

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 2023 Annual General Meeting of Shareholders**

**Meeting Time :** June 13, 2023, at 9:00am

**Place :** 2F., No. 123, Songren Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)  
Hua Nan Bank International Convention Center

**Meeting type :**

Hybrid shareholders' meeting

**Visual communication platform used at the meeting :**

<https://www.stockvote.com.tw/evote/index.html>



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## **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.*



# **2023 Annual General Meeting of Shareholders Meeting Agenda**

**Meeting Time :** June 13, 2023, at 9:00am

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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 2022 Business Report
  - (2). The Audit Committee's 2022 annual Financial Disclosure Statement review and communications between the Independent Directors and Chief Internal Auditor
  - (3). The Director and Employee Remuneration Distribution in 2022 Report
  - (4). The Company's Bank Debentures Issued in 2022 Report
  - (5). The Company will re-elect directors at the 2024 Annual General Shareholders' Meeting, and hereby remind shareholders to pay attention to the relevant provisions of Banking Act

5. Ratification Items

- (1). To accept 2022 Business Report and Financial Statements
- (2). The Distribution of Earnings for 2022

6. Discussion Items

- (1). Amendment to the Company's Rules of Procedure for Shareholders Meetings
- (2). 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 2022 Business Report

Explanation : The 2022 business report is on page 4 - 14.

# THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

## 2022 Business Report

### I. Foreword

In 2022, the COVID-19 pandemic and the Russian-Ukraine War have led to heightened inflations and tightened monetary policies, which resulted in significant fluctuations of international financial markets and slowdown of economic growth. SCSB stably expanded business with consideration to these economic and financial situations: after-tax EPS was NT\$3.33, up 4.4% from the previous year; NPL ratio was 0.16%, liquid reserves ratio was 29.89%, capital adequacy ratio was 15.66% at the end of the year. These indicate steady overall operations that have managed to strike a balance between profit growth, asset safety, liquidity sufficiency, and capital adequacy.

The results of SCSB's operating performance in 2022, business plans and future development strategies for 2023, 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 2022

#### 1. Overview of Global & Domestic Financial Environment

In 2022, the repressed market demand due to inflation led to international economic decline, and consequently slowed down the growth of Taiwan's import and export. This is reflected in its annual economic growth of 2.43%, which is lower than 6.53% in the previous year. In terms of financial situation, the Fed adopted a rigorously tightened monetary policy, raising interest rates seven times by a total of 4.25% within one year and strengthening the US dollar. As a result, the USD to NTD exchange rate closed at NT\$30.708 at the end

of the year with NTD depreciating 9.8% over the year. As prices in Taiwan remained fairly stable, the Central Bank of the Republic of China (Taiwan) raised interest rates by 0.625% for the whole year, adopting a moderately tight monetary policy. Due to the massive overselling of foreign capitals in the stock market, the TAIEX closed at 14,138 at the end of the year, down by 22.4%.

## 2. Organizational Changes

SCSB is among the first banks that received the FSC's approval to launch High Net-worth wealth management services. To enhance the development, SCSB upgraded the Wealth Succession Management Center, originally under the Wealth Management Department, and rename the unit "Success Wealth Management Department", in the middle of 2022. Focusing on asset allocation and asset inheritance, the department provides differentiated wealth management services those are tailored to each High Net-worth customer. To expand non-interest incomes, we promoted "Treasury Department and Overseas Branches Functional Enhancement Plan" to remake departmental organization, optimize and upgrade transaction systems, attract quality recruits of financial transaction, more intensively develop financial products, and more vigorously promote treasury marketing, thereby providing customers with more comprehensive financial products and services.

To continuously improve competitiveness in digital finance, SCSB constructed cross-functional teams and established digital technology innovation centers in the northern and southern regions, thereby intensifying cooperation with startup companies in FinTech and recruiting a workforce of digital finance. To improve competitiveness in information technology, SCSB established the Southern Region IT Development Center, so as to attract IT talents in southern

Taiwan. To deepen corporate culture of treating customers fairly principles, SCSB renamed Consumer Protection Committee as “Consumer Protection and Treating Customers Fairly Committee”, elevated the level of the convener to that of the President and committee member, and upgraded the business of consumer protection and treating customers fairly principles, of which the Channel Management Department was originally in charge, to a duty of the Head Office.

### 3. Operational Plans, Strategies and Results

The 2022 business plan focused on developing diversified core businesses, which include corporate banking, personal banking, wealth management, treasury marketing, deposits and remittances. SCSB also improved resource sharing between business departments and sales personnel on all four lines, strengthened digital banking, continuously innovated financial products and services, recruited workforce from various fields, and promoted sustainable development, thereby improving corporate image.

The results of 2022 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\$1,112.3 billion, up 8.1%, and average loan balance was NT\$800.5 billion, up 6.7%; profit before income tax was NT\$16.62 billion, up 8.3%, net income after income tax was NT\$14.94 billion, up 4.8%; EPS was NT\$3.33, up 4.4%, however raising interest rates resulted in loss on valuation of bonds investments, and then decreased the shareholders' equity ; after-tax return on assets and after-tax return on equity were 1.04% and 9.12% 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 104.0%, average loan balance was 101.6%, and net income was 96.7%.

## 5. Income, Expense and Profit

Unit: NT\$ Billion, except as indicated

Item	Year	2022	2021	Change(%)
Net interest income		16.29	11.64	40%
Total non-interest income		11.81	11.95	-1%
Net revenue		28.10	23.59	19%
Provisions for bad-debt expense, commitment and guarantee liability		2.8	0.9	211%
Total operating expenses		8.68	7.34	18%
Profit before income tax		16.62	15.35	8%
Net income		14.94	14.26	5%
Earnings Per Share (in dollars)		3.33	3.19	4%
ROA (after income tax)		1.04%	1.05%	-0.01%
ROE (after income tax)		9.12%	9.11%	0.01%

Note : Change of ROA (after income tax) and Change of ROE (after income tax) both based on net increase or net decrease.

## 6. Research and Development

In 2022, SCSB continued to develop innovative financial products and services with a customer-centered approach based on customers' needs. SCSB also strengthened the application of FinTech and developed innovative digital finance services. In terms of corporate banking, SCSB continued to cooperate with government policies by enhancing the integration of six core strategic industries, green and electric vehicles, and other related industries; opened accounts for the purpose of handling loan-related receipts and disbursements in OBU for domestic juridical persons to fulfill international capital management needs; signed the Equator Principles and included its spirit in the criteria of credit review; and promoted sustainability-linked loans and issued green bonds to enhance promotion of

sustainable finance. In terms of personal banking, SCSB planned to establish AI loan managers, strengthen the sales performance of sales personnel, implement precision marketing, initiate the new-generation electronic mortgage loan system, and promote digital marketing of personal banking. In terms of customer finance, SCSB promoted High Net-worth wealth management business, vigorously promoted asset inheritance and the comprehensive Trust 2.0 business, built a smart financial system, and continuously introduced more diverse investment and financial products.

In terms of deposits and remittances, SCSB launched preferential rate time deposits in response to interest hike in the market; in connection with environmental issues, SCSB promoted retail deposits and launched the “Loving Our Planet” time deposit scheme; SCSB also optimized deposit operations and increase the functionalities of digital transactions. In terms of digital banking, SCSB established a cross-functional team, built a digital financial ecosystem, enhanced the promotion of digital sub-brands, introduced robotic process automation (RPA) and RegTech, and continuously optimized corporate and personal online banking, eWB, and mobile banking transactions and services function, and launched eWB mobile app to increase the proportion of digital financial transactions.

In order to promote sustainable development, SCSB connected with international initiatives of sustainable development, signed agreements on climate-related financial disclosures, established a climate risk management policy, adopted the Equator Principles, introduced ISO 14064 greenhouse gases management systems and ISO 50001 energy management systems, obtained ISO 14067 credit card and debit card carbon footprint certification, adopted green and renewable energy, obtained certifications of ISO 45001 occupational health and safety management systems and ISO

14001 environmental management systems, and promoted energy conservation, carbon reduction, and paperless policies. To optimize treating customers fairly principles, SCSB obtained certification from the ISO 10002 complaints handling management system, thus demonstrating attention to customer opinions. To construct a more comprehensive financial service network and improve the coverage of financial services in metropolitan areas, SCSB applied to the FSC for the establishment of new branches in Tainan City and Miaoli County in 2022, thereby developing new markets and new customers, creating new sources of income, and expanding the scale of profit.

