116,076)
A42140	Securities sold under repurchase agreements	(11,276,387)	14,720,790
A42150	Payables	539,711	4,124,366
A42160	Deposits and remittances	11,885,706	50,274,797
A42170	Other financial liabilities	659,784	(1,428,419)
A42180	Employee benefit provisions	(164,168)	(122,476)
A42990	Other liabilities	109,382	12,975
A33000	Cash flows used in operations	(30,182,254)	(1,323,119)
A33100	Interest received	16,303,014	19,574,649
A33200	Dividends received	3,310,243	2,525,887
A33300	Interest paid	(4,559,608)	(7,292,471)
A33500	Income tax paid	(952,343)	(1,210,200)
AAAA	Net cash flows (used in) from operating activities	(16,080,948)	12,274,746

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

<u>Codes</u>		<u>For the Year Ended December 31</u>	
		<u>2021</u>	<u>2020</u>
	Cash flows from investing activities		
B02700	Acquisition of properties	\$ (448,376)	\$ (292,637)
B02800	Proceeds from disposal of properties	5,168	1,671
B03700	Increase(decrease) in refundable deposits	137,970	(187,112)
B04500	Acquisition of intangible assets	(141,520)	(70,991)
B06800	Increase in other assets	(3,670,152)	(841,669)
BBBB	Net cash flows used in investing activities	(4,116,910)	(1,390,738)
	Cash flows from financing activities		
C00300	Increase in funds borrowed from central bank and Banks	11,735,070	6,052,010
C01400	Proceeds from issuance of financial bonds	5,000,000	10,000,000
C01500	Payments for financial bonds	(4,900,000)	-
C03100	Decrease in guarantee deposits received	(87,515)	(110,513)
C04020	Payments for principal portion of lease liabilities	(306,182)	(300,945)
C04500	Payment of cash dividend	(7,618,725)	(9,187,286)
C05400	Acquisition of subsidiaries	(158,688)	(766,492)
CCCC	Net cash flows from financing activities	3,663,960	5,686,774
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(161,299)	(300,302)
EEEE	Net (decrease) increase in cash and cash equivalents	(16,695,197)	16,270,480
E00100	Cash and cash equivalents at the beginning of the period	88,509,671	72,239,191
E00200	Cash and cash equivalents at the end of the period	\$ 71,814,474	\$ 88,509,671

Reconciliation of the cash and cash equivalents amounts in the statements of cash flows with the equivalent item reported in the balance sheets as of December 31, 2021 and 2020:

<u>Codes</u>		<u>December 31, 2021</u>	<u>December 31, 2020</u>
E00210	Cash and cash equivalents in balance sheets	\$ 35,872,472	\$ 37,427,286
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	35,663,516	50,935,568
E00230	Securities purchased under resell agreements which fall within the definition of cash and cash equivalents under IAS 7	278,486	146,817
E00200	Cash and cash equivalents in statements of cash flows	\$ 71,814,474	\$ 88,509,671

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
The Shanghai Commercial & Savings Bank, Ltd.
Taipei, Taiwan

Opinion

We have audited the accompanying consolidated financial statements of The Shanghai Commercial & Savings Bank, Ltd. (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2021 and 2020, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and SIC interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of Taiwan.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial

statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters related to the Group's consolidated financial statements as of and for the year ended December 31, 2021 are described as follows:

Allowance for Impairment Losses of Discounts and Loans

The Group primarily engages in the loan business. As of December 31, 2021, the loan business is significant to the accompanying consolidated financial statements. The Bank conducted its impairment assessment of discounts and loans and recognized allowance for bad debts according to the requirements of IFRS 9 and the authorities' regulations. The Bank's management assessed the impairment of discounts and loans by using the expected credit loss model. The Group assesses whether the credit risk has increased significantly since initial recognition by taking into consideration factors like the amount of loss on impairment, past experience, current market situation and prospective information, etc. In addition, credit-impaired loans are also evaluated for possible future recovery. Refer to Notes 4, 5, 14 and 40 to the consolidated financial statements for disclosures related to impairment of loan portfolios. As the cash flow forecasts involved management's critical judgments in accounting estimation and the underlying assumptions, we then determined the impairment of loan portfolios as a key audit matter.

In response to the abovementioned key audit matter, the following procedures were performed:

1. We understood and tested the Group's internal control procedures that were relevant to the assessment of loan impairment.
2. We verified that the method and important parameters adopted in the expected credit loss model had properly reflected actual situations and calculated the amount of impairment loss.
3. We tested the classification of credit assets and confirmed that the allowance for loss met the requirements of the competent authorities' regulations.

Other Matter

We have also audited the parent company only financial statements of the Bank as of and for the year ended December 31, 2021 and 2020 on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, IAS, SIC endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to ensure the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in Taiwan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimation and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chun-Hung Chen and Tzu-Jung Kuo.

Deloitte & Touche
Taipei, Taiwan

March 11, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in Taiwan and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in Taiwan.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in Taiwan. 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 independent auditors' report and consolidated financial statements shall prevail.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 70,381,813	3	\$ 80,572,282	4
11500	Due from the Central Bank and call loans to banks	211,566,159	10	208,799,780	10
12000	Financial assets measured at fair value through profit or loss	10,598,012	1	13,657,815	1
12100	Financial assets measured at fair value through other comprehensive income	518,556,855	24	508,237,023	24
12200	Investments in debt instruments measured at amortized cost	159,319,588	8	107,685,748	5
12500	Securities purchased under resell agreements	278,486	-	146,817	-
13000	Receivables, net	15,216,288	1	18,542,624	1
13200	Current income tax assets	62,485	-	122,342	-
13300	Assets for sale	-	-	85,844	-
13500	Discounts and loans, net	1,112,234,779	52	1,136,430,305	54
15000	Investments under the equity method, net	1,922,359	-	1,880,035	-
15500	Other financial assets, net	4,817	-	1,298,179	-
18500	Properties, net	20,596,416	1	20,623,537	1
18600	Right-of-use assets, net	1,809,919	-	2,206,304	-
18700	Investment properties, net	5,981,151	-	5,806,484	-
19000	Intangible assets, net	1,665,724	-	1,657,682	-
19300	Deferred income tax assets	1,236,260	-	1,263,521	-
19500	Other assets, net	8,201,600	-	4,725,468	-
10000	Total assets	<u>\$ 2,139,632,711</u>	<u>100</u>	<u>\$ 2,113,741,790</u>	<u>100</u>
Codes	LIABILITIES AND EQUITY				
21000	Deposits from the central bank and other banks	\$ 52,655,889	3	\$ 46,817,661	2
21500	Due to the central bank and other banks	17,787,080	1	6,052,010	-
22000	Financial liabilities measured at fair value through profit or loss	3,670,954	-	6,134,500	-
22500	Securities sold under repurchase agreements	14,505,024	1	25,781,411	1
23000	Payables	29,428,955	1	31,908,782	2
23200	Current income tax liabilities	1,184,757	-	1,251,695	-
23500	Deposits and remittances	1,707,602,522	80	1,685,896,814	80
24000	Bank debentures	82,091,512	4	82,223,874	4
25500	Other financial liabilities	4,784,006	-	4,480,945	-
25600	Provisions	2,932,800	-	2,815,862	-
26000	Lease liabilities	1,868,929	-	2,287,181	-
29300	Deferred income tax liabilities	8,691,595	-	9,920,049	1
29500	Other liabilities	3,190,488	-	3,071,794	-
20000	Total liabilities	<u>1,930,394,511</u>	<u>90</u>	<u>1,908,642,578</u>	<u>90</u>
	Equity				
	Equity attributable to owners of the Bank				
	Share capital				
31101	Ordinary shares	44,816,031	2	44,816,031	2
31500	Capital surplus	16,666,144	1	16,550,661	1
	Retained earnings				
32001	Legal reserve	60,224,639	3	56,344,918	3
32003	Special reserve	7,669,374	-	7,669,374	-
32005	Unappropriated earnings	27,585,920	1	24,913,053	1
32000	Total retained earnings	95,479,933	4	88,927,345	4
32500	Other equity	922,852	-	4,892,363	-
32600	Treasury shares	(83,144)	-	(83,144)	-
31000	Total equity attributable to owners of the Bank	157,801,816	7	155,103,256	7
38000	Non-controlling interests	51,436,384	3	49,995,956	3
30000	Total equity	<u>209,238,200</u>	<u>10</u>	<u>205,099,212</u>	<u>10</u>
	Total liabilities and equity	<u>\$ 2,139,632,711</u>	<u>100</u>	<u>\$ 2,113,741,790</u>	<u>100</u>

