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## II. Meeting Outline:

### 1. Report Items

- (1) The Taishin Financial Holding Co., Ltd. Audit Committee's Report on the Merger of Taishin Financial Holding Co., Ltd. and Shin Kong Financial Holding Co., Ltd., reviewing the plan for the Merger and the fairness and rationality of the transaction. (Proposed by the Audit Committee.)

#### Description:

- A. The Review Report is processed subject to Article 6 of the Business Mergers and Acquisitions Act.
- B. In accordance with the resolution passed by the Audit Committee on July 26, 2024, Chin-feng Lin from Crowe (TW) CPAs firm (hereinafter referred to as "the independent expert") was appointed to assist in providing opinions on the fairness of the share exchange ratio in the merger plan between Taishin Financial Holding Co., Ltd. (the "Company") and Shin Kong Financial Holding Co., Ltd., with the deal hereinafter being referred to as "the Merger." The independent expert has issued a fairness opinion regarding the share exchange ratio in the Merger.
- C. The written opinion on the reasonableness of the share exchange ratio in the Merger and The Review Report of the Audit Committee (issued on September 11, 2024) are presented as Attachments 1 and 2, respectively.

(The above is noted.)

#### 【The Record of Proceedings】

Shareholder (account number: C0774533):

I am here today to express my support for Taishin Financial's continued efforts by presenting a Pikachu doll. I hope that the Company is filled with strength and creates an ever-brighter future.

### 2. Discussions

- (1) The Merger of Taishin Financial Holding Co., Ltd. and Shin Kong Financial Holding Co., Ltd. (Proposed by the Board of Directors.)
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Description:

- A. The Merger is processed subject to the Financial Institutions Merger Act, Business Mergers and Acquisitions Act, Financial Holding Company Act, Securities and Exchange Act, and Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
- B. In order to capture various opportunities for growth, expand the scale of the Company, sharpen competitiveness, boost performance, increase resilience, and create a new landscape for Taiwan's financial market, the Company plans to merge with Shin Kong Financial Holding Co., Ltd. (hereinafter referred to as “Shin Kong FHC”).
- C. The summary of the merger between the Company and Shin Kong FHC is as follows:
- (a) Method of merger: In the Merger between the Company and Shin Kong FHC, the Company will be the surviving company after the Merger, and Shin Kong FHC will be the dissolved company after the Merger and will be dissolved as a result of the Merger. The name of the surviving company after the Merger will be TS Financial Holding Co., Ltd.
- (b) Adjustment mechanism of share exchange ratio:
- i. The Merger is to be executed through the issuance of new shares (including common shares and preferred shares) by the Company, exchanging 0.6720 common shares and 0.175 “Class H registered preferred shares” (hereinafter referred to as “Class H preferred shares”) of the Company for every one common share of Shin Kong FHC; one “Class G preferred share I” of the Company for every one “Class A preferred share” of Shin Kong FHC; and one “Class G preferred share II” of the company for every one “Class B preferred share” of Shin Kong FHC.
  - ii. For details of the share exchange ratio adjustment mechanism please refer to Articles 2.3 and 2.4 of the Merger Agreement (including adjustments made in accordance with the Amendments to the Merger Agreement).
  - iii. The share exchange ratio disclosed above was reviewed by the independent expert, who was appointed by the Audit Committee. She concluded that the share exchange ratio in this Merger is fair and issued an opinion letter.
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- iv. If Shin Kong FHC's shareholders acquire any odd-lot shares of less than one share, the Company will, in lieu of such odd-lot shares, pay cash to such Shin Kong FHC's shareholders on a pro rata basis based on the closing price of the Company's common shares on the last trading day prior to the Merger Record Date and the issue price of the Class H preferred share (fractions of NT\$1 shall be rounded to the nearest NT\$), and the Company may authorize the Chairman or his designee to approach a specific person to take up such odd-lot shares at such aforementioned market price or issue price (whichever may be applicable). In the event that there is a need to change the handling of these odd-lot shares in accordance with the laws and regulations or operational requirements, the Chairman or his delegate shall have full authority to handle the matter.
- (c) Long stop date: The Merger and the Merger Agreement must be approved by both parties' Board Meetings in accordance with the law, and approval from the competent authority must be obtained to complete the Merger. If any of the conditions precedent are unfulfilled and have not been waived by the other party in accordance with this Agreement by December 31, 2025 (or by a date otherwise agreed by the parties in writing), the Merger Agreement shall be automatically terminated unless otherwise agreed upon by the chairpersons of the boards of directors of the parties or the designees of the chairpersons as authorized by the boards of directors of the parties.
- (d) Protection of employees: All job positions of managers and employees in Shin Kong FHC will be retained and will be handled subject to the provisions of the Financial Holding Company Act, Financial Institutions Merger Act, Business Mergers and Acquisitions Act, and relevant labor laws.
- (e) Purchase of shares from dissenting shareholders, protection of creditors, etc., will be handled in accordance with relevant laws and regulations.
- D. The fairness of the transaction and the reasonableness of the merger plan were reviewed at the fourth meeting of the fourth term of the Audit Committee on August 22, 2024 and at the seventh meeting of the fourth term of the Audit Committee on September 11, 2024.
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- E. To execute the Merger, in addition to matters that are legally within the rights of the Board of Directors or matters that should be decided by the Board of Directors that are stipulated in the Merger Agreement, the extraordinary shareholders' meeting is obligated to authorize the Chairman or a designated person to handle matters related to the Merger, including but not limited to signing; negotiating; revising; making changes or additions to the Merger Agreement and other documents that are related to the Merger (including employee retention and placement plans, etc.); setting, extending, and changing the merger record date and long stop date; adjusting the share exchange ratio in accordance with the common share exchange ratio adjustment formula stipulated in the Merger Agreement; negotiating with specific person(s) to acquire the odd-lot shares based on the market price and/or handling matters related to the odd-lot shares upon the acquisition of common shares and/or Class H preferred shares of the Company by Shin Kong FHC Shareholders; negotiating, adjusting, and making changes to the Merger and the Merger Agreement when the conditions precedent have not been fulfilled or have been waived by either party on the long stop date; submitting an application or report to the competent authority; and adjusting other relevant implementation in accordance with laws and regulations, instructions from competent authorities, or in response to changes in market environment.
- F. The written opinion from the independent expert on the reasonableness of the share exchange ratio in the Merger, the Review Report of the Audit Committee (issued on September 11, 2024), and the Merger Agreement (including the Amendments to the Merger Agreement) are presented as Attachments 1 to 4.

**【The Record of Proceedings】**

Shareholder (account numbers: 00014058, 00013349, 00014001 (Class E preferred)):

On behalf of shareholder account numbers 00014058 Dachun Global Investment Co., Ltd. (大春全球投資股份有限公司), 00013349 Yonghua Investment Co., Ltd. (永鐸投資股份有限公司), and 00014001 Xinhan Capital Co., Ltd. (欣翰資本股份有限公司), I hereby express objections to the merger proposal in accordance with Article 12, Paragraph 1 of the Business Mergers and Acquisitions Act.

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Shareholder (account number: 01025824):

Will Taishin consider lowering the acquisition price in response to Shin Kong's declining stock price?

Could the Company explain the reason for using Fubon Financial Holdings as a comparable company in the independent expert's valuation report?

Will Taishin commit to maintaining a similar level of dividend next year compared to this year?

President Welch Lin's Response:

The pricing basis set on August 22 was based on Shin Kong's first-quarter financial figures. However, under the efforts of the new management team, Shin Kong's second-quarter financial results were significantly improved, far exceeding expectations. Additionally, September's federal funds rate cut has initiated a new rate cut cycle, and this is expected to mitigate the adverse impacts on Shin Kong Life's asset value. Therefore, in consideration of the potential synergies and in hopes of gaining shareholders' recognition and support, the exchange ratio was adjusted.

As for selecting comparable companies, we chose those similar in business segment, type, and size. Given that the combined entity will become the fourth-largest financial holding company in terms of asset size and market capitalization, and given that the market shares and scales of banking, insurance, and securities will be significantly enhanced, Fubon Financial Holdings was included in the analysis.

Regarding dividends, Taishin Financial has maintained a strong track record of dividend distribution over the past several years, and we will continue to strive toward delivering a steady dividend policy.

Shareholder (account number: 01025824; follow up question):

Why did Taishin use the first-quarter financial results during the due diligence process instead of the second-quarter financial figures? Regarding the comparable companies, choosing those similar in scale to the combined entity seems inappropriate, given that the merger target is Shin Kong Financial.

President Welch Lin's Response:

Please note that the due diligence process includes historical data and long-term projections, and there is no absolute correlation with stock price fluctuations.

The auditors conducted the due diligence process with a high level of rigor, and only auditor-certified financial statements were eligible for evaluation. The second-quarter financial statements for Shin Kong Financial were certified by the auditors and released at the end of August, which accounts for the timing discrepancy. We appreciate your understanding.

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Resolutions:

The number of common shares represented at the time of voting was 10,190,167,164;  
votes in favor: 9,453,297,137 (92.76%) (including 2,940,746,901 votes cast electronically);  
votes against: 164,818,635 (including 43,675,347 votes cast electronically); invalid votes: 0;  
abstentions/no votes: 572,051,392 (including 561,090,026 votes cast electronically).

Given that the number of votes in favor of the proposal exceeded the required quorum, the proposal was approved.

The number of Class E preferred shares represented at the time of voting was 696,895,279;  
votes in favor: 605,975,859 (86.95%) (including 292,955,451 votes cast electronically);  
votes against: 64,282,962 (including 53,718,901 votes cast electronically); invalid votes: 0;  
abstentions/no votes: 26,636,458 (including 26,627,293 votes cast electronically).

Given that the number of votes in favor of the proposal exceeded the required quorum, the proposal was approved.

The number of Class F preferred shares represented at the time of voting was 265,430,665;  
votes in favor: 265,079,880 (99.86%) (including 12,773,405 votes cast electronically);  
votes against: 325,005 (including 317,939 votes cast electronically); invalid votes: 0;  
abstentions/no votes: 25,780 (including 21,101 votes cast electronically).

Given that the number of votes in favor of the proposal exceeded the required quorum, the proposal was approved.

(2) Amendments to the “Articles of Incorporation.” (Proposed by the Board of Directors.)

Description:

A. Due to the merger between the Company and Shin Kong FHC, the Board of Directors has proposed: changing the Company’s name after the Merger’s completion; raising the authorized capital of the Company; adding rights, obligations, and other important issuance conditions for Class G registered preferred shares and Class H registered preferred shares; changing Articles 1, 5, 8-4, 8-5, and 8-8 of the Company’s Articles of Incorporation; and adding Article 8-6 and 8-7 to the Company’s Articles of Incorporation.

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B. Below is a comparison between the original and amended terms. Please refer to Attachments 5 of the Meeting Manual for the full text of the unamended “Articles of Incorporation.”

Article	Amended Articles	Original Articles	Notes
Article 1	<p>The Company is incorporated pursuant to the Financial Holding Company Act, the Company Act, and other relevant laws and regulations. The name of the Company shall be “Taishin Financial Holding Co., Ltd.” (abbreviated to “Taishin Holdings”).</p> <p><b><u>If the Company completes a merger with Shin Kong Financial Holding Co., Ltd. (Shin Kong Holdings), the Company will be renamed “TS Financial Holding Co., Ltd.” (abbreviated to “TS Holdings”) as of the record date of the merger. Amendment of this paragraph shall become effective as from the record date of the merger.</u></b></p>	<p>The Company is incorporated pursuant to the Financial Holding Company Act, the Company Act, and other relevant laws and regulations. The name of the Company shall be “Taishin Financial Holding Co., Ltd.” (abbreviated to “Taishin Holdings”).</p>	<p>In the case of a successful merger of the Company and Shin Kong Financial Holding Co., Ltd., the Company’s name will be changed.</p>
Article 5	<p>The authorized capital of the Company is NT\$<b>350</b>,000,000,000, divided into <b>35</b> billion shares at par value of NT\$10. The Board of Directors is authorized to issue the shares of capital in installments. <b>3.5</b> billion shares shall be reserved for the Company to issue shares for stock warrants, shares with warrants or corporate bonds with warrants.</p>	<p>The authorized capital of the Company is NT\$200,000,000,000, divided into 20 billion shares at par value of NT\$10. The Board of Directors is authorized to issue the shares of capital in installments. 2 billion shares shall be reserved for the Company to issue shares for stock warrants, shares with warrants or corporate bonds with warrants.</p>	<p>Due to the merger of the company and Shin Kong FHC, the total capital amount will be raised from NT\$ 200 billion to NT\$350 billion.</p>
Article 8-4	<p>The Company issues 3,500,000,000 Class E registered preferred shares ("Class E preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issue associated with Class E preferred shares are as follows:</p> <p>1. The dividend rate for Class E preferred shares should not exceed 8.00% p.a. of the issue</p>	<p>The Company issues 3,500,000,000 Class E registered preferred shares ("Class E preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issue associated with Class E preferred shares are as follows:</p> <p>1. The dividend rate for Class E preferred shares should not exceed 8.00% p.a. of the issue</p>	<p>1. To comply with the latest updates to “Regulations Governing the Consolidated Capital Adequacy of Financial Holding</p>



	<p>price. In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, <b><u>or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class E preferred shares, or out of consideration for other essential factors, the Company may resolve not to distribute dividends,</u></b> and the unpaid dividend will not be carried forward to years with earnings.</p> <p>2. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution under an acknowledged earnings distribution proposal will be distributed first to Class E preferred shares. Any remaining balance shall be distributed according to the Articles of Incorporation.</p> <p>3. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of</p>	<p>price. In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, the unpaid dividend will not be carried forward to years with earnings.</p> <p>2. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution <b><u>to preferred shares and ordinary shares</u></b> under an acknowledged earnings distribution proposal will be distributed first to Class E preferred shares. Any remaining balance shall be distributed according to the Articles of Incorporation.</p> <p>3. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of</p>	<p>Companies,” changes have been proposed to Article 8-4 of the Company’s Articles of Incorporation.</p> <p>2. Some of the article’s wording has been modified.</p>
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	<p>shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for the dividends prescribed in the three preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.</p> <p>6. Any premium received on the issuance of Class E preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class E preferred shares.</p> <p>7. Class E preferred shareholders are not entitled to any voting rights or election rights in</p>	<p>shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for the dividends prescribed in the three preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.</p> <p>6. Any premium received on the issuance of Class E preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class E preferred shares.</p> <p>7. Class E preferred shareholders are not entitled to any voting rights or election rights in</p>	
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	<p>shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class E preferred shareholders.</p> <p>8. When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</p> <p>9. Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.</p> <p>10. Matters regarding the issuance of Class E preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class E preferred shares, the board of directors is authorized to proceed accordingly.</p> <p>When Class E preferred shares are issued in installment within the limit described under the first paragraph, the board of directors is authorized to decide the actual number of shares, issue price, and dividend rate for each issuance according to the Company's capital plans, market conditions at the time of issuance, and the terms of</p>	<p>shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class E preferred shareholders.</p> <p>8. When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</p> <p>9. Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.</p> <p>10. Matters regarding the issuance of Class E preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class E preferred shares, the board of directors is authorized to proceed accordingly.</p> <p>When Class E preferred shares are issued in installment within the limit described under the first paragraph, the board of directors is authorized to decide the actual number of shares, issue price, and dividend rate for each issuance according to the Company's capital plans, market conditions at the time of issuance, and the terms of</p>	
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	issuance detailed under the preceding subparagraphs. Details of issuance by private placement or issuances involving an increased percentage of public offering shall be submitted to the shareholders' meeting for approval.	issuance detailed under the preceding subparagraphs. Details of issuance by private placement or issuances involving an increased percentage of public offering shall be submitted to the shareholders' meeting for approval.	
Article 8-5	<p>The Company issues 800,000,000 Class F registered exchangeable preferred shares ("Class F preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issuance associated with Class F preferred shares are as follows:</p> <p>1. The dividend rate for Class F preferred shares should not exceed 4.5% p.a. of the issue price. Unless otherwise specified by the Articles of Incorporation, in years that conclude with insufficient or no surplus to fully pay off dividends for Class F preferred shareholders, <b><u>or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class F preferred shares, or out of consideration for other essential factors, the Company may resolve not to distribute dividends, and</u></b> the unpaid dividend will not be carried forward to years with earnings.</p> <p>2. The Company has sole discretion on the distribution of Class F preferred share dividends. Earnings distribution or loss make-up proposals will be devised by the Board of Directors in accordance with Article 40-1 of</p>	<p>The Company issues 800,000,000 Class F registered exchangeable preferred shares ("Class F preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issuance associated with Class F preferred shares are as follows:</p> <p>1. The dividend rate for Class F preferred shares should not exceed 4.5% p.a. of the issue price. Unless otherwise specified by the Articles of Incorporation, in years that conclude with insufficient or no surplus to fully pay off dividends for Class F preferred shareholders, the unpaid dividend will not be carried forward to years with earnings.</p> <p>2. The Company has sole discretion on the distribution of Class F preferred share dividends. Earnings distribution or loss make-up proposals will be devised by the Board of Directors in accordance with Article 40-1 of</p>	<p>1. To comply with the latest updates to "Regulations Governing the Consolidated Capital Adequacy of Financial Holding Companies," changes have been proposed to Article 8-5 of the Company's Articles of Incorporation.</p> <p>2. In light of the Company planning to issue Class G preferred shares to replace Shin Kong FHC's Class A and B preferred shares, the earnings distribution has been adjusted.</p>

	<p>the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, <b><u>to Class G preferred shares and then, if any earnings remain,</u></b> to Class F preferred shares. Any remaining balance shall be distributed ordinary shares.</p> <p>3. Dividends on Class F preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and the earnings distribution or loss make-up proposals approved have been approved during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class F preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for dividends prescribed in the three preceding subparagraphs herein, Class F preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to</p>	<p>the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class F preferred shares. Any remaining balance shall be distributed ordinary shares.</p> <p>3. Dividends on Class F preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and the earnings distribution or loss make-up proposals approved have been approved during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class F preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for dividends prescribed in the three preceding subparagraphs herein, Class F preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to</p>	
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	<p>ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class F preferred shareholders shall be limited to claiming on the ordinary shares of Chang Hwa Commercial Bank Ltd owned by the Company (CHB shares). Class F preferred shareholders shall be given distribution sequence priority over ordinary shareholders. The exchange ratio of Class F preferred shares and CHB shares shall be set at 1:1.</p> <p>6. Any premium received on the issue of Class F preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class F preferred shares.</p> <p>7. Class F preferred shareholders are not entitled to any voting rights or election rights in Shareholders' Meetings. However, they may vote in Class F preferred shareholder meetings on amendments to the Articles of Incorporation which damage the rights of Class F preferred shareholders. The provisions governing Shareholders' Meetings shall apply.</p> <p>8. When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled to preemptive rights on the new shares equivalents to those of ordinary shareholders and Class E preferred shareholders.</p> <p>9. The Company may notify Class F preferred shareholders of their right to exchange Class F preferred shares for CHB shares at the exchange ratio of</p>	<p>ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class F preferred shareholders shall be limited to claiming on the ordinary shares of Chang Hwa Commercial Bank Ltd owned by the Company (CHB shares). Class F preferred shareholders shall be given distribution sequence priority over ordinary shareholders. The exchange ratio of Class F preferred shares and CHB shares shall be set at 1:1.</p> <p>6. Any premium received on the issue of Class F preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class F preferred shares.</p> <p>7. Class F preferred shareholders are not entitled to any voting rights or election rights in Shareholders' Meetings. However, they may vote in Class F preferred shareholder meetings on amendments to the Articles of Incorporation which damage the rights of Class F preferred shareholders. The provisions governing Shareholders' Meetings shall apply.</p> <p>8. When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled to preemptive rights on the new shares equivalents to those of ordinary shareholders and Class E preferred shareholders.</p> <p>9. The Company may notify Class F preferred shareholders of their right to exchange Class F preferred shares for CHB shares at the exchange ratio of</p>	
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	<p>1:1 from the beginning of the 8th year of issuance up to the end of the 10th year of issuance</p> <p>10. Ten years after the issue date, the Company may at any time, subject to the competent authority's approval, recall all outstanding Class F preferred shares and exchange them for CHB shares at the ratio of 1:1. If the 90-business-day weighted average price of CHB shares prior to the record date is lower than the issue price, the Company shall make up the gap with cash. The specifics of the cash reimbursement shall be determined by the Board.</p> <p>11. On the issue date, the Company shall set aside and deliver to the appointed custodian for safekeeping a number of CHB shares equal to that of the total number of Class F preferred shares. In the event that Class F preferred shares are redeemed, the Company shall deliver the CHB shares from the custodian to the Class F preferred shareholders.</p> <p>12. In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as when the shares were initially issued.</p> <p>13. Matters regarding the issuance of Class F preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and</p>	<p>1:1 from the beginning of the 8th year of issuance up to the end of the 10th year of issuance</p> <p>10. Ten years after the issue date, the Company may at any time, subject to the competent authority's approval, recall all outstanding Class F preferred shares and exchange them for CHB shares at the ratio of 1:1. If the 90-business-day weighted average price of CHB shares prior to the record date is lower than the issue price, the Company shall make up the gap with cash. The specifics of the cash reimbursement shall be determined by the Board.</p> <p>11. On the issue date, the Company shall set aside and deliver to the appointed custodian for safekeeping a number of CHB shares equal to that of the total number of Class F preferred shares. In the event that Class F preferred shares are redeemed, the Company shall deliver the CHB shares from the custodian to the Class F preferred shareholders.</p> <p>12. In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as when the shares were initially issued.</p> <p>13. Matters regarding the issuance of Class F preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and</p>	
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	<p>the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class F preferred shares, the Board of Directors is authorized to proceed accordingly.</p> <p>When Class F preferred shares are issued in installment within the limit described under the first paragraph, the Board of Directors is authorized to decide the actual number of shares, issue price, issue date, dividend rate, etc. for each issuance according to the Company's capital plans and market conditions at the time of issuance and according to the terms of issuance described under the preceding subparagraphs.</p>	<p>the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class F preferred shares, the Board of Directors is authorized to proceed accordingly.</p> <p>When Class F preferred shares are issued in installment within the limit described under the first paragraph, the Board of Directors is authorized to decide the actual number of shares, issue price, issue date, dividend rate, etc. for each issuance according to the Company's capital plans and market conditions at the time of issuance and according to the terms of issuance described under the preceding subparagraphs.</p>	
Article 8-6	<p><b><u>The Company issues 297,000,000 Class G registered preferred shares ("Class G preferred shares") in total, divided into Class G preferred shares I and Class G preferred shares II. The rights, obligations, and other important terms of issuance associated with Class G preferred shares are as follows:</u></b></p> <p><b><u>1. Class G preferred shares I are issued for the purpose of assuming Shin Kong Holdings' Class A preferred shares. The rights and obligations associated with the issue date shall be based on September 27, 2019 as the issue date. Class G preferred shares II are issued for the purpose of assuming Shin Kong Holdings' Class B preferred shares. The rights and obligations associated with the issue date shall be based on September 1, 2020 as the issue date.</u></b></p> <p><b><u>2. The dividend rate of Class G preferred shares I is 3.8% p.a.</u></b></p>	(New)	<p>1. New Article.</p> <p>2. Due to the Company planning to issue Class G preferred shares, Article 8-6 explains the rights, obligations, and other important terms of issue associated with Class G preferred shares.</p>



