



上海商業儲蓄銀行股份有限公司

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Minutes for the 2024 Annual General Meeting of Shareholders (Summary Translation)

Meeting Time : 9:00 a.m. on Friday, June 21, 2024

Place : 2F., No. 6, Sec. 3, Minsheng E. Rd., Zhongshan Dist.,
Taipei City, Taiwan (R.O.C.)
(Courtyard by Marriott Taipei Downtown Azalea Hall & Lily Hall)

Meeting type : Hybrid Shareholders' Meeting

Virtual Meeting Platform :

Adopt the Virtual Meeting Platform of Taiwan Depository & Clearing Corporation (TDCC) 【<https://stockservices.tdcc.com.tw>】

Attendance :

The total outstanding shares of the The Shanghai Commercial & Savings Banks Bank, Ltd. (the “Company”) are 4,861,603,140 shares. After subtracting the reserved shares of shareholders in Mainland China 582,420,149 shares and the shares of a subordinate company 11,397,439 shares, the net shares are 4,267,785,552 shares. The shares represented by the shareholders present at the meeting in person or by proxy are 3,206,623,604 shares (including 2,630,655,959 shares represented by the shareholders by means of electronic voting method and 5,379 shares via video conference), representing 75.135% of the total issued shares.

Chairman : LEE CHING YEN STEPHEN (Chairman of the Board)

Minute Taker : CHEN, SHU-MIN

Attending :

Director :

LEE CHING YEN STEPHEN (Convener of the Nominating Committee) 、
YUNG, CHU-KUEN 、 YUNG CON-SING JOHN 、
GU, CHAO-CHI 、 CHIOU, YI-JEN 、 LIN, CHIH-HUNG 、
CHEN, MU-TSAI
(Independent Director 、 Convener of the Audit and Remuneration Committee) 、
TSENG, KUO-LIEH
(Independent Director 、 Convener of the Risk Management Committee) 、
HSIEH, KING-HU (Independent Director)

(9 seats of directors of the company including 3 seats of independent directors, all attended)

Attorney :

Robin Chang (Lee and Li, Attorneys-at-Law),
Hopkings Tsai (Li Mo & Associates Attorneys-at-Law)

CPA :

Wei-Tai Wu (CPA from PricewaterhouseCoopers, Taiwan)
Sam Wu (CPA from PricewaterhouseCoopers, Taiwan)

1. Announced the commencement of the Meeting

Report of the number of shares represented by shareholders present at the meeting, the total outstanding shares of the Company are 4,861,603,140 shares. After subtracting the reserved shares of shareholders in Mainland China 582,420,149 shares and the shares of a subordinate company 11,397,439 shares, the net shares are 4,267,785,552 shares. Which surpassed the statutory requirement of the minimum number of shares for holding an annual shareholders' meeting, Chairman's announcement of the commencement of the Meeting.

2. Chairperson Remarks (Omitted)

3. Reports on Company Affairs

- (1). 2023 Business Report
(Proposed by the Board of Directors, Please refer to the Attachment)
 - (2). Audit Committee's Review Report on the 2023 Financial Statements and Communications between the Independent Directors and Chief Internal Auditor
(Proposed by the Audit Committee, Please refer to the Attachment)
 - (3). The Director and Employee Remuneration Distribution in 2023 Report
(Proposed by the Board of Directors, Please refer to the Meeting Handbook)
 - (4). The Company's Bank Debentures Issued in 2023 Report
(Proposed by the Board of Directors, Please refer to the Attachment)
 - (5). Amendment to the Operational Procedures for The Codes of Ethical Conduct
(Proposed by the Board of Directors, Please refer to the Meeting Handbook)
 - (6). Amendment to the Operational Procedures for Standard for Sustainable Development Promotion
(Proposed by the Board of Directors, Please refer to the Meeting Handbook)
- (Above Reports noted)

Statement Summary :

Shareholder (NO.114912) expressed his opinions about :
(First time question)

What is the company's credit score? How much to spend on ESG? What is the achievement rate? How can companies improve the absence of female directors on their boards? What is the current ranking of corporate governance assessment? What happened to the company's information security leakage in November last year? What protection is provided to shareholders or bank users? Please explain the amount of compensation awarded in overseas litigation events, which is approximately NT\$290 million, and the US litigation events. How much did overseas litigation cost

approximately? Do the Company have enough preparations for withdrawals and deposits this year?

Shareholder (NO.54629) expressed his opinions about :
(First time question)

Operation conditions of overseas subsidiaries and branches. Are there any mergers and acquisitions currently planned? According to the annual report, 47 important cadres sold the company stocks they held. What is the reason? Please explain the business situation in Hong Kong. According to the record on page 85 of the annual report, why are non-audit public expenses more than audit public expenses?

Shareholder (NO.4591) expressed his opinions about :

How to deal with AMK's overdue loans? Can you provide monthly statements? The problem of Hong Kong subsidiary's losses.

Shareholder (NO.54629) expressed his opinions about :
(Second question)

I just said that Hong Kong's GDP is declining rapidly. The company has invested in some real estate in Hong Kong. I just said that we need to give it time. How long will it take? Regarding information security, the general manager mentioned six major improvement measures for information security. On page 159 of the consolidated comprehensive income statement of the annual report, what is the reason for the decline in net fee income? Will the surge in bad debt expenses continue to occur? There are also increases in other business and administrative expenses. Please analyze and explain the differences.

Shareholder (NO.114912) expressed his opinions about :
(Second question)

How much does the company spend on ESG reporting? How can information security issues be improved? The overseas lawsuit just answered will not affect the company's earnings. How much did the lawsuit cost? Time is limited today. If you have time after the meeting,

you can tell me. The CMO's provision is about over 500 million. What is this provision of over 500 million? How much was the capital increase in Cambodia last year? What is the current situation of Cambodia's income?

The above questions were responded by the chairman and assigned relevant personnel.

4. Proposals

(1). Proposal : Adoption of the 2023 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanation :

1. The 2023 Financial Reports of the Company were audited by Wei-Tai Wu, CPA, and Puo-Ju Kuo, CPA, both of PricewaterhouseCoopers Taiwan. These Financial and Business Reports have been approved by the Board and examined by the Audit Committee.
2. The 2023 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements please refer to the Attachment.

Resolution :

This proposal is approved by vote as the following.

Voting Result: 3,206,623,604 shares were represented at the time of voting (including 2,630,655,959 shares represented by the shareholders by means of electronic voting method and 5,379 shares via video conference), representing 75.135% of the total issued shares of the Company (Net shares)

Voting Results	%of the total representation at the time of voting
Votes in favor: 3,021,130,261 votes	94.215%
Votes against: 488,417 votes	0.015%
Votes invalid: 0 votes	0.000%
Votes abstained: 185,004,926 votes	5.768%

The chairman declared this proposal is approved by vote.

Shareholder (NO.114912) expressed his opinions about :

(First time question)

Where is the company's main focus now? How much is the capital increase in Cambodia? How does the company promote its business in ASEAN? Did the independent director make any suggestions when we were investing and the Hong Kong subsidiary was losing money?

Shareholder (NO.54629) expressed his opinions about :

In ESG, the company conducts carbon emissions inventory. The greenhouse gas emission intensity in 2022 is 0.3766 metric tons CO₂e and in 2023 it is 0.4227 metric tons CO₂e. Please explain why this is not implemented internally? The company's EPS has declined. Please explain why the director's remuneration increased by more than 10 million.

Shareholder (NO.114912) expressed his opinions about :

(Second question)

The Company donated 15 million NTD to SCSB Cultural & Educational Foundation. There is a 232-page record of annual report. The bank also has to pay interest. What interest is it?

The above questions were responded by the chairman.

- (2). Proposal : Adoption of the Proposal for Distribution of 2023 Profits
(Proposed by the Board of Directors)

Explanation :

1. Pursuant to Article 228 Paragraph 1 of the Company Act, Article 50 Paragraph 1 of the Banking Act of the Republic of China, Article 41 of the Securities and Exchange Act (Rule No. 1090150022 issued by the Financial Supervisory Commission (FSC)), and Article 37 of the Articles of Incorporation.
2. The beginning Undistributed Retained Earnings in 2023 is NT\$14,202,825,729. The Net Profit after Income Tax in 2023 is NT\$14,659,994,357. After deducting the actuarial loss of NT\$59,213,595 on remeasurement of Defined Benefit Plans, and plusing the gain of NT\$ 183,428,133 on disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income, the Net Profit after Income Tax including the other items is NT\$14,784,208,895.
3. Pursuant to the Article 41 Paragraph 1 of the Securities and Exchange Act (Rule No. 1090150022 issued by the FSC) on March 31, 2021, and the audited financial statements for 2023, the Special Reserve of NT\$5,583,504,953, setting aside due to the negative value of Other Equity in the previous year, can be reversed since the value of Other Equity has become positive. After the reversal of Special Reserve, the Retained Earnings available for distribution for 2023 amounted to be NT\$34,570,539,577. Pursuant to the Article of Incorporation, cash dividends of NT\$8,750,885,652 is distributed (NT\$1.80 per share). (For the Earnings Distribution Plan for 2023, please refer to the Attachment)
4. The priority of distribution earnings of cash dividends is the reversal of the Special Reserve NT\$ 5,583,504,953 and then distributes the earnings in

2023. 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. When the Annual General Meeting resolves, the Board of Directors will be 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, the Board of Directors will be authorized to handle matters regarding the change of payout ratio.
7. It is also proposed to authorize the Board of Directors to revise the distribution plan due to changes of law and regulations, market conditions, environmental or receiving instructions from government authorities.