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Year Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		For the Year Ended December 31				Change %
		2021		2020		
Codes		Amount	%	Amount	%	
41000	Interest income	\$ 35,519,115	93	\$ 41,987,057	111	(15)
51000	Interest expenses	9,048,820	24	15,598,447	41	(42)
49010	Net interest income	26,470,295	69	26,388,610	70	-
	Non-interest income					
49100	Service fee income, net	6,313,428	16	6,603,808	17	(4)
49200	Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	(173,417)	-	1,148,501	3	(115)
49310	Realized gain on financial assets measured at fair value through other comprehensive income	2,254,204	6	2,270,602	6	(1)
49450	Gain on financial assets measured at amortized cost	5,420	-	1,526	-	255
49600	Foreign exchange gain, net	2,250,123	6	418,519	1	438
49700	Impairment loss on assets	(29,274)	-	(38,470)	-	(24)
49750	Proportionate share of profit of associates under the equity method	273,442	1	235,013	1	16
49800	Other non-interest income, net	808,281	2	803,668	2	1
49020	Total non-interest income	11,702,207	31	11,443,167	30	2
4xxxx	Consolidated net revenue	38,172,502	100	37,831,777	100	1
58200	Provisions for bad-debt expense, commitment and guarantee liability	1,241,757	3	1,671,916	4	(26)
	Operating expenses					
58500	Employee benefits	9,338,175	25	9,009,668	24	4
59000	Depreciation and amortization	1,659,855	4	1,713,459	5	(3)
59500	Other general and administrative	3,793,366	10	3,882,966	10	(2)
58400	Total operating expenses	14,791,396	39	14,606,093	39	1
61001	Profit before income tax	22,139,349	58	21,553,768	57	3
61003	Income tax expense	(3,468,731)	(9)	(3,739,152)	(10)	(7)
64000	Consolidated net income	18,670,618	49	17,814,616	47	5
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss:					
65201	Remeasurement of defined benefit plans	(136,717)	-	(132,050)	-	4
65204	Gain on investments in equity instruments measured at fair value through other comprehensive income	59,659	-	(1,745,615)	(5)	103
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	17,650	-	51,831	-	(66)
65207	Proportionate share of other comprehensive income of associates under the equity method	(1,404)	-	-	-	-
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	11,807	-	38,899	-	(70)
65200	Subtotal of items that will not be reclassified subsequently to profit or loss	(49,005)	-	(1,786,935)	(5)	(97)
	Items that may be reclassified subsequently to profit or loss:					
65301	Exchange differences on translating foreign operations	(2,141,546)	(6)	(7,594,796)	(20)	(72)
65307	Share of the other comprehensive income of associates accounted for using the equity method	(32,530)	-	22,991	-	(241)
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income	(4,922,225)	(13)	3,211,323	9	(253)
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income	28,726	-	35,923	-	(20)
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	564,240	2	532,247	1	6
65300	Subtotal of items that may be reclassified subsequently to profit or loss	(6,503,335)	(17)	(3,792,312)	(10)	(71)
65000	Other comprehensive income for the period, net of income tax	(6,552,340)	(17)	(5,579,247)	(15)	(17)
66000	Total comprehensive income for the period	\$ 12,118,278	32	\$ 12,235,369	32	(1)
	Net profit attributable to:					
67101	Owners of the Bank	\$ 14,255,581	37	\$ 13,462,945	36	6
67111	Non-controlling interests	4,415,037	12	4,351,671	11	1
67100		\$ 18,670,618	49	\$ 17,814,616	47	5
	Total comprehensive income attributable to:					
67301	Owners of the Bank	\$ 10,201,802	27	\$ 10,804,858	28	(6)
67311	Non-controlling interests	1,916,476	5	1,430,511	4	34
67300		\$ 12,118,278	32	\$ 12,235,369	32	(1)
	Earnings per share					
67500	Basic	\$3.19		\$3.01		
67700	Diluted	\$3.19		\$3.01		

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Year Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Bank											
		Share Capital		Retained Earnings			Other Equity						
Codes		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Total Equity Attributable to Owners of the Bank	Non-controlling Interests	Total Equity
A1	Balance on January 1, 2020	\$ 44,816,031	\$ 16,432,561	\$ 51,946,585	\$ 7,669,374	\$ 25,566,273	\$ (1,905,481)	\$ 9,170,839	\$ (45,419)	\$ (83,144)	\$ 153,567,619	\$ 50,658,706	\$ 204,226,325
B1	Appropriation of 2019 earnings												
B5	Legal reserve	-	-	4,398,333	-	(4,398,333)	-	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(9,187,286)	-	-	-	-	(9,187,286)	-	(9,187,286)
C7	Changes in capital surplus from investments in associates under the equity method	-	10,798	-	-	-	-	-	-	-	10,798	-	10,798
C17	Unclaimed dividends	-	107,302	-	-	-	-	-	-	-	107,302	-	107,302
M7	Changes in equity of subsidiaries	-	-	-	-	(200,035)	-	-	-	-	(200,035)	(566,457)	(766,492)
D1	Net profit for the year ended December 31, 2020	-	-	-	-	13,462,945	-	-	-	-	13,462,945	4,351,671	17,814,616
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	(105,249)	(3,737,681)	1,133,012	51,831	-	(2,658,087)	(2,921,160)	(5,579,247)
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	13,357,696	(3,737,681)	1,133,012	51,831	-	10,804,858	1,430,511	12,235,369
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(225,262)	-	225,262	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(1,526,804)	(1,526,804)
Z1	Balance on December 31, 2020	\$ 44,816,031	16,550,661	56,344,918	7,669,374	24,913,053	(5,643,162)	10,529,113	6,412	(83,144)	155,103,256	49,995,956	205,099,212
B1	Appropriation of 2020 earnings												
B5	Legal reserve	-	-	3,879,721	-	(3,879,721)	-	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(7,618,725)	-	-	-	-	(7,618,725)	-	(7,618,725)
C7	Changes in capital surplus from investments in associates under the equity method	-	8,954	-	-	-	-	-	-	-	8,954	-	8,954
C17	Unclaimed dividends	-	106,529	-	-	-	-	-	-	-	106,529	-	106,529
D1	Net profit for the year ended December 31, 2021	-	-	-	-	14,255,581	-	-	-	-	14,255,581	4,415,037	18,670,618
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	(110,225)	(1,220,626)	(2,740,578)	17,650	-	(4,053,779)	(2,498,561)	(6,552,340)
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	14,145,356	(1,220,626)	(2,740,578)	17,650	-	10,201,802	1,916,476	12,118,278
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	25,957	-	(25,957)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(476,048)	(476,048)
Z1	Balance on December 31, 2021	\$ 44,816,031	\$ 16,666,144	\$ 60,224,639	\$ 7,669,374	\$ 27,585,920	\$ (6,863,788)	\$ 7,762,578	\$ 24,062	\$ (83,144)	\$ 157,801,816	\$ 51,436,384	\$ 209,238,200