	<p><u>with issue price NT\$45, and the dividend rate of Class G preferred shares II is 4.00% p.a. with issue price NT\$45. In years that conclude with insufficient or no surplus to fully pay off dividends for Class G preferred shares, or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class G preferred shares, or out of consideration for other essential factors, the Company may resolve not to distribute dividends, and the unpaid dividend will not be carried forward to years with earnings.</u></p> <p><u>3. The Company has sole discretion on the distribution of Class G preferred share dividends. Earnings distribution proposals will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Once the aforementioned proposal is acknowledged, earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class G preferred shares I, and then, if any earnings remain, to Class G preferred shares II.</u></p> <p><u>4. Dividends on Class G preferred shares will be paid in cash. Once the Company's</u></p>		
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	<p><u>account statements and the earnings distribution proposals have been acknowledged during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class G preferred share dividend, based on which to pay the dividends distributable for the previous year. Notwithstanding, if, in the year in which the record date of the merger falls, Shin Kong Holdings' original Class A preferred shared and Class B preferred shares have participated in ex-dividend and Shin Kong Holdings has distributed dividends, Class G preferred shares may no longer participate in the Company's distribution of dividends in the current year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</u></p> <p><u>5. Except for dividends prescribed in the preceding four subparagraphs herein, Class G preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.</u></p> <p><u>6. In the event of liquidation, Class G preferred shareholders shall be given priority over ordinary</u></p>		
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	<p><u>shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class G preferred shares.</u></p> <p><u>7. Any premium received on the issue of Class G preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class G preferred shares.</u></p> <p><u>8. Class G preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class G preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class G preferred shareholders.</u></p> <p><u>9. When the Company issues new shares for capital raising, Class G preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</u></p> <p><u>10. Seven years after the issue date September 27, 2019, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class G preferred shares I at the issue price. Seven years after the issue date September 1, 2020, the Company may at any time, subject to the competent authority's approval, recall a</u></p>		
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	<p><u>portion or all of the outstanding Class G preferred shares II at the issue price. The rights and obligations associated with any remaining outstanding Class G preferred shares shall continue as specified herein.</u></p> <p><u>11. Matters regarding the issuance of Class G preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class G preferred shares, the Board of Directors is authorized to proceed accordingly.</u></p>		
<p>Article 8-7</p>	<p><u>The Company issues 3,099,683,861 Class H registered preferred shares ("Class H preferred shares"), with a par value of NTS 10 each. The rights, obligations, and other important terms of issuance associated with Class H preferred shares are as follows:</u></p> <p><u>1. Class H preferred shares are issued at their par value. The dividend rate of Class H preferred shares is 1.665% p.a. In years that conclude with insufficient or no surplus to fully pay off dividends for Class H preferred shares, or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class H preferred shares, or</u></p>	<p>(New)</p>	<p>1. New Article. 2. Due to the Company planning to issue Class H preferred shares, Article 8-7 explains the rights, obligations, and other important terms of issue associated with Class H preferred shares.</p>



	<p><u>out of consideration for other essential factors, the unpaid dividends or under-distributed dividends should be accumulated to and made up in years with earnings thereafter.</u></p> <p><u>2. The earnings distribution proposals of Class H preferred share dividends will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Once the aforementioned proposal is acknowledged, earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class G preferred shares I, and then, if any earnings remain, to Class G preferred shares II, and then, if any earnings remain, to Class F preferred shares, and then, if any earnings remain, to Class H preferred shares for the dividends for such year and the accumulated unpaid or under-distributed dividends in each previous year. Any remaining balance shall be distributed to ordinary shares.</u></p> <p><u>3. Dividends on Class H preferred shares will be paid in cash. Once the Company's financial statements and the earnings distribution proposals have been acknowledged during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized</u></p>		
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	<p><u>to set the ex-dividend date for the distribution of the Class H preferred share dividend, based on which to pay the dividends that should be distributed for the last year and the accumulated unpaid or under-distributed dividends in each previous year. In the year of issuance, the distribution of the payable dividends shall be calculated starting from the issue date (capital increase record date) based on the actual number of days the preferred shares remained outstanding in that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year. Upon or after redemption of Class H preferred shares, the Company should make up the accumulated unpaid dividends in full in such year or in the years after based on the order of priority for dividend distribution set forth in the preceding subparagraph.</u></p> <p><u>4. Except for dividends prescribed in the preceding three subparagraphs herein, Class H preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.</u></p> <p><u>5. In the event of liquidation, Class H preferred</u></p>		
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	<p><u>shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class H preferred shares.</u></p> <p><u>6. Class H preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class H preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class H preferred shareholders.</u></p> <p><u>7. When the Company issues new shares for capital raising, Class H preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</u></p> <p><u>8. Upon expiry of a three-year period from the issue date, the Company will recall all of the outstanding Class H preferred shares at the issue price.</u></p> <p><u>9. Matters regarding the issuance of Class H preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class H preferred shares, the Board of Directors is</u></p>		
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	<b><u>authorized to proceed accordingly.</u></b>		
<b><u>Article 8-8</u></b>	Unless otherwise prescribed by law or stipulated in the Articles of Incorporation, the Company shall ensure that all shareholders are granted the same rights to participate in the distribution in the event that the Company wishes to return capital by means of capital allocation or reduction, or if it wishes to make exceptional cash payments for reasons other than earnings distribution.	Unless otherwise prescribed by law or stipulated in the Articles of Incorporation, the Company shall ensure that all shareholders are granted the same rights to participate in the distribution in the event that the Company wishes to return capital by means of capital allocation or reduction, or if it wishes to make exceptional cash payments for reasons other than earnings distribution.	Due to the addition of Article 8-6 and 8-7 of the Company's Articles of Incorporation, the original Article 8-6 has become Article 8-8.

**【The Record of Proceedings in the ballot count period】**

Shareholder (account number: 00181483; questions read by emcee):

Prior to the merger, there were varying opinions within both Taishin Financial and Shin Kong Financial. If the merger proposal is approved, how will the Company resolve these issues to reach a consensus for sustainable growth, facilitating smooth management transitions not only for the financial holding companies but also for the banking, insurance, and securities subsidiaries?

After the merger, in order to prevent the loss of talent and avoid negative business impacts, are there specific action plans or strategies in place to maintain a retention rate of over 90% for both companies? Additionally, how will the Company enhance employee cohesion and foster loyalty to the merged entity?

President Welch Lin's Response:

Firstly, the purpose of the merger is the pursuit of maximum benefit for the Company, rather than the consideration of the interests of a minority or of a specific set of shareholders. Both Taishin Financial and Shin Kong Financial are publicly listed companies, each with approximately four to five hundred thousand shareholders. Under such circumstances, it is very difficult to obtain unanimous agreement from every shareholder; rather, it is essential to legally and ethically pursue the rights and interests of the vast majority. If this merger proposal is approved, it will indicate that a majority of all shareholders support the merger, reflecting a consensus on the Company's future direction, aiming to create a financial institution with a larger market capitalization, more balanced revenues, greater market shares across various business segments, and a more promising future for business development.

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Regarding the employees: Firstly, we will retain all staff and guarantee their employment for three years from the merger date. Secondly, we will establish communication channels to alleviate any feelings of insecurity among employees. Thirdly, we will promote shared values to accelerate the integration of both corporate cultures. Fourthly, we will integrate training and development resources to assist employees in their career advancement. Finally, we will consolidate employee benefits and take care of our employees' health and well-being. Both financial holding companies share a similar corporate DNA and cultural heritage, with complementary business strengths, making this merger an opportunity to achieve greater scale and deliver better synergistic growth.

Shareholder (account number: 00784257):

Is there a possibility of providing financial incentives regarding financial services for long-term shareholders holding a certain number of shares?

Chairman Wu, Tong-Liang's Response:

From the Company's perspective, we have always appreciated the support of shareholders, whether they have large shareholdings or small. As for whether financial incentives can be provided, this needs to be studied further, particularly regarding corporate governance and legal compliance.

Shareholder (account number: 00147748):

I suggest the Company reconsiders the proposed name of the combined entity.

Chairman Wu, Tong-Liang's Response:

Thank you for your suggestion. We will consult experts if we have a chance. Thank you.

Shareholder (account number: 00697500):

Rumors say that Shin Kong Financial has a capital shortfall of NT\$150 billion. Does Taishin have any plans, such as capital injections, to address this after the merger?

President Welch Lin's Response:

In 2023, Shin Kong Life Insurance had a total annual loss exceeding NT\$17 billion, and its capital adequacy ratio was below 200%. According to the regulator's instruction, when an insurance

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company adopts the ICS (International Capital Standard), the company's RBC (Risk-Based Capital) must reach 200% to qualify for TW-ICS Phase 3 Localization and Transitional Measures. In Shin Kong's case, this led to media reports of a capital shortfall exceeding NT\$100 billion. However, under the efforts of the new management team, Shin Kong Financial posted a net profit of NT\$14.8 billion in the first half of 2024, a significant improvement from the previously estimated losses. As of the end of June 2024, the RBC was 201%, fully meeting regulatory requirements. Additionally, in August 2024, Shin Kong Financial successfully raised NT\$13.8 billion in common equity and NT\$2 billion in subordinated debt, further strengthening its capital position. Given the significant improvement in Shin Kong Financials' financial conditions, it is expected that by the end of 2025, when the ICS is adopted, the capital position will be very manageable. Therefore, shareholders can rest assured.

#### Resolutions:

The number of common shares represented at the time of voting was 10,190,289,682;  
votes in favor: 9,448,645,622 (92.72%) (including 2,936,013,977 votes cast electronically);  
votes against: 166,044,116 (including 45,018,441 votes cast electronically); invalid votes: 0;  
abstentions/no votes: 575,599,944 (including 564,602,374 votes cast electronically).

Given that the number of votes in favor of the proposal exceeded the required quorum, the proposal was approved.

The number of Class E preferred shares represented at the time of voting was 696,895,279;  
votes in favor: 600,023,891 (86.09%) (including 287,003,483 votes cast electronically);  
votes against: 70,610,815 (including 60,046,754 votes cast electronically); invalid votes: 0;  
abstentions/no votes: 26,260,573 (including 26,251,408 votes cast electronically).

Given that the number of votes in favor of the proposal exceeded the required quorum, the proposal was approved.

The number of Class F preferred shares represented at the time of voting was 265,430,665;  
votes in favor: 265,086,703 (99.87%) (including 12,774,228 votes cast electronically);  
votes against: 284,771 (including 283,705 votes cast electronically); invalid votes: 0;  
abstentions/no votes: 59,191 (including 54,512 votes cast electronically).

Given that the number of votes in favor of the proposal exceeded the required quorum, the proposal was approved.

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3. Other Items and Special Motions: N/A.

4. Adjournment: 10:09 AM, October 9, 2024.

**Chairman: Wu, Tong-Liang**

**Recorder: Huang, Mu-Chuan**

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**【Attachment 1】**

The written opinion on the reasonableness of Share Exchange Ratio in the Merger of Taishin Financial Holding Co., Ltd. and Shin Kong Financial Holding Co., Ltd.

The written opinion on the reasonableness of Share Exchange Ratio  
(or this “Opinion”) in the merger of Taishin Financial Holding Co.,  
Ltd. and Shin Kong Financial Holding Co., Ltd. (Summary)

*(This Opinion is originally prepared in Mandarin. Should any conflict or discrepancy arise between the Mandarin version of this Opinion and any other translation, the Mandarin version shall prevail.)*

Recipient: The Audit Committee of Taishin Financial Holding Co., Ltd.

Subject: Taishin Financial Holding Co., Ltd. (hereinafter referred the "Taishin FHC") and Shin Kong Financial Holding Co., Ltd. (hereinafter referred the " Shin Kong FHC ") is conducting a merger by share exchange (the “Meger”), and accordingly has appointed this accountant (the “Independent Expert”) to issue a fairness opinion on the share exchange ratio of the Merger. Since Shin Kong FHC’s market value has undergone major changes after the issuance of the prior fairness opinion letter, the Independent Expert’s appointment has subsequently been revised in accordance with Article 8 of the "Expert Opinion Issuance Guidelines ".

Explanation:

1. Taishin FHC plans to merge with Shin Kong FHC through the share exchange, to expand its business scale, to improve its operating performance, and to enhance its overall competitiveness in the financial market. The following summary of this Opinion is prepared in accordance to Announcement No. 1120005564, of the " Expert Opinion Issuance Guidelines " released by Taiwan Securities Exchange Co., Ltd. on April 24, 2023:

- The appointer and the recipient of the reasonableness review opinion: Taishin FHC’s Audit Committee
- Appointment scope : Assess the reasonableness of the share exchange ratio of the Merger.
- Relevant Laws and Regulations: *Financial Institutions Merger Act, the Business Mergers and Acquisitions Act, Securities and Exchange Act, the Financial Supervisory Commission’s " Regulations Governing the Acquisition and Disposal of*

*Assets by Public Companies* " and other relevant laws and regulations.

- The basis of reference for the appointer's price decision: the evaluation reports by other appointed experts, comprehensive assessment results of merger synergies and strategic rationales of the transaction.
2. This Opinion utilizes financial data of Taishin FHC and Shin Kong FHC as March 31, 2024 and market price over a specific period prior to August 9, 2024 as bases for valuations. On August 14, 2024 the Independent Expert issued a prior letter in support of the share exchange ratio of one common share of Shin Kong FHC in exchange for 0.6022 of Taishin FHC's common shares. The prior report also supports a range between 0.5505 shares and 0.6383 shares of Taishin FHC's common shares for one common share of Shin Kong FHC reasonable range for the aforementioned share exchange ratio. The prior report also supports the exchange of 1 share of Taishin FHC's "Class G Preferred Shares I" for each Shin Kong FHC's "Class A Preferred shares" and 1 share of Taishin FHC's "Class G Preferred Shares II" for each Shin Kong FHC's "Class B Preferred shares" as reasonable. The merger of Taishin FHC and Shin Kong FHC is a consensual merger as it is approved by the board of directors of both Taishin FHC and Shin Kong FHC on August 22, 2024.

After the issuance of the prior opinion letter, on August 23, 2024 CTBC Financial Holding Co., Ltd. ("CTBC FHC") passed a resolution by its board of directors to solicit approval from the Financial Supervisory Commission for it to acquire Shin Kong FHC via a public tender offer. Considering the significant changes in Shin Kong FHC's stock price since the development and and also considering changes in the respective networth of Taishin FHC and Shin Kong FHC per second quarter 2024 financial reports , the Independent Expert reissues this Opinion as of September 6, 2024.

#### ■ Conclusion

This Opinion is based on financial data of Taishin FHC and Shin Kong FHC as of June 30, 2024 and the market price for a specific period prior to September 6, 2024. The methodologies utilized in this Opinion are "Market Price" method and "Market

Comparables” approach. The Independent Experts considers the share exchange ratio of one Shin Kong FHC’s common share in exchange of 0.6720 of Taishin FHC’s common shares plus 0.175 of Taishin FHC’s "Class H Preferred Shares" (to be issued) as reasonable as it is within the updated range of reasonable share exchange ratios after accounting for major changes outlined in previous paragraph.

In addition, Shin Kong FHC has issued, and in circulation, 297,000,000 of preferred shares. Taishin FHC intends to issue a total of 297,000,000 "Class G Preferred Shares" (hereinafter referred to as "Class G Preferred Shares"), within which the "Class G Preferred Shares I" is intended to be exchanged for Shin Kong FHC’s "Class A Preferred shares" with the rights and obligations dating from September 27, 2019; "Class G Preferred Shares II" is intended to be exchanged for Shin Kong FHC’s "Class B Preferred shares" with rights and obligations dating from September 1, 2020. Since the amount and conditions of the preferred shares to be issued by Taishin FHC are the same as those corresponding original issuances by Shin Kong FHC, the 1:1 share exchange ratio for these preferred shares is deemed reasonable.

3. This Opinion on the reasonableness of the share exchange ratio is to be used as a decision making reference for Taishin FHC’s internal evaluation, and for its audit committee, board of directors and shareholders’ meeting only; it is not to be used for any other purposes. Taishin FHC should carefully evaluate other factors that may impact the decision making in relation to this transaction. This Opinion does not provide specific recommendation to the transaction.

Crowe (TW) CPAs

Accountant: Lin, Chin-Feng

Date: September 11, 2024

## Main context of the opinion

### 1. Description of appointment scope

#### (1) Basis of share exchange ratio reasonableness assessment

Taishin FHC and Shin Kong FHC are both listed companies, and both have actively traded market prices. The reference basis for this Opinion includes evaluation reports by other appointed experts, a comprehensive assessment of merger synergies and strategic rationales behind the transaction. The prior report was based on financial results as of March 31, 2024 as the appraisal base date. Due to the emergence of another bidder in the market, the stock price of Shin Kong FHC fluctuated significantly. The merger consideration was subsequently adjusted to support achieving the potential synergy and the strategic visions of the Merger.

#### (2) Evaluation Target

Share exchange ratio between Taishin FHC and Shin Kong FHC.

#### (3) Evaluation Reference Date

This Opinion is based on financial data as of June 30, 2024 and market price for a specific period prior to September 6, 2024.

#### (4) Evaluation Standard

Market value is used as the valuation standard.

According to the Valuation Standards No. 4 "Valuation Process", market value refers to the appraisal of an asset / liability exchange on the valuation date between buyers and sellers who are willing to complete a ordinary transaction on a prudent, fully understanding relevant facts, unforced, and after appropriate marketing activities basis.

#### (5) Valuation Premise

The assumed scenario in which the evaluated entities may be used. This Opinion assumes the scenario of continuing operations for evaluated entities for valuation purpose.

#### (6) Valuation Procedures

The valuation procedures the Independent Expert utilized for this Opion is based on the provisions of the "Expert Opinion Issuance Guidelines" and considers independently obtained publically informations to analyze the valuation targets' past and current operations. This Opinion also takes into accounts of macroeconomy, industry andmarket capital conditions, relevant laws and other information in deriving the conclusion.

#### (7) Information Sources

The main sources of data for the valuation are as follows:

1. Official Website of Taishin FHC and Shin Kong FHC
2. MOPS
3. Taiwan Stock Exchange(TWSE)
4. Taipei Exchange(TPEX)
5. Additional data sources relevant to this valuation are detailed in the respective sections where the information is used.

#### (8) Assumptions and Limitations of Valuation

Please refer to Appendix 1

## 2. Overview of the evaluated Companies

### Taishin Financial Holding Co., Ltd.

#### (1) Company background

Taishin Financial Holding Co., Ltd. (TWSE: 2887) was established via the merger of Taishin International Bank Co., Ltd. and Dah An Commercial Bank Co., Ltd. pursuant to the Financial Holding Company Act on February 18, 2002. Taishin International Bank is the surviving company after the merger and Taishin FHC was formed and listed on the same day. As a financial holding company, Taishin FHC's business activity is limited to investment and management of invested enterprises. Taishin FHC subsequently acquired the control right -- through ways of share swap, share purchase and establishment -- over Taishin Securities Co., Ltd., Taishin Asset Management Co., Ltd., Taishin Venture Capital Co., Ltd., Taishin Securities Investment Advisory Co., Ltd., Taishin Securities Investment Trust Co., Ltd. and Taishin Life Insurance Co., Ltd.