In addition, in order to create competitive advantage in sustainable operations, SCSB has signed contracts to formally initiate new IT core system construction projects. Based on the structure of “sensitive front desks, stable cores, and large middle offices,” SCSB invested in constructing new IT core systems, updated IT infrastructure, created key application platforms, and optimized information security, risk control, and compliance, thereby laying a foundation for digital development. To fulfill capital needs in business developments, optimize capital structure and improve capital adequacy, by the end of the year, SCSB issued 380 million ordinary shares for cash replenishment at NT\$37 per share, thus raising a capital of NT\$14.06 billion.

### **III. Business Plans for 2023**

#### **1. Business Guidelines**

In 2023, SCSB’s strategic focus is on “multiple cores and digital sustainability.” SCSB will strive to develop multiple cores, expand profit engines, increase non-interest incomes, improve capital efficiency, make good use of FinTech, accelerate the digital transformation, promote sustainable

development, and create sustainable values.

## 2. Business Targets

Taking into account factors including economic growth forecasts, market competition, as well as the growth result in 2022 and business strategies for 2023, SCSB is setting up appropriate growth for 2023 targets.

## 3. Business Policies

- A. Fundamental Policy: Maintain stable operations with integrity, achieve healthy and balanced growth, pursue sustainable development, and create excellent performances.
- 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, provide all-around financial products and services, and attach importance to treating customers fairly and financial consumer protection.
- D. Management Policy: Implement the three lines of defense in internal control, optimize risk management, enhance information security governance, fully implement corporate governance, and deepen sustainable environment.

## IV. Future Development Strategies

SCSB's main development strategies for 2023 are as follows:

- 1. Overall operations: Maintain stable operations with integrity,



achieve a balanced and healthy growth, place equal emphasis on operations and management, and perfect finance and businesses.

2. Channel development: Continue to gain greater presence in the Asia-Pacific region, intensify the tri-shanghai banks strategic alliance, strengthen cross-border finance, and establish comprehensive service networks.
3. Business development: Develop multiple cores, improve the flexibility of financial operations, expand High Net-worth wealth management services, and strengthen family finance.
4. Customer relations: Treat customers fairly, adopt customer segmentation, focus on high value customers, and support integrated marketing.
5. Digital banking: Accelerate digital transformation, make good use of smart finance, implement scenario-based finance, and promote inclusive finance.
6. Information technology: Stabilize system maintenance and operation, upgrade core systems, strengthen information utilization, and create robust information security governance.
7. Risk management: Enhance climate risk management, improve alert ability, maintain asset quality, and strengthen capital management.
8. Human resources: Attract a diverse workforce, enhance professional competencies, strengthen management succession, and enrich human capital.
9. Internal management: Implement internal control, fully implement the three lines of defense, strengthen the culture of compliance, and implement money laundering prevention.
10. Sustainable development: Implement responsible finance, promote sustainable finance, fulfill corporate social

responsibilities, and create new and sustainable values.

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

### **1. External Competitive Environment**

The world is still under the impacts of the COVID-19 pandemic, inflation, and geopolitical conflicts, which have resulted in a slowdown in economic growth. Economic outlook has turned cautious and conservative, while the external business environment is continuously changing and there are many competitors in the market. In response to such competitive external environment, SCSB will use value competition to replace price competition, continue to promote digital transformation and upgrade, delve into customer relationships, and continue to strengthen presence in the Asia-Pacific region in pursuit of a competitive position.

### **2. Regulatory Environment**

In response to the impact of climate change and the international concern for sustainability-related issues, and to help companies respond to such issue as soon as possible by setting carbon reduction goals, the FSC has officially initiated the Sustainable Development Roadmap for TWSE/TPEX-Listed Companies and sustainable finance assessments. It also continued to promote measures concerning treating elderly customers fairly in the banking industry, urged the financial services industry to implement treating customers fairly principles, published the Green Finance Action Plan 3.0, which requires banks to implement Carbon Footprint Verification for investments and finance, and collaborated with the industry in deepening sustainable development. It also promoted Financial Cyber Security Action Plan 2.0 to facilitate continuous improvement of information security in finance. SCSB will cooperate with

these FSC policies by promoting transition into green operations and sustainable finance to realize sustainable development, as well as continue to improve fair treatment principles, streamline information security governance, and create robust information resilience.

### 3. Macroeconomic Environment

International political and economic uncertainties in 2023, such as ongoing international trade and technology disputes, inflation, and the Russia-Ukraine war, will continue to bring impact on global economy. In 2023, there is a concern that the economy might experience a mild recession, while the banking industry remains under pressure from too many competitors and excess capital in the market. Confronting such volatile external challenges, SCSB will examine changes to the business environment at all times, flexibly adopt appropriate operational measures, and anticipate future development trends, to stably expand businesses, seize market opportunities, 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	2022/12/16
Fitch	AA(twn)	F1+(twn)	Stable	2022/4/12
Standard & Poor's	BBB+	A-2	Stable	2023/1/12
Fitch	A-	F2	Stable	2022/4/12

In the future, SCSB will continue steady operations, accelerate digital transformation, promote sustainable development, and uphold 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 development strategy. SCSB 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 STEPHEN

President: LIN, CHIH-HUNG

Chief Accountant: HSU, SHOU-MING

Agenda : The Audit Committee's 2022 annual Financial Disclosure Statement review and communications between the Independent Directors and Chief Internal Auditor

Explanation :

1. The Bank's audit committee's review report on the 2022 annual business report, financial statements and profit distribution case on page 16.
2. Communication between the independent directors of the Audit Committee and the chief internal auditor on page 17.

# **THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**

## **Audit Committee's Review Report**

The board of directors has complied and submitted the company's 2022 financial statements audited by Certified Public Accountants Chun-Hung Chen and Shih-Tsung Wu 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 : 2023 Annual General Shareholders' Meeting

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**

Convener of Audit Committee

CHEN, MU-TSAI

March 23, 2023

# THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

## Communication between the Independent Directors, Chief Internal Auditor

Date	Method	Matter for Communication	Result
2022/6/24	Forum	<ol style="list-style-type: none"> <li>1. The review of the Bank's improvement measures for supervisory data reporting and control mechanism deficiencies inspected by the Financial Supervisory Commission at the end of 2020.</li> <li>2. The remedial measures for the lack of credit risk management in the Bank's Hong Kong branch.</li> <li>3. Improvement of accounting errors in the online credit loan system.</li> </ol>	<ol style="list-style-type: none"> <li>1. Keep follow-up</li> <li>2. Keep follow-up</li> <li>3. Completed</li> </ol>
2022/10/28	Forum	<ol style="list-style-type: none"> <li>1. The improvement of the Bank's reporting operation of supervision data.</li> <li>2. The improvement of credit risk management remedial measures of the Bank's Hong Kong Branch.</li> <li>3. The improvement of "The branch fabricated a short-term corporate loan portfolio to evade compliance with accounting standards".</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Completed</li> </ol>





**Report No. 3**

Proposed by the Board of Directors

Agenda : The Director and Employee Remuneration Distribution in  
2022 Report

Explanation :

NT\$ 48.5 million is for directors' compensation and  
NT\$ 76 million is for the Company's 2022 employees'  
compensation. Both are paid in cash.