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

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2021	2020
	Cash flows from operating activities		
A00010	Consolidated net profit before income tax	\$ 22,139,349	\$ 21,553,768
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	1,445,349	1,500,044
A20200	Amortization expenses	214,506	213,415
A20300	Provisions for bad debt expense, commitment and guarantee liability	1,241,757	1,671,916
A20400	Gain on financial assets and liabilities measured at fair value through profit or loss	608,765	(334,143)
A20900	Interest expenses	9,048,820	15,598,447
A21200	Interest revenue	(35,519,115)	(41,987,057)
A21300	Dividend income	(1,285,004)	(1,135,181)
A22300	Proportionate share of profit of associates	(273,442)	(235,013)
A22500	Loss on disposal of properties and equipment, net	9,728	37,546
A23500	Loss on expected credit loss	29,732	38,443
A23700	Gain (loss) on non-financial asset impairment	(458)	27
A29900	Others	(370,072)	43,231
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(1,160,905)	(10,655,376)
A41120	Financial assets measured at fair value through profit or loss	2,557,642	(2,203,832)
A41123	Financial assets measured at fair value through other comprehensive income	(20,490,376)	(34,909,196)
A41125	Investment in debt instruments measured at amortized cost	(51,815,782)	(2,175,967)
A41150	Receivables	2,674,895	(1,945,870)
A41160	Discounts and loans	16,873,205	(49,198,128)
A41190	Other financial assets	1,293,187	3,986,171
A42110	Deposits from the central bank and other banks	6,271,597	(24,595,060)
A42120	Financial liabilities at fair value through profit or loss	(2,720,636)	2,278,366
A42140	Securities sold under repurchase agreements	(11,276,387)	14,720,790
A42150	Payables	(1,584,048)	6,518,452
A42160	Deposits and remittances	30,659,135	71,380,175
A42170	Other financial liabilities	301,719	(1,616,370)
A42180	Employee benefit provisions	(54,763)	(143,809)
A42990	Other liabilities	44,863	(287,326)
A33000	Cash from (used in) operations	(31,136,739)	(31,881,537)
A33100	Interest received	35,854,912	43,437,735
A33200	Dividends received	1,343,473	1,167,720
A33300	Interest paid	(9,536,911)	(17,299,674)
A33500	Income tax paid	(3,220,206)	(5,089,839)
AAAA	Net cash from (used in) operating activities	(6,695,471)	(9,665,595)

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2021	2020
	Cash flows from investing activities		
B02700	Acquisition of properties	\$ (843,564)	\$ (680,929)
B02800	Proceeds from disposal of properties	5,208	2,319
B02600	Proceeds from assets for sale	261,345	-
B03700	Increase in refundable deposits	(46)	(302,611)
B03800	Decrease in refundable deposits	163,666	45
B04500	Acquisition of intangible assets	(169,240)	(72,892)
B05400	Acquisition of investment properties	(335,733)	(546,372)
B06700	Increase in other assets	(3,744,492)	(1,114,581)
BBBB	Net cash from (used in) investing activities	(4,662,856)	(2,715,021)
	Cash flows from financing activities		
C00400	Increase in funds borrowed from central bank and Banks	11,735,070	6,052,010
C01400	Proceeds from issuance of bank debentures	5,000,000	10,000,000
C01500	Payments for bank debentures	(4,900,000)	-
C03000	Increase in guarantee deposits received	141,806	6,011
C03100	Decrease in guarantee deposits received	(89,106)	(229,767)
C05400	Acquisition of subsidiaries	-	(766,492)
C04020	Payments for principal portion of lease liabilities	(745,095)	(963,358)
C05600	Payment of cash dividend	(7,609,771)	(9,176,489)
C05800	Changes in non-controlling interests	(476,048)	(1,526,804)
CCCC	Net cash from (used in) financing activities	3,056,856	3,395,111
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(5,491,573)	(3,596,318)
EEEE	Net decrease in cash and cash equivalents	(13,793,044)	(12,581,823)
E00100	Cash and cash equivalents at the beginning of the period	195,843,112	208,424,935
E00200	Cash and cash equivalents at the end of the period	\$ 182,050,068	\$ 195,843,112

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2021 and 2020:

Codes		December 31, 2021	December 31, 2020
E00210	Cash and cash equivalents in consolidated balance sheets	\$ 70,381,813	\$ 80,572,282
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	111,389,769	115,124,013
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	278,486	146,817
E00200	Cash and cash equivalents in consolidated statements of cash flows	\$ 182,050,068	\$ 195,843,112

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

(Concluded)

Acceptance No 2:

Proposed by the Board of Directors

Agenda : To approve the Proposal for Distribution of 2021 Earnings.

Explanation :

1. Pursuant to Article 228-1 of the Company Act, Article 50-1 of the Banking Act of the Republic of China and Article 37 of the Articles of Incorporation, the Company's earnings for 2021 are proposed to be distributed.
2. The beginning unappropriated retained earnings for 2021 amounted to NT\$13,414,607,786. After adding net income for this period NT\$14,255,581,385, deducting the actuarial loss of NT\$110,225,724 on remeasurements of defined benefit plans , and adding the gain of NT\$25,957,350 on disposal of equity instruments measured at fair value through other comprehensive income, the adjusted retained earnings available for distribution amounted to NT\$14,171,313,011.
3. Pursuant to the Article 50-1 of the Banking Act of the Republic of China and the Ministry of Economic Affairs' Jing-Shang-Zi No.10802432410 letter, dated January 9, 2020, after setting aside 30% legal reserve of NT\$4,251,393,903, the retained earnings available for distribution for this period amounted to NT\$23,334,526,894. It is planned to distribute cash dividend of NT\$1.80 per common share with the total amount of NT\$8,066,885,652. (For the Earnings Distribution Plan for 2021, please see page 55 of this Handbook for details)

4. It is planned to give priority to handle all kinds of distributions with earnings in 2021. The cash dividends are distributed pro rata and are rounded down to the nearest whole number. The fractional balance of dividends less than NT\$1 will be summed up and recognized as other income of the Company.
5. Once resolved at the Annual General Meeting, the Board of Directors is authorized to set the ex-dividend date.
6. If, subsequently due to capital increase or decrease, buying back (selling) the shares of the Company, etc., the number of shares outstanding on the record date are affected, and the common share dividend payout ratio is changed therefore, it is planned that the Board of Directors is authorized to handle matters regarding the change of payout ratio.
7. It is also proposed to authorize the Board of Directors to revise the issuance plan due to changes of law and regulations, market conditions, environmental, or receiving instructions from government authorities.

RESOLUTION :

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

2021 Earnings Distribution Plan

Items	Unit : NT\$
	Total
Beginning Unappropriated Retained Earnings	\$13,414,607,786
Net Income for the period	14,255,581,385
Less : Remeasurements of defined benefit plans	(110,225,724)
Add : Gain on disposal of equity instruments measured at fair value through other comprehensive income	25,957,350
Net income for the period after adjusting items should be included in the unappropriated retained earnings	\$14,171,313,011
Reserves:	
Less : Legal reserve(30%)	(4,251,393,903)
Retained earnings available for distribution for this period	\$23,334,526,894
Distribution item :	
Cash dividends to common share holders (\$1.80 per share)	(8,066,885,652)
Unappropriated Retained Earnings	\$15,267,641,242

Note :

1. It is planned to give priority to handle all kinds of distributions with earnings in 2021.
2. The cash dividends are distributed pro rata and are rounded down to the nearest whole number. The fractional balance of dividends less than NT\$1 will be summed up and recognized as other income of the Company.

Discussion Items

Discussion No. 1

Proposed by the Board of Directors

Agenda : Amendment to the Company's Articles of Incorporation.

Explanation :

1. Attached to the Company's "Articles of Incorporation of the Bank" the comparison table of amended articles, as detailed in the manual 58-59 page.
2. Approval is respectfully requested

RESOLUTION :

The Shanghai Commercial & Savings Bank, Ltd.
Comparison Table of Amended Articles of Incorporation

Content of Article after Amendment	Content of Article before Amendment
<p>Article 14:</p> <p>Unless otherwise prescribed in laws and/or regulations concerned, the regular shareholders' meeting shall be convened by the board of directors according to the legal procedures within six (6) months from closing of every fiscal year.</p> <p><u>When necessary, the Bank's shareholders' meetings can be held through the deliberation by a resolution of board meetings by means of visual communication network or other methods promulgated by the central competent authority.</u></p> <p><u>In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</u></p>	<p>Article 14:</p> <p>Unless otherwise prescribed in laws and/or regulations concerned, the regular shareholders' meeting shall be convened by the board of directors according to the legal procedures within six (6) months from closing of every fiscal year.</p>
<p>Article 17:</p> <p>Each share is entitled to one voting power unless otherwise prescribed in laws and/or regulations concerned.</p> <p>The Bank whose shareholders <u>should</u> exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power, and shall adopt the electronic transmission as one of the methods</p>	<p>Article 17:</p> <p>Each share is entitled to one voting power unless otherwise prescribed in laws and/or regulations concerned.</p> <p>The Bank whose shareholders exercise their voting power in writing or by way of electronic transmission in a shareholders' meeting shall describe in the shareholders' meeting notice the method of exercising their voting power, and shall adopt the electronic transmission as one of the methods</p>

<p>for exercising the voting power. Shareholders who exercises their voting power at a shareholders meeting in writing or by way of electronic transmission <u>as set forth in the preceding. Paragraph</u> shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived their voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.</p>	<p>for exercising the voting power. Shareholders who exercise their voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived their voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.</p>
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Agenda : Amendment to the Company's Procedures Governing the Acquisition and Disposal of Assets.