#### (2) Financial information

##### Condensed Consolidated Income Statement

Unit: NTD million

<b>Item</b>	<b>Period ended</b>	<b>June 30,2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>INTEREST INCOME</b>		42,460	74,097	46,392
<b>INTEREST EXPENSES</b>		(25,567)	(43,769)	(17,169)
<b>NET INTEREST INCOME</b>		16,893	30,328	29,223
<b>NET REVENUE AND GAINS</b>		42,684	69,918	66,442
<b>NET INCOME</b>		10,577	14,604	14,856
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: Owners of parent</b>		10,576	14,602	14,864
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: Non-controlling interests</b>		1	2	(8)

Source: MOPS, 2024Q2 Financial Statements and the accountants review and organize the financial statements for each year

## Condensed Balance Sheet

Unit: NTD million

Item \ Period ended	June 30,2024	December 31, 2023	December 31, 2022
<b>Total Assets</b>	3,237,695	3,035,951	2,764,805
<b>Total Liabilities</b>	3,017,572	2,819,389	2,561,911
<b>Total Equity</b>	220,123	216,562	202,894
<b>Attributable to parent Equity Company Shareholder's Equity</b>	220,097	216,535	202,868
<b>Less : Unrealized Gains and Losses on Financial Asset Measured at FVOCI</b>	(1,021)	(987)	(3,800)
<b>Less : Other Comprehensive Income Reclassified under the Overlay Approach</b>	2,480	215	(3,637)
<b>Adjusted Net Worth</b>	218,638	217,307	210,305
<b>Preferred Equity</b>	45,295	45,295	45,295
<b>Adjusted Equity for Common Shares</b>	173,343	172,012	165,010
<b>Non-controlling Interests</b>	26	27	26

Source: MOPS, 2024Q2 Financial Statements and the accountants review and organize the financial statements for each year

Note: As of June 30, 2024, the total number of ordinary shares of Taishin FHC was 12,477,062 thousand shares, and the total number of ordinary shares issued by the capital increase due to the dividend of shares to be distributed under the share capital account was 499,082 thousand shares, which was changed and registered by the Ministry of Economic Affairs on August 14, 2024, and the number of ordinary shares after the change totaled 12,976,144 thousand shares.

### **Shin Kong Financial Holding Co., Ltd.**

#### (1) Company background

Shin Kong Financial Holding Co., Ltd. (TWSE: 2888) was established by Shin Kong Life Insurance Co., Ltd. (hereinafter referred the "Shin Kong Life") and

Taiwan Shin Kong Security Co., Ltd. through a stock swap on February 19, 2002 and becoming a financial holding company and listed on the same day. Its main business is financial holding industry, which is limited to investment and management of invested enterprises. To expand the business scale and maximize the effectiveness and competitiveness of financial institutions, the company is subsequently acquired the control right through the way of share swap and share purchase on Taiwan Shin Kong Commercial Bank Co., Ltd. (hereinafter referred the “Taiwan Shin Kong Commercial Bank”) and Shin Kong Venture Capital International Co., Ltd. (hereinafter referred the “Shin Kong Venture Capital”), Shin Kong Property Insurance Agency Co., Ltd (hereinafter referred the “Shin Kong Property Insurance Agency”) and MasterLink Securities Corporation (hereinafter referred the “MasterLink Securities”) and other companies. Please refer to Appendix 2 for a summary table of subsidiaries of Shin Kong Financial Holdings Co., Ltd.

(2) Financial information

Condensed Consolidated Income Statement

Unit: NTD million

<b>Item</b>	<b>Period ended</b>	<b>June 30,2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>INTEREST INCOME</b>		67,049	131,452	120,790
<b>INTEREST EXPENSES</b>		(10,373)	(17,615)	(8,814)
<b>NET INTEREST INCOME</b>		56,676	113,837	111,976
<b>NET REVENUE AND GAINS</b>		31,590	25,405	100,908
<b>NET INCOME</b>		20,534	(7,324)	2,169
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: Owners of parent</b>		20,487	(7,409)	2,087
<b>TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO: Non-controlling interests</b>		47	85	82

Source: MOPS, 2024Q2 Financial Statements and the accountants review and organize the financial statements for each year

## Condensed Balance Sheet

Unit: NTD million

<b>Item</b> \ <b>Period ended</b>	<b>June 30,2024</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
<b>Total Assets</b>	5,108,803	4,952,418	4,850,699
<b>Total Liabilities</b>	4,838,585	4,706,338	4,638,569
<b>Total Equity</b>	270,218	246,080	212,130
<b>Attributable to parent Equity Company Shareholder's Equity</b>	269,805	245,647	211,721
<b>Less : Unrealized Gains and Losses on Financial Asset Measured at FVOCI</b>	(1,357)	(4,203)	(18,859)
<b>Less : Other Comprehensive Income Reclassified under the Overlay Approach</b>	(20,912)	(20,405)	(43,101)
<b>Adjusted Net Worth</b>	292,074	270,255	273,681
<b>Preferred Equity</b>	13,365	13,365	13,365
<b>Adjusted Equity for Common Shares</b>	278,709	256,890	260,316
<b>Non-controlling Interests</b>	413	433	409

Source: MOPS, 2024Q2 Financial Statements and the accountants review and organize the financial statements for each year

### 3. Industry Analysis

According to the 2023 annual report of Taishin FHC global economy continued to be affected by high inflation and high interest rates. The U.S. Federal Reserve and the European Central Bank raised interest rates to the highest levels in more than 20 years. The high interest rate environment not only suppressed debt-financed consumption in households and investments in businesses, but also increased the cost of refinancing existing debts, leading to a gradual slowdown of economic activities. As a result, core inflation rates fell at a faster rate in the second half of 2023 in Europe and USA.

Taiwan's economic performance in 2023 was affected by high global inflation, which suppressed demand for consumer goods, leading to a sharp decline in foreign demand. Only domestic consumption remained relatively stable. However, following the rise of AI applications in the second half of 2023, demand for AI-related computer hardware surged, and, as the inventory of consumer goods returned to a healthy level, demand for Taiwan's exports recovered. The decline of exports and foreign orders narrowed month after month, until the Monitoring Indicator finally turned away from blue. Looking forward to 2024, global demand for consumer goods will again increase, and, although rising electricity fees will force higher inflation and the Taiwan Central Bank may increase interest rates, Taishin FHC nevertheless foresees a continued recovery in Taiwan's economy.

In 2023, the pre-tax profit of Taiwan's financial industry was NT\$703.6 billion, representing a year-on-year increase of 46.7%. In particular, the banking industry benefited from widened interest spread and foreign exchange swap transactions. When combined with fee income and capital market gains, the banking industry reported 17.0% higher pre-tax profits, reaching NT\$505.7 billion. The securities industry generated higher brokerage income, reporting a 51.0% increase in pre-tax profits to reach NT\$99.8 billion. Finally, the insurance industry is recovering from excessive losses caused by COVID-19 claims and has returned to a profitable state: despite increasing hedging costs and NTD appreciations, industry pre-tax profits swung from negative NT\$18.6 billion to positive NT\$98.1 billion.

#### 4. Evaluation of the share exchange ratio reasonableness

##### (1) Share exchange merger structure

Taishin FHC plans to merge with Shin Kong FHC through the share exchange, to expand its business scale, to improve its operating performance, and to enhance its overall competitiveness in the financial market. Taishin FHC will be the surviving company and Shin Kong FHC will be the dissolved company. The merger is expected to be processed in accordance with relevant laws and regulations after it is approved by the extraordinary shareholders' meeting and approved by the competent authority.

The number of outstanding common shares and preferred shares issued by Shin Kong FHC is 15,487,629,000 shares and 297,000,000 shares, respectively.

Considering the newly issued 1,670,000,000 of common shares in relation to capital injection on August 7, 2024 (issue price at NTD 8.3 per share), the number of outstanding common shares and preferred shares is 17,157,629,000 shares and 297,000,000 shares, respectively, post the issuance

Taishin FHC will issue new common shares and new preferred shares as merger considerations. Shin Kong FHC's every one common share will be exchanged for 0.175 Class H Preferred Shares to be issued by Taishin FHC plus 0.6720 shares of Taishin FHC' common shares. In addition, Taishin FHC plans to issue a total of 297,000,000 registered preferred shares G to convert the Shin Kong FHC 297,000,000 preferred shares A and B in total, which are the same amount and conditions as the preferred shares originally issued by Shin Kong FHC.

(2) Explanation on the evaluation basis for calculation of share exchange ratio

Taishin FHC and Shin Kong FHC are both listed companies, and both have actively traded market prices. The reference bases for Taishin FHC ' decision on the share exchange ratio are evaluation reports of other experts appointed. The Independent Expert conducted review based on relevant information, transaction conditions and also information provided by Taishin FHC. The results of the review and the evaluation of the share exchange ratio's reasonableness are summarized as follows.

(3) Explanation on evaluation basis for calculating the share exchange ratio

With reference to Article 23 of the Valuation Standards No. 4, valuers should use professional judgment, consider the nature of the valuation case and all possible valuation methods, and adopt one or more valuation methods that can best reasonably reflect the value of the valuation target. Commonly used valuation methods for individual asset or liability include market approach, income approach and cost approach; commonly used valuation methods for enterprise valuation include market price approach, market approach, income approach and asset approach, which are explained as below:

- i. Market price approach: It is the average market closing price for a period of time before the valuation date, which is used as a reference for calculating the reasonable stock value of the valuation object.
- ii. Market approach: Including the guideline public company method and the guideline transactions method. According to Article 24 of Valuation Standards No. 4, market approach is based on the transaction price of comparable target and considers the difference between the valuation target and the comparable target, estimate the value of the valuation target with an appropriate multiplier.
- iii. Asset approach: According to Article 29 of Valuation Standard No. 4, the asset approach is to evaluate the total value of individual assets and liabilities to reflect the overall value of the enterprise. The asset approach estimates the consideration required to restructure or obtain the valuation target under the assumption of continuing operations. When using the asset approach to evaluate, the balance sheet of the evaluation target should be used as the basis, and off-balance sheet assets and off-balance sheet liabilities should be considered to evaluate the overall value of the enterprise. This is usually applicable to companies whose assets account for a high value of the enterprise or liquidate companies. Since Taishin FHC refers to financial review and valuation report issued by other appointed experts to set the share exchange ratio and the reports from other experts are limited to Taishin FHC internal evaluate use only. Therefore, the Independent Expert cannot refer to the report to value the company by asset approach.
- iv. Income approach: According to Article 26 of Valuation Standard No. 4, the income approach is based on the future flow of benefits created by the valuation target, and converts the future flow of benefits into the valuation target through the process of capitalization or discounting. Evaluators who use the income approach to define the benefit flow and use the capitalization interest rate or discount rate corresponding to the benefit flow. Since the financial forecast information of Taishin FHC and Shin Kong FHC cannot be

obtained from public information, the income approach is not applicable.

## 5. Valuation of Equity Value

### (1) Taishin FHC

#### 1. Valuation of Market Price Method

Taishin FHC is a listed company, with objectively available market trading prices. This opinion is based on the average market closing prices for trading days up to the valuation date, September 6, 2024 (excluding that day).

Unit : NTD

<b>Item</b>	<b>Average closing price</b>	<b>The range of estimated price per share</b>
<b>Average closing price of the previous 10 days</b>	18.79	18.79~19.05
<b>Average closing price of the previous 30 days</b>	18.87	
<b>Average closing price of the previous 60 days</b>	19.05	
<b>Average closing price of the previous 90 days</b>	18.89	

Source: The closing price of the TWSE is calculated using the simple arithmetic mean.

#### 2. Valuation of Market Approach

The market approach includes the guideline public company method and the guideline transactions method. Due to the rarity of merger transactions among financial holding companies in Taiwan, the Market approach is not applicable.

Currently, there are 15 financial holding companies in Taiwan and 14 of them are listed on the TWSE. Taishin FHC primarily operates in banking and life insurance, so the analysis excludes companies with a low proportion of life insurance or those primarily engaged in securities. Four comparable

companies were selected for this analysis. Their financial and business information can be found in Attachment 3.

Commonly used indicators in practice include Price-to-Earnings (P/E) ratio, Price-to-Book (P/B) ratio, Enterprise Value-to-Earnings Before Interest and Taxes (EV/EBIT) ratio, and Enterprise Value-to-Earnings Before Interest, Taxes, and Depreciation (EV/EBITD) ratio. Given the cyclical nature of earnings in the financial industry, which is sensitive to economic cycles and market fluctuations, and referencing the scholar Aswath Damodaran's opinion that market multiples are not applicable for financial industry valuations, this case uses the Comparable Company Method based on the Price-to-Book (P/B) ratio for evaluating equity value.

(1) Business information of comparable companies

<b>Name</b>	<b>Ticker</b>	<b>Subsidiaries</b>
CTBC FHC	2891	CTBC Bank Co., Ltd., CTBC Securities Co., Ltd., CTBC Venture Capital Co., Ltd., CTBC Asset Management Co., Ltd., CTBC Security Co., Ltd., Taiwan Lottery Co., Ltd., CTBC Investments Co., Ltd., Taiwan Life Insurance Co., Ltd.
Hua Nan FHC	2880	Hua Nan Commercial Bank Co., Ltd., South China Insurance Company Co., Ltd., EnTrust Securities ., Ltd., Hua Nan Investment Trust Corp., Hua Nan Venture Capital Co., Ltd., Hua Nan Assets Management Co., Ltd.
First FHC	2892	First Commercial Bank Co., Ltd., First Life Insurance Co., Ltd., First Securities Incorporation, First Securities Investment Trust Co., Ltd., First Venture Capital Co., Ltd., First Financial Assets Management Co., Ltd., First Financial Management Consulting Co., Ltd.
Taiwan Cooperative FHC	5880	Taiwan Cooperative Bank Co., Ltd., Taiwan Cooperative Bills Finance Co., Ltd., Taiwan Cooperative Securities Co., Ltd., Co-operative Assets Management Co., Ltd., Taiwan Cooperative Securities Investment Trust Co., Ltd., TCB Life Insurance Co., Ltd., Taiwan Cooperative Venture Capital Co., Ltd.

Source: Financial Supervisory Commission

## (2) Financial information of the guideline public company method

Considering that all comparable companies have life insurance subsidiaries and following the International Financial Reporting Standard 9 “Financial Instruments” (IFRS 9), which requires financial assets to be classified based on the business model for managing the assets and the characteristics of their contractual cash flows into categories such as amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL), the accounting treatment for insurance assets and liabilities might be inappropriate due to IFRS 17 “Insurance Contracts” not yet in effect. Market interest rate fluctuations cause volatility in the profits and net worth of the insurance industry. Therefore, for the comparable companies, the equity as of June 30, 2024 on audit financial statement, is adjusted by subtracting the "financial asset or financial liability at fair value through profit or loss " and "losses on reclassification under overlay approach" under "other equity" to serve as the basis for valuation calculations.

Unit: NTD million

<b>Item</b>	<b>CTBC FHC</b>	<b>Hua Nan FHC</b>	<b>First FHC</b>	<b>Taiwan Cooperative FHC</b>
<b>Ticker</b>	2891	2880	2892	5880
<b>Total Assets</b>	8,504,875	4,172,633	4,619,024	4,913,214
<b>Total equity attributable to owners of parent.</b>	454,780	207,979	254,336	244,503
<b>Less : Unrealized Gains and Losses on Financial Asset Measured at FVOCI</b>	6,695	(8,551)	17,816	(8,271)
<b>Less : Other Comprehensive Income Reclassified under the Overlay Approach</b>	(19,803)	614	860	201
<b>Adjusted Net Worth</b>	467,888	215,916	235,660	252,573
<b>Preferred Equity</b>	29,999	-	-	-
<b>Adjusted Equity for Common Shares</b>	437,889	215,916	235,660	252,573
<b>Number of common shares</b>	19,621,110	13,642,746	13,620,146	14,709,382

<b>(thousands of shares)</b>				
<b>Stock dividends (thousand shares)</b>	-	136,427	408,604	514,828
<b>Proposed number of common shares (thousands of shares)</b>	19,621,110	13,779,173	14,028,750	15,224,210
<b>Net value per share of common stock (yuan)</b>	22.32	15.67	16.80	16.59

Source: MOPS, TWSE, Financial Information of the guideline public company method on June 30, 2024.

(3) Stock price of the guideline public company method

A. Average Closing Price of comparable companies

Unit: NTD

<b>Item</b>	<b>CTBC FHC</b>	<b>Hua Nan FHC</b>	<b>First FHC</b>	<b>Taiwan Cooperative FHC</b>
<b>Ticker</b>	2891	2880	2892	5880
<b>Closing price on the valuation base day</b>	32.90	25.50	27.05	25.70
<b>Average closing price of the previous 10 days</b>	32.79	25.43	27.09	25.72
<b>Average closing price of the previous 30 days</b>	33.97	26.25	27.58	26.10
<b>Average closing price of the previous 60 days</b>	36.04	26.49	28.01	26.18
<b>Average closing price of the previous 90 days</b>	36.19	26.06	27.95	26.20

Source: MOPS, TWSE, Market price information before September 6, 2024.

B. Average Price-to-Book Ratios Approach

<b>Item</b>	<b>CTBC FHC</b>	<b>Hua Nan FHC</b>	<b>First FHC</b>	<b>Taiwan Cooperative FHC</b>	<b>Average Price-to-Book ratios Approach</b>
<b>Ticker</b>	2891	2880	2892	5880	
<b>Adjusted Equity per common share</b>	22.32	15.67	16.80	16.59	
<b>P/B of average</b>	1.47x	1.62x	1.61x	1.55x	1.56x

<b>closing price of the previous 10 days</b>					
<b>P/B of average closing price of the previous 30 days</b>	1.52x	1.68x	1.64x	1.57x	1.60x
<b>P/B average closing price of the previous 60 days</b>	1.61x	1.69x	1.67x	1.58x	1.64x
<b>P/B of average closing price of the previous 90 days</b>	1.62x	1.66x	1.66x	1.58x	1.63x

Source: MOPS, TWSE, Market price information before September 6, 2024.

The average price-to-book ratio for comparable companies was calculated based on the average closing prices over the 10, 30, 60, and 90 trading days preceding the valuation date. This was used to assess the reasonable market value of Taishin FHC's common stock per share, as shown in the table below:

Unit: NTD

Item	Comparable companies average price to book value ratio (A)	Taishin FHC	
		Adjusted net value per share of common stock (B)	The range of estimated price per share (C=A*B)
Average closing price of the previous 10 days	1.56x	13.36	20.84
Average closing price of the previous 30 days	1.60x	13.36	21.38
Average closing price of the previous 60 days	1.64x	13.36	21.91
Average closing price of the previous 90 days	1.63x	13.36	21.78

<b>90 days</b>			
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Note 1 : The Price-to-Book Ratios Approach estimates the fair market price per share by multiplying the average price-to-book ratio of comparable companies by the book value per share of Taishin FHC

Note 2 : The book value per share of common stock is based on the equity as of June 30, 2024.

3.The value of the preferred shares that Taishin Financial Holdings plans to exchange for each ordinary share of Shin Kong Financial Holdings

Taishin FHC plans to issue Class H Preferred Shares as part of the merger consideration; the issuance price per share is 10, the issuance period is 3 years, and the annual dividend interest rate is 1.665%. Considering its issuance conditions and characteristics, this case is based on cash flow discount Calculate the equity value of preferred shares using the DCF method.

The discount rate should consider the risk of the target. In enterprise evaluation, the weighted average cost of capital (WACC) of the entire enterprise is often used as the discount rate. WACC is the weighted sum of equity capital cost (Ke) and debt capital cost (Kd). The basic assumption of WACC is that the company uses equity securities and bonds for financing at the same time. Therefore, it is not only necessary to estimate the equity capital cost, but also to estimate the liability capital cost. In this case, since the debt capital costs of comparable companies could not be fully obtained, the preferred shares were calculated using the Capital Asset Pricing Model (CAPM) as the discount rate. The discount rate for the preferred shares issued by Taishin Financial Holdings was evaluated to be 4.19%. The fair value of the preferred shares is \$9.30. Please see Appendix 5.

4.Equity value of Taishin FHC' common shares

Taishin FHC is a listed company, with objectively available market trading prices. Therefore, the market price method is given a 70% weight to

calculate the reasonable range of estimated price per share as follows:

Unit: NTD

<b>Valuation Summary</b>	<b>Valuation method</b>		<b>Weight</b>	<b>Estimated price</b>
<b>The range of estimated price per share</b>	Market price method	Average Closing Price	70%	18.79~19.05
	Market approach— The guideline public company method	Average Price-to-Book Ratios Approach	30%	20.84~21.91
<b>Conclusion of the range of estimated price per share</b>			19.41~19.91	

(2) Shin Kong FHC

1. Valuation of Market price method

Shin Kong FHC is a listed company, with objectively available market trading prices. This opinion is based on the average market closing prices for trading days up to the valuation date, September 6, 2024 (excluding that day).