**Report No. 4**

Proposed by the Board of Directors

Agenda : The Company's Bank Debentures Issued in 2022 Report

Explanation :

1. For enhancing capital, and improving risk-taking capacity, the Company issued NT\$ 4.07 billion bank debentures with the approval granted by the Financial Supervisory Commission. The terms and conditions of the bank debentures issued in 2022 are as follows :

Name of Bank Debentures	Issuing Date	Maturity Date	Tenor (years)	Coupon Rate (%)	Amount of Issuance
1st Unsecured Senior Financial Debentures Issue in 2022 (Series A)	2022/7/22	2025/7/22	3	1.60%	NT\$ 0.8 billion
1st Unsecured Senior Financial Debentures Issue in 2022 (Series B)	2022/7/22	2027/7/22	5	1.70%	NT\$1.2 billion
2 nd Unsecured Senior Financial Debentures Issue in 2022 (Green Bond)	2022/9/28	2025/9/28	3	1.40%	NT\$ 1 billion
3rd Perpetual Non-cumulative Unsecured Subordinated Financial Debentures Issue in 2022	2022/10/26	perpetual with no specified maturity date	perpetual with no specified maturity date	3.25%	NT\$ 1.07 billion

2. The Company's Bank Debentures Issued in 2022 Report on Page 22.

## The issuance of the Shanghai Commercial & Savings Bank Ltd. debentures in 2022

Name of Bank Debentures		1 <sup>st</sup> Unsecured Senior Financial Debentures Issue in 2022	2 <sup>nd</sup> Unsecured Senior Financial Debentures Issue in 2022 (Green Bond)	3 <sup>rd</sup> Perpetual Non-cumulative Unsecured Subordinated Financial Debentures Issue in 2022
BDR date		2022/3/26; The board approved the issuing plan of unsecured senior financial debentures up to NT\$ 3 Billion		2022/8/13; The board approved the issuing plan of non-cumulative unsecured subordinated financial debenture up to NT\$ 2.5 Billion
Issuing date and maturity date (Tenor)		Series A : 2022/7/22~2025/7/22 (3 years)	2022/9/28~2025/9/28 (3 years)	Issuing on 2022/10/26 , perpetual with no specified maturity date
		Series B : 2022/7/22~2027/7/22 (5 years)		
Amount		Series A : NT\$ 0.8 billion	NT\$ 1 billion	NT\$ 1.07 billion
		Series B : NT\$ 1.2 billion		
Coupon		Series A : 1.6% p.a.fixed	1.4% p.a.fixed	3.25% p.a.fixed
		Series B : 1.7% p.a.fixed		
Use of proceeds		To enhance liquidity and support the Bank's business development		To enhance capital and improve risk-taking capacity
Repayment		Bullet at maturity		Perpetual (Early redemption right after five years and one month)
Guarantor		None		
Approval authority	Entity	Financial Supervisory Commission		
	Date	2022/5/18		2022/9/15
	Doc. No.	FSC No.1110211233		FSC No.1110223559

Agenda : The Company will re-elect directors at the 2024 Annual General Shareholders' Meeting, and hereby remind shareholders to pay attention to the relevant provisions of Banking Act

Explanation :

1. The company's shareholders' general meeting will re-elect directors in the next year (2024). We hereby remind shareholders to pay attention to the relevant provisions of Banking Act.

The impact of violation of regulations will be the voting rights, administrative fine and she/he is unfit to serve as a responsible person of a bank.

2. The relevant provisions of the Banking Act are as follows:

- (1). The same person or the same concerned party who singly, jointly or collectively acquires more than 5% of a Bank's outstanding voting shares shall report such fact to the Competent Authority within 10 days. The same person or the same concerned party who intends to singly, jointly or collectively acquire more than 10%, 25%, or 50% of a bank's outstanding voting shares shall apply for prior approval of the Competent Authority.

The term "same person" and "same concerned

party” are defined on page 26-29.

- (2). Where the same person or same concerned party who holds voting shares issued by a Bank without filing a report with the Competent Authority or obtaining approval from the Competent Authority in accordance with the provisions set forth in Paragraphs 2, 3 or 5 of Article 25 hereof, the excess shares held by such same person or same concerned party shall not have voting rights and shall be disposed of within the given period prescribed by the Competent Authority.

In the event that a shareholder of a Bank violates Paragraphs 2, 3 or 5 of Article 25 herein by failing to file a report with the Competent Authority with respect to his/her shareholding, or failing to acquire the approval of the Competent Authority to hold shares of the Bank, such shareholder shall be imposed of an administrative fine of not less than Two Million New Taiwan Dollars (NT\$2,000,000) and not more than Ten Million New Taiwan Dollars (NT\$10,000,000).

Moreover, if such shareholder were elected as a director or other responsible person of the Bank, Financial Supervisory Commission will consider such shareholder as the person who has engaged

in, or been involved in, other dishonest or improper activities which indicate that she/he is unfit to serve as a responsible person of a bank pursuant to Section 13 of Article 3 of “Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks”.

3. The term “same person” or “same concerned party” of The Banking Act and Relevant provisions of Regulations Governing Qualification Requirements and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of Banks are defined on page 26-30.

**Relevant provisions to the term “same person” and  
“same concerned party” of Banking Act**

Article/Paragraph	Content
Paragraph 2 of Article 25	The same person or same concerned party who singly, jointly or collectively acquires more than five percent (5%) of a Bank's outstanding voting shares shall report such fact to the Competent Authority within ten (10) days from the day of acquisition; the preceding provision applies to each cumulative increase or decrease in the shares of the same person or same concerned party by more than one percent (1%) thereafter.
Paragraph 3 of Article 25	The same person or same concerned party who intends to singly, jointly or collectively acquire more than ten percent (10%), twenty-five percent (25%) or fifty percent (50%) of a Bank's outstanding voting shares shall apply for prior approval of the Competent Authority.
Paragraph 4 of Article 25	A third party who holds shares of the Bank on behalf of the same person or same concerned party in trust, by mandate or through other types of contract, agreement or authorization shall fall within the purview of a concerned party.
Paragraph 5 of Article 25	The same person or same concerned party who singly, jointly or collectively holds shares of the Bank representing more than five percent (5%) but less than fifteen percent (15%) of a Bank's outstanding voting shares prior to the implementation of the amendment to the Act on December 9, 2008 shall report such fact to the Competent Authority within six (6) months from the implementation date of the said amendment. Those who report to the Competent



Article/Paragraph	Content
	<p>Authority within the said prescribed period may maintain their shareholding at the time of reporting. However, those whose original shareholding exceeds ten percent (10%) shall apply for the prior approval of the Competent Authority when they intend to increase their shareholding for the first time thereafter.</p>
Paragraph 7 of Article 25	<p>Where the same person or same concerned party who holds voting shares issued by a Bank without filing a report with the Competent Authority or obtaining approval from the Competent Authority in accordance with the provisions set forth in Paragraphs 2, 3 or 5 hereof, the excess shares held by such same person or same concerned party shall not have voting rights and shall be disposed of within the given period prescribed by the Competent Authority.</p>
Paragraph 8 of Article 25	<p>If the total number of a Bank's shares held by the same person or by the principal, his/her spouse and children under eighteen (18) years of age exceeds one percent (1%) of the Bank's outstanding voting shares, such principal shall notify the Bank thereof.</p>
Article 25-1	<p>The term "same person" as used in the preceding article shall mean the same natural or juristic person.</p> <p>The term "same concerned party" as used in the preceding article shall mean parties related to the same natural or juristic person, including:</p> <ol style="list-style-type: none"> <li>1. Parties related to the same natural person: <ol style="list-style-type: none"> <li>(1).The principal, his/her spouse and relatives by blood within the second degree of kinship.</li> </ol> </li> </ol>

Article/Paragraph	Content
	<p>(2).An enterprise in which the persons referred to in the preceding subparagraph hold more than one third (1/3) of its outstanding voting shares or more than one third of its capital.</p> <p>(3). An enterprise or a foundation in which the persons referred to in subparagraph (1) hereof act as its chairman, president or directors representing the majority of directors.</p> <p>2.Parties related to the same juristic person:</p> <p>(1).The same juristic person and its chairman and president as well as the spouse and relatives by blood within second degree of kinship of the chairman and president.</p> <p>(2).Enterprises in which the same juristic person and natural persons referred to in the preceding subparagraph hold more than one third (1/3) of their outstanding voting shares or more than one third of their capital, or enterprises or foundations in which the same juristic person and natural persons referred to in the preceding subparagraph act as their chairman, president or directors representing the majority of directors.</p> <p>(3).The affiliates of the same juristic person. The term "affiliate" shall be defined under Articles 369-1 through 369-3, Articles 369-9 and 369-11 of the Company Law.</p> <p>The calculation of shares of a Bank held by the same person or same concerned party under the preceding two paragraphs shall exclude shares held under the following circumstances</p>

Article/Paragraph	Content
	<ol style="list-style-type: none"> <li>1. Shares acquired by a securities firm during the underwriting period of the securities and disposed of during the period prescribed by the Competent Authority.</li> <li>2. Shares acquired by a financial institution under a collateral pledge or security agreement and four years have not elapsed since the date of acquisition.</li> <li>3. Shares acquired by inheritance or bequest and two years have not elapsed since the date of inheritance or bequest.</li> </ol>
Paragraph 3 of Article 128	<p>In the event that a shareholder of a Bank violates Paragraphs 2, 3 or 5 of Article 25 herein by failing to file a report with the Competent Authority with respect to his/her shareholding, or failing to acquire the approval of the Competent Authority to hold shares of the Bank, such shareholder shall be imposed of an administrative fine of not less than Two Million New Taiwan Dollars (NT\$2,000,000) and not more than Ten Million New Taiwan Dollars (NT\$10,000,000).</p>
Subparagraph 1 of Article 131	<p>Commission of any of the following acts shall be imposed of an administrative fine of not less than Five Hundred Thousand New Taiwan Dollars (NT\$ 500,000) and not more than Ten Million New Taiwan Dollars (NT\$10,000,000):</p> <p>Violation of Paragraph 8 of Article 25 herein by failing to give notice</p>

**Relevant provisions of Regulations Governing  
Qualification Requirements and Concurrent Serving  
Restrictions and Matters for Compliance by the  
Responsible Persons of Banks**

Article/Paragraph	Content
Subparagraph 13 of Article 3	Factual evidence shows that the person has engaged in, or been involved in, other dishonest or improper activities which indicate that she/he is unfit to serve as a responsible person of a bank.