Resolution :

This proposal is approved by vote as the following.

Voting Result: 3,206,623,604 shares were represented at the time of voting (including 2,630,655,959 shares represented by the shareholders by means of electronic voting method and 5,379 shares via video conference), representing 75.135% of the total issued shares of the Company (Net shares)

Voting Results	%of the total representation at the time of voting
Votes in favor: 3,023,012,822 votes	94.274%
Votes against: 1,422,594 votes	0.044%
Votes invalid: 0 votes	0.000%
Votes abstained: 182,188,188 votes	5.681%

The chairman declared this proposal is approved by vote.

Statement Summary :

Shareholder (NO.54629) expressed his opinions about :

Is the company's dividend confident that it will move towards 2 NTD in 2024?

The above questions were responded by the chairman.

5. Discussion

(1). Proposal : Amendment to the Company's Articles of Incorporation.

Please proceed to discuss.

(Proposed by the Board of Directors)

Explanation :

1. In order to conform to the needs of commercial practice and amendments to related commercial laws, the company hereby proposes to amend the "Articles of Incorporation". The comparison table of amended articles, please refer to the Attachment.
2. Please proceed to discuss.

Resolution :

This proposal is approved by vote as the following.

Voting Result: 3,206,623,604 shares were represented at the time of voting (including 2,630,655,959 shares represented by the shareholders by means of electronic voting method and 5,379 shares via video conference), representing 75.135% of the total issued shares of the Company (Net shares)

Voting Results	%of the total representation at the time of voting
Votes in favor: 3,012,558,419 votes	93.947%
Votes against: 957,588 votes	0.029%
Votes invalid: 0 votes	0.000%
Votes abstained: 193,107,597 votes	6.021%

The chairman declared this proposal is approved by vote.

Statement Summary :

Shareholder (NO.11275) expressed his opinions about :

The list of director candidates has been decided before. I would like to make a suggestion. Just now, a shareholder mentioned that there are a lot of bad debts. If the rights and responsibilities are consistent, which directors are responsible? Is it possible for existing directors to withdraw from the candidacy knowing where they are going?

The above questions were responded by the chairman.

(2). Proposal : Amendment to the Operational Procedures for Procedures Governing the Acquisition and Disposal of Assets.

Please proceed to discuss.

(Proposed by the Board of Directors)

Explanation :

1. In order to conform to the needs of commercial practice and amendments to related commercial laws, the company hereby proposes to amend the "Procedures Governing the Acquisition and Disposal of Assets". The comparison table of amended articles, please refer to the Attachment.

2. Please proceed to discuss.

Resolution :

This proposal is approved by vote as the following.

Voting Result: 3,206,623,604 shares were represented at the time of voting (including 2,630,655,959 shares represented by the shareholders by means of electronic voting method and 5,379 shares via video conference), representing 75.135% of the total issued shares of the Company (Net shares)

Voting Results	%of the total representation at the time of voting
Votes in favor: 3,012,845,438 votes	93.956%
Votes against: 905,731 votes	0.028%
Votes invalid: 0 votes	0.000%
Votes abstained: 192,872,435 votes	6.014%

The chairman declared this proposal is approved by vote.

Statement Summary :

Shareholder (NO.11275) expressed his opinions about :

According to information released by the Financial Supervisory Commission, the Company's over-lending ratio reached 0.57% as of the end of April 2024. Do directors know the reason? A shareholder mentioned problems with a certain group. Tianjin, mainland China, already had problems in 2015. Why should it continue to undertake the project in 2019? The independent directors are too concentrated on loan recipients, don't they have any suggestions?

The above questions were responded by the chairman.

(After the chairman's ruling, voting at this shareholders' meeting will be held after all discussions on the agenda have been completed.)

6. Elections

Proposal : The term of the directors of board of the company has expired and propose for re-election.

(Proposed by the Board of Directors)

Explanation :

1. The term of office of the current (21th) director of the company expires on July 4, 2024, and the re-election shall be held at the shareholders' meeting this year.
2. In accordance with Article 20 of the Articles of Incorporation of the Company, 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 22st term of directors elected in this year's regular shareholders' meeting is set at 9 seats, of which 3 are independent directors. The list of candidates for directors (including independent directors) was reviewed and passed by the company's board of directors on March 29, 2024.

3. The election of directors shall be handled in accordance with the " Rules for Election of Directors" set by the company and relevant laws and regulations. Newly elected directors, in accordance with Article 21 of the Articles of Incorporation of the Company, have an office term of 3 years. They shall take office after the election of the shareholders' meeting. The term of office is from June 21, 2024 to June 20, 2027.
4. The list of candidates for the 22st term of directors (including independent directors) and the company " Rules for Election of Directors " are attached, please refer to the Attachment and to the Meeting Handbook.
5. Please vote.

THE CHAIRMAN ANNOUNCES THE ELECTION RESULT :

The list of elected directors and the number of votes are as follows:

Director/ Independent Director	Name of Elected	Number of Election Rights
Director	LEE, CHING-YEN STEPHEN	3,208,424,436
Director	YUNG, CHU-KUEN	2,991,729,226
Director	YUNG, CON-SING JOHN (Representative : Magnetic Holdings Limited)	2,866,153,889
Director	CHIOU, YI-JEN	2,706,147,174
Director	KUO, CHING-YI	2,585,609,819
Director	HUANG, HUI-CHU (Representative : Tilsbury Investments Inc.)	2,556,869,513

Director/ Independent Director	Name of Elected	Number of Election Rights
Independent Director	CHEN, MU-TSAI	2,391,379,950
Independent Director	TSENG, KUO-LIEH	2,379,750,155
Independent Director	FANG, YEN-LING	2,376,525,327

7. Questions and Motions :

Statement Summary :

Shareholder (NO.5235) expressed his opinions about :

The Company donated 15 million to the SCSB Cultural & Educational Foundation, which allows professionals to participate. I highly affirm it and hope to continue it. Second, the new head office building was completed and opened this year. Since it is a green building, please introduce the characteristics of the new head office building and give a brief explanation. Third, do we have problems with the aging of our employees and the wave of retirements? How can we train more new employees to become excellent supervisors in the future?

Shareholder (NO.114912) expressed his opinions about :

It is recommended that the business of reinvestment and exchange losses should be strengthened as much as possible. Another suggestion is that our company's business is mainly based on fee income, and stable profits are really great. I hope that the allowance for bad debts will not be so high. There is also overseas Cambodia, which I hope can be more dynamic. Thank you to the management team for having the patience to explain so much to shareholders.

Shareholder (NO.11275) expressed his opinions about :

I would like to express my opinion on the high over-lending ratio. I have been an employee of our bank for 30 years. For a long time, our bank's loan interest rate has been higher than that of peers. When I go out to contact customers, customers will also report this problem. What kind of customers will the Company get with high interest rates? As you can imagine, bad money drives out good money, and this problem has been accumulating for a long time. Because inflation is

too high, I heard that the salary will be increased by 4% this year. For a long time, my salary increase has been only a few hundred NTD. What is the function of the remuneration committee? Who is responsible for bad debts? It is recommended that the top management should be streamlined. Selling insurance is not doing the bank's job properly, and if the credit reporting staff fails to make up for the shortage, the quality may be affected.

Shareholder (NO.54629) expressed his opinions about :

Under the wave of AI, what is the company's policy in terms of the application of artificial intelligence, talent training, appointment, and promotion? Will the use of artificial intelligence increase or decrease talent? In terms of social responsibility, how many fraud cases are reported at the front desk? Will EPS grow in 2024? How competitive is The Shanghai Commercial & Savings Bank? What are the Company's strengths?

The above questions were responded by the chairman.

8.Adjournment : The chairman announced Meeting adjourned
(at about 11:26 AM the same day.)

(This Meeting Minutes only recorded a summary of the essential points of the proceedings and the results of the meeting.

The content, procedures and shareholder speeches of the meeting are still subject to the audio-visual records of the meeting.)

Chairman : LEE CHING YEN STEPHEN(Chairman of the Board)

Minute Taker : CHEN, SHU-MIN

Notice to Readers

For the convenience of readers, the Minutes have 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.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

2023 Business Report

I. Foreword

In 2023, the high interest rates in the Western Countries continued to hinder global consumption, investment, and the financial market, additionally, geopolitical risks kept increasing influence, which all constrained the global growth momentum. SCSB stably expanded the business with consideration to these economic and financial situations: after-tax EPS was NT\$3.02, superior to the industry average; by the end of the year, NPL ratio was 0.17%, liquid reserves ratio was 30.52%, and capital adequacy ratio was 15.27%, demonstrating a steady business and financial performance.

The results of SCSB's operating performance in 2023, business plans and future development strategies for 2024, the impacts and countermeasures of external competitive environment, regulatory environment and macroeconomic environment, and the latest affirmed credit ratings are illustrated as follows:

II. Operating Performance in 2023

1. Overview of Global & Domestic Financial Environment

In 2023, the interest rate remained high for the most part, with waning demand for end products on a global scale. Industry chains continued to adjust their inventory while the worldwide economic recovery failed to speed up. This hindered Taiwan's imports and exports, falling behind last year's 2.59% annual economic growth rate at only 1.40%. In terms of financial outlook, the Fed continued to adopt a tight monetary policy to fight inflation, albeit to a lesser extent compared to 2022. Four interest rate hikes last year amounted to 1% by 0.25% for each time. Considering the stable consumer price, the Central Bank of the Republic of China (Taiwan) raised interest

rates by only 0.125% for the whole year. The USD to NTD exchange rate exhibited a faltering trend, closing at 30.735 year-end, slightly down for the whole year at 0.1%. The TAIEX enjoyed great support from positive factors such as the stock market's optimistic outlook for the future and development of the AI industry. TAIEX closed at 17,931 year-end, an annual increase of 26.8%.