Unit: NTD

<b>Item</b>	<b>Average closing price</b>	<b>The range of estimated price per share</b>
<b>Average closing price of the previous 10 days</b>	12.89	10.30~12.89
<b>Average closing price of the previous 30 days</b>	11.53	
<b>Average closing price of the previous 60 days</b>	10.94	
<b>Average closing price of the previous 90 days</b>	10.30	

Source: The closing price of the TWSE is calculated using the simple arithmetic mean.

## 2. Valuation of Market Approach

The insurance business as the main business of Shin Kong FHC, it can be compared to the financial holding companies whose main business is insurance business or the insurance companies. The following 4 companies are been selected as comparable companies.

### (1) Business information of comparable companies

<b>Name</b>	<b>Ticker</b>	<b>Subsidiaries</b>
Fubon FHC	2881	Fubon Insurance Co., Ltd., Fubon Life Insurance Co., Ltd., Taipei Fubon Commercial Bank Co., Ltd., Fubon Bank (Hong Kong) Limited, Fubon Securities Co., Ltd., Fubon Assets Investment Co., Ltd., Fubon Financial Holding Venture Capital Co., Ltd., Fubon AMC, Ltd Fubon Direct Marketing Consulting Co., Ltd.
Cathay FHC	2882	Cathay Life Insurance Co., Ltd., Cathay Century Insurance Co., Ltd., Cathay United Bank Co., Ltd., Cathay Securities Corporation., Cathay Securities Investment Trust Co., Ltd., Cathay Venture Inc.
KGI FHC	2883	KGI Securities Co., Ltd., KGI Bank Co., Ltd., CDIB Capital Group China Development Asset Management Corporation, KGI Life Insurance Co., Ltd.
Mercuries Life Insurance	2867	Mercuries Life Insurance is mainly engaged in life insurance business

Source: Financial Supervisory Commission

### (2) Financial Information of the guideline public company method

Considering that all comparable companies have life insurance subsidiaries or are engaged in life insurance business, as mentioned above, the comparable companies, the equity as of June 30, 2024 on audit financial statement, is adjusted by subtracting the "financial asset or financial liability at fair value through profit or loss " and "losses on reclassification under overlay approach" under "other equity" to serve as the basis for valuation calculations.

The issued and outstanding common shares of Shin Kong FHC are

15,487,629,000 shares. Based on the adjusted equity of common shares of NTD 278,709 million on June 30, 2024, a cash capital increase of common shares was made on the capital increase base date of August 7, 2024. The cash capital increase amount of 1,670,000,000 shares (The issue price is NTD 8.3 per share) is NTD 13,861 million. It is planned that the net value per ordinary share after the capital increase is completed is NTD 17.05.

Unit: NTD million

Item	Fubon FHC	Cathay FHC	KGI FHC	Mercuries Life Insurance
<b>Ticker</b>	2881	2882	2883	2867
<b>Total Assets</b>	11,774,231	13,274,717	3,912,569	1,589,305
<b>Total equity attributable to owners of parent.</b>	937,583	875,996	297,920	46,473
<b>Less : Unrealized Gains and Losses on Financial Asset Measured at FVOCI</b>	(46,406)	(7,388)	(15,263)	(274)
<b>Less : Other Comprehensive Income Reclassified under the Overlay Approach</b>	104,166	(24,726)	1,897	(2,057)
<b>Adjusted Net Worth</b>	879,823	908,110	311,286	48,804
<b>Preferred Equity</b>	95,999	91,998	15,821	-
<b>Adjusted Equity for Common Shares</b>	783,824	816,112	295,465	48,804
<b>Number of common shares (thousands of shares)</b>	13,014,973	14,669,210	16,808,699 (Note)	5,099,501
<b>Stock dividends (thousand shares)</b>	650,749	-	-	-
<b>Proposed number of common shares (thousands of shares)</b>	13,665,722	14,669,210	16,808,699	5,099,501
<b>Net value per share</b>	57.36	55.63	17.58	9.57

<b>of common stock (yuan)</b>				
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Source: MOPS, TWSE, Financial Information of the guideline public company method on June 30, 2024

(3) Stock price Information of the guideline public company method

A. Average Closing Price of the comparable companies

Unit: NTD

Item	Fubon FHC	Cathay FHC	KGI FHC	Mercuries Life Insurance
<b>Ticker</b>	2881	2882	2883	2867
<b>Closing price on the valuation base day</b>	92.50	63.50	16.20	7.52
<b>Average closing price of the previous 10 days</b>	91.88	63.10	16.07	7.84
<b>Average closing price of the previous 30 days</b>	88.44	61.60	15.85	7.68
<b>Average closing price of the previous 60 days</b>	85.63	61.32	15.79	7.67
<b>Average closing price of the previous 90 days</b>	81.24	59.12	15.25	7.33

Source: MOPS, TWSE, Market price information before September 6, 2024.

B. Average Price-to-Book Ratios Approach

Item	Fubon FHC	Cathay FHC	KGI FHC	Mercuries Life Insurance	Average Price-to- Book ratios Approach
<b>Ticker</b>	2881	2882	2883	2867	
<b>Adjusted Equity per common share</b>	57.36	55.63	17.58	9.57	

<b>P/B of average closing price of the previous 10 days</b>	1.60x	1.13x	0.91x	0.82x	1.12x
<b>P/B of average closing price of the previous 30 days</b>	1.54x	1.11x	0.90x	0.80x	1.09x
<b>P/B average closing price of the previous 60 days</b>	1.49x	1.10x	0.90x	0.80x	1.07x
<b>P/B of average closing price of the previous 90 days</b>	1.42x	1.06x	0.87x	0.77x	1.03x

Source: MOPS, TWSE, Market price information before September 6, 2024.

The average price-to-book ratio for comparable companies was calculated based on the average closing prices over the 10, 30, 60, and 90 trading days preceding the valuation date. This was used to assess the reasonable market value of Shin Kong FHC's common stock per share, as shown in the table below:

Unit: NTD

Item	Comparable companies average price to book value ratio (A)	Shin Kong FHC	
		Adjusted net value per share of common stock (B)	The range of price per share (C=A*B)
<b>Average closing price of the previous 10 days</b>	1.12x	17.05	19.10
<b>Average closing price of the previous 30 days</b>	1.09x	17.05	18.58
<b>Average closing price of the previous 60 days</b>	1.07x	17.05	18.24

<b>Average closing price of the previous 90 days</b>	1.03x	17.05	17.56
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Note 1 : The Price-to-Book Ratios Approach estimates the fair market price per share by multiplying the average price-to-book ratio of comparable companies by the book value per share of Shin Kong FHC

Note 2 : The book value per share of common stock is based on the net value as of June 30, 2024. In addition to the amount of cash capital increase of ordinary shares on August 7, 2024, it is calculated based on the number of ordinary shares after the capital increase.

### 3. Non-quantitative adjustment factors

According to Article 15 of Valuation Standards No. 11 "Enterprise Valuation", when performing enterprise evaluation, the impact of factors such as control rights and market liquidity on the evaluation should be considered before forming a value conclusion. In general, the acquisition premium ranges from 10% to 25%, after reviewing a total of 64 mergers and acquisitions cases in the financial industry of the Banking Bureau of the Financial Supervisory Commission since September 2004, we analyzed the mergers and acquisitions cases or the transaction cases of public acquisition of more than 50% of the equity, and the stock price after the announcement day. The premium range is 1.30% to 11.23%. Please refer to Appendix 4 for the details of the merger and acquisition case.

Taishin FHC and Shin Kong FHC are both large financial holding listed companies. According to the MOPS's ownership structure, neither party has shareholders holding more than 5% of the equity. The original shareholder structure will be merged with the share capital in the future. There should be no major changes in the expansion, so there is no need to adjust the control premium in the analysis of this case. Therefore, in this case, "merger of equals" is the guiding principle for this strategic cooperation.

However, CTBC Financial Holding Co., Ltd. passed the resolution of the board of directors on August 23, 2024, and applied to the Financial Supervisory Commission to acquire Shin Kong Financial Holdings through a public tender offer. Stock price of Shin Kong Financial Holdings has increased by more than 20% from August 9, 2024 to September 6, 2024. This case has been adjusted with reference to the change in net value in the second quarter financial reports of Taishin FHC and Shin Kong FHC in 2024. After analysis, no control premium is required for adjustment.

#### 4. Equity value of Shin Kong FHC

Shin Kong FHC is a listed company, with objectively available market trading prices. Therefore, the market price method is given a 70% weight to calculate the reasonable range of estimated price per share as follows

Unit: NTD

<b>Valuation Summary</b>	<b>Valuation method</b>		<b>Weight</b>	<b>Estimated price</b>
<b>The range of price per share</b>	Market price method	Average Closing Price	70%	10.30~12.89
	Market approach— The guideline public company method	Average Price-to-Book Ratios Approach	30%	17.56~19.10
<b>Conclusion of the range of estimated price per share</b>				12.48~14.75

#### 6. Conclusion on the Valuation of Equity Value and Share Exchange Ratio

##### (1) Common Stock

Based on the results of the above valuation model, the equity value per share of Taishin FHC' common stock is evaluated between NTD 19.41 and 19.91 based on market price method and market approach; The equity value per share of Shin Kong FHC' common stock is evaluated between NTD 12.48 and 14.75 based on market price method and market approach. The

reasonable range for calculating the equity exchange ratio is one share of Shin Kong FHC's common shares exchange for 0.6268 to 0.7599 shares of Taishin FHC's common shares.

<b>Target</b>	<b>Valuation method</b>		<b>price range (Adjustment of Merger premium rate)</b>	<b>Estimated share exchange ratio range</b>
	Market Price method	Market approach— The guideline public company method		
<b>Shin Kong FHC</b>	10.30~12.89	17.56~19.10	12.48~14.75	1
<b>Taishin FHC</b>	18.79~19.05	20.84~21.91	19.41~19.91	0.6268~0.7599

Taishin FHC plans to exchange every one Shin Kong FHC's common share for 0.6720 Taishin FHC's common shares and 0.175 Class H Preferred shares; the Independent Expert evaluated the Class H Preferred shares proposed to be issued by Taishin FHC based on the aforementioned evaluation model. The value of the preferred shares is NT\$9.30 per share, and is equivalent to an additional NT\$1.63 for one share of Shin Kong FHC's common stock. Assuming the estimated price range of Taishin FHC's common shares is NT\$19.41 to NT\$19.91, as listed in the table above, it is equivalent of Shin Kong FHC's common shareholders receiving approximately 0.08 of Taishin FHC's common shares. Therefore, each one common share of Shin Kong FHC is equivalent to receive approximately 0.7520 Taishin FHC's common shares. This exchange rate is within the above-mentioned reasonable share exchange range of 0.6268~0.7599.

## (2) Preferred Share

Taishin FHC intends to issue a total of 297,000,000 "Class G Preferred Shares" to receive 297,000,000 shares of Shin Kong FHC "Class A&B Preferred shares" Since the amount and conditions of the preferred shares are as same as those originally issued by Shin Kong FHC, the share exchange ratio of 1:1 for Shin

Kong FHC's preferred shares to Taishin FHC's preferred shares is deemed reasonable.

7. Conclusion of review opinions

In summary, based on the valuation of the share exchange ratio of the proposed merger of Taishin FHC and Shin Kong FHC through the issuance of preferred shares and common share exchange, we considered the features of the transaction and the valuation targets, the market price method and the market approach respectively are used to estimate the value of the companies.

The Independent Expert considers that the share exchange that Taishin FHC is expected to pay for each one common share of Shin Kong FHC (0.175 of Taishin FHC's Class H Preferred shares plus 0.6720 of Taishin FHC's common shares) is reasonable as the share exchange ratio (after converted the value of preferred share plus the common share exchange ratio) is within the reasonable range between 0.6268 shares and 0.7599, which the Independent Expert estimated above.

According to the earlier analysis, the amount and conditions of "Class G Preferred Shares" to be issued by Taishin FHC are the same as the preferred shares originally issued by Shin Kong FHC. Therefore, the share exchange ratio of 1:1 for Shin Kong FHC's preferred shares to Taishin FHC's preferred shares is deemed reasonable.

Crowe (TW) CPAs

Accountant: Lin, Chin-Feng

Date: September 11, 2024

## Appendix 1: Assumptions and limitations of the Valuation

1. Our evaluation procedures are based on the financial information and other relevant information provided by the appointor as of the valuation date, and no independent verification or review has been performed on the overall faithfulness, completeness and accuracy of the above information provided by the appointer, and fully trusted in all major aspects, and we have also not audited in accordance with generally accepted auditing standards.
2. Enterprise evaluation is based on the obtained data and sets certain assumptions before issuing a report. Therefore, there are also differences in the evaluation results of different evaluators. We used currently generally accepted evaluation methods and procedures to express an opinion on the reasonableness of the share exchange ratio between Taishin FHC and Shin Kong FHC. However, we did not provide any guarantee on the transaction price.
3. Our main business is not to provide professional legal services. Therefore, we cannot judge any legal proceedings that affect the evaluation from the perspective of a professional lawyer.
4. This opinion is only used by Taishin FHC for the purpose of evaluating this case. It may not be provided to any other third party without the written consent of the accountant, nor may it be used for any other purpose. We shall not bear any responsibility to the third party. This opinion is only related to the above items and shall not be expanded and interpreted to be related to the financial statements of both companies as a whole.
5. We assume that there are no significant changes in the political and economic environment, interest rates, exchange rates and relevant regulations of the valuation target and that the industrial development is in line with expectations. We do not consider the impact of unexpected changes on the equity value of Shin Kong FHC. After the issuance of this opinion, if the actual situation changes, we will no longer update it unless it entrusts to re-evaluation.
6. In accordance with the provisions of Article 7 of the Evaluation Standards No. 11 "Enterprises Evaluation" issued by the Accounting Research and Development Foundation, we have conducted a reasonable evaluation of the information available in the public market and confirmed that it is reliability and appropriateness of the source. However, based on the scope of the appointment, we did not conduct an audit on the above information in accordance with generally accepted auditing standards or in accordance with ISAE 3000: "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation. Therefore, no degree of confidence can be provided as to its correctness or adequacy.
7. We assume that as of the valuation date, the valuation target has no major pending matters, litigation (including tax and other legal disputes) and contingent liabilities that may affect the equity value of the valuation target.

Appendix 2: Summary table of subsidiaries of Shin Kong FHC

NAME ITEM	Shin Kong Life Insurance Co., Ltd.	Taiwan Shin Kong Commercial. Bank Co., Ltd.	Shin Kong Investment Trust Co., Ltd.	Shin Kong Venture Capital International Co., Ltd.	Shin Kong Property Insurance Agency Co., Ltd	MasterLink Securities Corporation
Main business	Life Insurance	Banking	Securities investment trust business	Venture capital	Property insurance agency	Securities brokerage, proprietary and underwriting business
Business status in 2023						
Consolidated operating income/net income (thousand)	259,989,162	20,002,869	363,699	132,761	478,384	8,787,538
Proportion of revenue of FHC (%)	1,023.36	78.73	1.43	0.52	1.88	34.59
Consolidated net income before tax (thousand)	(23,619,635)	8,338,065	86,497	112,145	99,892	2,841,879
Basic Earnings Per Share	(2.33)	1.36	1.73	0.68	79.91	1.55

Source: 2024 Shin Kong FHC Annual Cash Capital Increase and Issuance of Ordinary Shares Prospectus

## Appendix 3: Financial and business information of each company

Unit: Unless otherwise stated, the remainder is NTD million

NAME ITEM	Taishin FHC (2887)	Shin Kong FHC (2888)	Fubon FHC (2881)	Cathay FHC (2882)	CTBC FHC (2891)	Mega FHC (2886)	Yuanta FHC (2885)	SinoPac FHC (2890)
Main business scope	Banking, Life Insurance, Securities	Insurance, Banking, Securities	Life Insurance, Banking, Securities, Non-Life insurance	Life Insurance, Banking	Banking, Life Insurance, Others	Banking, Securities, Others	Securities, Banking, Insurance	Banking, Securities
Closing price on the valuation date (NTD)	18.45	12.95	92.50	63.50	32.90	38.90	30.75	23.50
Market value on the valuation date (NTD billion)	2,394	2,006	12,641	9,315	6,455	5,770	3,980	2,981
2024Q2 Financial and business conditions								
Capital - common stock	129,761	154,876	136,657	146,692	196,211	148,334	129,429	126,859
Adjusted net value per share of common stock (NTD)	13.36	17.05	57.36	55.63	22.32	23.26	21.53	15.71
Total assets	3,237,695	5,108,803	11,774,231	13,274,717	8,504,875	4,562,933	3,591,287	2,954,215
Net income	42,684	31,590	174,014	188,083	91,086	43,580	58,999	32,879
Revenue						Note	Note	

breakdown	55%	31%	27%	25%	77%	56%	22%	72%
Banking	8%	16%	7%	3%	-	6%	51%	25%
Securities	39%	51%	66%	69%	12%	2%	15%	-
Insurance	(2)%	2%	-	3%	11%	36%	12%	3%
Others								
Reason for selection	Appointor	Target	Comparable companies	Comparable companies	Comparable companies	Low proportion of insurance business	The main business is securities	No insurance business

Source: MOPS, Audited financial statement on June 30, 2024

Note: The revenue ratio in the audited financial statement on June 30, 2024 of the operating department's financial information does not deduct adjustments and write-offs.

Unit: Unless otherwise stated, the remainder is NTD million

ITEM \ NAME	KGI FHC (2883)	First FHC (2892)	Hua Nan FHC (2880)	E.SUN FHC (2884)	Taiwan Cooperative FHC (5880)	IBF FHC(2889)	Mercuries Life Insurance (2867)
Main business scope	Securities, Insurance, Banking	Banking, Insurance, Securities	Bank, Insurance, Others	Banking, Securities	Banking, Insurance, Securities	Securities, Others	Life Insurance
Closing price on the valuation date (NTD)	16.20	27.05	25.50	27.50	25.70	15.80	7.52
Market value on the valuation date (NTD)	2,723	3,795	3,514	4,399	3,913	558	383
2024Q2 Financial and business conditions							
Capital - common stock	168,087	140,287	137,792	159,958	152,242	35,322	50,995
Adjusted net value per share of common stock (NTD)	17.58	16.80	15.67	14.89	16.59	11.33	9.57
Total assets	3,912,569	4,619,024	4,172,633	3,911,418	4,913,214	388,358	1,589,305
Net income	27,516	36,055	33,028	36,133	32,060	4,157	35,685 (Retained maturity insurance income)
Revenue breakdown	Note 28%	Note 62%	83%	93%	86%	-	-

Banking	51%	3%	9%	6%	3%	62%	-
Securities	18%	5%	-	-	9%	-	100%
Insurance	3%	30%	8%(include insurance)	1%	2%	38%	-
Others							
Reason for selection	Comparable companies	Comparable companies	Comparable companies	No insurance business	Comparable companies	Different business scope	Comparable companies

Source: MOPS, Audited financial statement on June 30, 2024

Note: The revenue ratio in the audited financial statement on June 30, 2024 of the operating department's financial information does not deduct adjustments and write-offs.

## Appendix 4: Control premium rate

	Target	Ticker	Percent of equity interest acquired	Announced date	Closing price of Announced date (A)	Average price of previous 30 days(B)	Premium Rate (C)=(A-B)/B
1	Taiwan International Securities Co., Ltd.	6012	67%-100%	2010/07/26	10.30	9.26	11.23%
2	Polaris Securities Co., Ltd.	2854	100%	2011/04/09	20.60	18.81	9.52%
3	Cosmos Bank Co., Ltd.	2837	100%	2014/02/10	15.55	15.35	1.30%
4	Ta Chong Commercial Bank Co., Ltd.	2847	100%	2015/08/13	12.45	11.87	4.89%
5	Ta Chong Securities Co., Ltd.	6022	100%	2015/08/13	10.30	9.67	6.51%
6	Jih Sun Financial Holding Co., Ltd.	5820	50.01%~100%	2020/12/18	10.95	10.41	5.19%

High	11.23%
Third quartile	8.77%
Average	6.44%
Median	5.85%
first quartile	4.97%
Low	1.30%

## Appendix 5: Discount rate

Assessment base date: September 6, 2024

Key element	Explanation	Rate
Risk-free rate	September 6, 2024	1.5300%
	Taiwan ten-year government bond yield	
Stock market systemic risk	Stock market returns and long-term Treasury bonds	2.66%
	The difference in return rates is multiplied by industry beta	
Equity capital cost	The sum of the above risk premiums	4.19%

Long run geometric average rate of return	4.66%
Less: Risk-free interest rate	-1.5300%
	3.13%
Multiply: Beta value	0.85
Stock market systemic risk premium	2.66%

### Declaration of independence of financial expert

I am entrusted to issue the independent expert's written opinion on the reasonableness of the exchange ratio regarding the proposed merger of Taishin Financial Holdings Co., Ltd. and Shin Kong Financial Holdings Co., Ltd. I follow the Expert Opinion Issuance Guidelines and relevant legal provisions and declare as follows:

In order to execute the above business, in addition to complying with *the Business Mergers And Acquisitions Act, the Regulations Governing the Acquisition and Disposal of Assets by Public Companies and Expert Opinion Issuance Guidelines*, I hereby declare the following:

1. I have evaluated that the opinions issued and the data sources, parameters and information used in executing the operating procedures are correct and reasonable, as the basis for issuing this opinion.
2. Before taking on this case, I have confirmed that I meet the qualifications of relevant laws and regulations, and carefully evaluated my professional abilities and practical experience.
3. When executing this case, the appropriate operating procedures have been properly planned and implemented to form conclusions and issue opinions based on them; the procedures executed, the information collected, and the conclusions have been published in detail in the working papers of this case.
4. I have been entrusted to handle this case without receiving any contingent remuneration, and I have no opinions or conclusions that have been set in advance.
5. I acknowledge that the project team members have no commercial, financial or employment relationship with Taishin FHC and Shin Kong FHC and that I hereby declares that, when performing the above assignment, none of the following circumstances or other circumstances that may affect independence has occurred:

(I) I or my spouse is currently employed by Taishin FHC and Shin Kong FHC for regular work, with a fixed salary or as a director or supervisor

(II) I or my spouse has served as director, supervisor, manager, or employee of parties to the transaction in this case in a position of significant influence in this case, and has been dismissed or resigned for not more than two years

(III) The company in which I or my spouse works is related parties to the transaction in this case.