# **Ratification Items**



**Acceptance No 1:**

Proposed by the Board of Directors

Agenda : To accept 2022 Business report and Financial statements

Explanation :

The 2022 Financial Reports of the Company were audited by Chun-Hung Cheng, CPA, and Shih-Tsung Wu, CPA, both of Deloitte Taiwan. These Financial and Business Reports have been approved by the Board and examined by the Audit Committee. The 2022 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, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the year ended December 31, 2022 and 2021 in accordance with Taiwan's 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 Taiwan's Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards 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, 2022. 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, 2022 are described as follows:

### **Allowance for Impairment Losses on Discounts and Loans**

The Bank primarily engages in the loan business. As of December 31, 2022, 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, the following procedures were performed:

1. We understood and tested The Bank's internal control procedures that were relevant to the assessment of loan impairment.
2. We tested whether 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 assessed 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 Taiwan's 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, 2022 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 Shih-Tsung Wu.

**Deloitte & Touche**  
Taipei, Taiwan

February 24, 2023

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, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 30,624,554	2	\$ 35,872,472	3
11500	Due from the Central Bank and call loans to banks	119,437,332	8	79,087,362	6
12000	Financial assets measured at fair value through profit or loss	1,986,652	-	2,011,522	-
12100	Financial assets measured at fair value through other comprehensive income	199,170,985	13	230,166,946	17
12200	Investments in debt instruments measured at amortized cost	195,275,787	13	153,739,028	11
12500	Securities purchased under resell agreements	-	-	278,486	-
13000	Receivables, net	8,790,407	1	7,601,615	-
13200	Current income tax assets	143	-	1,024	-
13500	Discounts and loans, net	840,002,195	56	759,956,478	56
15000	Investments under the equity method, net	83,599,886	5	75,997,090	6
15500	Other financial assets, net	-	-	4,817	-
18500	Properties, net	12,994,755	1	12,356,199	1
18600	Right-of-use assets, net	764,585	-	712,482	-
19000	Intangible assets, net	315,822	-	170,199	-
19300	Deferred income tax assets	2,022,262	-	604,581	-
19500	Other assets, net	8,520,247	1	7,211,749	-
10000	Total assets	\$ 1,503,505,612	100	\$ 1,365,772,050	100
<b>LIABILITIES AND EQUITY</b>					
21000	Deposits from the central Bank and other banks	\$ 12,109,095	1	\$ 16,104,744	1
21500	Due to the central bank and other banks	-	-	17,787,080	1
22000	Financial liabilities measured at fair value through profit or loss	3,435,146	-	2,780,535	-
22500	Securities sold under repurchase agreements	781,568	-	14,505,024	1
23000	Payables	25,714,122	2	23,863,369	2
23200	Current income tax liabilities	1,245,964	-	606,423	-
23500	Deposits and remittances	1,218,395,510	81	1,050,439,562	77
24000	Bank debentures	56,070,000	4	66,950,000	5
25500	Other financial liabilities	2,499,732	-	2,823,239	-
25600	Provisions	1,617,087	-	1,811,506	-
26000	Lease liabilities	772,365	-	722,147	-
29300	Deferred income tax liabilities	10,155,644	1	8,408,491	1
29500	Other liabilities	928,471	-	1,168,114	-
20000	Total liabilities	1,333,724,704	89	1,207,970,234	88
	Equity				
	Share capital				
31101	Ordinary shares	48,616,031	3	44,816,031	4
31500	Capital surplus	27,405,763	2	16,666,144	1
	Retained earnings				
32001	Legal reserve	64,476,033	4	60,224,639	4
32003	Special reserve	7,669,374	1	7,669,374	1
32005	Unappropriated earnings	28,537,216	2	27,585,920	2
32000	Total retained earnings	100,682,623	7	95,479,933	7
32500	Other equity	(6,840,365)	(1)	922,852	-
32600	Treasury shares	(83,144)	-	(83,144)	-
30000	Total equity	169,780,908	11	157,801,816	12
	Total liabilities and equity	\$ 1,503,505,612	100	\$ 1,365,772,050	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, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	For the Year Ended December 31				Change
	2022		2021		
	Amount	%	Amount	%	
41000 Interest income	\$ 24,028,423	86	\$ 16,021,891	68	50
51000 Interest expenses	7,742,933	28	4,381,269	19	77
49010 Net interest income	16,285,490	58	11,640,622	49	40
Non-interest income					
49100 Service fee income, net	3,059,695	11	3,420,118	14	(11 )
49200 Gain on financial assets and liabilities measured at fair value through profit or loss	(1,871,819 )	(7 )	( 116,342 )	-	1,509
49310 Realized gain on financial assets measured at fair value through other comprehensive income	1,625,146	6	1,095,311	5	48
49450 Gain on financial assets measured at amortized cost	-	-	5,420	-	(100 )
49600 Foreign exchange gain, net	2,759,558	10	1,101,814	5	150
49700 Impairment gain (loss) on assets	(85,945 )	-	( 4,172 )	-	1,960
49750 Proportionate share of profit of associates under the equity method	6,046,724	21	6,404,583	27	(6 )
49800 Other non-interest income, net	282,913	1	46,418	-	509
49020 Total non-interest income	11,816,272	42	11,953,150	51	(1 )
4xxxx Net revenue	28,101,762	100	23,593,772	100	19
58200 Provisions for bad-debt expense, commitment and guarantee liability	2,800,037	10	900,164	4	211
Operating expenses					
58500 Employee benefits	5,332,083	19	4,564,595	19	17
59000 Depreciation and amortization	679,051	2	631,324	3	8
59500 Other general and administrative	2,669,450	10	2,148,294	9	24
58400 Total operating expenses	8,680,584	31	7,344,213	31	18
61001 Profit before income tax	16,621,141	59	15,349,395	65	8
61003 Income tax expense	(1,683,271 )	(6 )	( 1,093,814 )	( 5 )	54
64000 Net income	14,937,870	53	14,255,581	60	5
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
65201 Remeasurement of defined benefit plans	98,703	-	( 132,455 )	( 1 )	175
65204 Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	(3,166,163 )	(11 )	962,319	4	(429 )
65205 Financial liabilities designated at FVTPL which the amount of change derived from credit risk	(60,356 )	-	17,650	-	(442 )
65207 Proportionate share of other comprehensive income of associates under the equity method	(1,619,592 )	(6 )	( 551,964 )	( 2 )	193
65220 Income tax relating to items that will not be reclassified subsequently to profit or loss	(19,167 )	-	25,740	-	(174 )
65200 Subtotal of items that will not be reclassified subsequently to profit or loss	(4,766,575 )	(17 )	321,290	1	(1,584 )
Items that may be reclassified subsequently to profit or loss:					
65301 Exchange differences on translating foreign operations	8,748,570	31	( 1,289,632 )	( 5 )	778
65307 Share of the other comprehensive income of associates accounted for using the equity method	(5,188,650 )	(18 )	( 1,643,022 )	( 7 )	216
65309 Gain (loss) on debt instruments measured at fair value through other comprehensive income	(7,840,494 )	(28 )	( 1,968,286 )	( 8 )	298
65310 Loss allowance for debt instruments measured at fair value through other comprehensive income	81,910	-	5,081	-	1,512
65320 Income tax relating to items that may be reclassified subsequently to profit or loss	(466,272 )	(1 )	520,790	2	(190 )
65300 Subtotal of items that may be reclassified subsequently to profit or loss	(4,664,936 )	(16 )	( 4,375,069 )	( 18 )	7
65000 Other comprehensive income for the period, net of income tax	(9,431,511 )	(33 )	( 4,053,779 )	( 17 )	133
66000 Total comprehensive income for the period	\$ 5,506,359	20	\$ 10,201,802	43	(46 )
Earnings per share					
67500 Basic	\$ 3.33		\$ 3.19		
67700 Diluted	\$ 3.33		\$ 3.19		