Explanation :

1. Please refer to the comparison table and the Company's amended Articles of Incorporation (see page 62-79 of this Handbook for details)
2. Approval is respectfully requested

RESOLUTION :

The Shanghai Commercial Savings Bank Co., Ltd.

Acquisition and disposal of Assets Procedure

Amendment clause

Amendment provisions	Current provisions
<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon</p>	<p>Article 4</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon</p>

<p>was received.</p> <ol style="list-style-type: none"> 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the <u>self-discipline regulations of their respective trade associations</u> and the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>implementing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and 	<p>was received.</p> <ol style="list-style-type: none"> 2. May not be a related party or de facto related party of any party to the transaction. 3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> 1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. 2. When <u>examining</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. 3. They shall undertake an item-by-item evaluation of the <u>comprehensiveness,</u>
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<p>reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate</u>, reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	<p><u>accuracy</u>, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and <u>accurate</u>, and that they have complied with applicable laws and regulations.</p>
Chapter II Acquisition and disposal of assets	Chapter II Acquisition and disposal of assets
<p>Article 5</p> <p>Acquired and disposed of in the scope of Article 2 shall, in addition to complying with the provisions of this procedure, be submitted to the sponsoring department or unit for reporting to the evaluation methods and operating procedures approved by the Board of Directors. The following items shall be recorded in the assessment and operation procedures of the preceding paragraph and shall be handled in accordance with the established procedures:</p> <p>1. Appraisal procedures: Shall include the means of price</p>	<p>Article 5</p> <p>Acquired and disposed of in the scope of Article 2 shall, in addition to complying with the provisions of this <u>procedure</u>, be submitted to the sponsoring department or unit for reporting to the evaluation methods and operating procedures approved by the Board of Directors. The following items shall be recorded in the assessment and operation procedures of the preceding paragraph and shall be handled in accordance with the established procedures:</p> <p>1. Appraisal procedures: Shall include the means of price</p>

<p>determination and supporting reference materials.</p> <p>2. Operating procedures: Shall include the degree of authority delegated, the levels to which authority is delegated, the units responsible for implementation, and transaction process.</p> <p>For the acquisition of real property and its right-to-use assets that are not used for business purposes shall be handled in accordance with the Banking Law and relevant regulations.</p> <p>For the acquisition the total amount of securities obtained and the limits of individual securities shall be handled in accordance with the Banking Law and relevant regulations.</p> <p>The company's related party transactions, engaging in derivative commodity transactions, conducting business mergers, divisions, acquisitions or share transfers shall, in addition to complying with the provisions of this procedure, be handled in accordance with the relevant operational procedures.</p> <p>The company shall supervise the subsidiaries to stipulate and implement the procedures for obtaining or disposing of assets in accordance with the "Regulations Governing the</p>	<p>determination and supporting reference materials.</p> <p>2. Operating procedures: Shall include the degree of authority delegated, the levels to which authority is delegated, the units responsible for implementation, and transaction process.</p> <p>For the acquisition of real property and its right-to-use assets that are not used for business purposes shall be handled in accordance with the Banking Law and relevant regulations.</p> <p>For the acquisition the total amount of securities obtained and the limits of individual securities shall be handled in accordance with the Banking Law and relevant regulations.</p> <p>The company's related party transactions, engaging in derivative commodity transactions, conducting business mergers, divisions, acquisitions or share transfers shall, in addition to complying with the provisions of this procedure, be handled in accordance with the relevant operational procedures.</p> <p>The company shall supervise the subsidiaries to stipulate and implement the procedures for obtaining or disposing of assets in accordance with the "Regulations Governing the</p>
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Acquisition and Disposal of Assets of Public Companies” and control procedures for the acquisition and disposal of assets by subsidiaries.	Acquisition and Disposal of Assets of Public Companies” and control procedures for the acquisition and disposal of assets by subsidiaries.
<p>Article 6</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or 	<p>Article 6</p> <p>In acquiring or disposing of real property or equipment where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors, and the same procedure shall be followed for any future changes to the terms and conditions of the transaction. 2. Where the transaction amount is NT\$1 billion or

<p>more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may</p>	<p>more, appraisals from two or more professional appraisers shall be obtained.</p> <p>3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform <u>the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</u> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>4. No more than 3 months may</p>
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<p>elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>
<p>Article 7 The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial</p>	<p>Article 7 The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This</p>

Supervisory Commission (FSC).	requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).
<p>Article 8</p> <p>Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>Article 8</p> <p>Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u></p>
Chapter III Related Party Transactions	Chapter III Related Party Transactions
<p>Article 12</p> <p>When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from</p>	<p>Article 12</p> <p>When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from</p>

<p>or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14. 	<p>or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14.
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<p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 5, paragraph 2, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain</p>	<p>4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been agreed by the Audit Committee and approved by the board of directors need not be counted toward the transaction</p>
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<p>amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p>	<p>amount.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 5, paragraph 2, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p>
<ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of more than half of</p>	<ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of more than half of</p>

<p>all audit committee members as required in the paragraph 1 is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p><u>If the Company or its subsidiary has a transaction in Paragraph 1 and the transaction amount is more than 10% of the total assets of the Company, the listed materials shall be submitted to the Annual general meeting for approval before the transaction contract can be signed and payment can be made. However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</u></p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein</p>	<p>all audit committee members as required in the paragraph 1 is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p>
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<p>refers to the year preceding the date of occurrence of the current transaction. Items that have been agreed by the Audit Committee and approved by the board of directors and <u>Annual general meeting</u> need not be counted toward the transaction amount.</p>	
<p>Chapter VI Public Disclosure of Information</p>	<p>Chapter VI Public Disclosure of Information</p>
<p>Article 28 Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds</p>	<p>Article 28 Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event: 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds</p>

<p>under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction</p>	<p>under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>2. Merger, demerger, acquisition, or transfer of shares.</p> <p>3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>A. For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>B. For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction</p>
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<p>and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds <u>or foreign government bonds with a rating that is not lower than the sovereign rating of Taiwan.</u></p> <p>B. Where done by professional investors – securities trading on securities exchanges or OTC markets, or subscription of <u>foreign government bonds, or of ordinary corporate bonds or general bank debentures without equity characteristics</u> (excluding</p>	<p>and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>A. Trading of domestic government bonds.</p> <p>B. Where done by professional investors – securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and</p>
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<p>subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, <u>or subscription or redemption of exchange traded notes, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</u></p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction 	<p>issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.</p> <p>C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.</p> <p>The amount of transactions above shall be calculated as follows:</p> <ol style="list-style-type: none"> 1. The amount of any individual transaction. 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year. 3. The cumulative transaction
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<p>amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes</p>	<p>amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.</p> <p>4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.</p> <p>"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.</p> <p>The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.</p> <p>When the company at the time of public announcement makes</p>
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<p>an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>	<p>an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.</p> <p>The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.</p>
<p>Chapter VII Additional Provisions</p>	<p>Chapter VII Additional Provisions</p>
<p>Article 32</p> <p>Anyone who violates the procedures and the “<u>Regulations Governing the Acquisition and Disposal of Assets by Public Companies</u>” of the FSC shall be considered in accordance with the company's working rules and staff service treatment methods.</p>	<p>Article 32</p> <p>Anyone who violates the <u>procedures</u> and the “Acquisition and Disposal of Assets by Public Companies” of the FSC shall be considered in accordance with the company's working rules and staff service treatment methods.</p>

Agenda : Release of the Board of Director from Non-Competition Restrictions.