(IV) A person who has a spouse or a second-class kinship with any director, supervisor, manager, or employee of parties to the transaction in this case in a position of significant influence in this case.

(V) I or my spouse has a material investment or financial interest in the parties to the transaction in this case.

Crowe (TW) CPAs

Accountant: LIN,CHIN-FENG

Date: September 11, 2024

## &lt;Appendix&gt;Information of financial expert

## CV of financial expert

N a m e	LIN,JIN-FENG
E d u c a t i o n	Master of Accountancy, Soochow University Bachelor of Business Administration, National Taiwan University of Science and Technology
P o s i t i o n	Partnership Accountant, Crowe (TW) CPAs Independent Director, Wendell Industrial Co., Ltd.
C e r t i f i c a t e	Certified Public Accountant (The order No. Financial-Supervisory-Securities-Six-0940131912) Passed the China Certified Tax Agent Examination (No. 03327289)

**【Attachment 2】**

Taishin Financial Holding Co., Ltd.

The Review Report of the Audit Committee

September 11, 2024

To:

2024 Special Shareholders' Meeting (Common / Class E preferred / Class F preferred) of Taishin Financial Holding Co., Ltd.

We, the Audit Committee, reviewed the merger plan and the fairness and reasonableness of the proposed merger between the Company and Shin Kong Financial Holding Co., Ltd. (hereinafter referred to as “Shin Kong FHC”) and presented our conclusions in the fourth meeting of the fourth term of the Committee on August 22, 2024. After viewing Shin Kong FHC’s latest financial figures, including its financial statements for the period ended June 30, 2024, and observing significant changes to its share price, the Company modified the merger consideration to better fit the strategic purpose of the merger deal. We further studied the revised merger consideration, the revised merger plan, and the proposed merger’s fairness and reasonableness in the seventh meeting of the fourth term of the Committee on September 11, 2024 and again presented our conclusions. We have produced this report pursuant to Article 6 of Taiwan’s Business Mergers and Acquisitions Act and are seeking your approval.

Convener of Audit Committee  
CHANG, MIN-YU

## 【 Attachment 3 】

*[Translation for reference only; If there is any discrepancy, the Chinese version shall prevail.]*

### Merger Agreement

This Merger Agreement (**Agreement**) is entered into by and between Taishin Financial Holding Co., Ltd. (**Party A**) and Shin Kong Financial Holding Co., Ltd. (**Party B**) as of 22 August 2024.

Whereas Party A intends to enter into a merger with Party B pursuant to this Agreement in accordance with the Financial Holding Company Act, the Financial Institutions Merger Act, the Business Mergers and Acquisitions Act and other relevant laws and regulations, whereby Party A will be the surviving company and Party B will be the dissolved company, and Party A will issue new shares to the shareholders of Party B as consideration for the merger (**Merger**).

Therefore, the parties hereby enter into this Agreement for mutual compliance:

#### 1. The Merger

1.1 Method of merger: Both parties agree to carry out the Merger by way of a “merger by absorption”, whereby Party A will be the surviving company after the merger and Party B will be the dissolved company after the merger and will be dissolved as a result of the Merger.

1.2 Name, head office address and business territory of the surviving organization: The name of the surviving company after the merger is “TS Financial Holding Co., Ltd.”, the address of the head office is 12F, 13F, 15F, 16F, 21F, 22F and 23F, No. 118, Sec. 4, Renai Rd., Da-an District, Taipei, and its business territory is in the Republic of China (R.O.C.) (Taiwan) territory and other territories permitted by law.

1.3 Total number, type and amount of shares to be issued:

1.3.1 As at the date of this Agreement, the registered authorized capital of Party A is NT\$200,000,000,000, divided into 20,000,000,000 shares with a par value of NT\$10 each, and its paid-in capital is NT\$140,761,443,120, divided into 12,976,144,312 shares of common share, 500,000,000 shares of the Class E preferred share, 300,000,000 shares of the Year 2018 Class E preferred share and 300,000,000 shares of the Class F exchangeable preferred share, each with a par value of NT\$10. Except for those listed in Attachment 1, Party A has no outstanding equity securities as at the date of this Agreement. As at the date of this Agreement, Party A does not hold any treasury shares.

1.3.2 As at the date of this Agreement, the registered authorized capital of Party B is NT\$330,000,000,000, divided into 33,000,000,000 shares with a par value of NT\$10 each, and its paid-in capital is NT\$174,546,290,420, divided into 17,157,629,042 shares of common share, 75,000,000 shares of Class A preferred share and 222,000,000 Class B preferred share, each with a par value of NT\$10. Except for those listed in Attachment 1, Party B has no outstanding equity securities as at the date of this Agreement. As at the date of this Agreement, Party B does not hold any treasury shares.

1.3.3 Based on the Exchange Ratio set forth in Article 2.1, the registered capital of Party A as the surviving company after the merger is estimated to be NT\$300,000,000,000, divided into 30,000,000,000 shares with a par value of NT\$10 each, and its paid-in capital is estimated to be NT\$250,395,992,910, divided into 23,642,599,291 shares of common share, 800,000,000 shares of Class E preferred share, 300,000,000 shares of Class F preferred share, and 297,000,000 shares of Class G preferred share, each with a par value of NT\$10. The expected terms and conditions for the issuance of Party A's shares of Class G preferred share (including Class G preferred shares I and II) are as set forth in Attachment 2 (the actual provisions should be subject to the version approved at Party A's shareholders' meeting and by the competent authorities). The actual paid-in capital and total issued shares of Party A as at the record date of the merger will be subject to increase or decrease on account of an adjustment of the share exchange ratio as stipulated in Article 2.3 or the occurrence of other events.

1.4 Estimated completion date: If all the conditions precedent stipulated in Article 6 of this Agreement have been fulfilled or waived, the Merger will take effect as of 00:00 (**Merger Effective Time**) on the record date of the merger prescribed in accordance with laws and regulations and Article 10.2 of this Agreement by the chairpersons of the boards of directors or their designees as authorized by the boards of directors of the parties (**Merger Record Date**). The Merger Record Date shall also be the record date of the dissolution of Party B. From the Merger Effective Time, all assets, liabilities and all rights and obligations recorded in the books of Party B shall be assumed by Party A in general.

1.5 The "competent authorities" referred to in this Agreement include, but are not limited to, the Financial Supervisory Commission (**FSC**), the Fair Trade Commission (**FTC**), the Ministry of Economic Affairs, and other relevant competent authorities and organizations entrusted with the exercise of public authority.

## **2. Consideration for the merger**

2.1 On the Merger Record Date, all the shares issued and outstanding by Party B shall cease to be outstanding and be canceled as a result of the merger. Party A shall issue new shares and exchange for one share of common share of Party B with 0.6022 share of common share (**Common Share Exchange Ratio**), and exchange for one share of Class A preferred share of Party B with each share of Class G preferred share I and for one share of Class B preferred share of Party B with each share of Class G preferred share II (**Preferred Share Exchange Ratio**) (the Preferred Share Exchange Ratio and Common Share Exchange Ratio are collectively referred to as the **Exchange Ratio**). Party A shall pay the share consideration on the Merger Record Date to all the shareholders of Party B as recorded in the shareholders' register of Party B as at the Merger Record Date. Party A expects to (1) issue a total of 10,666,454,979 shares of common share to all the shareholders of common share of Party B and (2) issue a total of 297,000,000 shares of Class G preferred share to all the shareholders of Class A and Class B preferred shares of Party B on the Merger Record Date, provided that the actual amount of the new shares to be issued by Party A shall be calculated based on Party B's shareholders' register as at the Merger Record Date and on the Exchange Ratio adjusted (if applicable) in accordance with

Article 2.3 of this Agreement. The rights and obligations of the new shares of common share issued by Party A shall be the same as those of the existing common shares issued by Party A. If there is a need to adjust the rights and obligations of the classes of preferred shares issued by Party A per the requirements of the competent authorities, the parties shall negotiate in good faith to adjust such rights and obligations. The consideration for the Merger is the new shares issued by Party A. The consideration will not be paid by distributing the shares of Party A that have been bought back by it (if any) to the shareholders of Party B.

2.2 If Party B's shareholders acquire any odd-lot shares less than one share, in lieu of such odd-lot shares, Party A will pay cash to such Party B's shareholders on a pro rata basis based on the closing price of Party A's shares on the last trading day prior to the Merger Record Date (fractions of NT\$1 shall be rounded to the nearest NT\$), and Party A may authorize the chairperson of its board of directors or their designee to approach a specific person to take up such odd-lot shares at such market price. In the event that there is a need to change the handling of these odd-lot shares in accordance with the laws and regulations or operational requirements, the chairperson of the board of directors of Party A or their designee shall have full authority to handle the matter.

2.3 Adjustment to the consideration of the Merger prior to the Merger Record Date:

2.3.1 Adjustment of the Common Share Exchange Ratio:

The shareholders' meeting of each of Party A and Party B shall resolve to approve this Agreement in accordance with the law. In the event of any of the following circumstances, the Common Share Exchange Ratio stipulated in Article 2.1 of this Agreement shall be adjusted in accordance with Articles 2.3.2 and 2.3.3 without an additional resolution at the shareholders' meeting required:

2.3.1.1 Any of the following by either party: payment of cash dividends or stock dividends (excluding the payment of 2023 annual cash dividends or stock dividends by either party), cash capital increase (excluding cash capital increase by Party A for the payment of the merger consideration), free distribution, issuance of convertible bonds, bonds with warrants, preferred shares with warrants, warrants, or any other marketable securities of an equity nature, or any other events that result in or threaten to result in equity dilution (except where Party B issues new shares to the holders of convertible bonds as a result of the conversion of Party B's convertible bonds existing prior to the date of this Agreement);

2.3.1.2 Acquisition or disposal of assets by either party (as individually recognized) that adversely affects its finance or business to the extent of NT\$1.5 billion or result in a book loss of NT\$1.5 billion or more, except where the acquisition or disposal results from engaging in normal business activities;

2.3.1.3 Occurrence of any material adverse event (including but not limited to circumstances such as a major disaster) that adversely affects its finance or business to the extent

of NT\$1.5 billion or results in a book loss of NT\$1.5 billion or more, except where such event occurs from engaging in normal business activities.

2.3.1.4 Buyback of the company's shares or otherwise acquisition of its own shares in each company by either party in accordance with the law that exceed 5% of the total number of issued shares of such party, except where either party buys back its shares from its respective shareholders expressing disagreement with the Merger in accordance with the law;

2.3.1.5 Changes in a corporate entity or in the number of companies participating in the Merger;

2.3.1.6 Loss of control by either party in its Major Subsidiaries (including but not limited to the disposal of controlling shareholdings or the loss of a majority of board seats, etc.), or increase or decrease in the number of Major Subsidiaries of either party; or

2.3.1.7 Any other adjustments to the Exchange Ratio that are necessary as a result of laws and regulations or instructions by the relevant competent authorities, or in order to obtain the approval of the competent authorities for the Merger.

2.3.1.8 Nothing in this article shall be construed to mean that either party may breach the provisions of this Agreement by engaging in any of the acts set out in Articles 2.3.1.1 to 2.3.1.6 (except, for the avoidance of doubt, where either party make cash dividends or stock dividends in accordance with laws and regulations).

2.3.2 In the event of any of the circumstances described in Articles 2.3.1.1 to 2.3.1.4, the parties shall authorize the chairpersons of their respective boards of directors to adjust the Common Share Exchange Ratio set forth in Article 2.1 to the Adjusted Exchange Ratio (as hereinafter defined) in accordance with the following formula, which Adjusted Exchange Ratio, as confirmed by calculation pursuant to the formula set forth below, shall be confirmed in writing by the chairpersons of the boards of directors of the parties. For the avoidance of doubt, after the Adjusted Exchange Ratio has been confirmed in writing, such Adjusted Exchange Ratio shall be deemed to be the Common Share Exchange Ratio under this Agreement:

Adjusted Exchange Ratio equals A/B:

$A = (\text{Party B Market Value minus Party B Cumulative Adjustment, if any}) / \text{Adjusted Number of Fully Diluted Shares of Party B}$

$B = (\text{Party A Market Value minus Party A Cumulative Adjustment, if any}) / \text{Adjusted Number of Fully Diluted Shares of Party A}$

“Party A Market Value” is the closing price per share of Party A’s common share on 13 August 2024, multiplied by the Number of Fully Diluted Shares of Party A.

“Party B Market Value” is the Common Share Exchange Ratio as set forth in Article 2.1, multiplied by the closing price per share of Party A’s common share on 13 August 2024, multiplied by the Number of Fully Diluted Shares of Party B.

“Party A Cumulative Adjustment” is the amount of financial or operational impact and/or book loss incurred by Party A as a result of the occurrence of the cash dividend payment in accordance with Article 2.3.1.1 or the events set out in Article 2.3.1.2 or 2.3.1.3.

“Party B Cumulative Adjustment” is the amount of financial or operational impact and/or book loss incurred by Party B as a result of the occurrence of the cash dividend payment in Article 2.3.1.1 or the events listed in Article 2.3.1.2 or 2.3.1.3.

“Number of Fully Diluted Shares of Party A” is the number of Party A’s issued and outstanding shares of common share as of the date of this Agreement.

“Number of Fully Diluted Shares of Party B” is the number of Party B’s issued and outstanding shares of common share as of the date of this Agreement plus the number of shares of Party B’s common share convertible from the outstanding domestic convertible bonds issued by Party B as set out in Attachment 1 (and, for the avoidance of doubt, includes the number of shares of Party B’s common share represented by the outstanding units of Party B’s Global Depositary Receipt (**GDR**)).

“Adjusted Number of Fully Diluted Shares of Party A “ is the number of issued and outstanding shares of common share of Party A as of the date of this Agreement, plus or minus the number of shares of common share increased or decreased as a result of the circumstance set forth in Article 2.3.1.1 or 2.3.1.4 (if any)

“Adjusted Number of Fully Diluted Shares of Party B” is the number of issued and outstanding shares of Party B’s common share as of the date of this Agreement, plus the number of shares of Party B’s common share convertible from Party B’s issued and outstanding domestic convertible bonds as set forth in Attachment 1, plus or minus the number of shares of common share increased or decreased as a result of the circumstance set forth in Article 2.3.1.1 or 2.3.1.4 (if any) (and, for the avoidance of doubt, including the number of shares of Party B’s common share represented by the outstanding units of its GDR).

2.3.3 In the event of any of the circumstances listed in Articles 2.3.1.5 to 2.3.1.7, the boards of directors of both parties shall, or the chairpersons of the boards of directors or their designees shall be authorized to make adjustments to the Common Share Exchange Ratio agreed in Article 2.1 through reasonable negotiations.

## 2.4 Adjustment of the Preferred Share Exchange Ratio:

Unless instructed by the competent authorities and resolved by the boards of directors of both parties, or adjusted to facilitate the procurement of approval of the relevant competent authorities and as resolved by the boards of directors of both parties, the Preferred Share Exchange Ratio stipulated in this Agreement shall not be changed.

2.5 After adjusting the merger consideration in accordance with this Article, the parties shall apply for, file or amend the required permissions, approvals or consents with the relevant competent authorities in accordance with laws and regulations.

2.6 The “Major Subsidiaries” referred to in Article 2.3.1.6 of this Agreement shall mean, in respect of Party A, Taishin International Bank Co., Ltd., Taishin Life Insurance Co., Ltd. and Taishin Securities Co., Ltd. and, in respect of Party B, Shin Kong Bank Co., Ltd., Shin Kong Life Insurance Co., Ltd. and MasterLink Securities Corporation.

### **3. Representations and Warranties of Party A**

Party A represents and warrants that the following are true and correct as of the date of this Agreement and as of the Merger Record Date:

3.1 Legal incorporation and existence: Party A and Party A’s subsidiaries are companies incorporated and registered and legally exist in accordance with the laws or the relevant applicable laws of the R.O.C. (Taiwan), with all the necessary capacity and authority to engage in their businesses and hold assets. Party A and Party A’s subsidiaries have obtained all the necessary licenses, approvals and permits to carry out their current businesses, and have the legal authority to own and use the assets currently owned and used by them. Party A and Party A’s subsidiaries have not, without a valid resolution, been dissolved, liquidated, filed a petition for bankruptcy, settlement or reorganization on their own initiative, or been granted such dissolution, settlement, reorganization or declaration of bankruptcy by a court ruling, order or in accordance with the relevant laws.

3.2 Capital:

3.2.1 As at the date of this Agreement, the registered capital of Party A is NT\$200,000,000,000, divided into 20,000,000,000 shares with a par value of NT\$10 per share; its paid-in capital is NT\$140,761,443,120, divided into 12,976,144,312 shares of common share, 500,000,000 shares of Class E preferred share, 300,000,000 shares of Year 2018 Class E preferred share and 300,000,000 shares of Year 2018 Class F exchangeable preferred share, all with a par value of NT\$10 per share; and it has no treasury shares. As at the date of this Agreement, all of the issued shares of Party A have been legally authorized and issued and fully paid. Except the aforementioned common shares, preferred shares and the shares listed in Attachment 1, Party A has not issued any other marketable securities of an equity nature, and has not issued, granted or entered into any other options, warrants, convertible or exchangeable securities, rights of first refusal, pre-emptive rights, legally binding undertakings etc. for the acquisition of Party A’s shares.

3.2.2 Party A has no participating interest or similar contractual agreements that may entitle others to the same rights and interests as shareholders of common share.

3.2.3 Except as otherwise provided in this Agreement, Party A is not under any obligation to redeem, buy back or otherwise acquire its shares.

3.3 Legitimacy and validity of this Agreement: (1) the execution, delivery and performance of this

Agreement does not violate (i) the provisions of the applicable laws and regulations currently in force; (ii) the judgments, orders or dispositions imposed by courts or the relevant competent authorities; (iii) the articles of incorporation or resolutions of the board of directors or shareholders' meetings of Party A; or (iv) any of the contracts, undertakings and obligations to which Party A is subject, and (2) the signing of this Agreement is legally and validly authorized and constitutes a legal, valid, binding and enforceable obligation of Party A upon its execution and delivery.

- 3.4 Approvals and permissions: Except the consents of the board of directors and the shareholders' meeting of Party A and the permissions or approvals of the FSC, FTC and other relevant competent authorities, Party A shall not be required to obtain any other authorization, approval, permission or consent for the execution and performance of this Agreement.
- 3.5 Financial statements: The financial statements of Party A and its subsidiaries as audited and certified by a certified public accountant since 2022 have been prepared in accordance with the Criteria Governing the Preparation of Financial Reports by Financial Holding Companies, Criteria Governing the Preparation of Financial Reports by Insurance Companies, Criteria Governing the Preparation of Financial Reports by Securities Firms, Criteria Governing the Preparation of Financial Reports by Futures Commission Merchants, Criteria Governing the Preparation of Financial Reports by Public Banks, and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation bulletins in force as accepted and published by the FSC. The contents and other financial information contained in such financial statements are correct and true, present correctly and fairly the financial and operating conditions of Party A and its subsidiaries for the periods covered by the financial statements, and do not conceal any information and are not misleading in any way. Party A and its subsidiaries do not have any material liabilities for direct, indirect and contingent liabilities that should be disclosed in the financial statements in accordance with applicable accounting principles but are not shown in the financial statements or the notes thereto.
- 3.6 No material changes: Except as disclosed in the financial statements of Party A and Party A's subsidiaries that have been audited and certified by a certified public accountant, and in the prospectuses and annual reports of Party A and Party A's subsidiaries, since 2022, Party A and Party A's subsidiaries have conducted their daily operations in accordance with standards of general practice, and none of the following events have occurred to them:
- 3.6.1 Distribute dividends and bonuses (including employee bonuses and directors' and supervisors' remuneration) in any form.
- 3.6.2 Enter into any material transaction or undertaking, or revoke or withdraw any material transaction or other rights, except to the extent consistent with past practice and in the ordinary and usual course of business (for the avoidance of doubt, a long-term investment by a subsidiary of Party A is a transaction or undertaking that is consistent with past practice and in the ordinary and usual course of business for the purposes of this paragraph).
- 3.6.3 Any changes in accounting standards or practices, other than those resulting from a change in the R.O.C. (Taiwan) or the applicable generally accepted accounting principles.