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, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

Codes		Share Capital (Note 30)		Retained Earnings			Other Equity				Total Equity	
		Ordinary Shares	Capital Surplus (Note 30)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on	Change in Financial Assets	Change in Credit Risk From Financial Liabilities	Treasury Shares		
							Translating		Designated		Attributable to Owners of the Bank	
							Foreign Operations	at FVTOCI				at FVTPL
A1	Balance at January 1, 2021	\$ 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	
B1	Appropriation of 2020 earnings	-	-	3,879,721	-	(3,879,721 )	-	-	-	-	-	
B9	Legal reserve	-	-	-	-	(7,618,725 )	-	-	-	-	(7,618,725 )	
B9	Cash dividends	-	-	-	-	-	-	-	-	-	-	
C7	Changes in capital surplus from investments in associates under the equity method	-	8,954	-	-	-	-	-	-	-	8,954	
C17	Dividends not yet collected	-	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 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	
B1	Appropriation of 2021 earnings	-	-	4,251,394	-	(4,251,394 )	-	-	-	-	-	
B9	Legal reserve	-	-	-	-	(8,066,886 )	-	-	-	-	(8,066,886 )	
B9	Cash dividends	-	-	-	-	-	-	-	-	-	-	
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	
C17	Dividends not yet collected	-	112,407	-	-	-	-	-	-	-	112,407	
D1	Net profit for the year ended December 31, 2022	-	-	-	-	14,937,870	-	-	-	-	14,937,870	
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	79,274	6,737,324	(16,187,753 )	(60,356 )	-	(9,431,511 )	
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	15,017,144	6,737,324	(16,187,753 )	(60,356 )	-	5,506,359	
E1	Issue of ordinary shares for capital increase by cash	3,800,000	10,260,000	-	-	-	-	-	-	-	14,060,000	
N1	Share-based payment transaction	-	357,732	-	-	-	-	-	-	-	357,732	
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(1,747,568 )	-	1,747,568	-	-	-	
Z1	Balance on December 31, 2022	\$ 48,616,031	\$ 27,405,763	\$ 64,476,033	\$ 7,669,374	\$ 28,537,216	\$ (126,464 )	\$ (6,677,607 )	\$ (36,294 )	\$ (83,144 )	\$ 169,780,908	

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2022	2021
	Cash flows from operating activities		
A00010	Net profit before income tax	\$ 16,621,141	\$ 15,349,395
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	499,761	473,952
A20200	Amortization expenses	179,290	157,372
A20300	Provisions for bad debt expense, commitment and guarantee liability	2,800,037	900,164
A20400	(Gain) loss on financial assets and liabilities at fair value through profit or loss	(202,500)	459,411
A20900	Interest expenses	7,742,933	4,381,269
A21200	Interest revenue	(24,028,423)	(16,021,891)
A21300	Dividend income	(1,366,011)	(513,944)
A21900	Share-based payment transaction	357,732	-
A22400	Proportionate share of profit of subsidiaries	(6,046,724)	(6,404,583)
A22500	Gain on disposal of properties and equipment, net	(186,405)	(906)
A23500	Loss on financial asset impairment	86,486	4,630
A23800	Reversal of impairment on non-financial assets	(541)	(458)
A29900	Others	(942,439)	(416,532)
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(9,516,147)	12,728,949
A41120	Financial assets measured at fair value through profit or loss	400,954	483,154
A41123	Financial assets measured at fair value through other comprehensive income	21,052,813	3,246,718
A41125	Investment in debt instruments measured at amortized cost	(41,542,989)	(47,308,683)
A41150	Receivables	301,653	83,703
A41160	Discounts and loans	(83,964,062)	(684,841)
A41190	Other financial assets	5,037	1,293,148
A42110	Deposits from the central bank and other banks	(3,995,649)	156,860
A42120	Financial liabilities at fair value through profit or loss	420,671	(303,169)
A42140	Securities sold under repurchase agreements	(13,723,456)	(11,276,387)
A42150	Payables	946,030	539,711
A42160	Deposits and remittances	167,955,948	11,885,706
A42170	Other financial liabilities	(323,507)	659,784
A42180	Employee benefit provisions	(121,358)	(164,168)
A42990	Other liabilities	(90,092)	109,382
A33000	Cash from (used in) operations	33,320,183	(30,182,254)
A33100	Interest received	22,583,231	16,303,014
A33200	Dividends received	2,064,136	3,310,243
A33300	Interest paid	(6,717,781)	(4,559,608)
A33500	Income tax paid	(1,200,691)	(952,343)
AAAA	Net cash from (used in) operating activities	50,049,078	(16,080,948)

(Continued)



# THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

## Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2022	2021
	Cash flows from investing activities		
B02700	Acquisition of properties	\$ ( 967,318 )	\$ ( 448,376 )
B02800	Proceeds from disposal of properties	326,800	5,168
B03700	Increase in refundable deposits	(495,123 )	-
B03800	Decrease in refundable deposits	-	137,970
B04500	Acquisition of intangible assets	(255,639 )	( 141,520 )
B06800	Increase in other assets	(688,024 )	( 3,670,152 )
BBBB	Net cash from (used in) investing activities	(2,079,304 )	( 4,116,910 )
	Cash flows from financing activities		
C00300	Increase in funds borrowed from central bank and Banks	-	11,735,070
C00400	Decrease in funds borrowed from central bank and Banks	(17,787,080 )	-
C01400	Proceeds from issuance of bank debentures	4,070,000	5,000,000
C01500	Payments for bank debentures	(14,950,000 )	( 4,900,000 )
C03100	Decrease in securities guarantee received	(149,266 )	( 87,515 )
C04020	Payments for principal portion of lease liabilities	(316,074 )	( 306,182 )
C04500	Cash dividends	(8,066,886 )	( 7,618,725 )
C04600	Proceeds from capital increase by cash	14,060,000	-
C05400	Acquisition of subsidiaries	(626,400 )	( 158,688 )
CCCC	Net cash from (used in) financing activities	(23,765,706 )	3,663,960
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	1,103,351	( 161,299 )
EEEE	Net increase (decrease) in cash and cash equivalents	25,307,419	( 16,695,197 )
E00100	Cash and cash equivalents at the beginning of the period	71,814,474	88,509,671
E00200	Cash and cash equivalents at the end of the period	\$ 97,121,893	\$ 71,814,474

Reconciliation of the cash and cash equivalent amounts in the statements of cash flows with the equivalent item reported in the balance sheets as of December 31, 2022 and 2021:

Codes		December 31, 2022	December 31, 2021
E00210	Cash and cash equivalents in balance sheets	\$ 30,624,554	\$ 35,872,472
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	66,497,339	35,663,516
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	-	278,486
E00200	Cash and cash equivalents in statements of cash flows	\$ 97,121,893	\$ 71,814,474

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, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2022 and 2021, 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, 2022 and 2021, its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2022 and 2021 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 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, 2022. 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, 2022 are described as follows:

### **Allowance for Impairment Losses of Discounts and Loans**

The Group primarily engages in the loan business. As of December 31, 2022, 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, 2022 and 2021 on which we have issued an unmodified 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 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 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 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 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, 2022 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 Shih-Tsung Wu.