Explanation :

1. Pursuant to Article 209 of the Company Act, a director conducting, either for himself or on behalf of another person, activities that are within the scope of the Company's business, shall explain to the Shareholders' Meeting the essential contents of such activities and obtain its approval for conducting such activities.
2. The Company's directors may concurrently hold positions in other companies and engage in activities that are within the scope or with similar nature of the Company's business. To the extent not in conflict with the interests of the Company, it is proposed to release the directors from non-competition restrictions as set forth.
3. Please refer to the attachment of the information regarding the directors' competitive acts to be released by the Company (see page 82 of this Handbook for details).
4. Approval is respectfully requested.

RESOLUTION :

Name of Director	Company Director Holds Concurrent Position	Position Held
Stephen Ching-Yen Lee	Shanghai Commercial Bank Ltd.	Chairman
	Tripartite Alliance Limited	Chairman
	Great Malaysia Textile Investments Pte Ltd.	Director
	Temasek Holdings Private Limited	Director
	Logan Investments Enterprises Ltd.	Director
John Con-Sing Yung	AMK Microfinance Institution Plc.	Chairman
	鴻大投資股份有限公司	Director
	Pafoong Insurance Company Ltd.	Director
	Nanyang Holdings Limited	Director
	Bright Honest Investment Ltd.	Director
	Culvert Investments Ltd.	Director
	Shanghai Commercial Bank Limited	Director
	Tilsbury Investments Inc.	Director
	Tassbury Investments Co.,S.A.	Director
Lincoln Chu-Kuen Yung	Bright Honest Investment Ltd.	Director
	Culvert Investments Ltd.	Director
	Cottage Investments. Co. SA	Director
	East Coast Investments Ltd.	Director
George Chao-Chi Gu	GTM Holdings Corporation	Chairman
	GTM Investment Co.,Ltd.	Chairman
	Chi-Li Investment Co., Ltd.	Director
	Hsin Li Investment Company	Director

Extempore Motions

Appendices

(Appendix No.1)

The Shanghai Commercial & Savings Bank, Ltd.

ARTICLES OF INCORPORATION

Duly amended on June 14, 2019

Chapter I General Provisions

- Article 1: The Bank is duly incorporated under the Company Act and Banking Act in the full name of The Shanghai Commercial & Savings Bank, Ltd. (hereinafter referred to as the Bank).
- Article 2: The Bank is headquartered in Taipei City, Taiwan. It may have branches set up in appropriate locations in Taiwan and abroad as necessary after being duly resolved in the board of directors.
- Article 3: Any and all public announcements to be made by the Bank shall be published in accordance with Article 28 of the Company Act and relevant laws and regulations.

Chapter II Business Operations

- Article 4: The Bank shall engage in business items of H101021 Commerce Banking, H102011 Bills Financing, H301011 Securities Brokerage, H601011 Personal Insurance Agency, and H601021 Property and Liability Insurance Agency (Subject to the business items approved by the relevant Competent Authorities)
- Article 4-1: Where the Bank invests outwardly and, as a result, becomes a shareholder of limited liability, the Bank is free of the restriction set forth under Article 13, Paragraph 1 of the Company Act that restricts the total outward investment from exceeding 40% of the paid-in capital. The outward investment shall, nevertheless, be subject to approval as resolved in the Board of Directors beforehand.

Chapter III Shares

Article 5: The Bank has the authorized capital of NT\$60,000,000,000.00, say total Sixty Billion New Taiwan Dollars Only, divided into 6 billion shares at Ten New Taiwan Dollars par value. The capital may be issued in excess of par. The board of directors is authorized with full powers to issue the unissued capital in installments.

Preferred shares may be issued within the total amount of shares set forth in the preceding paragraph.

Article 5-1 The rights and obligations and other important issuance terms of preferred shares of the Bank are as follows:

1. When there is a profit at the end of a fiscal year, and there is still a surplus after paying all taxes, offsetting the accumulated losses of previous years, setting aside legal reserve and setting aside or reverse special reserve, then the surplus shall be first distributed as the dividends available for the preferred shares for that year.
2. The dividends of preferred shares shall be no more than 8% per annum of the issuance price per share, and the dividends may be distributed in cash once every year. After the financial statements are approved by the general shareholders' meeting, the board will determine the base date to pay the distributable dividends of the previous year. In the years of issuance and redemption, the distribution amount of dividends is calculated based on the actual number of days the preferred shares remain outstanding in that year.
3. If there are no earnings or the earnings are insufficient to pay dividends of preferred shares in full for a fiscal year, or if the distribution of dividends of preferred shares will result in the capital adequacy ratio lower than the minimum requirement by laws or competent authority, or because of other necessary

considerations, the Bank may decide not to distribute dividends of preferred shares, and it will not constitute an event of default. If the preferred shares issued are non-cumulative, the undistributed dividends or the deficit of dividends distributed will not be accumulated for deferred payment in the subsequent years when there are earnings.

4. Except for the dividends prescribed in Subparagraph 2 of this paragraph, shareholders of non-participating preferred shares are not entitled to participate in the allocation of cash and stock dividends with regard to the earnings and capital reserve for common shares.

5. The distribution order of the remaining assets of the Bank for the preferred shareholders is the same as that for the common shareholders.

6. The preferred shareholders do not have the right to vote or suffrage. However, they will have the right to vote in shareholders' meetings of preferred shares or shareholders' meetings that involve the rights and obligations of shareholders of preferred shares. With respect to the merger/consolidation, a resolution by the meeting of preferred shareholders is not required.

7. When the Bank issues new shares as a result of cash capital increase, the preferred shareholders have the same pre-emptive subscription rights as the common shareholders.

8. The board of directors is authorized to decide the period and proportion of conversion in the actual issuance terms of the preferred shares. Convertible preferred shares issued by the Bank may be converted at least 1 year after the date of issuance. Holders of convertible preferred shares may, pursuant to the issuance terms, apply for conversion of their shareholdings (in whole or in part) to common shares. Upon conversion, the converted shares shall have the same rights and obligations as

common shares. Dividend distribution of the preferred shares in the year of conversion shall be calculated based on the ratio of the actual issuance days in the conversion year to total days of that same year, provided, however, that when said shares are converted prior to the ex-dividend date of any given year, the shareholders may not participate in the preferred shares dividends distributed in that year and the subsequent years, but such shareholders may participate in the distribution of profit and capital reserve to holders of common shares.

9. If the Bank issues non-perpetual preferred shares, the issuance period cannot be shorter than 5 years. Holders of preferred shares have no right to request redemption of such shares by the Bank. Upon expiry date of the issuance period or from the first day following the fifth anniversary of the issuance date, the Bank may, pursuant to the issuing price and relevant issuance terms, redeem such shares in cash, compulsorily convert such shares into newly issued shares, or redeem such shares in other manners permissible by law. If at the time the Bank is unable to redeem all or a part of the preferred shares (due to force majeure or otherwise), the rights and obligations of the outstanding preferred shares will remain unchanged until full redemption by the Bank.

10. If the Bank issues perpetual preferred shares, holders of perpetual preferred shares have no right to request redemption of such shares by the Bank. In addition, the Bank may set a redemption date no earlier than the day following the fifth anniversary of the issuance date to redeem such shares (in whole or in part) at the actual issuing price. The rights and obligations of the remaining unredeemed preferred shares as described in the terms of preferred shares issuance will remain unchanged.

The board is authorized in full power, depending on capital market situation and investors' willingness to subscribe, to determine the name of the preferred shares, issuance date and

specific issuance terms upon actual issuance in accordance with Articles of Incorporation and related laws and regulations.

Article 6: The Bank's share certificates shall be the registered ones and shall be affixed with the signatures or personal seals of the director representing the Bank and duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance.

For shares issued, the Bank may be exempted from printing share certificates but shall get the shares duly registered with a centralized securities depository institution and follow the regulations of that institution.

Article 7: (Deleted)

Article 8: All shareholders should fill in the signature/seal specimen card and send it to the Bank or the shareholder services agent entrusted by the Bank to keep it. Whenever shareholders handle stock affairs with or exercise other relevant rights to the Bank or the shareholder services agent entrusted by the Bank in writing, it shall be with the same signature/seal in the specimen card.