2. Organizational Changes

SCSB strives to attract outstanding talents, as to strengthen competitiveness in terms of FinTech and IT. In 2023, the Digital Banking organization was elevated to a business unit, and Southern Region IT Development Center was established in Tainan. SCSB expanded business scale to widen the scope of services, actively preparing to open branches in Tainan Science Park and Miaoli. These two branches are projected to open in January and March 2024, respectively. For strengthening the treasury marketing business and increasing non-interest income, the Treasury Department's organizational structure was adjusted to attract specialists in financial transactions and optimize the front-end, middle-end, and back-end transaction systems, thereby boosting innovation and R&D of financial products. The investor relations organization, originally under the Administration Management Department, was enhanced to being under the Head Office, in order to better maintain and manage investor relations.

3. Business Plans, Strategies and Performance

The 2023 business plan focused on developing diversified core businesses, including corporate banking, personal banking, wealth management, treasury marketing, deposits and remittances. SCSB also strengthened digital banking, promoted sustainable development, continued to innovate financial products and services, cultivated the High Net-worth wealth management business, and recruited workforce from various fields, thereby improving corporate image.

The results of 2023 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\$1,251.3 billion, up 12.5%, and average loan balance was NT\$868.2 billion, up 8.5%; profit before income tax was NT\$16.48 billion, slight down 0.8%, net income was NT\$14.66 billion, slight down 1.9%; EPS was NT\$3.02, down 9.3%, due to cash capital increase in the end of 2022; after-tax return on assets and after-tax return on equity were 0.95% and 8.30% respectively.

4. Budget Implementation

As for main businesses and profit before income tax, the budget achieving ratio for average deposit balance was 108.3% and average loan balance was 103.4%. The achieving ratio of profit before income tax was only 84.9%, due to the reduction in income from investments adopted by the equity method.

5. Income, Expense and Profit

Unit: NT\$ Billion, except as indicated

Item	Year	2023	2022	Change(%)
Net interest income		19.78	16.29	21%
Total non-interest income		8.63	11.81	-27%
Net revenue		28.41	28.10	1%
Provisions for bad-debt expense, commitment and guarantee liability		2.7	2.8	-4%
Total operating expenses		9.23	8.68	6%
Profit before income tax		16.48	16.62	-1%
Net income		14.66	14.94	-2%
Earnings Per Share (in dollars)		3.02	3.33	-9%
ROA (after income tax)(%)		0.95	1.04	-0.09
ROE (after income tax)(%)		8.30	9.12	-0.82

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 2023, SCSB continued to develop innovative products and services with a customer-centered approach based on customers' needs. SCSB also strengthened the application of FinTech and implemented projects for the establishment of new core systems, upgrading digital finance services. In terms of corporate banking, SCSB continued to follow with government policies by enhancing the integration of six core strategic industries, three Major Programs for Investing in Taiwan, green energy, and other ESG-related industries. SCSB also leveraged the guarantee mechanism by Small & Medium Enterprise Credit Guarantee Fund of Taiwan to actively support small- and medium-sized enterprises. As for personal banking, SCSB proactively promoted personal digital marketing and established the Comprehensive Service Platform for Complex Loans. It will optimize and integrate the procedures for online loan application, as well as lower operating costs and enhance customer's digital experience. In terms of customer finance, SCSB continued to develop more diversified investment and products. The newly-established High Net-worth VIP services cater to customers around the globe, strengthening customer relations. SCSB also again obtained approval for High Net-worth wealth management business and stepped up promotion of insurance digitalization and comprehensive trust services, such as care trusts and family inheritance trusts.

In terms of deposits and remittances, the "Loving Our Planet" time deposit scheme was launched, which popularizes retail deposits in combination with SCSB-sponsored ecological and charity campaigns. As for treasury, SCSB continued to optimize the transaction system and issued foreign currency structured bonds and sustainability bonds. SCSB also underwrote USD-denominated international bonds and refined financial products and services. In terms of digital banking, SCSB stepped up optimization of personal and corporate online banking transactions and services, launching the eWB mobile app. SCSB also furthered promotion of mobile payment platforms TWQR and Taiwan Pay, established a digital finance ecosystem, and

raised the transaction proportion of digital finance.

SCSB adapts to international development trends and strives to realize sustainable development, attaining substantial achievements. SCSB obtained the ISO 14067 credit card and debit card carbon footprint certification, as well as ISO 46001: 2019 Water efficiency management systems. SCSB were also listed as an outstanding enterprise in the top 10% for the financial industry in the S&P Global Sustainable ratings. For the first time, SCSB was chosen as constituent for the Dow Jones Sustainability World Index and Emerging Markets Index. Likewise, SCSB's Sustainability Report received the Platinum Award, the highest accolade, at the Taiwan Corporate Sustainability Awards for the second consecutive year, bearing witness to the domestic and global recognition of SCSB's ESG achievements. Additionally, SCSB enthusiastically complied with the government's policies of 2050 Net-Zero Emissions and Green Finance Action Plan 3.0. SCSB also became a signatory to the Science Based Targets initiative (SBTi) and planned to invest in and finance carbon reduction goals and action strategies to demonstrate the determination in achieving net zero.

III. Business Plans for 2024

1. Business Guidelines

SCSB's 2024 strategies will follow the theme of "Smart Sustainability, Innovative Diversity". SCSB will endeavor to develop AI and accelerate digital transformation, while continuing to promote sustainable development and create sustainable value. SCSB will cultivate a diverse suite of core innovative products and services, increasing non-interest income and capital efficiency, as well as optimizing operations and management.

2. Business Targets

Taking into account factors including economic growth forecasts, market competition, as well as the growth result in 2023 and

business strategies for 2024, SCSB is setting up appropriate growth for 2024 targets.

3. Business Policies

- A. Fundamental Policy: Maintain stable operations with integrity, achieve healthy and balanced growth, actively pursue sustainable development, and create excellent business results and sustainable achievements.
- B. Operating Policy: Develop diverse core businesses with equal emphasis on corporate banking, personal banking, wealth management, treasury, and deposits, and strengthen digital banking business.
- C. Sales Policy: Strengthen ties with core value customers, provide all-around financial products and services, promote integrated marketing of asset inheritance, and attach importance to fair customer treatment and financial consumer protection.
- D. Management Policy: Implement the three lines of defense in internal control, optimize risk management, enhance information security, cultivate a compliance culture, and refine corporate governance.

IV. Future Development Strategies

SCSB's main development strategies for 2024 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 financial businesses.
- 2. Channel development: Continue to gain greater presence in the Asia-Pacific region, strengthen the tri - "SHANGHAI BANK" strategic alliance, optimize cross-border finance, and establish comprehensive service networks.
- 3. Business development: Develop multiple cores, strengthen financial operations, expand High Net-worth wealth management services,

and increase non-interest income.

4. Customer relations: Treat customers with fairness, strengthen customer relations, focus on high-value customers, and support integrated marketing.
5. Digital banking: Leverage smart technology, accelerate digital transformation, establish financial scenes, and promote financial inclusion.
6. Information technology: Stabilize system maintenance and operation, upgrade core systems, strengthen information utilization, and create robust information governance.
7. Risk management: Optimize risk management, improve alertness, 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 innovative and sustainable values.

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

1. External Competitive Environment

The world is still under the impact of declining spending and investment due to high interest rates and geopolitical conflicts, which have resulted in a slowdown in economic growth. Taiwan's economic attitude is cautious and conservative, while the external business environment is volatile and the market competition is intense. In response to such competitive external environment, SCSB

will use value competition to avoid price competition, fervently promote digital transformation and upgrade, promote sustainable finance, cultivate customer relationships, and continue to strengthen presence in the Asia-Pacific region in pursuit of a competitive edge.

2. Regulatory Environment

The Financial Supervisory Commission (FSC) actively encourages enterprises to realize sustainable development. It published the Sustainable Development Roadmap (2023) to guide companies to pursue net zero, consolidate a sustainable governance culture, enhance disclosure of sustainable information, strengthen stakeholder communication, and promote ESG evaluation. It also published the FinTech Development Roadmap (2.0) to foster a more inclusive, fair, sustainable, and globalized FinTech ecosystem. Another publication was the Core Principles and Policy for AI Use by the Financial Industry, aiming to establish a governance and accountability mechanism, attach importance to fairness, build people-centered values, protect privacy and customer rights, ensure system robustness and security, realize transparency and interpretability, and foster sustainable development. SCSB enthusiastically complies with FSC policies, promotes ESG, realizes sustainable development, and continues to enhance the FinTech environment. Under the premise of safety and legal compliance, SCSB will better AI applications, refine IT governance, and strengthen IT resilience.