**Deloitte & Touche**  
Taipei, Taiwan

February 24, 2023

#### 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, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 63,757,313	3	\$ 70,381,813	3
11500	Due from the Central Bank and call loans to banks	336,553,517	15	211,566,159	10
12000	Financial assets measured at fair value through profit or loss	7,988,907	-	10,598,012	1
12100	Financial assets measured at fair value through other comprehensive income	400,783,774	17	518,556,855	24
12200	Investments in debt instruments measured at amortized cost	213,901,918	9	159,319,588	8
12500	Securities purchased under resell agreements	-	-	278,486	-
13000	Receivables, net	18,992,356	1	15,216,288	1
13200	Current income tax assets	25,905	-	62,485	-
13500	Discounts and loans, net	1,234,305,369	53	1,112,234,779	52
15000	Investments under the equity method, net	1,937,372	-	1,922,359	-
15500	Other financial assets, net	-	-	4,817	-
18500	Properties, net	21,906,365	1	20,596,416	1
18600	Right-of-use assets, net	1,871,270	-	1,809,919	-
18700	Investment properties, net	6,895,605	-	5,981,151	-
19000	Intangible assets, net	1,925,844	-	1,665,724	-
19300	Deferred income tax assets	4,396,598	-	1,236,260	-
19500	Other assets, net	10,112,912	1	8,201,600	-
10000	Total assets	<u>\$ 2,325,355,025</u>	<u>100</u>	<u>\$ 2,139,632,711</u>	<u>100</u>
<b>Codes</b>	<b>LIABILITIES AND EQUITY</b>				
21000	Deposits from the central bank and other banks	\$ 50,192,934	2	\$ 52,655,889	3
21500	Due to the central bank and other banks	-	-	17,787,080	1
22000	Financial liabilities measured at fair value through profit or loss	5,791,587	-	3,670,954	-
22500	Securities sold under repurchase agreements	781,568	-	14,505,024	1
23000	Payables	33,071,071	1	29,428,955	1
23200	Current income tax liabilities	2,052,522	-	1,184,757	-
23500	Deposits and remittances	1,920,666,353	83	1,707,602,522	80
24000	Bank debentures	65,244,424	3	82,091,512	4
25500	Other financial liabilities	3,339,871	-	4,784,006	-
25600	Provisions	2,926,505	-	2,932,800	-
26000	Lease liabilities	1,925,887	-	1,868,929	-
29300	Deferred income tax liabilities	10,452,067	1	8,691,595	-
29500	Other liabilities	3,267,315	-	3,190,488	-
20000	Total liabilities	<u>2,099,712,104</u>	<u>90</u>	<u>1,930,394,511</u>	<u>90</u>
	Equity				
	Equity attributable to owners of the Bank				
	Share capital				
31101	Ordinary shares	<u>48,616,031</u>	<u>2</u>	<u>44,816,031</u>	<u>2</u>
31500	Capital surplus	<u>27,405,763</u>	<u>1</u>	<u>16,666,144</u>	<u>1</u>
	Retained earnings				
32001	Legal reserve	64,476,033	3	60,224,639	3
32003	Special reserve	7,669,374	-	7,669,374	-
32005	Unappropriated earnings	28,537,216	1	27,585,920	1
32000	Total retained earnings	<u>100,682,623</u>	<u>4</u>	<u>95,479,933</u>	<u>4</u>
32500	Other equity	<u>(6,840,365)</u>	<u>-</u>	<u>922,852</u>	<u>-</u>
32600	Treasury shares	<u>(83,144)</u>	<u>-</u>	<u>(83,144)</u>	<u>-</u>
31000	Total equity attributable to owners of the Bank	169,780,908	7	157,801,816	7
38000	Non-controlling interests	55,862,013	3	51,436,384	3
30000	Total equity	<u>225,642,921</u>	<u>10</u>	<u>209,238,200</u>	<u>10</u>
	Total liabilities and equity	<u>\$ 2,325,355,025</u>	<u>100</u>	<u>\$ 2,139,632,711</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, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

		For the Year Ended December 31				Change %
		2022		2021		
Codes		Amount	%	Amount	%	
41000	Interest income	\$ 50,043,879	112	\$ 35,519,115	93	41
51000	Interest expenses	16,800,536	37	9,048,820	24	86
49010	Net interest income	33,243,343	75	26,470,295	69	26
	Non-interest income					
49100	Service fee income, net	5,647,708	13	6,313,428	16	(11 )
49200	Gain (loss) on financial assets and liabilities measured at fair value through profit or loss	(2,512,366 )	(6 )	(173,417 )	-	1,349
49310	Realized gain on financial assets measured at fair value through other comprehensive income	2,502,696	5	2,254,204	6	11
49450	Gain on financial assets measured at amortized cost	-	-	5,420	-	(100 )
49600	Foreign exchange gain, net	4,334,914	10	2,250,123	6	93
49700	Impairment loss on assets	(59,189 )	-	(29,274 )	-	102
49750	Proportionate share of profit of associates under the equity method	526,569	1	273,442	1	93
49800	Other non-interest income, net	915,647	2	808,281	2	13
49020	Total non-interest income	11,355,979	25	11,702,207	31	(3 )
4xxxx	Consolidated net revenue	44,599,322	100	38,172,502	100	17
58200	Provisions for bad-debt expense, commitment and guarantee liability	4,336,995	10	1,241,757	3	249
	Operating expenses					
58500	Employee benefits	10,590,464	24	9,338,175	25	13
59000	Depreciation and amortization	1,762,644	4	1,659,855	4	6
59500	Other general and administrative	4,677,469	10	3,793,366	10	23
58400	Total operating expenses	17,030,577	38	14,791,396	39	15
61001	Profit before income tax	23,231,750	52	22,139,349	58	5
61003	Income tax expense	(4,135,726 )	(9 )	(3,468,731 )	(9 )	19
64000	Consolidated net income	19,096,024	43	18,670,618	49	2
	Other comprehensive income (loss)					
	Items that will not be reclassified subsequently to profit or loss:					
65201	Remeasurement of defined benefit plans	99,014	-	(136,717 )	-	172
65204	Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	(5,807,747 )	(13 )	95,071	-	(6,209 )
65205	Financial liabilities designated at FVTPL which the amount of change derived from credit risk	(60,356 )	-	17,650	-	(442 )
65207	Proportionate share of other comprehensive income of associates under the equity method	(21,563 )	-	(1,404 )	-	1,436
65220	Income tax relating to items that will not be reclassified subsequently to profit or loss	(148,329 )	(1 )	11,806	-	(1,356 )
65200	Subtotal of items that will not be reclassified subsequently to profit or loss	(5,938,981 )	(14 )	(13,594 )	-	43,588
	Items that may be reclassified subsequently to profit or loss:					
65301	Exchange differences on translating foreign operations	14,335,022	32	(2,652,075 )	(7 )	641
65307	Share of the other comprehensive income of associates accounted for using the equity method	(522,670 )	(1 )	(32,530 )	-	1,507
65309	Gain (loss) on debt instruments measured at fair value through other comprehensive income	(17,216,386 )	(38 )	(4,817,412 )	(13 )	257
65310	Loss allowance for debt instruments measured at fair value through other comprehensive income	61,602	-	28,726	-	114
65320	Income tax relating to items that may be reclassified subsequently to profit or loss	620,660	1	934,545	3	(34 )
65300	Subtotal of items that may be reclassified subsequently to profit or loss	(2,721,772 )	(6 )	(6,538,746 )	(17 )	(58 )
65000	Other comprehensive income for the period, net of income tax	(8,660,753 )	(20 )	(6,552,340 )	(17 )	32
66000	Total comprehensive income for the period	\$ 10,435,271	23	\$ 12,118,278	32	(14 )
	Net profit attributable to:					
67101	Owners of the Bank	\$ 14,937,870	34	\$ 14,255,581	37	5
67111	Non-controlling interests	4,158,154	9	4,415,037	12	(6 )
67100		\$ 19,096,024	43	\$ 18,670,618	49	2
	Total comprehensive income attributable to:					
67301	Owners of the Bank	\$ 5,506,359	12	\$ 10,201,802	27	(46 )
67311	Non-controlling interests	4,928,912	11	1,916,476	5	157
67300		\$ 10,435,271	23	\$ 12,118,278	32	(14 )
	Earnings per share					
67500	Basic	\$3.33		\$3.19		
67700	Diluted	\$3.33		\$3.19		

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, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Bank											
		Share Capital		Retained Earnings			Other Equity			Total Equity			
		Ordinary			Unappropriated	Exchange Differences on Translating Foreign	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares	Attributable to		Total Equity	
										Owners of the	Non-controlling		
Codes		Shares	Capital Surplus	Legal Reserve	Special Reserve	Earnings	Operations	at FVTOCI	at FVTPL		Bank	Interests	Total Equity
A1	Balance on January 1, 2021	\$ 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												
	Legal reserve	-	-	3,879,721	-	(3,879,721 )	-	-	-	-	-	-	-
B5	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
B1	Appropriation of 2021 earnings												
	Legal reserve	-	-	4,251,394	-	(4,251,394 )	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,066,886 )	-	-	-	-	(8,066,886 )	-	(8,066,886 )
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	-	9,480
C17	Unclaimed dividends	-	112,407	-	-	-	-	-	-	-	112,407	-	112,407
D1	Net profit for the year ended December 31, 2022	-	-	-	-	14,937,870	-	-	-	-	14,937,870	4,158,154	19,096,024
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	79,274	6,737,324	(16,187,753 )	(60,356 )	-	(9,431,511 )	770,758	(8,660,753 )
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	15,017,144	6,737,324	(16,187,753 )	(60,356 )	-	5,506,359	4,928,912	10,435,271
E1	Issue of ordinary shares for capital increase by cash	3,800,000	10,260,000	-	-	-	-	-	-	-	14,060,000	-	14,060,000
N1	Share-based payment transaction	-	357,732	-	-	-	-	-	-	-	357,732	-	357,732
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(1,747,568 )	-	1,747,568	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(503,283 )	(503,283 )
Z1	Balance on December 31, 2022	\$ 48,616,031	\$27,405,763	\$ 64,476,033	\$ 7,669,374	\$ 28,537,216	\$ (126,464 )	\$ ( 6,677,607 )	\$ (36,294 )	\$ (83,144 )	\$ 169,780,908	\$ 55,862,013	\$ 225,642,921