Article 9: (Deleted)

Article 10: (Deleted)

Article 11: Transfer of shares or a change in entries in the Register (Roster) of Shareholders shall be discontinued within sixty (60) days prior to a regular shareholders' meeting or within thirty (30) days prior to a special shareholders' meeting, or within five (5) days prior to the record (base) date scheduled to allocate dividend, bonus or other interests.

Article 12: The Bank shall manage and operate equity affairs exactly in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and laws and/or regulations concerned.

Article 12-1: The Bank may repurchase its shares, all relevant procedures shall be subject to relevant laws and/or regulations.

Chapter IV Shareholders' meeting

Article 13: The Bank's shareholders' meetings are in two categories, i.e., the regular shareholders' meeting and special shareholders' meeting.

Article 13-1: The powers, duties and responsibilities of the Bank's shareholders' meetings are enumerated below:

1. Enact and amend the Bank's Articles of Incorporation.
2. Appoint and discharge directors.
3. Review the reports from the board of directors and the Audit Committee.
4. Resolve the decisions regarding increase/decrease of capital.
5. Resolve the decisions regarding allocation of surplus earning and coverage of loss.
6. Exercise other issues the execution of which shall be effected pursuant to the resolutions of the shareholders' meeting as required by laws and/or regulations concerned.

Article 14: Unless otherwise prescribed in laws and/or regulations concerned, the regular shareholders' meeting shall be convened by the board of directors according to the legal procedures within six (6) months from closing of every fiscal year.

Article 15: Unless otherwise prescribed in laws and/or regulations concerned, a special shareholders' meeting may be convened according to the legal procedures whenever the board of directors considers it necessary.

Article 16: A shareholder who is unable to attend a shareholders' meeting in person may duly issue a written proxy in the Bank provided form to authorize a proxy to attend on his or her behalf. Except

a trust enterprise or a shareholder services agent approved by the competent authority in charge of securities, when a proxy is authorized simultaneously by two or more shareholders, his or her voting powers shall not exceed 3% of the aggregate total number of voting shares. The excess, if any, shall not be counted.

Article 17: Each share is entitled to one voting power unless otherwise prescribed in laws and/or regulations concerned.

In convening a shareholders' meeting, the Bank may adopt the electronic transmission as one of the methods for exercising the voting power by shareholders, who may alternatively exercise their voting power in writing, and the method for exercising the voting power shall be described in the shareholders' meeting notice to be given to the shareholders if the voting power will be exercised in writing or by way of electronic transmission.

Shareholders who exercise their voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived their voting power in respect of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.

Article 18: Unless otherwise prescribed in laws and/or regulations concerned, decisions in the shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 19: Decisions resolved in the shareholders' meeting shall be recorded in the Minutes stating time/date of the meeting, venue, name of the chairperson and the method of resolution. The Minutes shall be signed or sealed by the chairperson and along with the Signature Book of the Shareholders and the Power of Attorney for proxies shall be filed at the Bank.

Chapter V The Board of Directors

Article 20: The Bank shall have 9~15 directors to organize the board of directors. The candidate nomination system shall be adopted for the election of directors under the Company Act and relevant laws and/or regulations, and directors shall be elected from the list of director candidates by shareholders' meetings.

The quorum of the directors mentioned in the preceding paragraph shall include independent directors at the minimum of three in number and one-fifth of the aggregate total of director seats.

With respect to the professional qualification requirements, restriction on shareholding, holding of other official functions, identification of the independence, method of nomination and other issues concerning the independent directors, this shall be managed in accordance with the requirements of the competent authorities in charge of securities affairs.

Article 21: The tenure of office of directors shall be three (3) years. It is possible for directors to extend their service, if re-elected. In the event that reelection is held before expiry of the tenure of office and there is not such a decision that directors are not discharged until expiry of their tenure of office, the directors are deemed to be discharged before expiry.

The Bank sets up Audit Committee according to law and the Audit Committee shall exercise the powers, duties and responsibilities of supervisors as bestowed by the Company Act, Securities and Exchange Act and other laws and/or regulations concerned.

The Audit Committee shall be organized by all independent directors in full. The aggregate total of independent director seats shall not be less than three (3) in minimum, including one among them as the convener. Among the independent directors,

a minimum of one shall be in the expertise of accounting or finance. The exercise of the powers, duties and responsibilities and other matters to be complied with of the Audit Committee shall be duly handled in accordance with laws and/or regulations concerned and the rules and regulations of the Bank.

A decision in the Audit Committee shall be resolved by more than one half of all Audit Committee members.

Article 21-1: The Bank sets up a Remuneration Committee, a Nomination Committee and a Risk Management Committee and may set up other functional committee(s).

Article 22: In the board of directors, 3~5 managing directors shall be elected from among directors; and one chairman (and one vice chairman) shall be elected from among the managing directors.

The managing directors shall include a minimum of one independent director, and the independent director(s) shall not be less than one-fifth of the aggregate total of managing director seats.

Article 23: The chairman shall chair the shareholders' meeting, board of directors and board of managing directors meeting internally and shall represent the Bank externally. Where the chairman is on leave or unable to exercise his power and authority for any cause, the vice chairman shall act in his place. In the event that there is no vice chairman or that the vice chairman is on leave or unable to exercise his power and authority for any cause as well, the chairman shall appoint one managing director to act in his place. In the event that the chairman does not make such an appointment, one shall be elected from among the managing directors or directors to act in his place.

Article 24: Except the matters which shall be subject to decisions to be resolved by the shareholders' meeting according to law or according to the Bank's Articles of Incorporation, all business affairs of the Bank shall be duly handled under the decisions to

be resolved by the board of directors. The board of directors shall have the following powers, duties and responsibilities:

1. Review and finalize mid-term and long-term strategic plans.
2. Review and finalize organizational rules and major rules and regulations.
3. Propose increase/decrease of capital.
4. Review and finalize decisions on establishment, dissolution or change in branch banks.
5. Review and finalize the Bank's budgets, final accounts.
6. Propose for allocation of surplus earnings or coverage of losses.
7. Appoint or discharge managerial officers.
8. Take charge of issues assigned by the chairman.
9. Exercise other powers, duties and responsibilities bestowed by laws and/or regulations concerned or the shareholders' meeting.

Article 25: Notices to a board of directors meeting may be served in writing, e-mail or FAX.

When the board of directors convenes a meeting, all directors shall attend the board of directors meeting in person. A director may, nevertheless, issue a written proxy and expressly specify the subject and scope of the powers authorized and authorize another director to attend a board of directors meeting on behalf.

A director may accept the appointment to act as the proxy referred to in the preceding Paragraph of one other director only.

A director who attends a board of directors meeting through video system is deemed to have attended in person if such meeting is held through video system.

During the recess of the board of directors, the managing directors shall exercise the powers, duties and responsibilities of the board of directors through meetings on a regular basis according to laws, the Bank's Articles of Incorporation, decisions

resolved in the shareholders' meeting and board of directors. Such meetings may be convened by the chairman at any time and shall be chaired by the chairman. Where the chairman is unavailable to perform such duties, the vice chairman shall act in his place. In the event that there is no vice chairman or that the vice chairman is unavailable to perform his duties as well, the chairman shall appoint one managing director to act in his place. In the event that the chairman does not make such an appointment, one shall be elected from among the managing directors to act in his place.

The board of directors is authorized with full powers to fix the scope of the powers, duties and responsibilities of the board of directors to be exercised by the board of managing directors meeting in accordance with the preceding paragraph.

Article 26: Unless otherwise provided for in the Company Act, Banking Act and other laws and/or regulations concerned, decisions in the board of directors meeting shall be resolved by a majority vote in the meeting which is attended by directors who represent a majority of the total number of directors.

Article 27: (Deleted)

Article 28: Decisions resolved in the board of directors shall be recorded in the Minutes which shall be signed or affixed seal by the chairperson.

Article 29: (Deleted)

Article 30: (Deleted)

Article 31: The remuneration to directors shall be fixed by the board of directors with reference to the normal rates prevalent in horizontal trades.

An independent director shall not participate in distribution of the compensation to the Bank's directors.

The Bank may acquire liability insurance for directors and key staff members for the potential responsibility for indemnity within the scope of their performance of duties according to law.