- 3.7 No material new debt: From 1 January 2024 until the signing of this Agreement, except (1) for obligations to be fulfilled under this Agreement or the Merger; (2) as disclosed in the financial statements of Party A and Party A's subsidiaries for the first quarter of 2024; (3) as arising from ordinary business operations; (4) as required by laws and regulations or necessary to meet the financial and business standards stipulated in laws and regulations; (5) for the performance of contracts entered into before 1 January 2024 (not included) and notified to Party B in writing by Party A; or (6) except as set forth in the disclosures in Attachment 3.7 or as otherwise agreed to by Party B in writing, Party A and its subsidiaries do not have any new liabilities, obligations, encumbrances, or contingent liabilities that may adversely affect their businesses, finances, properties, operations or shareholders' equities in the amount of NT\$300 million or above in a single transaction.
- 3.8 Legal compliance: Except as set out in the disclosures in Attachment 3.8:
- 3.8.1 The businesses and operations of Party A and its subsidiaries are in compliance with the applicable relevant laws and the regulations and letter directives issued by the competent authorities.
- 3.8.2 To Party A's and its subsidiaries' knowledge, there are no existing circumstances that may cause Party A and its subsidiaries to be in material breach of the applicable relevant laws and regulations or other requirements relating to assets, liabilities and finances etc.
- 3.8.3 Party A and its subsidiaries have not received any allegation that the company has failed to comply with the relevant laws or regulations or requests from the competent authorities (excluding, for the avoidance of doubt, letters from the competent authorities requesting statements of opinion), and are not aware of any potential or existing investigative actions by any governmental authorities (excluding regular or ad hoc financial inspections by the competent authorities) with respect to the business and operating practices of the company.
- 3.8.4 Since 1 January 2024, Party A and its subsidiaries have not been aware of any disposition imposed by any competent authority, from correction or above, in regard to the business and operating practices of the company.
- 3.8.5 Party A and its subsidiaries are not parties to or subject to any order, acknowledgement, arrangement or direction which materially affects their operations.
- 3.8.6 There is no violation of court decisions or articles of incorporation and internal regulations by Party A and Party A's subsidiaries that may have a material adverse impact.
- 3.9 Statutory filings or reports: Party A and its subsidiaries have filed any reports, registrations or other documents with the competent authorities and paid all fees in a timely manner in accordance with the applicable regulations. All statutory filings or reports of Party A and Party A's subsidiaries have complied with the requirements of the relevant laws and regulations and have not contained any untrue statements or intentional concealment.
- 3.10 Legal disputes:

- 3.10.1 Except as set out in the disclosures in Attachment 3.10 or as disclosed in the financial statements of Party A and Party A's subsidiaries for the year ended 31 December 2023 as audited and certified by a certified public accountant or in the notes thereto, Party A and Party A's subsidiaries are not subject to any litigation, arbitration, non-litigation matter or administrative dispute, or criminal investigative procedure, which may have a material disadvantageous impact on Party A or Party A's subsidiaries or on the businesses, finances, properties, operations, or shareholders' equities of Party A and Party A's subsidiaries. To Party A's knowledge, there is no potential written threat that (1) may have a material adverse impact on Party A and its subsidiaries or (2) may reasonably be expected to materially affect Party A's performance of or compliance with any obligations under this Agreement.
- 3.10.2 To Party A's and its subsidiaries' knowledge, there is no litigation, arbitration, non-litigation matter or administrative dispute, criminal investigative procedure or written threat against any of the directors or officers of Party A and its subsidiaries that may have a material adverse impact on Party A and its subsidiaries.
- 3.10.3 Party A and its subsidiaries are not subject to any disposition, judgment or order that may, under reasonable circumstances, materially and adversely affect Party A and its subsidiaries.
- 3.11 No breach of contracts and undertakings: Except as disclosed in Party A's and its subsidiaries' financial statements for the year ended 31 December 2023 as audited and certified by a certified public accountant or in the notes thereto, Party A and its subsidiaries are not in breach of any mandate agreement, mortgage deed, deed of trust, loan agreement, or any other contract, agreement, representation, warranty, guarantee, arrangement or other obligation, liability or restriction (including undertakings ordered by a competent authority to be given by Party A or its subsidiaries) in connection with any business other than the ordinary course of business to which Party A or any of its subsidiaries is a party or by which Party A or any of its subsidiaries is bound or the object of which contract is any property owned by Party A or any of its subsidiaries. Nor does the above increase the liability or obligation of Party A and its subsidiaries or subject Party A and its subsidiaries to a claim of breach of an undertaking or obligation, except to the extent that such breach does not have a material adverse impact on the operations, businesses or other conditions of Party A and its subsidiaries.
- 3.12 Assets and liabilities: The assets and liabilities of Party A and Party A's subsidiaries that are necessary for the operation of Party A and Party A's subsidiaries are set forth in the financial statements provided to Party A. Party A and Party A's subsidiaries have legal title to, the right to use, or other legal source of ownership of all of the assets listed therein, and the use, benefit and disposition thereof are not subject to any restrictions or limitations other than as disclosed in the financial statements of Party A for the period ended 31 December 2023 as audited and certified by a certified public accountant or in the notes thereto, except to the extent that such restriction or limitation does not have a material adverse impact on the businesses, operations or other conditions of Party A and Party A's subsidiaries.
- 3.13 Contracts and undertakings
- 3.13.1 Except in the ordinary course of business, all contracts, agreements, representations,

warranties, guarantees, arrangements or other obligations, liabilities or restrictions or any material disadvantages entered into, agreed to or undertaken by Party A and its subsidiaries have been provided or communicated to Party B in writing (including, without limitation, in the form of any electromagnetic record or by electronic mail) without any falsehood, concealment or misrepresentation whatsoever, except for those that do not have a material adverse impact on the businesses, operations or other conditions of Party A and its subsidiaries.

3.13.2 All Material Contracts (as defined in Article 5.1.15) of Party A and its subsidiaries shall be valid and binding.

3.14 Related party transactions: Any arrangements (including but not limited to transfer pricing) or transactions (including but not limited to other transactions such as purchases, sales, leases, investments, services or operations etc.) of Party A and its subsidiaries with their respective affiliates, directors, officers, shareholders or other related parties shall comply with the relevant laws and regulations and are arm's length transactions.

3.15 Derivatives transactions: All derivative commodities held by Party A and its subsidiaries or derivatives transactions that have been conducted by Party A or its subsidiaries or are in progress are in compliance with relevant laws and regulations and the internal rules of Party A and its subsidiaries.

3.16 Intellectual property rights:

3.16.1 Party A and its subsidiaries own or have the right to use legally the trademarks, service marks, domain names, patents, copyrights, trade secrets and know-how (collectively **Intellectual Property Rights**) currently used by Party A and its subsidiaries or material to their operations.

3.16.2 To Party A's and its subsidiaries' knowledge, the Intellectual Property Rights owned or used by Party A and its subsidiaries do not infringe the rights of others.

3.16.3 There is no ongoing, or, to Party A's knowledge, written threat of, litigation regarding the ownership or validity of the Intellectual Property Rights owned by Party A and its subsidiaries.

3.16.4 To Party A's and its subsidiaries' knowledge, the Intellectual Property Rights owned by Party A and its subsidiaries have not been infringed by others or used by others without permission.

3.17 Networks and systems: Party A and its subsidiaries have the right to use the networks and systems currently in use by Party A and its subsidiaries and have not been involved in any litigation as a result.

3.18 Insurances: (1) All policies or temporary policies of Party A and Party A's subsidiaries are in force without any notice of revocation, termination, withdrawal or limitation, and no other notification has been received that such policies are no longer in force; (2) there are no outstanding claims rejected by any insurance company in respect of each of such insurance policies of Party A and its subsidiaries, and, to Party A's and Party A's subsidiaries' knowledge, there are no events that may threaten to cause

the claims to be rejected by an insurance company, except for those that do not have a material impact on the operation of the company; and (3) to Party A's knowledge, neither Party A nor its subsidiaries have any overdue claims against the insurer in respect of such insurance policies or temporary insurance policies.

3.19 Taxation: Except as set out in the disclosures in Attachment 3.19:

3.19.1 Party A and Party A's subsidiaries have filed all tax returns, and such returns are complete and correct in accordance with the relevant applicable tax laws and regulations, and Party A and Party A's subsidiaries have fully paid prior to the Merger Record Date all taxes due and payable.

3.19.2 Party A and its subsidiaries have made all withholdings in accordance with all tax laws and regulations.

3.19.3 There are no existing tax disputes between Party A and its subsidiaries and the competent authorities, and Party A and its subsidiaries do not anticipate any tax disputes. No investigation or examination conducted by the competent authorities has revealed that Party A and Party A's subsidiaries have paid insufficient taxes. The competent authorities have not claimed that Party A and Party A's subsidiaries have failed to file tax returns or have evaded taxes.

3.19.4 Party A and its subsidiaries are not bound by any contract or arrangement entered into between them and the competent authorities in relation to taxation.

3.19.5 Any claims or allegations of non-payment of taxes against Party A and its subsidiaries have been settled or resolved.

3.19.6 Party A and its subsidiaries, or persons acting on behalf of Party A and its subsidiaries, have not requested an extension of the time period for filing tax returns, have not extended the time period for making tax calls, and have not waived the completion of any statute of limitations.

3.19.7 There are no encumbrances on the property of Party A and its subsidiaries arising from taxation.

3.19.8 Party A and its subsidiaries have not changed their accounting or tax standards, except to the extent that such changes are required by law or arise out of an agreement to a settlement of any tax dispute that may have a material adverse impact on the future tax treatment of Party A and its subsidiaries.

3.20 Labor relations: (1) The policies, plans, programs or agreements of Party A and Party A's subsidiaries relating to the employment or pensions, salaries and benefits of employees are in compliance with applicable laws and regulations. Party A and Party A's subsidiaries have recognized the incurred but not yet paid pensions and employee benefits in the financial statements or made contributions in

accordance with the provisions of the relevant applicable laws and regulations; (2) Except as disclosed in Party A's and Party A's subsidiaries' financial statements for the year ended 31 December 2023 as audited and certified by a certified public accountant or in the notes thereto, there have been no material labor disputes involving, material violations of relevant labor laws and regulations by, or dispositions imposed by labor authorities on, Party A and its subsidiaries, nor have there been any strikes or work stoppages against Party A and Party A's subsidiaries; (3) Party A and Party A's subsidiaries are not parties to any collective agreement or have entered into any labor contract with any labor union or labor organization; (4) Party A and Party A's subsidiaries have not promised or provided preferential treatment (as defined below) to their employees or officers except for the protection of officers and employees as provided in Article 8 of this Agreement, for any proposal of employee retention, placement or a similar nature presented or promised for the purpose of obtaining the approval of the competent authorities, or as otherwise agreed to in writing by both parties. For the purpose of this subparagraph, the term "preferential treatment" means that, as a result of the implementation of the Merger, the employees or officers of Party A and Party A's subsidiaries may claim any payment or benefit (including, without limitation, any measures or proposals of a similar nature that are superior to those under labor-related laws and regulations or collective agreements or those addressing employee rights and interests issues) as a result of a change of control or the early termination or rescission of an appointment/employment contract.

- 3.21 Correctness of information: Documents provided by Party A to Party B in writing (including, without limitation, in the form of any electromagnetic record or electronic mail) and responses to inquiries from Party B (including those from its consultants), or information contained in this Agreement, the disclosures, the related transaction documents, the financial reports or any certificates issued by Party A and its subsidiaries, have disclosed all agreements or other documents that may have a material adverse impact on or restrict the rights and interests of Party A and its subsidiaries and are true and correct in all material respects and have not been misrepresented or concealed.
- 3.22 Disclosure of subsequent events: If Party A discovers after the execution of this Agreement that any of the representations and warranties made by Party A in accordance with Article 3 of this Agreement upon the execution of this Agreement is breached or that any of the matters disclosed by Party A is wrong, omitted, untrue or incorrect, Party A shall immediately notify Party B in writing and shall rectify the information originally provided or update the matters disclosed; provided that such rectification or updating of the matters disclosed by Party A shall not affect the rights that may be claimed or remedies that may be exercised by Party B in accordance with the law or in accordance with this Agreement. If any event occurs after the signing of this Agreement and before the Merger Record Date that causes Party A to breach the representations and warranties provided pursuant to Article 3 of this Agreement or renders the disclosures made by Party A wrong, omitted, untrue or incorrect, Party A shall immediately supplement or update in writing for Party B the information and disclosures originally provided.
- 3.23 "material", "material adverse", "material disadvantage", and "material adverse impact" as used in Article 3 of this Agreement shall mean the occurrence of an event or circumstance which has caused or is reasonably expected to cause a negative impact on Party A amounting to NT\$300 million or

above in a single case.

3.24 The annual reports of Party A and its subsidiaries which have been published in the Market Observation Post System, and the financial statements audited and certified by a certified public accountant or the notes thereto which have been disclosed, since 2022, shall be deemed to have been included in the disclosure list and disclosed to Party B for the purposes of Article 3 of this Agreement.

#### **4. Representations and Warranties of Party B**

Party B represents and warrants that the following are true and correct as of the date of this Agreement and the Merger Record Date:

4.1 Legal incorporation and existence: Party B and Party B's subsidiaries are companies incorporated and registered and legally exist in accordance with the laws or the relevant applicable laws of the R.O.C. (Taiwan), with all the necessary capacity and authority to engage in their businesses and hold assets. Party B and Party B's subsidiaries have obtained all the necessary licenses, approvals and permits to carry on their current businesses, and have the legal authority to own and use the assets currently owned and used by them. Party B and Party B's subsidiaries have not, without a valid resolution, been dissolved, liquidated, filed a petition for bankruptcy, settlement or reorganization on their own initiative, or been granted such dissolution, settlement, reorganization or declaration of bankruptcy by a court ruling, order or in accordance with the relevant laws.

4.2 Capital:

4.2.1 As at the date of this Agreement, the registered capital of Party B is NT\$330,000,000,000, divided into 33,000,000,000 shares with a par value of NT\$10 each, and its paid-in capital is NT\$174,546,290,420, divided into 17,157,629,042 shares of common share, 75,000,000 shares of Class A preferred share, and 222,000,000 shares of Class B preferred share, all with a par value of NT\$10 per share; and it has no treasury shares. As at the date of this Agreement, all the issued shares of Party B are legally authorized and issued and fully paid. Except the aforementioned common shares, preferred shares and the shares listed in Attachment 1 and Attachment 4.7, Party B has not issued any other marketable securities of an equity nature, and has not issued, granted or entered into any other options, warrants, convertible or exchangeable securities, rights of first refusal, pre-emptive rights, legally binding undertakings etc. for the acquisition of Party B's shares.

4.2.2 Party B has no participating interest or similar contractual agreements that may entitle others to the same rights and interests as shareholders of common share.

4.2.3 Except as otherwise provided in this Agreement, Party B is not under any obligation to redeem, repurchase or otherwise acquire its shares.

4.3 Legitimacy and validity of this Agreement: (1) the execution, delivery and performance of this Agreement does not violate (i) the provisions of any applicable law currently in force; (ii) any judgments, orders or dispositions imposed by courts or the relevant competent authorities; (iii) the articles of incorporation or resolutions of the board of directors or shareholders' meetings of Party B;

or (iv) any of the contracts, undertakings and obligations to which Party B is subject, and (2) the signing of this Agreement is legally and validly authorized and constitutes a legal, valid, binding and enforceable obligation of Party B upon its execution and delivery.

- 4.4 Approvals and permissions: Except the consents of the board of directors and the shareholders' meeting of Party B, and the permissions or approvals of the FSC, the FTC and other relevant competent authorities, Party B shall not be required to obtain any other authorization, approval, permission or consent for the execution and performance of this Agreement.
- 4.5 Financial statements: The financial statements of Party B and its subsidiaries as audited and certified by a certified public accountant since 2022 have been prepared in accordance with the Criteria Governing the Preparation of Financial Reports by Financial Holding Companies, Criteria Governing the Preparation of Financial Reports by Insurance Companies, Criteria Governing the Preparation of Financial Reports by Securities Firms, Criteria Governing the Preparation of Financial Reports by Futures Commission Merchants, Criteria Governing the Preparation of Financial Reports by Public Banks, and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretation bulletins in force as accepted and published by the FSC. The contents and other financial information contained in such financial statements are correct and true, present correctly and fairly the financial and operating conditions of Party B and its subsidiaries for the period covered by the financial statements, and do not conceal any information and are not misleading in any way. Party B and its subsidiaries do not have any material liabilities for direct, indirect and contingent liabilities that should be disclosed in the financial statements in accordance with applicable accounting principles but are not shown in the financial statements or the notes thereto.
- 4.6 No material changes: Except as disclosed in the financial statements of Party B and Party B's subsidiaries that have been audited and certified by a certified public accountant, and in the prospectuses and annual reports of Party B and Party B's subsidiaries, since 2022, or except as disclosed in the disclosures set out in Attachment 4.6, Party B and Party B's subsidiaries have conducted their daily operations in accordance with standards of general practice, and none of the following events have occurred to them:
- 4.6.1 Distribute dividends and bonuses (including employee bonuses and directors' and supervisors' remuneration) in any form.
- 4.6.2 Enter into any material transaction or undertaking, or revoke or withdraw any material transaction or other rights, except to the extent consistent with past practice and in the ordinary and usual course of business (for the avoidance of doubt, a long-term investment by a subsidiary of Party B is a transaction or undertaking that is consistent with past practice and in the ordinary and usual course of business for the purposes of this paragraph).
- 4.6.3 Any changes in accounting standards or practices, other than those resulting from a change in the Republic of China or the applicable general accepted accounting principles.
- 4.7 No material new debt: From 1 January 2024 until the signing of this Agreement, except (1) for

obligations to be fulfilled under this Agreement or the Merger; (2) as disclosed in the financial statements of Party B and Party B's subsidiaries for the first quarter of 2024; (3) as arising from ordinary business operations; (4) as required by laws and regulations or necessary to meet the financial and business standards stipulated in laws and regulations; (5) for the performance of contracts entered into before 1 January 2024 (not included) and notified to Party A in writing by Party B; or (6) except as set forth in the disclosures in Attachment 4.7 or as otherwise agreed to by Party B in writing, Party B and its subsidiaries do not have any new liabilities, obligations, encumbrances, or contingent liabilities that may adversely affect their businesses, finances, properties, operations, or shareholders' equities in the amount of NT\$300 million or above in a single case.

4.8 Legal compliance: Except as set out in the the disclosures in Attachment 4.8:

4.8.1 The businesses and operations of Party B and its subsidiaries are in compliance with the applicable relevant laws and the regulations and letter directives issued by the competent authorities.

4.8.2 To Party B's and its subsidiaries' knowledge, there are no existing circumstances that may cause Party B and its subsidiaries to be in violation of applicable relevant laws and regulations or other requirements relating to assets, liabilities, finances etc.

4.8.3 Party B and its subsidiaries have not received any allegation that the company has failed to comply with the relevant laws or regulations or requests from the competent authorities, and are not aware of any potential or existing investigative actions by any governmental authorities (excluding regular or ad hoc financial inspections by the competent authorities) with respect to the business and operating practices of the company.

4.8.4 Since 1 January 2024, Party B and its subsidiaries have not been aware of any disposition imposed by any competent authority, from correction or above, in regard to the business and operating practices of the company.

4.8.5 Party A and its subsidiaries are not parties to or subject to any order, acknowledgement, arrangement or direction which materially affects their operations.

4.8.6 There is no violation of court decisions or the articles of incorporation and internal regulations by Party B and Party B's subsidiaries that may have a material adverse impact.

4.9 Statutory filings or reports: Party B and its subsidiaries have filed any reports, registrations or other documents with the competent authorities and paid all fees in a timely manner in accordance with the applicable regulations. All statutory filings or reports of Party B and Party B's subsidiaries have complied with the requirements of the relevant laws and regulations and do not contain any untrue statements or intentional concealment.

4.10 Legal disputes:

4.10.1 Except as set out in the disclosures in Attachment 4.10 or as disclosed in the financial statements of Party B and Party B's subsidiaries for the year ended 31 December 2023 as

audited and certified by a certified public accountant or in the notes thereto, Party B and Party B's subsidiaries are not subject to any litigation, arbitration, non-litigation matter or administrative dispute or criminal investigative procedure which may have a material disadvantageous impact on Party B or Party B's subsidiaries or on their businesses, finances, properties, operations, or shareholders' equities. To Party B's knowledge, there is no potential written threat that (1) may have a material adverse impact on Party B and its subsidiaries or (2) may reasonably be expected to materially affect Party B's performance of or compliance with any obligations under this Agreement.

4.10.2 To Party B's and its subsidiaries' knowledge, there is no litigation, arbitration, non-litigation matter or administrative dispute, criminal investigative procedure or written threat against any of the directors or officers of Party B or its subsidiaries that could have a material adverse effect on Party B and its subsidiaries.