3. Macroeconomic Environment

International political and economic uncertainties, such as the ongoing US-China international trade and technology disputes, political instability in the Middle East, and the Russia-Ukraine war, will continue to hit the global economy in 2024. The banking industry remains under pressure from too many competitors, excess capital in the market, and deficient interest rate spreads. Confronting such ever-changing external challenges, SCSB will stay updated on fluctuations to the business environment at all times, flexibly adopt

appropriate operational measures, and anticipate future development trends, to stably expand our 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	2023/12/20
Fitch	AA(twn)	F1+(twn)	Stable	2023/3/31
Standard & Poor's	BBB+	A-2	Stable	2023/12/20
Fitch	A-	F2	Stable	2023/3/31

Going ahead, SCSB will maintain stable and robust operations, accelerate digital transformation and AI applications, promote sustainable development, strengthen sustainable finance, and increase growth momentum for businesses. All SCSB employees will steadfastly uphold business motto of "serving society and supporting industry" and adopt "developing AI and smart technology, stimulating digital transformation, fostering sustainable development, creating sustainable value, innovating in products and services, diversifying core development, increasing non-interest income, and enhancing capital efficiency" 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

President: KUO, CHING-YI

Chief Accountant: HSU, SHOU-MING

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Audit Committee's Review Report

The board of directors has complied and submitted the company's 2023 financial statements audited by Certified Public Accountants Wei-Tai Wu and Puo-Ju Kuo of PricewaterhouseCoopers Taiwan., 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 : 2024 Annual General Meeting of Shareholders

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Convener of Audit Committee

CHEN, MU-TSAI

March 29, 2024

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

**Communication between the Independent Directors,
Chief Internal Auditor**

(1). Audit Committee

Date	Communication matters	Execution results
2023/3/17	1.Audit report of 2022 2.Internal audit quality evaluation report of 2022 3.The amendment of Regulations for the Management of Internal Audit Quality Evaluation Mechanism	Submitted to the Board after approval at the meeting.
2023/8/7	Audit report for the first half of 2023	Acknowledged by all attending members.
2023/11/1	Establish 2024 internal audit plan	Submitted to the Board after approval at the meeting.

(2). Conference

Date	Communication matters	Execution results
2023/6/26	1.Improvement of desktop computer security control management 2.Improvement in Credit Review of the new system by Corporate Banking Department	1. Completed 2. Completed
2023/10/25	1.Deficiency improvement status in account opening operating system 2.Improvement status of management of Financial Consultant rotation system	1. Completed 2. Completed

The issuance of the Shanghai Commercial & Savings Bank Ltd. debentures in 2023

Name of Bank Debentures		1st Senior Unsecured USD 6 Month Currency-Linked Financial Debentures in 2023	2nd Senior Unsecured Callable USD 3 year Interest Rate Linked Financial Debentures in 2023	3rd Senior Unsecured Financial Debentures in 2023 (Sustainability Bond)
BDR date		2022.8.13; The board approved the issuing plan of senior unsecured financial debentures up to USD 20 million	2023.3.23; The board approved the issuing plan of senior unsecured financial debentures up to USD 80 million	2023.03.23; The board approved the issuing plan of senior and subordinated unsecured financial debentures up to NT\$ 4.5 Billion
Issuing date and maturity date (Tenor)		2023.01.11~2023.07.11 (0.5 years)	2023.11.01~2026.11.01 (3 years)	2023.12.12~2026.12.12 (3 years)
Amount		USD 20 million	USD 6.4 million	NT\$ 2 billion
Coupon		4.6%~5.1% p.a.	0%~6.5% p.a.	1.6% p.a. fixed
Use of proceeds		To serve the Bank's high-asset customers		To enhance liquidity and support the development of Bank's Sustainable finance business
Repayment		Bullet at maturity	Bullet at maturity (Early redemption right after one year)	Bullet at maturity
Guarantor		None		
Approval authority	Entity	Financial Supervisory Commission		
	Date	2022/11/21	2023/8/22	2023/5/16
	Doc. No.	FSC No. 1110229720	FSC No.1120223864	FSC No.1120212289

REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of The Shanghai Commercial & Savings Bank, Ltd.

Opinion

We have audited the accompanying balance sheet of The Shanghai Commercial & Savings Bank, Ltd. (the “Bank”) as at December 31, 2023, and the related statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2023, and 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 at December 31, 2023, and its financial performance and its cash flows for the year ended December 31, 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of 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, 2023. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Bank's financial statements of the current period is stated as follows:

Allowance for credit losses of discounts and loans

Description

The core business of the Bank is granting loans, which is significant to the accompanying financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 ("IFRS 9") 'Financial instruments' and relevant regulations of allowance for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 39 of the financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management's assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. Obtained an understanding and performed sample tests of internal controls as well as operation procedures related to management's evaluation of credit losses;
2. Sampled and tested whether parameter assumptions adopted in the expected credit loss model including probability of default, loss given default and exposure at default are in accordance with existing policies;
3. Sampled and tested credit-impaired cases with material amounts which were assessed individually;
4. Assessed whether the allowance for credit losses of discounts and loans is in compliance with relevant regulations of the competent authorities.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and Regulations Governing the Preparation of Financial Reports by Securities Firms, and for such internal control as management determines is necessary to enable 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 Standards on Auditing of 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 Standards on Auditing of Taiwan, we exercise professional judgment and 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 the 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 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 financial statements of the current period 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.

Other matter – Prior period financial statements audited by other auditors

The parent company only financial statements of the Bank for the year ended December 31, 2022 were audited by other auditors who expressed an unqualified opinion on those statements on March 8, 2023.

Puo-Ju Kuo

Wei-Tai Wu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than Taiwan. The standards, procedures and practices in Taiwan governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than Taiwan. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in Taiwan, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2023		December 31, 2022 (Adjusted)	
		Amount	%	Amount	%
11000	Cash and cash equivalents	\$ 28,209,353	2	\$ 33,541,590	2
11500	Due from the Central Bank and call loans to banks	83,730,081	5	119,437,332	8
12000	Financial assets measured at fair value through profit or loss	1,458,935	-	1,986,652	-
12100	Financial assets measured at fair value through other comprehensive income	230,163,280	14	199,170,985	13
12200	Investments in debt instruments measured at amortized cost	237,245,205	15	192,358,751	13
12500	Securities purchased under resell agreements	5,421,476	-	-	-
13000	Receivables, net	10,668,014	1	8,790,407	1
13200	Current income tax assets	-	-	143	-
13500	Discounts and loans, net	866,277,449	55	840,002,195	56
15000	Investments under the equity method, net	89,537,380	6	83,599,886	5
15500	Other financial assets, net	3,497	-	-	-
18500	Properties, net	14,317,913	1	12,994,755	1
18600	Right-of-use assets, net	731,466	-	764,585	-
19000	Intangible assets, net	417,440	-	315,822	-
19300	Deferred income tax assets	2,201,575	-	2,022,262	-
19500	Other assets, net	13,520,631	1	8,520,247	1
10000	Total assets	<u>\$ 1,583,903,695</u>	<u>100</u>	<u>\$ 1,503,505,612</u>	<u>100</u>
Codes	LIABILITIES AND EQUITY				
21000	Deposits from the central bank and other banks	\$ 14,226,206	1	\$ 12,109,095	1
22000	Financial liabilities measured at fair value through profit or loss	4,095,240	-	3,435,146	-
22500	Securities sold under repurchase agreements	591,289	-	781,568	-
23000	Payables	27,415,253	2	25,714,122	2
23200	Current income tax liabilities	669,929	-	1,245,964	-
23500	Deposits and remittances	1,274,561,694	80	1,218,395,510	81
24000	Bank debentures	58,070,000	4	56,070,000	4
25500	Other financial liabilities	6,559,273	-	2,499,732	-
25600	Provisions	2,175,537	-	1,617,087	-
26000	Lease liabilities	743,625	-	772,365	-
29300	Deferred income tax liabilities	10,527,881	1	10,155,644	1
29500	Other liabilities	950,724	-	928,471	-
20000	Total liabilities	<u>1,400,586,651</u>	<u>88</u>	<u>1,333,724,704</u>	<u>89</u>
	Equity				
	Share capital				
31101	Ordinary shares	48,616,031	3	48,616,031	3
31500	Capital surplus	27,548,445	2	27,405,763	2
	Retained earnings				
32001	Legal reserve	64,476,033	4	64,476,033	4
32003	Special reserve	13,252,879	1	7,669,374	1
32005	Unappropriated earnings	28,987,035	2	28,537,216	2
32000	Total retained earnings	106,715,947	7	100,682,623	7
32500	Other equity	519,765	-	(6,840,365)	(1)
32600	Treasury shares	(83,144)	-	(83,144)	-
30000	Total equity	183,317,044	12	169,780,908	11
	Total liabilities and equity	<u>\$ 1,583,903,695</u>	<u>100</u>	<u>\$ 1,503,505,612</u>	<u>100</u>