Chapter VI Staff of the Head Bank and Branches

Article 32: The president of Bank shall be nominated by the chairman. The Bank may have a certain number of senior executive vice presidents, executive vice presidents, deputy executive vice presidents, and managers, whom shall be nominated by the president and appointed with consents of a majority of attending directors at the board meeting attended by a majority of directors. The president shall generally handle all affairs of the bank according to resolutions adopted at the board of directors.

The senior executive vice presidents, executive vice presidents, deputy executive vice presidents, and managers shall assist the president in handling such affairs.

Article 33: (Deleted)

Article 34: (Deleted)

Article 35: The Bank's responsible person and staff shall not undertake any duties in another bank. In case of investment relationship as approved by the central competent authority, they may concurrently serve as a director or supervisor of an investee bank.

Chapter VII Accounting

Article 36: The Bank's fiscal year starts from January 1 until December 31 of every calendar year. The Bank shall close its account for

reporting for the first and second half of the year with the final closure conducted at the end of every fiscal year. By then the Bank shall work out business report, financial statements, decisions project on allocation of surplus earnings or coverage of loss and other items as designated by the competent authority and shall be submitted to the Audit Committee for audit thirty (30) days prior to the date scheduled for the regular shareholders' meeting. After such documents are duly acknowledged in the regular shareholders' meeting, they shall be submitted to the Competent Authority and make a public announcement according to laws and/or regulations.

Article 36-1: If the Bank has profit for the year, an amount of not less than 0.1% of the profit for the year shall be distributed as compensation to the employees and an amount not more than 0.6% of the profit for the year shall be distributed as compensation to the directors. However, if the Company still has accumulated deficits, such deficits shall be offset first.

The profit for the year as referred to in the preceding paragraph shall refer to the profit before income tax for the year before deducting the compensation distributed to employees and the compensation distributed to directors.

Compensation to employees may be distributed by stock or cash; its distribution method and the distribution ratio of compensation to directors shall be resolved by more than one half of consents of the attending directors at a meeting of board of directors attended by more than two-thirds of directors, and shall be reported to the shareholders' meeting.

The recipients of the above said distribution of employees' compensation may include the employees of affiliated companies that meet certain conditions.

Article 37: If at the end of a fiscal year there is a profit for that year, the Bank shall, after payment of all taxes and offsetting the accumulated

losses of previous years, first set aside a sum of it as legal reserve in accordance with laws and regulations unless such legal reserve already amounts to the Bank's total paid-in capital. Then the special reserve shall be set aside or reversed, and the dividends for preferred shares may be distributed. The final remaining surplus, if any, along with the undistributed earnings accumulated in previous years, including the reversals of special reserves prescribed by laws, shall then be the surplus available for distribution for the current year, and the board of directors shall make the proposal for distribution and submit it to the regular shareholders' meeting for acknowledgment.

The distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The dividend policy of the Bank shall take into consideration of the environment of banking industry and the growth stage of the Bank, the purpose of continual expansion of operation scale and the increase in profitability, the interests of shareholders, the balance of dividends, the funding requirements of the Bank, and its long-term financial planning. In distributing dividends, as a principle, the amount of cash dividends distributed for each year may not be less than ten percent of total amount of dividends distributed for the year, in order to seek sustainability and steady development.

Chapter VIII Supplementary Provisions

Article 38: Any matters not adequately provided for herein shall be subject to Banking Act, Company Act and other laws and/or regulations concerned.

Article 39: (Deleted)

(Appendix No.2)

The Shanghai Commercial & Savings Bank Rules of Procedure for Shareholders Meetings

Amended on June 16, 2017

Article 1

The rules of procedures for this Corporation's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2

Unless otherwise provided by law , regulation, or the articles of incorporation, this Corporation's shareholders meetings shall be convened by the board of directors.

This Corporation shall furnish the attending shareholders or their proxies (collectively, "shareholders"), with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

A shareholder shall attend a shareholders meeting on the basis of the attendance card, sign-in card, or other supporting document. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.

Article 3

Attendance and voting at shareholders meetings shall be calculated based on

numbers of shares.

Article 4

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

Article 5

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

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

Article 6

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

Staff handling administrative affairs of a shareholders meeting shall wear

identification cards.

Article 7

This Corporation shall record the proceedings of a shareholders meeting in their entirety in audio or video and retain the recording for at least 1 year.

Article 8

The chair shall call the meeting to order at the appointed meeting time.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is

not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

If the meeting is finished, the shareholders may not elect the chair to continue the meeting at same or another venue.

Article 10

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

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

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

Article 11

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

If the shareholder's speech violates the preceding paragraph or exceeds the scope of the agenda item, the chair may terminate the speech.

If it is not a proposal, the chair may make a decision not to discuss or vote.

Article 12

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

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

Article 13

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

Article 14

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

Article 15

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation.

The voting results shall be reported on-site immediately and recorded in writing.

Article 16

When this Corporation holds a shareholders meeting, electronic means may be listed as one of the channels for the exercise of shareholder voting rights. It may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

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

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

rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, if the shareholders are asked by the chair without any dissent, the effect shall be the same as the voting. If there is any objection, the chair may have a dissident and a waiver, ask him/her to raise his/her hand or stand up and calculate his/her voting rights. If the voting rights of the attending shareholders minus the voting rights of the dissident and the waived rights, they have already passed the required the voting rights are also deemed to be passed, and their effectiveness is also the same as voting.

Except as otherwise provided of law or regulations, a shareholder shall be entitled to one vote for each share held.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 16-1

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

This Corporation may distribute the meeting minutes of the preceding

paragraph by means of a public announcement made through the MOPS. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of this Corporation.

Article 17

When a meeting is in progress, the chair may announce a break based on time considerations.

Article 18

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

Article 19

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

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by this Corporation, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the

chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 20

When a meeting is in progress, if a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

Article 21

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

(Appendix No.3)

Title : Procedures Governing the Acquisition and Disposal of Assets by The Shanghai Commercial Savings Bank Co., Ltd.

Date : 108.06.14 (Amended)

Chapter I General Principles

Article 1 These Procedures are adopted in accordance with the Regulations Governing the Acquisition and Disposal of Assets.

The company shall handle the acquisition or disposal of assets in compliance with these Regulations; provided, where financial laws or regulations provide otherwise, such provisions shall govern.

When banks, insurance companies, bill finance companies, securities firms, futures commission merchants, leverage transaction merchants, or other financial enterprises whose operation requires special approval, conduct derivatives trading business or engage in derivatives trading, they shall do so in accordance with the provisions of the other laws and regulations that govern their sectors, and are exempt from the provisions of Chapter IV herein.

Article 2 The term "assets" as used in these Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, and investment property) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).

7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Article 3 Terms used in these Procedures are defined as follows:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: According to the applicable financial report preparation standards of the company.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall

apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
7. Investment professional: Refers to financial holding companies, banks, insurance companies, bill finance companies, trust enterprises, securities firms operating proprietary trading or underwriting business, futures commission merchants operating proprietary trading business, securities investment trust enterprises, securities investment consulting enterprises, and fund management companies, that are lawfully incorporated and are regulated by the competent financial authorities of the jurisdiction where they are located.
8. Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
9. Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial

Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.

2. May not be a related party or de facto related party of any party to the transaction.
3. If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:

1. Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.
2. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.
3. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.
4. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.

Chapter II Acquisition and disposal of assets

Article 5 Acquired and disposed of in the scope of Article 2 shall, in addition to complying with the provisions of this procedure, be submitted to the sponsoring department or unit for reporting to the evaluation methods and operating procedures approved by the Board of Directors.

The following items shall be recorded in the assessment and operation procedures of the preceding paragraph and shall be handled in accordance with the established procedures:

1. Appraisal procedures: Shall include the means of price determination and supporting reference materials.
2. Operating procedures: Shall include the degree of authority delegated, the levels to which authority is delegated, the units responsible for implementation, and transaction process.

For the acquisition of real property and its right-to-use assets that are not used for business purposes shall be handled in accordance with the Banking Law and relevant regulations.

For the acquisition the total amount of securities obtained and the limits of individual securities shall be handled in accordance with the Banking Law and relevant regulations.

The company's related party transactions, engaging in derivative commodity transactions, conducting business mergers, divisions, acquisitions or share transfers shall, in addition to complying with the provisions of this procedure, be handled in accordance with the relevant operational procedures.

