



Communication principles between the Independent Directors, Chief Internal Auditor and CPAs

1. The Chief Internal Auditor and CPAs maintain close contact with Independent Directors and have engaged in smooth communication.
2. SCSB's Independent Directors regularly receive audit reports, and the Chief Auditor regularly reports the annual audit plan, implementation status of audit work, and self-evaluation of audit quality to the Audit Committee. Important matters are separately reported to Independent Directors during discussions that are held at least once a year, and the implementation status and results of audits have been fully communicated.
3. CPAs report the financial statement audit status and results to Independent Directors during quarterly discussions. Other topics such as business situation and internal control policy are irregularly communicated and discussed.
4. Communication meetings may be irregularly convened if a material event occurs or when an Independent Director, the Chief Auditor, or CPA deems it necessary to separately communicate matters.

Communications between the Independent Directors, Chief Internal Auditor and CPAs

(e.g., the items, methods and results of audits of corporate finance or operations)

Date	Method	Subject of Communication	Matter for Communication	Result
2022/3/7	Forum	Independent Directors SCSB's CPAs	2021 Q4 financial statements	1. Explained and exchanged opinions on questions raised by independent directors. 2. Acknowledged by all attending members.
2022/4/25	Forum	Independent Directors SCSB's CPAs	2022 Q1 financial statements	1. Explained and exchanged opinions on questions raised by independent directors. 2. Acknowledged by all attending members.



Date	Method	Subject of Communication	Matter for Communication	Result
2022/6/24	Forum	Independent Directors SCSB's Chief Auditor SCSB's Auditors	<ol style="list-style-type: none"> 1. The Financial Supervisory Commission inspected the implementation status of improvement measures for deficiencies in management mechanisms reported by SCSB at the end of 2020. 2. Implementation status of improvement measures for deficiencies in the credit risk management of the Hong Kong Branch. 3. Improvement of incorrect accounts in the online credit loan system. 	<ol style="list-style-type: none"> 1. Continue to follow up. 2. Continue to follow up. 3. Rectified.
2022/8/8	Forum	Independent Directors SCSB's CPAs	2022 Q2 financial statements	<ol style="list-style-type: none"> 1. Explained and exchanged opinions on questions raised by independent directors. 2. Acknowledged by all attending members.
2022/10/28	Forum	Independent Directors SCSB's Chief Auditor SCSB's Auditors	<ol style="list-style-type: none"> 1. Tracking of improvements to supervisory data reported by SCSB. 2. Tracking of improvements to credit loan risk management of the Hong Kong Branch. 3. Improvement of "inflating short-term loan limit of corporate loans provided by branches to avoid accounting regulations that require compliance." 	<ol style="list-style-type: none"> 1. Rectified. 2. Rectified. 3. Rectified.
2022/11/7	Forum	Independent Directors SCSB's CPAs	<ol style="list-style-type: none"> 1. 2022 Q3 financial statements. 2. Audit plan of the CPAs. 	<ol style="list-style-type: none"> 1. Explained and exchanged opinions on questions raised by independent directors. 2. Acknowledged by all attending members.