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Comprehensive Income
For the Year ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	For the Year Ended December 31				
	2023		2022		Change
	Amount	%	Amount	%	%
41000 Interest income	\$ 38,399,936	135	\$ 24,028,423	86	60
51000 Interest expenses	(18,624,590)	(65)	(7,742,933)	(28)	141
49010 Net interest income	19,775,346	70	16,285,490	58	21
Non-interest income					
49100 Service fee income, net	3,003,380	10	3,059,695	11	(2)
49200 Gain on financial assets and liabilities measured at fair value through profit or loss	(1,146,870)	(4)	(1,871,819)	(7)	(39)
49310 Realized gain on financial assets measured at fair value through other comprehensive income	1,649,117	6	1,625,146	6	1
49450 Gain on financial assets measured at amortized cost	19,905	-	-	-	-
49600 Foreign exchange gain, net	1,372,358	5	2,759,558	10	(50)
49700 Impairment gain (loss) on assets	39,453	-	(85,945)	-	(146)
49750 Proportionate share of profit of associates under the equity method	3,954,943	14	6,046,724	21	(35)
49800 Other non-interest income, net	(257,491)	(1)	282,913	1	(191)
49020 Total non-interest income	8,634,795	30	11,816,272	42	(27)
4xxxx Net revenue	28,410,141	100	28,101,762	100	1
58200 Provisions for bad-debt expense, commitment and guarantee liability	(2,700,000)	(10)	(2,800,037)	(10)	(4)
Operating expenses					
58500 Employee benefits	(5,281,133)	(18)	(5,332,083)	(19)	(1)
59000 Depreciation and amortization	(799,624)	(3)	(679,051)	(2)	18
59500 Other general and administrative	(3,144,526)	(11)	(2,669,450)	(10)	18
58400 Total operating expenses	(9,225,283)	(32)	(8,680,584)	(31)	6
61001 Profit before income tax	16,484,858	58	16,621,141	59	(1)
61003 Income tax expense	(1,824,863)	(6)	(1,683,271)	(6)	8
64000 Net income	\$ 14,659,995	52	\$ 14,937,870	53	(2)
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
65201 Remeasurement of defined benefit plans	(118,857)	(1)	98,703	-	(220)
65204 Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	2,756,301	10	(3,166,163)	(11)	(187)
65205 Financial liabilities designated at FVTPL which the amount of change derived from credit risk	32,147	-	(60,356)	-	(153)
65207 Proportionate share of other comprehensive income of associates under the equity method	731,995	3	(1,619,592)	(6)	(145)
65220 Income tax relating to items that will not be reclassified subsequently to profit or loss	64,559	-	(19,167)	-	(437)
65200 Subtotal of items that will not be reclassified subsequently to profit or loss	3,466,145	12	(4,766,575)	(17)	(173)
Items that may be reclassified subsequently to profit or loss:					
65301 Exchange differences on translating foreign operations	(70,185)	-	8,748,570	31	(101)
65307 Share of the other comprehensive income of associates accounted for using the equity method	1,950,177	7	(5,188,650)	(18)	(138)
65309 Gain (loss) on debt instruments measured at fair value through other comprehensive income	2,469,935	8	(7,840,494)	(28)	(132)
65310 Loss allowance for debt instruments measured at fair value through other comprehensive income	(43,086)	-	81,910	-	(153)
65320 Income tax relating to items that may be reclassified subsequently to profit or loss	(288,641)	(1)	(466,272)	(1)	(38)
65300 Subtotal of items that may be reclassified subsequently to profit or loss	4,018,200	14	(4,664,936)	(16)	(186)
65000 Other comprehensive income for the period, net of income tax	7,484,345	26	(9,431,511)	(33)	(179)
66000 Total comprehensive income for the period	\$ 22,144,340	78	\$ 5,506,359	20	302
Earnings per share					
67500 Basic	\$ 3.02		\$ 3.33		
67700 Diluted	\$ 3.02		\$ 3.33		

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Statements of Changes in Equity
For the Year ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

		<u>Share Capital</u>		<u>Retained Earnings (Note 30)</u>			<u>Other Equity</u>			<u>Treasury Shares</u>	<u>Total Equity</u>
<u>Codes</u>		<u>Ordinary Shares</u>	<u>Capital Surplus</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings</u>	<u>Exchange Differences on Translating Foreign Operations</u>	<u>Change in Financial Assets at FVTOCI</u>	<u>Change in Credit Risk From Financial Liabilities Designated at FVTPL</u>		
A1	Balance on January 1, 2022	\$ 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
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
	Appropriation of 2021 earnings										
B1	Legal reserve	-	-	4,251,394	-	(4,251,394)	-	-	-	-	-
B9	Cash dividends	-	-	-	-	(8,066,886)	-	-	-	-	(8,066,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480
CI7	Dividends not yet collected	-	112,407	-	-	-	-	-	-	-	112,407
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	<u>\$ 48,616,031</u>	<u>\$ 27,405,763</u>	<u>\$ 64,476,033</u>	<u>\$ 7,669,374</u>	<u>\$ 28,537,216</u>	<u>\$ (126,464)</u>	<u>\$ (6,677,607)</u>	<u>\$ (36,294)</u>	<u>\$ (83,144)</u>	<u>\$ 169,780,908</u>
A1	Balance on January 1, 2023	\$ 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
D1	Net profit for the year ended December 31, 2023	-	-	-	-	14,659,995	-	-	-	-	14,659,995
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(59,213)	(295,231)	7,806,642	32,147	-	7,484,345
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	14,600,782	(295,231)	7,806,642	32,147	-	22,144,340
	Appropriation of 2022 earnings										
B3	Special reserve	-	-	-	5,583,505	(5,583,505)	-	-	-	-	-
B9											
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480
CI7	Dividends not yet collected	-	133,202	-	-	-	-	-	-	-	133,202
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	183,428	-	(183,428)	-	-	-
Z1	Balance on December 31, 2023	<u>\$ 48,616,031</u>	<u>\$ 27,548,445</u>	<u>\$ 64,476,033</u>	<u>\$ 13,252,879</u>	<u>\$ 28,987,035</u>	<u>\$ (421,695)</u>	<u>\$ 945,607</u>	<u>\$ (4,147)</u>	<u>\$ (83,144)</u>	<u>\$ 183,317,044</u>

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Statements of Cash Flows

For the Year ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2023	2022 (Adjusted)
	Cash flows from operating activities		
A00010	Net profit before income tax	\$ 16,484,858	\$ 16,621,141
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	554,005	499,761
A20200	Amortization expenses	245,619	179,290
A20300	Provisions for bad debt expense, commitment and guarantee liability	2,700,000	2,800,037
A20400	(Gain) loss on financial assets and liabilities at fair value through profit or loss	(216,148)	(202,500)
A20900	Interest expenses	18,624,590	7,742,933
A21200	Interest revenue	(38,399,936)	(24,028,423)
A21300	Dividend income	(1,587,756)	(1,366,011)
A21800	Provision for reconciliation compensation reserves	338,031	-
A21900	Share-based payment transaction	-	357,732
A22400	Proportionate share of profit of subsidiaries	(3,954,943)	(6,046,724)
A22500	Gain on disposal of properties and equipment, net	9,431	(186,405)
A23500	Loss on financial asset impairment	(39,453)	86,486
A23800	Reversal of impairment on non-financial assets	-	(541)
A29900	Others	(338,001)	(942,439)
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	19,111,174	(9,516,147)
A41120	Financial assets measured at fair value through profit or loss	1,193,478	400,954
A41123	Financial assets measured at fair value through other comprehensive income	(25,781,141)	21,052,813
A41125	Investment in debt instruments measured at amortized cost	(44,888,433)	(42,461,458)
A41150	Receivables	(487,498)	301,653
A41160	Discounts and loans	(28,904,995)	(83,964,062)
A41190	Other financial assets	(3,450)	5,037
A41990	Other assets	(5,059,465)	(1,183,147)
A42110	Deposits from the central bank and other banks	2,117,111	(3,995,649)
A42120	Financial liabilities at fair value through profit or loss	242,629	420,671
A42140	Securities sold under repurchase agreements	(190,279)	(13,723,456)
A42150	Payables	469,649	946,030
A42160	Deposits and remittances	56,166,184	167,955,948
A42170	Other financial liabilities	4,059,541	(323,507)
A42180	Employee benefit provisions	31,499	(121,358)
A42990	Other liabilities	22,250	(239,358)
A33000	Cash from (used in) operations	(27,481,449)	31,069,301
A33100	Interest received	36,848,013	22,583,231
A33200	Dividends received	2,257,077	2,064,136
A33300	Interest paid	(17,252,363)	(6,717,781)
A33500	Income tax paid	(1,971,417)	(1,200,691)
AAAA	Net cash from (used in) operating activities	(7,600,139)	47,798,196

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.
Statements of Cash Flows
For the Year ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

<u>Codes</u>		For the Year Ended December 31	
		2023	2022 (Adjusted)
	Cash flows from investing activities		
B02700	Acquisition of properties	\$ (1,559,452)	\$ (967,318)
B02800	Proceeds from disposal of properties	6,568	326,800
B04500	Acquisition of intangible assets	(290,899)	(255,639)
BBBB	Net cash from (used in) investing activities	(1,843,783)	(896,157)
	Cash flows from financing activities		
C00400	Decrease in funds borrowed from central bank and Banks	-	(17,787,080)
C01400	Proceeds from issuance of bank debentures	2,607,600	4,070,000
C01500	Payments for bank debentures	(625,400)	(14,950,000)
C04020	Payments for principal portion of lease liabilities	(331,101)	(316,074)
C04500	Cash dividends	(8,750,886)	(8,066,886)
C04600	Proceeds from capital increase by cash	-	14,060,000
C05400	Acquisition of subsidiaries	-	(626,400)
CCCC	Net cash from (used in) financing activities	(7,099,787)	(23,616,440)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	36,871	1,103,351
EEEE	Net (decrease) increase in cash and cash equivalents	(16,506,838)	24,388,950
E00100	Cash and cash equivalents at the beginning of the period	100,038,929	75,649,979
E00200	Cash and cash equivalents at the end of the period	\$ 83,532,091	\$ 100,038,929

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, 2023 and 2022:

<u>Codes</u>		December 31, 2023	December 31, 2022
E00210	Cash and cash equivalents in balance sheets	\$ 28,209,353	\$ 33,541,590
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	49,901,262	66,497,339
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	5,421,476	-
E00200	Cash and cash equivalents in statements of cash flows	\$ 83,532,091	\$ 100,038,929

(Concluded)

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of The Shanghai Commercial & Savings Bank, Ltd.