4.10.3 Party B and its subsidiaries are not subject to any disposition, judgment or order that may, under reasonable circumstances, materially and adversely affect Party B and its subsidiaries.

4.11 No breach of contracts and undertakings: Except as disclosed in Party B's and its subsidiaries' financial statements of you and your Subsidiaries for the year ended 31 December 2023 as audited and certified by a certified public accountant or in the notes thereto, Party B and its subsidiaries are not in breach of any mandate agreement, mortgage deed, deed of trust, loan agreement, or any other contract, agreement, representation, warranty, guarantee, arrangement or other obligation, liability or restriction (including undertakings ordered by a competent authority to be given by Party B or its subsidiaries) in connection with any business other than the ordinary course of business to which Party B or any of its subsidiaries is a party or by which Party B or any of its subsidiaries is bound or the object of which contract is any property owned by Party B or any of its subsidiaries. Nor does the above increase the liability or obligation of Party B and its subsidiaries or subject Party B and its subsidiaries to a claim of breach of an undertaking or obligations, except to the extent that such breach does not have a material adverse impact on the operations, businesses or other conditions of Party B and its subsidiaries.

4.12 Assets and liabilities: The assets and liabilities of Party B and Party B's subsidiaries that are necessary for the operation of Party B and Party B's subsidiaries are set forth in the financial statements provided to Party B. Party B and Party B's subsidiaries have the legal title to, the right to use, or other legal source of ownership of all of the assets listed therein, and the use, benefit, and disposition thereof are not subject to any restrictions or limitations other than as disclosed in the financial statements of Party B for the period ended 31 December 2023 as audited and certified by a certified public account or in the notes thereto, except to the extent that such restriction or limitation does not have a material adverse impact on the businesses, operations or other conditions of Party B and Party B's subsidiaries.

4.13 Contracts and undertakings

4.13.1 Except in the ordinary course of business, all contracts, agreements, representations, warranties, guarantees, arrangements or other obligations, liabilities or restrictions, or any material disadvantages entered into, agreed to or undertaken by Party B and its subsidiaries

have been provided or communicated to Party A in writing (including, without limitation, in the form of any electromagnetic record or electronic mail) without any falsehood, concealment or misrepresentation whatsoever, except for those that do not have a material adverse impact on the businesses, operations or other conditions of Party B and its subsidiaries.

4.13.2 All material contracts (as defined in Article 5.1.15) of Party B and its subsidiaries shall be valid and binding.

4.14 Related party transactions: Any arrangements (including, without limitation, transfer pricing) or transactions (including, without limitation, other transactions such as purchases, sales, leases, investments, services or operations etc.) of Party B and its subsidiaries with their respective affiliates, directors, officers, shareholders, or other related parties shall comply with the relevant laws and regulations and are arm's length transactions.

4.15 Derivatives transactions: All derivative commodities held by Party B and its subsidiaries or derivatives transactions that have been conducted by Party B and its subsidiaries or are in progress are in compliance with relevant laws and regulations and the internal rules of Party B and its subsidiaries.

4.16 Intellectual Property Rights:

4.16.1 Party B and its subsidiaries own or have the right to use illegally all Intellectual Property Rights currently used by Party B and its subsidiaries or material to their operations.

4.16.2 To Party B's and its subsidiaries' knowledge, the Intellectual Property Rights owned or used by Party B and its subsidiary do not infringe the rights of others.

4.16.3 There is no ongoing, or, to the Party B's knowledge, written threat of, litigation regarding the ownership or validity of the Intellectual Property Rights owned by Party B and its subsidiaries.

4.16.4 To Party B's and its subsidiaries' knowledge, the Intellectual Property Rights owned by Party B and its subsidiaries have not been infringed by others or used by others without permission.

4.17 Networks and systems: Party B and its subsidiaries have the right to use the networks and systems currently in use by Party B and its subsidiaries and have not been involved in any litigation as a result.

4.18 Insurances: (1) All policies or temporary policies of Party B and Party B's subsidiaries are in force without any notice of revocation, termination, withdrawal or limitation, and no other notification has been received that such policies are no longer in force; (2) there are no outstanding claims rejected by any insurance company in respect to each of such insurance policies of Party B and its subsidiaries, and, to Party B's and Party B's subsidiaries' knowledge, there are no events that may threaten to cause the claims to be rejected by the insurance company, except for those that do not have a material impact on the operation of the company; and (3) to Party B's knowledge, neither Party B nor its subsidiaries have any overdue claims against the insurer in respect of such insurance policies or temporary

insurance policies.

#### 4.19 Taxation:

- 4.19.1 Party B and Party B's subsidiaries have filed all tax returns, and such returns are complete and correct in accordance with the relevant applicable tax laws and regulations, and Party B and Party B's subsidiaries have fully paid prior to the Merger Record Date all taxes due and payable.
- 4.19.2 Party B and its subsidiaries have made all withholdings in accordance with all tax laws and regulations.
- 4.19.3 There are no existing tax disputes between Party B and its subsidiaries and the competent authorities, and Party B and Party B's subsidiaries do not anticipate any tax disputes. No investigation or examination conducted by the competent authorities has revealed that Party B and Party B's subsidiaries have paid insufficient taxes. The competent authorities have not claimed that Party B and Party B's subsidiaries have failed to file tax returns or have evaded taxes.
- 4.19.4 Party B and its subsidiaries are not bound by any contract or arrangement entered into by them with a competent authority in relation to taxation.
- 4.19.5 Any claims or allegations of non-payment of taxes against Party B and its subsidiaries have been settled or resolved.
- 4.19.6 Party B and its subsidiaries, or persons acting on behalf of Party B and its subsidiaries, have not requested an extension of time for filing tax returns, have not extended the period for making tax calls, and have not waived the completion of any statute of limitations.
- 4.19.7 There are no encumbrances on the property of Party B and its subsidiaries arising from taxation.
- 4.19.8 Party B and its subsidiaries have not changed their accounting or tax standards, except to the extent that such changes are required by law or arise out of an agreement to a settlement of any tax dispute that may have a material adverse impact on the future tax treatment of Party B and its subsidiaries.

- 4.20 Labor relations: (1) The policies, plans, programs or agreements of Party B and its subsidiaries relating to the employment or pension, salaries and benefits of employees are in compliance with applicable laws and regulations. Party B and Party B's subsidiaries have recognized the incurred but not yet paid pensions and employee benefits in the financial statements or made contributions in accordance with the provisions of the relevant applicable laws and regulations; (2) Except as disclosed in Party B's and Party B's subsidiaries' financial statements for the year ended 31 December 2023 as audited and certified by a certified public accountant or in the notes thereto, there have been no material labor disputes involving, material violations of relevant labor laws and regulations by, or dispositions

imposed by labor authorities on, Party B and its subsidiaries, nor have there been any strikes or work stoppages against Party B and Party B's subsidiaries; (3) Party B and Party B subsidiaries are not parties to any collective agreement or have entered into any labor contract with labor union or labor organization (4) Party B and Party B's subsidiaries have not promised or provided preferential treatment (as defined below) to their employees or officers except for the protection of officers and employees as provided in Article 8 of this Agreement, for any proposal of employee retention, placement or a similar nature presented to or promised for the purpose of obtaining the approval of the competent authorities, or as otherwise agreed to in writing by both parties. For the purpose of this subparagraph, the term "preferential treatment" means that, as a result of the implementation of the Merger, the employees or officers of Party B and Party B's subsidiaries may claim any payment or benefit (including, without limitation, any measures or proposals of a similar nature that are superior to those under labor-related laws and regulations or collective agreements or those addressing employee rights and interests issues) to be paid as a result of a change of control or the early termination or rescission of an appointment/employment contract.

- 4.21 Correctness of information: Documents provided by Party B to Party A in writing (including, without limitation, in the form of any electromagnetic record or electronic mail) and responses to inquiries from Party A (including those from its consultants), or information contained in this Agreement, the disclosures, the related transaction documents, the financial reports or any certificates issued by Party B and its subsidiaries, have disclosed all agreements or other documents that may material adverse impact on or restrict the rights and interests of Party B and its subsidiaries and are true and correct in all material respects and have not been misrepresented or concealed.
- 4.22 Disclosure of subsequent events: If Party B discovers after the execution of this Agreement that any of the representations and warranties made by Party B in accordance with Article 4 of this Agreement upon the execution of this Agreement is breached or that any of the matters disclosed by Party B is wrong, omitted, untrue or incorrect, Party B shall immediately notify Party A in writing and shall rectify the information originally provided or update the matters disclosed; provided that such rectification or updating of the matters disclosed by Party B shall not affect the rights that may be claimed or remedies that may be exercised by Party A in accordance with the law or in accordance with this Agreement. If any event occurs after the signing of this Agreement and before the Merger Record Date that causes Party B to breach the representations and warranties provided pursuant to Article 4 of this Agreement or renders the disclosures made by Party B wrong, omitted, untrue or incorrect, Party B shall immediately supplement or update in writing for Party A the information and disclosures originally provided.
- 4.23 "Material", "material adverse", "material disadvantage", and "material adverse impact" as used in Article 4 of this Agreement shall mean the occurrence of an event or circumstance which has caused or is reasonably expected to cause a negative effect on Party B, amounting to NT\$300 million or above in a single case.
- 4.24 The annual reports of Party B and its subsidiaries which have been published in the Market Observation Post System, and the financial statements certified by a certified public accountant or the

notes thereto which have been disclosed, since 2022, shall be deemed to have been included in the disclosure list and disclosed to Party A for the purposes of Article 4 of this Agreement.

## 5. Covenants

5.1 Party B undertakes to Party A that, from the execution of this Agreement up to and including the Merger Record Date, Party B shall, and shall procure its subsidiaries to, continue to operate their businesses in a normal and professional manner. Party B shall, and shall procure its subsidiaries to, comply with the requirements of applicable laws and regulations and governmental authorities, and use its and their reasonable commercial efforts to maintain its and each of its subsidiaries' relationships with customers and employees. In the event of any material adverse change in its condition (operational, financial or otherwise), assets, obligations or revenues or any violation of this paragraph, or upon becoming aware of any material litigation, arbitration, non-litigation matter, administrative remedy, claim or investigation that has occurred or will occur that has a material adverse impact on Party B and its subsidiaries (including those companies' directors, officers and/or employees who are involved in the company's business), prompt notice shall be given to Party A in writing. In addition, except in the ordinary course of business in accordance with the law, or for the purpose of fulfilling contracts signed, or in accordance with the requirements of laws and regulations or the competent authorities, Party B and its subsidiaries may not engage in any of the following behaviors without Party A's written consent (provided that Party A may not unreasonably withhold or delay giving such consent), from the signing of this Agreement up to and including the Merger Record Date:

5.1.1 Amend the Articles of Incorporation and the existing organizational structure of the company.

5.1.2 (a) Increase capital in cash, issue new shares (unless new shares are issued by Party B to the holders of the converted bonds as a result of the conversion of the converted bonds of Party B existing prior to the date of signing of this Agreement), or pay or distribute dividends or employee bonuses (whether in the form of cash dividends, stock dividends, or any other form of dividends or bonuses, except as set forth in the disclosures in Attachment 4.6 or announced prior to the signing of this Agreement), issue corporate bonds, free distribution, issue convertible corporate bonds, corporate bonds with warrants, preferred shares with warrants, depositary receipts, warrants, call (put) warrants, and other securities or rights of an equity nature, except as stated in the disclosures in Attachment 4.7.

5.1.3 Except buying back the shares of the dissenting shareholders in accordance with Article 7 hereof as a result of the Merger, , purchase directly or indirectly on its own or through any other third party Party B's or any of its subsidiaries' issued shares or marketable securities of an equity nature, effect a capital reduction, or resolve to dissolve, liquidate, petition for reorganization, settlement, or go into bankruptcy, or engage in any other act that is sufficient to cause a material adverse impact on cash flow, shareholders' equity, or financial structure.

5.1.4 Change the accounting methods or policies, unless the change is in response to a change in accounting principles.

- 5.1.5 Revise the work rules of the company's employees; change the contracts or terms of employment with employees, officers and directors, including, without limitation, increasing the wages, salaries, compensation, emoluments, perquisites, bonuses, incentives, employee stock options, employee insurance, pensions, severance plans, and other related employee benefits of employees, officers and directors; create, increase or promise to increase any benefits under any employee benefits; or make new appointments of officers, except promotions which should be approved by the board of directors of Party B or its subsidiaries in accordance with the relevant laws and regulations or the internal rules of Party B or its subsidiaries. However, this shall not apply to the renewal of an existing appointment/employment contract upon the expiration of such contract or to the conclusion of a new contract with the same terms for the purpose of renewing an existing contract in the relevant period, or if the established rules and practices relating to personnel compensation and incentives apply.
- 5.1.6 Enter into any contract with a third party relating to (1) a merger, demerger, acquisition, stock exchange, transfer of assets, strategic alliance, entrusted operation, joint venture, or investment in any for-profit organization; (2) enter into, change, or terminate early a contract for the lease of the entire business, the entrustment of operation to another person, or the recurring joint venture with another person; (3) transfer business or property to another person; (4) be transferred the business or property of another person; (5) enter into any contract for outsourcing, agency, lease, authorization, appointment, employment, or any other contract that cannot be rescinded or terminated early or whose early rescission would result in material damages; or (6) any transaction, contract, agreement, undertaking, letter of intent, or memorandum that has a similar effect to the foregoing (1) through (5).
- 5.1.7 Loan funds to any shareholder.
- 5.1.8 Provide any assets for the creation of security rights or other encumbrances in favor of any third party, or provide any guarantees or endorsements to third parties, except as necessary for complying with laws and regulations and for day-to-day operations.
- 5.1.9 Waive, abandon or disclaim any right or interest now validly subsisting or settle any controversy, dispute or litigation with any third party or otherwise act adversely to the company in a manner that may materially and adversely affect the operation, business or other condition of Party B or its subsidiaries.
- 5.1.10 Discuss, negotiate, enter into or undertake to enter into Material Contracts with any third party which are not in the ordinary course of business or material contracts which are sufficient to affect the financial or business affairs of Party B or its subsidiaries (Material Contract referred under this subparagraph is defined under Article 5.1.15).
- 5.1.11 Except in the ordinary course of business, acquire or dispose of tangible or intangible assets in any manner amounting to NT\$300 million in a single transaction, or cause a material change in the company's business, financial condition, liabilities, or assets, or make capital

expenditures of up to NT\$300 million.

- 5.1.12 Terminate or cease the operation of any agency or other business, or carry out mass redundancy, or implement any early retirement or favorable retirement program.
  - 5.1.13 Approach, negotiate, discuss, offer, sell or accept any proposal from any other person for a sale or joint venture or partnership involving the equities or management rights of Party B and its subsidiaries or a merger with Party B and its subsidiaries or in connection with Party B's and its subsidiaries' material businesses or assets.
  - 5.1.14 Make any new or additional loans or increase any debt or other liabilities amounting to NT\$300 million in a single case, except in the ordinary course of business (including any new commercial paper or bank borrowings expected to be taken out by Party B as set out in the disclosures in Attachment 4.7).
  - 5.1.15 Enter into any Material Contracts. Material Contracts include: (1) contracts relating to Party B's or its subsidiaries' own management rights or the acquisition of other companies' management rights; (2) contracts to acquire or dispose of branch assets amounting to NT\$300 million; (3) contracts with annual payments amounting to NT\$300 million; (4) contracts restricting the major operating behavior of Party B or its subsidiaries; (5) contracts for settlement or resolution of disputes with third parties amounting to NT\$300 million; (6) contracts licensing third parties to use the Intellectual Property Rights owned by Party B or its subsidiaries; (7) contracts with affiliates amounting to NT\$300 million; (8) contracts for debts and loan agreements amounting to NT\$300 million; and (9) other related joint ventures or long-term equity investments amounting to NT\$300 million. The above amounts are calculated on the basis of a single transaction or a single contract.
  - 5.1.16 "Material adverse" and "material adverse impact" as used in Article 5 of this Agreement shall mean the occurrence of an event or circumstance which has caused or is reasonably expected to cause a negative impact on such party amounting to NT\$300 million or more in a single case.
- 5.2 Party A and Party B undertake the following to each other from the signing of this Agreement up to and including the Merger Record Date:
- 5.2.1 A party shall consult with the other party for the release of any information relating to this Agreement or the Merger; and either party shall obtain the prior consent of the other party to the release of any information relating to this Agreement or the Merger in accordance with the relevant laws and regulations or the Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities of the Taiwan Stock Exchange Corporation (TWSE), or the relevant regulations of the TWSE; provided, however, that such consent shall not be unreasonably withheld by the other party..
  - 5.2.2 Except for the contents that have been disclosed by either party in accordance with laws and regulations, either party may not directly or indirectly disclose the related contents of this

Agreement and the Merger to any third party, except for disclosing the related contents of this Agreement and the Merger to the directors, consultants (including but not limited to accounting, financial or legal consultants) and employees of such party and such party's subsidiaries as may be required by law or as may be necessary for the fulfillment of this Agreement.

- 5.2.3 Upon the signing of this Agreement, both parties shall complete the various legal procedures in respect of the Merger as soon as possible, including but not limited to the following: (1) both parties shall make a filing with the FTC within 20 days (inclusive) after the signing of this Agreement; (2) Party A and Party B shall each convene a shareholders' meeting after the signing of this Agreement to approve the Merger, this Agreement and all the relevant documents; and (3) within 10 days (inclusive) after the resolution at the shareholders' meetings of both Party A and Party B to approve the Merger, both parties shall apply to the FSC for approval of the Merger in accordance with the provisions of the Financial Institutions Merger Act. The above timeframe may be extended or shortened if necessary for practical purposes, subject to the mutual agreement of the chairpersons of the boards of directors of the parties or the designees of the chairpersons as authorized by the boards of directors of both parties. If, after the execution of this Agreement, it is necessary for the overseas subordinate companies or branch units of both parties and their subsidiaries to implement filing or application procedures in relation to the Merger under the local laws and regulations of the territories or countries of such overseas subordinate companies or branch units, each of the parties shall cause its overseas subordinate companies or branch units to comply with such filing or application procedures and obtain all necessary approvals (if any). For the avoidance of doubt, either party's refusal to make or delay in making, without a valid reason, any application or filing for permission or approval from the competent authorities as required for the completion of the Merger shall constitute a breach under Article 9.1 of this Agreement.
- 5.2.4 Upon the execution of this Agreement, the Parties shall, in accordance with the relevant laws and regulations and in good faith, take all necessary actions as appropriate and desirable to fulfill the other conditions precedent set forth in Article 6 of this Agreement, for the purpose of completing the Merger pursuant to this Agreement. The parties undertake and shall continue to operate their businesses in a consistent professional manner, shall comply in all material respects concerning business operation with applicable laws and regulations, approvals of all governmental authorities and all requirements relating to the company and the operation of its business, and shall use their reasonable commercial endeavors to maintain their relationships with third parties and their employees.
- 5.2.5 Unless stipulated by this Agreement or agreed to in writing by the party, no action or inaction by either party that will or is reasonably expected to result in the following circumstances is permitted from the date of this Agreement to the Merger Record Date (inclusive): (1) As of the Merger Record Date, the representations or warranties of the parties set forth in Articles 3 and 4 of this Agreement becoming untrue or constituting a material breach of the parties'

undertakings or obligations set forth in this Agreement, or (2) the failure to satisfy or fulfill the conditions precedent set out in Article 6 of this Agreement. If, prior to the Merger Record Date, there is any fact, change, condition, circumstance or any event that causes either party to be unable to comply with the requirement in either (1) or (2) above, such party shall immediately notify the other party in writing, provided that such notification shall not affect such party's rights and obligations under this Agreement.

5.2.6 In the event any of the circumstances set forth in Article 2.3 hereof has occurred to either party, such party shall immediately notify the other party and provide necessary information.

5.3 Both parties shall use their best commercially reasonable efforts to obtain the approvals of the competent authorities required for the Merger in accordance with the terms and conditions agreed to by both parties, and shall avoid any conditions not agreed to by either party being included as the condition to approval being applied for. However, in the event that the competent authorities still impose conditions not agreed to by either party as condition to their approval, the parties shall use their best commercially reasonable efforts to discuss, before the Long Stop Date (as defined in Article 6.2), other feasible options that are lawful and reasonable with respect to their respective operations, businesses, finances, legal compliances, human resources etc., in accordance with the relevant laws and regulations and in the best interest of the shareholders and the stakeholders of the respective companies. However, for the avoidance of doubt, neither party shall be obligated to accept any conditions imposed by the competent authorities for the approval of the Merger.

5.4 In order to facilitate the smooth closing of the Merger, within the scope permitted by laws and regulations, both parties shall form a handover team to carry out preparatory work for business integration and handover, as well as handover matters. The members, duties, mode of operation and other details of the handover team shall be separately agreed upon by both parties based on the principle of good faith.

## **6. Conditions precedent to the Merger**

6.1 The parties agree that the conditions precedent to the completion of the Merger include:

6.1.1 The board of directors and the meetings of the shareholders of common and preferred shares of Party A and the board of directors and the meetings of the shareholders of common and preferred shares of Party B have resolved to approve this Agreement and the Merger in accordance with the law.