The company shall supervise the subsidiaries to stipulate and implement the procedures for obtaining or disposing of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets of Public Companies" and control procedures for

the acquisition and disposal of assets by subsidiaries.

Article 6 In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the board of directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - A. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

- B. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
- 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

Article 7 The company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).

Article 8 Where the company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of

the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Article 9 The calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Article 10 Where the company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

Chapter III Related Party Transactions

Article 11 When the company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the company's total assets, the company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with the provisions of the Procedures.

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 9 herein.

When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.

Article 12 When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the related party as a transaction counterparty.
3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14.
4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the company and the related party.
5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds

utilization.

6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been agreed by the Audit Committee and approved by the board of directors need not be counted toward the transaction amount.

With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the company's board of directors may pursuant to Article 5, paragraph 2, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:

1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
2. Acquisition or disposal of real property right-of-use assets held for business use.

When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

If approval of more than half of all audit committee members as

required in the paragraph 1 is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Article13 The company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:

1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the preceding two paragraphs shall also engage a CPA to check the appraisal and render a specific opinion.

Where the company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with the preceding article, and the preceding three paragraphs do not apply:

1. The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
2. More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
4. The real property right-of-use assets for business use are acquired by the public company with its subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article14 When the results of the company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 15. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - A. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - B. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
2. Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced

current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 15 Where the company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with the preceding two articles are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
2. The Audit Committee and independent director shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is

other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the company obtains real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arms length transaction.

Chapter IV Engaging in Derivatives Trading

Article16 Public companies engaging in derivatives trading shall pay strict attention to control of the following important risk management and auditing matters, and incorporate them into their Procedures:

1. Trading principles and strategies: Shall include the types of derivatives that may be traded, operating or hedging strategies, segregation of duties, essentials of performance evaluation, total amount of derivatives contracts that may be traded, and the maximum loss limit on total trading and for individual contracts.
2. Risk management measures.
3. Internal audit system.
4. Regular evaluation methods and the handling of irregular circumstances.

Article17 The company engaging in derivatives trading shall adopt the following risk management measures:

1. Risk management shall address credit, market, liquidity, cash flow, operational, and legal risks.
2. Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
3. Risk measurement, monitoring, and control personnel shall be assigned to a different department than the personnel in the preceding subparagraph and shall report to the board of directors or senior management personnel with no responsibility

for trading or position decision-making.

4. Derivatives trading positions held shall be evaluated at least once per week; however, positions for hedge trades required by business shall be evaluated at least twice per month. Evaluation reports shall be submitted to senior management personnel authorized by the board of directors.
5. Other important risk management measures.

Article18 Where the company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:

1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.
2. Periodically evaluate whether derivatives trading performance is consistent with established operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.

Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:

1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted in accordance with these Regulations and the procedures for engaging in derivatives trading formulated by the company.
2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors, an independent director shall be present at the meeting and express an opinion.

The company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in

Derivatives Trading.

Article19 The company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under subparagraph 4 of Article 17 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of the preceding article shall be recorded in detail in the log book.

The company's internal audit personnel shall periodically make a determination of the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives trading by the trading department adheres to the procedures for engaging in derivatives trading, and prepare an audit report. If any material violation is discovered, the audit committee and all independent directors shall be notified in writing.

Chapter V Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

Article20 The company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the board of directors for deliberation and passage.

Article21 The company participating in a merger, demerger, acquisition, or transfer of shares shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of

the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting.

Article 22 A company participating in a merger, demerger, or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall prepare a full written record of the following information and retain it for 5 years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to

disclosure of the information.

2. Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.
3. Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, a company that is listed on an exchange or has its shares traded on an OTC market shall, within 2 days counting inclusively from the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the company(s) so listed or traded shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding two paragraphs.

Article 23 Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

Article 24 The companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances,

and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, that affects the company's financial operations.
3. An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
5. An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.

Article 25 The contract for participation by a public company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. The manner of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution, and anticipated completion date.
6. Scheduled date for convening the legally mandated shareholders meeting if the plan exceeds the deadline without completion, and relevant procedures.

Article26 After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article27 Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 22, Article 23, and the preceding article.

Chapter VI Public Disclosure of Information

Article28 Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription

or redemption of money market funds issued by domestic securities investment trust enterprises.

2. Merger, demerger, acquisition, or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - A. For the company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - B. For the company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - A. Trading of domestic government bonds.
 - B. Where done by professional investors—securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or

redemption of securities investment trust funds or futures trust funds.

C. Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises.

The amount of transactions above shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Regulations need not be counted toward the transaction amount.

The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two

days counting inclusively from the date of knowing of such error or omission.

The company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise.

Article29 Where any of the following circumstances occurs with respect to a transaction that a public company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on the information reporting website designated by the FSC within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

Chapter VII Additional Provisions

Article30 Information required to be publicly announced and reported in accordance with the provisions of the preceding Chapter on acquisitions and disposals of assets by the company's subsidiary that is not itself a public company in Taiwan shall be reported by the company.

The paid-in capital or total assets of the company shall be the standard applicable to a subsidiary referred to in the preceding paragraph in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing under Article 28, paragraph 1.

Article31 For the calculation of 10 percent of total assets under these procedure is calculated based on the total assets in the company's most recent individual financial report.

In the case of a company whose shares have no par value or a par value other than NT\$10—for the calculation of transaction amounts of 20 percent of paid-in capital under these Procedures, 10 percent of equity attributable to owners of the parent shall be substituted; for calculations under the provisions of these Procedures regarding transaction amounts relative to paid-in capital of NT\$10 billion, NT\$20 billion of equity attributable to owners of the parent shall be substituted.

Article32 Anyone who violates the procedures and the “Acquisition and Disposal of Assets by Public Companies” of the FSC shall be considered in accordance with the company's working rules and staff service treatment methods.

Article33 With respect to the company's acquisition or disposal of assets that is subject to the approval of the board of directors under the company's procedures or other laws or regulations, if a director expresses dissent and it is contained in the minutes or a written statement, the company shall submit the director's dissenting opinion to the audit committee.

When a transaction involving the acquisition or disposal of assets is submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Any transaction involving major assets or derivatives shall be

approved by more than half of all audit committee members and submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 12, paragraphs 5 and 6.

Article34 The company acquisition and disposal of assets and shall handle it in accordance with the provisions of this procedure. However, other laws and regulations provide for it. If there are any unfinished matters in this procedure, it shall be handled in accordance with the relevant laws and regulations and the relevant operational requirements of the company.

Article35 This procedure is approved by the Audit Committee and approved by the Board of Directors and submitted to the Shareholders' Meeting for approval.

(Appendix No.4)

The Shanghai Commercial & Savings Bank,Ltd.

Shareholding of Directors

Book closure date: April 19 2022

Position	Name	Current shareholding	Representative of juridical person
Chairman	Stephen Ching-Yen Lee	6,216,386	
Managing Director	John Con-Sing Yung	120,001,486	Magnetic Holdings Limited
Managing Director (Independent Director)	Mu-Tsai,Chen	0	
Director	Lincoln Chu-Kuen Yung	3,191,003	
Director	George Chao-Chi Gu	11,157,543	
Director	Yi-Jen Chiou	3,221,733	
Director	Chih-Hung Lin	1,271,634	
Independent Director	Gary Kuo-Lieh Tseng	0	
Independent Director	Miles King-Hu Hsieh	0	

Note 1: The minimum required combined shareholding of all directors by law: 107,558,475 shares.

The combined shareholding of all directors on the book closure date: 145,059,785 shares.

Note 2: The shares held by independent directors and independent supervisors shall not be counted in the calculation of director and supervisor shareholdings.

(Appendix No.5)

Other information should be disclosed

1. Compensation of directors and employees :

(A) The amount of directors' remuneration and employee compensation : Please see page 17 of this manual for details.

(B) the discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized : None

(C) the discrepancy, cause, and how it is treated : Not applicable

2. Effect upon business performance and earnings per share of any stock dividend distribution proposed or the return on investment of shareholder : Not applicable

(The company has not disclosed financial forecasts for 2022, so it is impossible to estimate profit or loss, earnings per share or proposed data.)