Opinion

We have audited the accompanying consolidated balance sheet of The Shanghai Commercial & Savings Bank, Ltd. (the “Bank”) and its subsidiaries (collectively referred to as the “Group”) as at December 31, 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the year ended December 31, 2023, and 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 at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audit in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants, Jin-Guan-Yin-Fa-Zi Letter No.10802731571 and Standards on Auditing of the Republic of China. 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 the Republic of China, 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, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matter for the Group's 2023 consolidated financial statements is stated as follows:

Allowance for credit losses of discounts and loans

Description

The core business of the Group is granting loans, which is significant to the accompanying consolidated financial statements for the current period. The impairment assessment of discounts and loans is conducted in accordance with International Financial Reporting Standards 9 ("IFRS 9") 'Financial instruments' and relevant regulations of allowances for credit losses promulgated by competent authorities. Management evaluates the impairment of discounts and loans using the expected credit loss model, with assumptions made based on past events, current market conditions and forward-looking information, to assess whether there is significant increase of credit risk since initial recognition to measure allowance of credit losses. In addition, credit losses for credit-impaired loans are evaluated based on recoverable amounts. Please refer to Notes 4, 5, 14 and 41 of the consolidated financial statements for relevant information on impairment of discounts and loans. The evaluation of allowance for credit losses of discounts and loans involves significant judgments such as accounting estimates and management's assumptions, and shall comply with relevant regulations and interpretations. The measurement results would impact the amount recognized directly. Thus, we have determined the allowance of credit losses of discounts and loans as the key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the key audit matter mentioned above:

1. Obtained an understanding and performed sample tests of internal controls as well as operation procedures related to management's evaluation of credit losses;
2. Sampled and tested whether parameter assumptions adopted in the expected credit loss model including probability of default, loss given default and exposure at default are in accordance with existing policies;
3. Sampled and tested credit-impaired cases with material amounts which were assessed individually;
4. Assessed whether the allowance for credit losses of discounts and loans is in compliance with relevant regulations of the competent authorities.

Other matter – Parent company only financial report

We have audited and expressed an unqualified opinion with other matter on the parent company only financial statements of the Bank as at and for the year ended December 31, 2023.

Other matter – Prior period financial statements audited by other auditors

The consolidated financial statements of the Group for the year ended December 31, 2022 and the parent company only financial statements of the Bank for the year ended December 31, 2022 were audited by other auditors who expressed an unqualified opinion.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and the International Financial Reporting Standards, International Accounting

Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable 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 Standards on Auditing of the Republic of China 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 Standards on Auditing of the Republic of China, we exercise professional judgment and 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 the 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 of the current period 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.

Puo-Ju Kuo

Wei-Tai Wu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the consolidated financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Codes	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount(adjusted)	%
11000	Cash and cash equivalents	\$ 57,458,262	3	\$ 66,674,349	3
11500	Due from the Central Bank and call loans to banks	385,084,350	16	336,553,517	15
12000	Financial assets measured at fair value through profit or loss	8,459,079	-	7,988,907	-
12100	Financial assets measured at fair value through other comprehensive income	388,589,217	16	400,783,774	17
12200	Investments in debt instruments measured at amortized cost	268,753,450	11	210,984,882	9
12500	Securities purchased under resell agreements	5,421,476	-	-	-
13000	Receivables, net	22,434,874	1	18,992,356	1
13200	Current income tax assets	201,172	-	25,905	-
13500	Discounts and loans, net	1,231,280,546	51	1,234,305,369	53
15000	Investments under the equity method, net	2,123,915	-	1,937,372	-
15500	Other financial assets, net	3,497	-	-	-
18500	Properties, net	22,964,969	1	21,906,365	1
18600	Right-of-use assets, net	1,860,185	-	1,871,270	-
18700	Investment properties, net	7,265,031	-	6,895,605	-
19000	Intangible assets, net	2,127,094	-	1,925,844	-
19300	Deferred income tax assets	4,387,317	-	4,396,598	-
19500	Other assets, net	14,881,306	1	10,112,912	1
10000	Total assets	<u>\$ 2,423,295,740</u>	<u>100</u>	<u>\$ 2,325,355,025</u>	<u>100</u>
Codes	LIABILITIES AND EQUITY				
21000	Deposits from the central bank and other banks	\$ 40,741,321	2	\$ 50,192,934	2
22000	Financial liabilities measured at fair value through profit or loss	7,042,083	-	5,791,587	-
22500	Securities sold under repurchase agreements	591,289	-	781,568	-
23000	Payables	38,174,213	2	33,071,071	1
23200	Current income tax liabilities	2,247,639	-	2,052,522	-
23500	Deposits and remittances	1,986,091,847	82	1,920,666,353	83
24000	Bank debentures	77,883,895	3	65,244,424	3
25500	Other financial liabilities	7,540,036	-	3,339,871	-
25600	Provisions	3,576,833	-	2,926,505	-
26000	Lease liabilities	1,874,005	-	1,925,887	-
29300	Deferred income tax liabilities	10,824,201	1	10,452,067	1
29500	Other liabilities	3,111,982	-	3,267,315	-
20000	Total liabilities	<u>2,179,699,344</u>	<u>90</u>	<u>2,099,712,104</u>	<u>90</u>
	Equity				
	Equity attributable to owners of the Bank				
	Share capital				
31101	Ordinary shares	48,616,031	2	48,616,031	2
31500	Capital surplus	27,548,445	1	27,405,763	1
	Retained earnings				
32001	Legal reserve	64,476,033	3	64,476,033	3
32003	Special reserve	13,252,879	-	7,669,374	-
32005	Unappropriated earnings	28,987,035	1	28,537,216	1
	Total retained earnings	106,715,947	4	100,682,623	4
32500	Other equity	519,765	-	(6,840,365)	-
32600	Treasury shares	(83,144)	-	(83,144)	-
	Total equity attributable to owners of the Bank	183,317,044	-	169,780,908	-
38000	Non-controlling interests	60,279,352	3	55,862,013	3
30000	Total equity	<u>243,596,396</u>	<u>10</u>	<u>225,642,921</u>	<u>10</u>
	Total liabilities and equity	<u>\$ 2,423,295,740</u>	<u>100</u>	<u>\$ 2,325,355,025</u>	<u>100</u>

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
For the Year Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, except Earnings Per Share)

Codes	For the Year Ended December 31				
	2023		2022		Change
	Amount	%	Amount	%	
41000 Interest income	\$ 80,871,931	164	\$ 50,043,879	112	62
51000 Interest expenses	(41,720,357)	(85)	(16,800,536)	(37)	148
Net interest income	39,151,574	79	33,243,343	75	18
Non-interest income					
49100 Service fee income, net	5,489,467	11	5,647,708	13	(3)
49200 (Loss) on financial assets and liabilities measured at fair value through profit or loss	(944,188)	(2)	(2,512,366)	(6)	(62)
49310 Realized gain on financial assets measured at fair value through other comprehensive income	2,462,620	5	2,502,696	5	(2)
49450 Gain on financial assets measured at amortized cost	19,905	-	-	-	-
49600 Foreign exchange gain, net	2,307,327	5	4,334,914	10	(47)
49700 Impairment gain (loss) on assets	58,233	-	(59,189)	-	(198)
49750 Proportionate share of profit of associates under the equity method	334,857	1	526,569	1	(36)
49800 Other non-interest income, net	431,406	1	915,647	2	(53)
Total non-interest income	10,159,627	21	11,355,979	25	(11)
49020 Consolidated net revenue	49,311,201	100	44,599,322	100	11
58200 Provisions for bad-debt expense, commitment and guarantee liability	(9,882,613)	(20)	(4,336,995)	(10)	128
Operating expenses					
58500 Employee benefits	(11,114,704)	(22)	(10,590,464)	(24)	5
59000 Depreciation and amortization	(1,883,004)	(4)	(1,762,644)	(4)	7
59500 Other general and administrative	(5,202,076)	(11)	(4,677,469)	(10)	11
58400 Total operating expenses	(18,199,784)	(37)	(17,030,577)	(38)	7
61001 Profit before income tax	21,228,804	43	23,231,750	52	(9)
61003 Income tax expense	(3,803,667)	(8)	(4,135,726)	(9)	(8)
64000 Consolidated net income	17,425,137	35	19,096,024	43	(9)
Other comprehensive income (loss)					
Items that will not be reclassified subsequently to profit or loss:					
65201 Remeasurement of defined benefit plans	(99,247)	-	99,014	-	(200)
65204 Gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	4,272,511	9	(5,807,747)	(13)	(174)
65205 Financial liabilities designated at FVTPL which the amount of change derived from credit risk	32,147	-	(60,356)	-	(153)
65207 Proportionate share of other comprehensive income of associates under the equity method	(4,008)	-	(21,563)	-	(81)
65220 Income tax relating to items that will not be reclassified subsequently to profit or loss	(195,342)	-	(148,329)	-	32
Items that may be reclassified subsequently to profit or loss:					
65301 Exchange differences on translating foreign operations	(521,822)	(1)	14,335,022	32	(104)
65306 Share of the other comprehensive income of associates accounted for using the equity method	20,397	-	(522,670)	(1)	(103)
65309 Gain (loss) on debt instruments measured at fair value through other comprehensive income	7,135,240	14	(17,216,386)	(39)	(141)
65310 (Gain) loss allowance for debt instruments measured at fair value through other comprehensive income	(62,226)	-	61,602	-	(201)
65320 Income tax relating to items that may be reclassified subsequently to profit or loss	(986,784)	(2)	620,660	1	(259)
65000 Other comprehensive income for the period, net of income tax	\$ 9,590,866	20	\$ (8,660,753)	(20)	(211)
66000 Total comprehensive income for the period	\$ 27,016,003	55	\$ 10,435,271	23	159
Net profit attributable to:					
67101 Owners of the Bank	\$ 14,659,995	30	\$ 14,937,870	34	(2)
67111 Non-controlling interests	2,765,142	5	4,158,154	9	(34)
67100	\$ 17,425,137	35	\$ 19,096,024	43	(9)
Total comprehensive income attributable to:					
67301 Owners of the Bank	\$ 22,144,340	45	\$ 5,506,359	12	30
67311 Non-controlling interests	4,871,663	10	4,928,912	11	1
67300	\$ 27,016,003	55	\$ 10,435,271	23	159
Earnings per share					
67500 Basic	\$3.02		\$3.33		
67700 Diluted	\$3.02		\$3.33		