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, 2022 and 2021**

(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2022	2021
	Cash flows from operating activities		
A00010	Consolidated net profit before income tax	\$ 23,231,750	\$ 22,139,349
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	1,521,094	1,445,349
A20200	Amortization expenses	241,550	214,506
A20300	Provisions for bad debt expense, commitment and guarantee liability	4,336,995	1,241,757
A20400	(Loss) gain on financial assets and liabilities measured at fair value through profit or loss	(296,449 )	608,765
A20900	Interest expenses	16,800,536	9,048,820
A21200	Interest revenue	(50,043,879 )	(35,519,115 )
A21300	Dividend income	(2,142,869 )	(1,285,004 )
A21900	Share-based payment transaction	357,732	-
A22300	Proportionate share of profit of associates	(526,569 )	(273,442 )
A22500	(Gain) loss on disposal of properties and equipment, net	(195,228 )	9,728
A23500	Loss on financial asset impairment	59,730	29,732
A23800	(Gain) on non-financial asset impairment	(541 )	(458 )
A29900	Others	(856,044 )	(370,072 )
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	(41,194,553 )	(1,160,905 )
A41120	Financial assets measured at fair value through profit or loss	3,904,366	2,557,642
A41123	Financial assets measured at fair value through other comprehensive income	120,138,824	(20,490,376 )
A41125	Investment in debt instruments measured at amortized cost	(53,532,052 )	(51,815,782 )
A41150	Receivables	404,585	2,674,895
A41160	Discounts and loans	(94,099,174 )	16,873,205
A41190	Other financial assets	5,037	1,293,187
A42110	Deposits from the central bank and other banks	(4,630,510 )	6,271,597
A42120	Financial liabilities at fair value through profit or loss	1,739,036	(2,720,636 )
A42140	Securities sold under repurchase agreements	(13,723,456 )	(11,276,387 )
A42150	Payables	124,349	(1,584,048 )
A42160	Deposits and remittances	149,854,982	30,659,135
A42170	Other financial liabilities	(1,623,990 )	301,719
A42180	Employee benefit provisions	(24,725 )	(54,763 )
A42990	Other liabilities	239,115	44,863
A33000	Cash from (used in) operations	60,069,642	(31,136,739 )
A33100	Interest received	47,412,880	35,854,912
A33200	Dividends received	2,190,133	1,343,473
A33300	Interest paid	(14,155,168 )	(9,536,911 )
A33500	Income tax paid	(3,712,477 )	(3,220,206 )
AAAA	Net cash from (used in) operating activities	91,805,010	(6,695,471 )

(Continued)

**THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the Year Ended December 31, 2022 and 2021**  
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2022	2021
	Cash flows from investing activities		
B02700	Acquisition of properties	\$ (1,247,367 )	\$ (843,564 )
B02800	Proceeds from disposal of properties	326,924	5,208
B02600	Proceeds from assets for sale	-	261,345
B03700	Increase in refundable deposits	(786,474 )	(46 )
B03800	Decrease in refundable deposits	-	163,666
B04500	Acquisition of intangible assets	(271,345 )	(169,240 )
B05400	Acquisition of investment properties	(276,213 )	(335,733 )
B06700	Increase in other assets	(888,558 )	(3,744,492 )
BBBB	Net cash from (used in) investing activities	(3,143,033 )	(4,662,856 )
	Cash flows from financing activities		
C00300	Increase in funds borrowed from central bank and Banks	-	11,735,070
C00400	Decrease in funds borrowed from central bank and Banks	(17,787,080 )	-
C01400	Proceeds from issuance of bank debentures	4,070,000	5,000,000
C01500	Payments for bank debentures	(22,367,720 )	(4,900,000 )
C03000	Increase in guarantee deposits received	18,016	141,806
C03100	Decrease in guarantee deposits received	(278,319 )	(89,106 )
C04020	Payments for principal portion of lease liabilities	(814,716 )	(745,095 )
C04500	Cash dividend	(8,057,406 )	(7,609,771 )
C04600	Cash capital increase	14,060,000	-
C05800	Changes in non-controlling interests	(503,283 )	(476,048 )
CCCC	Net cash from (used in) financing activities	(31,660,508 )	3,056,856
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	12,748,616	(5,491,573 )
EEEE	Net increase (decrease) in cash and cash equivalents	69,750,085	(13,793,044 )
E00100	Cash and cash equivalents at the beginning of the period	182,050,068	195,843,112
E00200	Cash and cash equivalents at the end of the period	\$ 251,800,153	\$ 182,050,068

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, 2022 and 2021:

Codes		December 31, 2022	December 31, 2021
E00210	Cash and cash equivalents in consolidated balance sheets	\$ 63,757,313	\$ 70,381,813
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	188,042,840	111,389,769
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	-	278,486
E00200	Cash and cash equivalents in consolidated statements of cash flows	\$ 251,800,153	\$ 182,050,068

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



**Acceptance No 2:**

Proposed by the Board of Directors

Agenda : The Distribution of Earnings for 2022

Explanation :

1. Pursuant to Article 228, Paragraph 1 of the Company Act, Article 50 of the Banking Act of the Republic of China and Article 37 of the Articles of Incorporation, the Company's earnings for 2022 are proposed to be distributed.
2. The beginning unappropriated retained earnings for 2022 amounted to NT\$15,267,641,242. After adding net income for this period NT\$14,937,869,544, adding the actuarial gain of NT\$ 79,273,737 on remeasurements of defined benefit plans , and deducting the loss of NT\$ 1,747,568,189 on disposal of equity instruments measured at fair value through other comprehensive income, the adjusted retained earnings available for distribution amounted to NT\$ 13,269,575,092.
3. Pursuant to the Article 41, Paragraph 1 of the Securities and Exchange Act and the Banking Bureau's requirement dated March 31, 2021 (Ref. No. 1090150022), after setting aside the special reserve NT\$ 5,583,504,953, the retained earnings available for distribution for this period amounted to NT\$ 22,953,711,381. It is planned to distribute cash dividend of NT\$1.80 per common share with the total amount of NT\$ 8,750,885,652. (For the Earnings Distribution Plan for 2022, on page 55)

4. It is planned to give priority to handle all kinds of distributions with earnings in 2022. 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.

## 2022 Earnings Distribution Plan

Unit : NT\$

Items	Total
Beginning Unappropriated Retained Earnings	\$15,267,641,242
Net Income for the period	14,937,869,544
Add: Remeasurements of defined benefit plans	79,273,737
Less : Gain on disposal of equity instruments measured at fair value through other comprehensive income	(1,747,568,189 )
Net income for the period after adjusting items should be included in the unappropriated retained earnings	\$13,269,575,092
Reserves:	
Less : Special reserve (Note 4)	(5,583,504,953 )
Retained earnings available for distribution for this period	\$22,953,711,381
Distribution item :	
Cash dividends to common share holders (\$1.80 per share)	(8,750,885,652 )
Unappropriated Retained Earnings	\$14,202,825,729

Note :