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the Year Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Bank													
Cods		Share Capital		Retained Earnings			Other Equity				Total Equity Attributable to Owners of the Bank	Non-controlling Interests	Total Equity
		Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Change in Financial Assets at FVTOCI	Change in Credit Risk From Financial Liabilities Designated at FVTPL	Treasury Shares			
A1	Balance on January 1, 2022	\$ 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
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
	Appropriation of 2021 earnings												
B1	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
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(1,747,568)	-	1,747,568	-	-	-	-	-
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
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(503,283)	(503,283)
Z1	Balance on December 31, 2022	\$ 44,816,031	\$ 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
A1	Balance on January 1, 2023	\$ 44,816,031	\$ 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
D1	Net profit for the year ended December 31, 2023	-	-	-	-	14,659,995	-	-	-	-	14,659,995	2,765,142	17,425,137
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(59,213)	(295,231)	7,806,642	32,147	-	7,484,345	2,106,521	9,590,866
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	14,600,782	(295,231)	7,806,642	32,147	-	22,144,340	4,871,663	27,016,003
	Appropriation of 2022 earnings												
B1	Special reserve	-	-	-	5,583,505	(5,583,505)	-	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(8,750,886)	-	-	-	-	(8,750,886)	-	(8,750,886)
C7	Changes in capital surplus from investments in associates under the equity method	-	9,480	-	-	-	-	-	-	-	9,480	-	9,480
C17	Unclaimed dividends	-	133,202	-	-	-	-	-	-	-	133,202	-	133,202
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	183,428	-	(183,428)	-	-	-	-	-
O1	Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(454,324)	(454,324)
Z1	Balance on December 31, 2023	\$ 48,616,031	\$ 27,548,445	\$ 64,476,033	\$ 13,252,879	\$ 28,987,035	\$ (421,695)	\$ 945,607	\$ (4,147)	\$ (83,144)	\$ 183,317,044	\$ 60,279,352	\$ 243,596,396

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2023	2022(adjusted)
	Cash flows from operating activities		
A00010	Consolidated net profit before income tax	\$ 21,228,804	\$ 23,231,750
A20010	Adjustments to reconcile net profit to net cash provided by operating activities		
A20100	Depreciation expenses	1,562,219	1,521,094
A20200	Amortization expenses	320,785	241,550
A20300	Provisions for bad debt expense, commitment and guarantee liability	9,882,613	4,336,995
A20400	Financial assets and liabilities measured at fair value through profit or loss	(208,266)	(296,449)
A20900	Interest expenses	41,720,357	16,800,536
A21200	Interest revenue	(80,871,931)	(50,043,879)
A21300	Dividend income	(2,381,875)	(2,142,869)
A21900	Share-based payment transaction	-	357,732
A22300	Proportionate share of profit of associates	(334,857)	(526,569)
A22500	Loss (gain) on disposal of properties and equipment, net	12,387	(195,228)
A23500	(Gain) loss on financial asset impairment	(58,233)	59,730
A23800	(Gain) on non-financial asset impairment	-	(541)
A29900	Others	109,174	(856,044)
A40000	Changes in operating assets and liabilities		
A41110	Due from the central bank and call loans to banks	56,450,875	(41,194,553)
A41120	Financial assets measured at fair value through profit or loss	174,667	3,904,366
A41123	Financial assets measured at fair value through other comprehensive income	22,767,363	120,138,824
A41125	Investment in debt instruments measured at amortized cost	(57,541,836)	(54,450,521)
A41150	Receivables	(696,211)	404,585
A41160	Discounts and loans	(8,059,096)	(94,099,174)
A41190	Other financial assets	(3,837)	5,037
A41990	Other assets	(4,730,411)	(1,495,901)
A42110	Deposits from the central bank and other banks	(9,362,775)	(4,630,510)
A42120	Financial liabilities at fair value through profit or loss	837,903	1,739,036
A42140	Securities sold under repurchase agreements	(190,279)	(13,723,456)
A42150	Payables	1,162,687	124,349
A42160	Deposits and remittances	66,996,231	149,854,982
A42170	Other financial liabilities	4,196,597	(1,623,990)
A42180	Employee benefit provisions	90,110	(24,725)
A42990	Other liabilities	(114,621)	(21,188)
A33000	Cash from (used in) operations	62,958,544	57,394,969
A33100	Interest received	78,065,888	47,412,880
A33200	Dividends received	2,457,864	2,190,133
A33300	Interest paid	(37,962,543)	(14,155,168)
A33500	Income tax paid	(4,183,474)	(3,712,477)
AAAA	Net cash from (used in) operating activities	101,336,279	89,130,337

(Continued)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Year Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Codes		For the Year Ended December 31	
		2023	2022(adjusted)
	Cash flows from investing activities		
B02700	Acquisition of properties	\$ (1,809,583)	\$ (1,247,367)
B02800	Proceeds from disposal of properties	6,811	326,924
B03700	Acquisition of intangible assets	(463,479)	(271,345)
B04500	Acquisition of investment properties	(420,284)	(276,213)
B06800	Increase in other assets	(72,607)	(179,131)
BBBB	Net cash (used in) investing activities	(2,759,142)	(1,647,132)
	Cash flows from financing activities		
C00300	Increase in funds borrowed from central bank and Banks	-	(17,787,080)
C01400	Proceeds from issuance of bank debentures	13,261,071	4,070,000
C01500	Payments for bank debentures	(625,400)	(22,367,720)
C03100	Payments for principal portion of lease liabilities	(840,938)	(814,716)
C04020	Cash dividend	(8,741,406)	(8,057,406)
C04500	Cash capital increase	-	14,060,000
C04600	Non-controlling equity	(454,324)	(503,283)
CCCC	Net cash from (used in) financing activities	2,599,003	(31,400,205)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	511,244	12,748,616
EEEE	Net increase (decrease) in cash and cash equivalents	101,687,384	68,831,616
E00100	Cash and cash equivalents at the beginning of the period	254,717,189	185,885,573
E00200	Cash and cash equivalents at the end of the period	\$ 356,404,573	\$ 254,717,189

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, 2023 and 2022:

Codes		December 31, 2023	December 31, 2022(adjusted)
E00210	Cash and cash equivalents in consolidated balance sheets	\$ 57,458,262	\$ 66,674,349
E00220	Due from the Central Bank and call loans to banks which fall within the definition of cash and cash equivalents under IAS 7	293,524,835	188,042,840
E00230	Securities purchased under resale agreements which fall within the definition of cash and cash equivalents under IAS 7	5,421,476	-
E00200	Cash and cash equivalents in consolidated statements of cash flows	\$ 356,404,573	\$ 254,717,189

(Concluded)

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

2023 Earnings Distribution Plan

	Unit : NT\$
Items	Total
Beginning Unappropriated Retained Earnings	\$14,202,825,729
Net Income for the period	14,659,994,357
Less: Remeasurements of defined benefit plans	(59,213,595)
Add: Gain on disposal of equity instruments measured at fair value through other comprehensive income	183,428,133
Net income for the period after adjusting items should be included in the unappropriated retained earnings	\$14,784,208,895
Add: Reversal of Special reserve in previous year (Note 4)	5,583,504,953
Retained earnings available for distribution for this period	\$34,570,539,577
Distribution item :	
Cash dividends to common share holders (\$1.80 per share)	(8,750,885,652)
Unappropriated Retained Earnings	\$25,819,653,925

Note :

1. The priority of distribution earnings of cash dividends is the reversal of the special reserve and then distributes with earnings in 2023.
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 exceeds the company's paid-in capital NT\$48,616,031,400 for the year ended December 31, 2023. Therefore, Article 50 Paragraph 1 of the Banking Act on the earnings distribution shall not apply.
4. The Special reserve is based on Article 41-1 of the Securities and Exchange Act and the Banking Bureau's requirement on March 31, 2021 (Ref. No. 1090150022).
5. Information Disclosure according to requirements of Banking Bureau:
 - (1). The legal reserve equals or exceeds 75% of the company's paid-in capital.
 - (2). After deducting cash dividend distributed from the company's paid-in capital and from the legal reserve, the capital adequacy ratio in the latest audited financial statement exceeds 12.5% and the ratio of Tier I capital exceeds 10.5%, of which the capital adequacy ratio has been audited.
 - (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, 2024, the last month before the date of which the earnings distribution approved by the board of directors, the company's NPL ratio is 0.55%, which is over the average of Domestic Banks

0.14% but not higher than 1.5%. The company's coverage ratio is 241.02%, which is lower than the average of Domestic Banks 968.74%.