1. It is planned to give priority to handle all kinds of distributions with earnings in 2022.
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.
3. According to Article 50, Paragraph 1 of the Banking Act, "unless and until the accumulated legal reserve equals the Bank's paid in capital the maximum cash profits which may be distributed shall not exceed 15% of the Bank's paid-in capital", and Article 50, Paragraph 2, "in the event that the accumulated legal reserve equals or exceeds a Bank's paid-in capital, the restrictions stipulated in the preceding paragraph shall not apply", the Company's accumulated legal reserve NT\$64,476,032,582 has exceeded the Company's paid-in capital NT\$48,616,031,400 for the year ended December 31, 2022. Therefore, Article 50, Paragraph 1 of the Banking Act on the earnings distribution shall not apply.
4. The Special reserve is based on Article 41, Paragraph 1 of the Securities and Exchange Act and the Banking Bureau's requirement dated March 31, 2021 (Ref. No. 1090150022).
5. Information Disclosure :
  - (1). The legal reserve equals or exceeds 75% of the Company's paid-in capital.
  - (2). The capital adequacy ratio, in the latest financial statement as audited by the accountant, after deducting cash earnings distribution, cash dividend issued from the Company's paid-in capital and from the legal reserve, exceeds 12.5%. The ratio of Tier I capital exceeds 10.5%. The capital adequacy ratio was audited by the accountant.
  - (3). There is no insufficiency or misrepresentation in allowances (including provision for guarantee liabilities), overdue loans or provision for loss on non-credit assets as examined in the latest financial examination or competent authority.
  - (4). In February, 2023, the last month before the earnings distribution for 2022 approved by the board of directors, the Company's NPL ratio is 0.18%, which is over the average of Domestic Banks 0.16% but doesn't exceed 1.5%. The Company's coverage ratio is 833.44%, which is lower than the average of Domestic Banks 845.18%.
  - (5). There is no punishment over NT\$100 million penalties or due to Article 61-1 of the Banking Act except ordering correction in 2022, the last year before the earnings distribution approved by the board of directors.

- (6). The legal reserve has exceeded the Company 's paid-in capital. Pursuant to Article 50, Paragraph 2 of the Banking Act, the allocation of the legal reserve is non-mandatorily in the earnings distribution.
- (7). The cash dividend NT\$ 8,750,886 thousand exceeds 15% of the Company 's paid-in capital NT\$48,616,031 thousand.
- (8). The earnings distribution is either not issued from the legal reserve or the Company's paid-in capital.
- (9). The remuneration of directors and employees' compensation recognized in the financial report for 2022 were NT\$48,500 thousand and NT \$76,000 thousand, respectively.

Chairman: LEE CHING YEN STEPHEN

President: LIN, CHIH-HUNG

Chief Accountant: HSU, SHOU-MING



# **Discussion Items**



**Discussion No. 1**

Proposed by the Board of Directors

Agenda : Amendment to the Company's Rules of Procedure for Shareholders Meetings

Explanation :

1. Attached to the Company's "Rules of Procedure for Shareholders Meetings" the comparison table of amended articles, as detailed on page 58-67.
2. Approval is respectfully requested.

**RESOLUTION :**

# THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

## Comparison Table of Amended Articles of Rules of Procedure for Shareholders Meetings

Content of Article after Amendment	Content of Article before Amendment
<p>Article 2</p> <p>Unless otherwise provided by law , regulation, or the articles of incorporation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p><u>The Bank's shareholders' meetings can be held by means of visual communication network or other methods promulgated by the competent authority. Relevant procedures of the visual communication meeting are in compliance with the Company Act and applicable laws and regulations.</u></p> <p>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.</p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in card, or other supporting document.</p>	<p>Article 2</p> <p>Unless otherwise provided by law , regulation, or the articles of incorporation, this Corporation's shareholders meetings shall be convened by the board of directors.</p> <p>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.</p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in card, or other supporting document.</p>

Content of Article after Amendment	Content of Article before Amendment
<p>Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.</p> <p><u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with visual communication platform used at the meeting two days before the meeting date.</u></p> <p><u>For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts.</u></p> <p><u>Shareholders completing registration will be deemed as attend the shareholders meeting in person.</u></p>	<p>Solicitors soliciting proxy forms shall also bring identification documents for verification.</p> <p>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting.</p>
<p>Article 4</p> <p>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.</p> <p><u>The restrictions on the place of the meeting shall not apply when this Corporation convenes a virtual-only shareholders meeting.</u></p>	<p>Article 4</p> <p>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.</p>

Content of Article after Amendment	Content of Article before Amendment
<p>Article 8</p> <p>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.</p> <p>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.</p> <p><u>In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or</u></p>	<p>Article 8</p> <p>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.</p> <p>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.</p>

Content of Article after Amendment	Content of Article before Amendment
<p>participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</p> <p>When this Corporation convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in preceding paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the preceding paragraph is required.</p> <p>Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.</p>	

Content of Article after Amendment	Content of Article before Amendment
<p>Article 13</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs Article 10 to 12 do not apply.</u></p>	<p>Article 13</p> <p>After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>
<p>Article 16</p> <p>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</p>	<p>Article 16</p> <p>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</p>



Content of Article after Amendment	Content of Article before Amendment
<p>to the extraordinary motions and amendments to original proposals of that meeting.</p> <p>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.</p> <p>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 or online, 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 two 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</p>	<p>to the extraordinary motions and amendments to original proposals of that meeting.</p> <p>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.</p> <p>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 or online, 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 two 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</p>



Content of Article after Amendment	Content of Article before Amendment
<p>deemed to be passed, and their effectiveness is also the same as voting.</p> <p>Except as otherwise provided of law or regulations, a shareholder shall be entitled to one vote for each share held.</p> <p>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.</p> <p><u>When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.</u></p> <p><u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.</u></p> <p><u>When this Corporation convenes a hybrid shareholders meeting, if shareholders who have registered to accordance with paragraph 4 decide to attend the physical shareholders</u></p>	<p>deemed to be passed, and their effectiveness is also the same as voting.</p> <p>Except as otherwise provided of law or regulations, a shareholder shall be entitled to one vote for each share held.</p> <p>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.</p>

Content of Article after Amendment	Content of Article before Amendment
<p><u>attend the meeting online in meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.</u></p> <p><u>When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>	
<p>Article 16-1</p> <p>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.</p> <p>This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p>	<p>Article 16-1</p> <p>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.</p> <p>This Corporation may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.</p>

Content of Article after Amendment	Content of Article before Amendment
<p>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.</p> <p>Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.</p>	<p>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.</p>



## **Discussion No. 2**

Proposed by the Board of Directors

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 on page 70.
4. Approval is respectfully requested.

**RESOLUTION :**

<b>Name of Director</b>	<b>Company Director Holds Concurrent Position</b>	<b>Position Held</b>
LEE CHING YEN STEPHEN	Marina South investment Pte. Ltd.	Director
	Ophir-Rochor Investments Pte. Ltd.	Director
YUNG CON-SING JOHN	Magnetic Holdings Limited	Chairman
	East Coast Investments Limited	Director
	Cottage Investments. Co. S.A.	Director
	Merry Co. Inc.	Director
YUNG, CHU-KUEN	Nanyang Holdings Limited	Director
	Merry Co. Inc.	Director
LIN, CHIH-HUNG	Paofong Insurance Company(Hong Kong) Limited	Director



# **Extempore Motions**



# Appendices



# **(Appendix No.1)**

## **THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.**

### **Articles of Incorporation**

Duly amended on June 17, 2022

#### **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.

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.

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.

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.

The Bank whose shareholders should 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 for exercising the voting power.

Shareholders who exercises their voting power at a shareholders meeting in writing or by way of electronic transmission as set forth in the preceding. Paragraph 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.

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, LTD.**

#### **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)

### THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

#### Shareholding of Directors

Book closure date: April 15 2023

Position	Name	Current shareholding	Representative of juridical person
Chairman	LEE CHING YEN STEPHEN	6,672,087	
Managing Director	YUNG CON-SING JOHN	128,798,376	Magnetic Holdings Limited
Managing Director (Independent Director)	CHEN, MU-TSAI	0	
Director	YUNG, CHU-KUEN	3,724,924	
Director	GU, CHAO-CHI	11,975,463	
Director	CHIOU, YI-JEN	3,721,733	
Director	LIN, CHIH-HUNG	1,871,726	
Independent Director	TSENG, KUO-LIEH	0	
Independent Director	HSIEH, KING-HU	0	

**Note 1 :** The minimum required combined shareholding of all directors by law: 116,678,475 shares.

The combined shareholding of all directors on the book closure date: 156,764,309 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.4)**

### **Other information should be disclosed**

1. Compensation of directors and employees :
    - (1). The amount of directors' remuneration and employee compensation : Please see page 19 of this manual for details.
    - (2). The discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized : None
    - (3). 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 2023, so it is impossible to estimate profit or loss, earnings per share or proposed data.)