- (5). Punishments in the last year before the earnings distribution approved by the board of directors:
According to the announcement of the FSC on November 28, 2023, the Bank failed to establish and implement the internal control system properly about customer information confidentiality and information security, and violated Article 45-1 Paragraph 1 of the Banking Law and Article 3, Article 8 Paragraph 1 Subparagraph 2 Item2 of the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries". The company was imposed a penalty of NT\$10 million in accordance with Article 129 Paragraph 7 of the Banking Law.
- (6). The legal reserve exceeds the company's paid-in capital. Pursuant to Article 50 Paragraph 2 of the Banking Act, the allocation of the legal reserve is non-mandatory in the earnings distribution.
- (7). The cash dividend NT\$8,750,885,652 exceeds 15% of the company's paid-in capital NT\$48,616,031,400.
- (8). The earnings distribution is distributed neither from the legal reserve nor the company's paid-in capital.
- (9). The remuneration of directors and employees' compensation recognized in the financial report for 2023 are NT\$46,000,000 and NT \$76,000,000, respectively.

Chairman: LEE, CHING-YEN

President: KUO, CHING-YI

Chief Accountant: HSU, SHOU-MING

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Articles of Incorporation

Comparison Table of Amended Articles

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>Article 20</p> <p>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.</p> <p>The quorum of the directors mentioned in the preceding paragraph shall include independent directors at the minimum of three in number and one-<u>third</u> of the aggregate total of director seats.</p> <p>With respect to the professional qualification requirements, restriction on shareholding, holding of other official functions,</p>	<p>Article 20</p> <p>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.</p> <p>The quorum of the directors mentioned in the preceding paragraph shall include independent directors at the minimum of three in number and one-<u>fifth</u> of the aggregate total of director seats.</p> <p>With respect to the professional qualification requirements, restriction on shareholding, holding of other official functions,</p>	<p>Paragraph 2 of this article is revised with reference to the provisions of Article 4 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers.</p>

Content of Article after Amendment	Content of Article before Amendment	Remark
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.	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.	
<p>Article 37</p> <p>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</p>	<p>Article 37</p> <p>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</p>	<p>Added "dividend distribution ratio of distributable earnings".</p>

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>then be the surplus available for distribution for the current year, <u>in principle, the distribution of the annual common shareholder dividends shall not constitute less than 10% of the surplus available for distribution of the year,</u> and the board of directors shall make the proposal for distribution and submit it to the regular shareholders' meeting for acknowledgment.</p> <p>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.</p> <p>The dividend policy of the Bank shall take into consideration of the environment of banking</p>	<p>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.</p> <p>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.</p> <p>The dividend policy of the Bank shall take into consideration of the environment of banking</p>	

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>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.</p>	<p>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.</p>	

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

Procedures Governing the Acquisition and Disposal of Assets

Comparison Table of Amended Articles

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>Article12</p> <p>When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a</p>	<p>Article12</p> <p>When the company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the company may not proceed to enter into a</p>	<p>Added " And the actual transaction status of the year should be submitted to the latest Annual general meeting.".</p>

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction 	<p>transaction contract or make a payment until the following matters have been approved by more than half of all audit committee members and then submitted to the board of directors for a resolution:</p> <ol style="list-style-type: none"> 1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2. The reason for choosing the related party as a transaction counterparty. 3. With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 13 and Article 14. 4. The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction 	

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued</p>	<p>counterparty's relationship to the company and the related party.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>With respect to the types of transactions listed below, when to be conducted between the company and its subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued</p>	

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>shares or authorized capital, the company's board of directors may pursuant to Article 5, paragraph 2, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about</p>	<p>shares or authorized capital, the company's board of directors may pursuant to Article 5, paragraph 2, subparagraph 2 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of equipment or right-of-use assets thereof held for business use. 2. Acquisition or disposal of real property right-of-use assets held for business use. <p>When a matter is submitted for discussion by the board of directors pursuant to paragraph 1, the board of directors shall take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about</p>	

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of more than half of all audit committee members as required in the paragraph 1 is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>If the Company or its subsidiary has a transaction in Paragraph 1 and the transaction amount is more than 10% of the total assets of the Company, the listed materials shall be submitted</p>	<p>any matter, it shall be recorded in the minutes of the board of directors meeting.</p> <p>If approval of more than half of all audit committee members as required in the paragraph 1 is not obtained, the procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</p> <p>The terms "all audit committee members" in paragraph 1 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</p> <p>If the Company or its subsidiary has a transaction in Paragraph 1 and the transaction amount is more than 10% of the total assets of the Company, the listed materials shall be submitted</p>	

Content of Article after Amendment	Content of Article before Amendment	Remark
<p>to the Annual general meeting for approval before the transaction contract can be signed and payment can be made. <u>And the actual transaction status of the year should be submitted to the latest Annual general meeting.</u> However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been agreed by the Audit Committee and approved by the board of directors and Annual general meeting need not be counted toward the transaction amount.</p>	<p>to the Annual general meeting for approval before the transaction contract can be signed and payment can be made.</p> <p>However, transactions between the Company and its subsidiaries, or between subsidiaries, are not subject to this limitation.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been agreed by the Audit Committee and approved by the board of directors and Annual general meeting need not be counted toward the transaction amount.</p>	

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

The list of candidates for the 22st term of directors

Name	Education	Experience	Shareholding
LEE, CHING-YEN STEPHEN	Master of Business Administration, Northwestern University	Director, Managing Director and Chairman of SCSB Chairman of Shanghai Commercial Bank Limited Director of Temasek Holdings (Private) Limited Chairman of Board of Singapore Airlines Limited Director of Great Malaysia Textile Investments Pte. Ltd.	6,672,087
YUNG, CHU-KUEN	Master of Business Administration, University of Chicago	Manager of Citi Bank Hong Kong Director and Managing Director of SCSB Chairman of Shanghai Commercial Bank Limited	3,724,924
YUNG, CON-SING JOHN (Representative : Magnetic Holdings Limited)	Master of Business Administration, University of Chicago	Chase Bank Hong Kong Branch Senior Vice President, Deputy Executive Vice President, CIO, Executive Vice President and First Executive Vice President, Director and Managing Director of SCSB	128,798,376
CHIOU, YI-JEN	Master of Business Administration, National Sun Yat-sen University	Vice President, Deputy Executive Vice President, CIO, Executive Vice President, President and Director of SCSB Director of China Travel Service (Taiwan) Limited	4,321,733

Name	Education	Experience	Shareholding
KUO, CHING-YI	Department of Statistics, College of Business at National Taipei University	Vice President, Deputy Executive Vice President, Executive Vice President and President of SCSB Director of Taiwan Finance Corporation Director of Paofoong Insurance Company (Hong Kong) Limited	168,134
HUANG, HUI-CHU (Representative : Tilsbury Investments Inc.)	Master of Science, Computer Science Dept. National Chiao Tung University	General Manager, Taiwan IBM DOO and CHRO, Sinyi Real Estate Independent Director, Wistron ITS Corporate Supervisor, Commerce Development Research Institute	171,587,731

THE SHANGHAI COMMERCIAL & SAVINGS BANK, LTD.

The list of candidates for the 22st term of Independent directors

Name	Education	Experience	Shareholding
CHEN, MU-TSAI	Master of Economics, National Taiwan University	General Manager of Economic Research and Credit Analysis of The City Bank of Taipei Director General of Department of Monetary Affairs, Director General of Bureau of Monetary Affairs and Administrative Deputy Minister of Ministry of Finance, R.O.C. Chairman of Farmers Bank of China Chairman of Bank of Taiwan Chairman of China Industrial Development Bank Chairman of China Development Financial Holding Corporation Independent Managing Director of SCSB	0
TSENG, KUO- LIEH	Master of Public Administration, Harvard University	Chairman of E.SUN Bank Non-shareholder Director of the Taiwan Futures Exchange Independent Director of Sinyi Realty Inc., Vice President of Central Deposit Insurance Corporation Director General of Bureau of Monetary Affairs of Ministry of Finance, R.O.C. Director of Banking Bureau, Financial Supervisory Commission Independent Director of SCSB	0

Name	Education	Experience	Shareholding
FANG, YEN- LING	Doctor of Philosophy in Finance, Xiamen University, Fujian, China.	Executive Director and Head of Financial Services of KPMG in Taiwan Part-Time Lecturer of Soochow University Department of Accounting Lecturer of Taiwan Academy of Banking and Finance Independent Director of Tai-Sol Electronics Co., Ltd. Independent Director of Wistron Information Technology and Services Corporation Independent Director of Pharmosa Biopharm Inc.	0