6.1.2 The permissions, consents or approvals of the FSC, the FTC, the TWSE, and other relevant competent authorities whose prior permissions, consents or approvals shall be obtained, as required for the consummation of the Merger, have all been obtained in respect of the Merger.

6.1.3 The consummation of the Merger is not limited or prohibited by a provisional injunction, a provisional injunction maintaining a temporary status quo, or a final judgment of a court of competent jurisdiction, or by any other order or decree.

- 6.1.4 As of the Merger Record Date, the parties have not breached any of their undertakings, obligations, or covenants under this Agreement in the amount of NT\$10 billion, and there have been no representations or warranties that are invalid, incorrect, untrue, or breached in the amount of NT\$10 billion. For the avoidance of doubt, neither party may refuse to complete the Merger on the grounds that it has not complied with or performed the provisions of this Agreement.
- 6.1.5 Prior to the Merger Record Date, no event has occurred that has caused the financial or business affairs of either party to be adversely affected to the extent of NT\$10 billion or to incur a book loss to the extent of NT\$10 billion or more, unless the event has occurred as a result of the ordinary course of business.
- 6.2 If any of the conditions precedent has not been fulfilled and has not been waived by the other party in accordance with this Agreement by 31 December 2025, or a date otherwise agreed by the parties in writing (**Long Stop Date**), this Agreement shall be automatically terminated unless otherwise agreed upon by the chairpersons of the boards of directors of the parties or the designees of the chairpersons as authorized by the boards of directors of the parties. Prior to the Long Stop Date, the parties may agree to extend the date by the agreement of the chairpersons of their boards of directors or the designees of the chairpersons as authorized by their boards of directors, for a period of three months each time, with no limitation on the number of extensions. In the event that the Merger is automatically terminated because it has not been completed within the aforesaid period of time, in addition to the provisions of this Agreement, both parties shall handle related matters in compliance with the relevant laws and regulations.
- 6.3 The conditions precedent in Articles 6.1.1, 6.1.2 and 6.1.3 above may not be waived by either party and the conditions precedent in Article 6.1.4 or 6.1.5 may be waived by the party not in breach (or being without cause) at its discretion by written notice to the other party. For the avoidance of doubt, the waiver by a party not in breach (or being without cause) of any of the conditions precedent set forth in Article 6.1.4 or 6.1.5 at its discretion shall not constitute a limitation or impediment to its rights or remedies under this Agreement, nor may it be deemed to relieve the other party from its obligation to perform the delivery on time and in accordance herewith.

## **7. Acquisition of dissenting shareholders' shares**

- 7.1 In the event that a shareholder of either party expresses dissent in accordance with the law with respect to the Merger and requests the buyback of their shares, such party shall purchase the shares held by the dissenting shareholder at a fair market price in accordance with the provisions of laws and regulations and market practice. The shares bought back under this article shall be canceled in accordance with the relevant laws and regulations. The number of new shares expected to be issued by Party A for the Merger as set forth in Article 2 of this Agreement shall be adjusted as appropriate and necessary.

## 8. Officer and employee protection

- 8.1 Party A undertakes to handle the employment and appointment of Party B's employees and officers after the completion of the Merger in accordance with the provisions of the Financial Holding Company Act, the Financial Institutions Merger Act, the Business Mergers and Acquisitions Act and relevant labor laws and regulations.
- 8.2 Party A agrees to retain all of Party B's officers and all of Party B's employees subject to the Labor Standards Act who are still in the service of Party B as of the date on which Party A sends the retention notices in accordance with this article (**Party B's Officers and Employees**) and to recognize the years of service that Party B's Officers and Employees have had with Party B prior to the Merger Record Date. Party A also undertakes to send to Party B's Officers and Employees, 30 days prior to the Merger Record Date, a notice of retention setting out the terms of appointment/labor conditions, which labor conditions will be equivalent to those offered by Party B to Party B's Officers and Employees prior to the Merger Record Date. Whether the notified officers and employees agree to be retained or not shall be handled in accordance with the relevant laws and regulations. Party B shall use its best endeavors to assist Party A in retaining Party B's Officers and Employees. If Party B's employees choose not to stay, the calculation of their severance pay or pension shall be in accordance with the Labor Standards Act, other relevant laws and regulations, Party B's personnel regulations and work rules.
- 8.3 Party A undertakes to ensure, after the Merger Record Date in accordance with the Labor Standards Act and other relevant laws and regulations, the work rights of Party B's Officers and Employees who remain as at the Merger Record Date. Party A also undertakes not to improperly change or terminate the appointment and employment relationships with Party B's Officers and Employees in any way, except under the circumstances stipulated in Article 11 or Article 12 of the Labor Standards Act.
- 8.4 The remaining balance of the labor retirement reserve funds appropriated by Party B, after paying the pensions and severance pay of the non-retained employees, shall be transferred from the "Special Account for Labor Retirement Reserve Supervisory Committee of Shin Kong Financial Holding Co., Ltd." to the "Special Account for Labor Retirement Reserve Supervisory Committee of Taishin Financial Holding Co., Ltd." of Party A on the Merger Record Date.
- 8.5 In the event that a Party B subsidiary becomes a dissolved company under the Financial Institutions Merger Act or the Business Merger and Acquisition Act after the Merger Record Date, Party A agrees that the protection of Party B's subsidiary's officers and employees shall not be less than that stipulated in the foregoing.
- 8.6 The boards of directors of both parties shall authorize the chairpersons of the boards of directors of both parties to negotiate and agree on the details of retention, placement and protection of the rights and interests of the officers and employees in accordance with the foregoing agreement and the relevant laws and regulations.

## **9. Breach of contract and grounds for termination**

- 9.1 Failure to perform or breach by either party of any of its obligations, representations, warranties and undertakings under this Agreement constitutes a breach of this Agreement (**Breach**). If a Breach occurs prior to the Merger Record Date and, by its nature, is capable of being cured, the non-breaching party may exercise such rights and remedies and claim damages as are available to it at law and pursuant to the provisions of this Agreement if, upon written request of the non-breaching party that cure be made within a reasonable period of time, cure is not completed within the prescribed period.
- 9.2 If the Merger is not completed by the Long Stop Date due to: (1) Party B's breach of Article 5.1.6 and Article 5.1.13 of this Agreement, Party B shall pay Party A punitive damages of NT\$10 billion; or (2) a party's material Breach, the breaching party shall pay the other party that is not in breach punitive damages of NT\$5 billion. The foregoing liability for punitive damages does not include the damages described in the preceding paragraph and the necessary expenses incurred in the preparation of this Agreement and the fulfillment of the Merger.
- 9.3 Notwithstanding anything to the contrary in this Agreement, neither party shall be liable to the other for indirect damages (including, without limitation, damages for loss of revenue, loss of business opportunity and estimated benefits).
- 9.4 This Agreement may be terminated by mutual written consent of the parties prior to the Merger Record Date.
- 9.5 Upon termination of this Agreement, the other rights and obligations of the parties under this Agreement shall cease immediately unless otherwise agreed in writing by the parties, except as provided in Article 9.1, Article 9.2, Article 9.3, Article 9.5 and Article 15.1, Article 15.5, Article 15.6, Article 15.8, Article 15.9 and Article 15.11, which shall survive the termination of this Agreement, and the termination of this Agreement shall not affect the rights and obligations which either party has under this Agreement at the time of termination.

## **10. Schedule**

- 10.1 Party A and Party B shall each convene a shareholders' meeting before 31 October 2024 to resolve to approve the Merger and this Agreement. In the event it is necessary to adjust the date of the shareholders' meeting on account of a request from a competent authority, Force Majeure Event (as defined in Article 15.10) or as otherwise agreed by both parties, both parties shall convene a shareholders' meeting as soon as possible in accordance with the relevant laws and regulations.
- 10.2 After it has been resolved at the shareholders' meeting of Party A and the shareholders' meeting of Party B to approve the Merger, and the permissions or approvals from the relevant competent authorities have been obtained in respect of the Merger, and the other conditions precedent set forth in Article 6 of this Agreement have been satisfied or waived, the boards of directors of both parties shall authorize the chairpersons of the boards of directors or their designees to jointly agree on the Merger Record Date; if the permissions or approvals of the relevant competent authority cannot be

obtained before the tentative Merger Record Date or if it is deemed necessary to change the Merger Record Date due to other circumstances, the boards of directors of both parties shall authorize the chairpersons of the boards of directors or their designees to co-ordinate the change the Merger Record Date without the need to hold a shareholders' meeting.

10.3 Party B shall file an application for termination of listing with the TWSE 30 business days prior to the Merger Record Date in accordance with the relevant laws and regulations.

#### **11. Changes in the Articles of Incorporation of the surviving company after the merger**

The surviving company after the merger shall be Party A, and Party A's Articles of Incorporation shall be the Articles of Incorporation of the surviving company. Party A shall make corresponding amendments to the relevant provisions of its Articles of Incorporation in accordance with the provisions of this Agreement and the situation of the surviving company after the Merger at the shareholders' meeting resolving to approve this Agreement. The changes to the Articles of Incorporation are as set forth in Attachment 2, and the actual provisions shall be based on the version approved at Party A's shareholders' meeting and approved by the competent authorities.

#### **12. Protection for creditors, beneficiaries of funds, investors in securities or futures traders**

Both parties shall make a public announcement and filing in accordance with the regulations of the competent authorities within two days after the board of directors' meetings resolves to approve the Merger, and shall publicly announce the contents of the resolution and the matters required to be specified in this Agreement in accordance with the provisions of the Financial Institutions Merger Act within 10 days after it is resolved at the shareholders' meeting of each party to approve the Merger. The aforesaid public announcement shall designate a period of at least 30 days within which creditors, fund beneficiaries (if applicable), insurance contract rights holders (if applicable), securities investors (if applicable), or futures traders (if applicable) of each party may raise in writing objections that the merger would jeopardize their rights and interests. The public announcement shall be made for at least seven consecutive days at all of the business premises of the two parties and for at least five consecutive days in the press, on the Internet, or in a manner designated by the competent authorities. If any creditor, fund beneficiary (if applicable), insurance contract right holder (if applicable), securities investor (if applicable), or futures trader (if applicable) of either party expresses an objection within the specified period of time that the merger would jeopardize their rights and interests, the parties shall act in accordance with the Financial Institutions Merger Act and the relevant laws and regulations.

#### **13. Principles for handling of the equity securities of the dissolved company**

13.1 In respect of the preferred shares of Party B, Party A shall issue preferred shares to the shareholders of preferred share of Party B on the Merger Record Date on a one-for-one basis with the original terms of issue of Party B's preferred shares generally assumed by Party A.

13.2 In respect of Party B's domestic convertible bonds, Party A shall generally assume the original terms of issue on the Merger Record Date, and the conversion price shall be adjusted in accordance with the final Exchange Ratio of the Merger. Both parties agree to handle the matter properly in accordance with laws and regulations and market practice.

13.3 In respect of Party B's GDR, Party A shall generally assume the original terms of issue, and the number of shares of the GDRs or the securities represented by the GDRs shall be adjusted in accordance with the final Exchange Ratio of the Merger. Both parties agree to handle the matter properly in accordance with the laws and regulations and market practice.

#### **14. Increase in the number of parties or companies participating in the Merger**

After the Merger has been approved by the boards of directors of both parties and the related information has been disclosed to the public in accordance with the law, in the event that both parties agree to merge with another financial holding company, which may result in an increase in the number of participating in the Merger, the procedures or legal acts that have been completed with regard to the Merger shall be carried out anew by all the companies involved.

#### **15. Others**

15.1 The laws of the R.O.C. (Taiwan) shall apply to the interpretation, entry into force and performance of this Agreement. Either party shall use reasonable efforts to resolve any dispute, controversy or claim arising out of or relating to this Agreement (**Dispute**) within 30 days from the date of written notice of the Dispute by the other party. If any Dispute cannot be resolved in the manner described above, the parties agree that the Taiwan Taipei District Court shall be the court of first instance.

15.2 If amendment to any of the provisions of this Agreement is required in accordance with the instructions of the relevant competent authorities or change of law or any textual modification is required, the chairpersons of the boards of directors of both parties or persons authorized by the boards of directors shall amend the same through negotiations as soon as possible without the need to convene a shareholders' meeting.

15.3 In the event that any provision of this Agreement is invalid because it is in conflict with relevant laws and regulations, only the conflicting portion of this Agreement is invalid, and the other provisions of this Agreement shall remain in force and effect. The boards of directors of both parties shall promptly amend through negotiations any provision of this Agreement that is invalid due to such conflict, provided that such amendment shall maintain to the extent permitted by law the original intent of this Agreement as agreed upon by both parties.

15.4 Modifications and changes to this Agreement shall be made by mutual written consent of both parties.

15.5 Any notice of this Agreement shall be effective when given by registered mail or by personal delivery to the address set forth below:

**Taishin Financial Holding Co.**

General Manager: Mr. Welch LIN

Address: 12F, 13F, 15F, 16F, 21F, 22F, 23F, No. 118, Sec. 4, Renai Rd., Da-an, Taipei

**Shin Kong Financial Holding Co.**

General Manager: Mr. Stephen CHEN

Address: 38F, No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng, Taipei

In the event of any change in either of the above addresses, the party making such change shall forthwith notify the other party in writing, or it may not assert such change as a valid defense.

- 15.6 Except for the confidentiality agreement between the parties, which shall not be affected by the execution or rescission or termination of this Agreement, any oral and written discussions, arrangements and undertakings between the parties in connection with the Merger prior to the execution of this Agreement shall be superseded by this Agreement and shall cease to have any effect.
- 15.7 The headings used in this Agreement are for convenience and reference only and are irrelevant to the interpretation of this Agreement.
- 15.8 A party may not assign its rights under this Agreement to any third party or have any third party assume the obligations under this Agreement without the prior written consent of the other party.
- 15.9 This Agreement does not, expressly or implicitly, grant any rights or indemnification under this Agreement to any third party other than the parties hereto.
- 15.10 Prior to the Merger Record Date, if either party is unable to perform or delays performing its obligations under this Agreement due to war, hostilities, blockade, riot, revolution, fire, typhoon, tsunami, flood or epidemic (**Force Majeure Event**), the party shall not be liable to the other party. However, either party shall notify the other party of the occurrence of such Force Majeure Event within three days after becoming aware of it. The foregoing shall not relieve either party from continuing to perform its obligations under this Agreement as soon as possible after the cessation of the Force Majeure Event.
- 15.11 All legal, accounting, and financial consulting, taxes and other related expenses incurred in connection with the execution or performance of this Agreement shall be borne by each party. In the event that this Agreement and the Merger are not approved by the relevant competent authorities or otherwise fail to take effect, the legal, accounting, and financial consulting, taxes and other related expenses incurred shall also be borne by each party.
- 15.12 This Agreement and the attachments hereto constitute the entire agreement of the parties. Nothing that has not been agreed upon by the parties prior to this Agreement taking effect but is not contained in this Agreement and the attachments shall be binding on the parties. There are four attachments to this Agreement, the names of which are set forth below:

Attachment 1: Securities of an equity nature of the parties as of the date of this Agreement

Attachment 2: Changes to the Articles of Incorporation of the Surviving Company

Attachment 3: Disclosures by Party A

Attachment 4: Disclosures by Party B

15.13 This Agreement is executed in duplicate, each copy held by a party as evidence.

15.14 This Agreement shall become effective upon execution and delivery by both parties.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first mentioned above.

Party A:

Party B:

Taishin Financial Holding Co., Ltd.

Representative: Wu, Tong-Liang

Address: 12F, 13F, 15F, 16F, 21F, 22F  
and 23F, No. 118, Sec. 4, Renai Rd., Da-  
an District, Taipei

Shin Kong Financial Holding Co., Ltd.

Representative: Wei, Mark

Address: 38F., No. 66, Sec. 1, Chung-  
Hsiao W. Rd., Taipei

*[This English translation is for reference only; if there is any discrepancy, the Chinese version shall prevail.]*

## **Amendment to Merger Agreement**

This Amendment Agreement to Merger Agreement (**Amendment Agreement**) is entered into by and between Taishin Financial Holding Co., Ltd. (**Party A**) and Shin Kong Financial Holding Co., Ltd. (**Party B**) as of 11 September 2024.

Whereas Party A and Party B have signed the Merger Agreement (**Agreement**) on 22 August 2024, and as amending the Agreement is necessary for the merger procedures, both parties, after negotiation, hereby agree to amend the following terms of the Agreement by this Amendment Agreement for mutual compliance:

### **1. Amendment to Article 1.3.3 of the Agreement**

Article 1.3.3 of the Agreement shall be amended and replaced as follows:

1.3.3 Based on the Exchange Ratio set forth in Article 2.1, the registered capital of Party A as the surviving company after the merger is estimated to be NT\$350,000,000,000, divided into 35,000,000,000 shares with a par value of NT\$10 each, and its paid-in capital is estimated to be NT\$293,756,142,010, divided into 24,878,930,340 shares of common share, 800,000,000 shares of Class E preferred share, 300,000,000 shares of Class F preferred share, 297,000,000 shares of Class G preferred share and 3,099,683,861 shares of Class H preferred share, each with a par value of NT\$10. The expected terms and conditions for the issuance of Party A's shares of Class G preferred share (including Class G preferred shares I and II) and Class H preferred share are as set forth in Attachment 2 (the actual provisions should be subject to the version approved at Party A's shareholders' meeting and by the competent authorities). The actual paid-in capital and total issued shares of Party A as at the record date of the merger will be subject to increase or decrease on account of an adjustment of the share exchange ratio as stipulated in Article 2.3 or the occurrence of other events.

### **2. Amendment to Article 2.1 of the Agreement**

Article 2.1 of the Agreement shall be amended and replaced in its entirety as follows:

2.1 On the Merger Record Date, all the shares issued and outstanding by Party B shall cease to be outstanding and be canceled as a result of the merger. Party A shall issue new shares and exchange for one share of common share of Party B with 0.6720 share of common share (**Common Share Exchange Ratio**) and 0.175 share of Class H preferred share (**Class H for Common Share Exchange Ratio**), and exchange for one share of Class A preferred share of Party B with each share of Class G preferred share I and for one share of Class B preferred share of Party B with each share of Class G preferred share II (**Preferred Share Exchange Ratio**) (the Preferred Share Exchange Ratio, Common Share Exchange Ratio and Class H for Common Share Exchange Ratio are collectively referred to as the **Exchange Ratio**). Party A shall pay the share consideration on the Merger Record Date to all the shareholders of Party B as recorded in the shareholders' register of Party B as at the Merger Record Date. Party A expects to (1) issue a total of 11,902,786,028 shares of common share and 3,099,683,861 shares of Class H preferred share to all the shareholders of

common share of Party B and (2) issue a total of 297,000,000 shares of Class G preferred share to all the shareholders of Class A and Class B preferred shares of Party B on the Merger Record Date, provided that the actual amount of the new shares to be issued by Party A shall be calculated based on Party B's shareholders' register as at the Merger Record Date and on the Exchange Ratio adjusted (if applicable) in accordance with Article 2.3 of this Agreement. The rights and obligations of the new shares of common share issued by Party A shall be the same as those of the existing common shares issued by Party A. If there is a need to adjust the rights and obligations of the classes of preferred shares issued by Party A per the requirements of the competent authorities, the parties shall negotiate in good faith to adjust such rights and obligations. The consideration for the Merger is the new shares issued by Party A. The consideration will not be paid by distributing the shares of Party A that have been bought back by it (if any) to the shareholders of Party B.

### **3. Partial Amendment to Article 2.2 of the Agreement**

Article 2.2 of the Agreement shall be amended and replaced in its entirety as follows:

2.2 If Party B's shareholders acquire any odd-lot shares less than one share, in lieu of such odd-lot shares, Party A will pay cash to such Party B's shareholders on a pro rata basis based on the closing price of Party A's common shares on the last trading day prior to the Merger Record Date and the issue price of Class H preferred share (fractions of NT\$1 shall be rounded to the nearest NT\$), and Party A may authorize the chairperson of its board of directors or their designee to approach a specific person to take up such odd-lot shares at such aforementioned market price or issue price (whichever may be applicable). In the event that there is a need to change the handling of these odd-lot shares in accordance with the laws and regulations or operational requirements, the chairperson of the board of directors of Party A or their designee shall have full authority to handle the matter.

### **4. Amendment to Article 2.4 of the Agreement**

Article 2.4 of the Agreement shall be amended and replaced in its entirety as follows:

2.4 Adjustment of the Preferred Share Exchange Ratio and Class H for Common Share Exchange Ratio:  
Unless instructed by the competent authorities and resolved by the boards of directors of both parties, or adjusted to facilitate the procurement of approval of the relevant competent authorities and as resolved by the boards of directors of both parties, the Preferred Share Exchange Ratio and Class H for Common Share Exchange Ratio stipulated in this Agreement shall not be changed.

### **5. Attachment 2 to the Agreement**

Attachment 2 to the Agreement shall be deleted and replaced in its entirety by the Attachment to this Amendment Agreement.

### **6. Miscellaneous**

(1) The Agreement shall apply to any undefined matters in this Amendment Agreement. This Amendment

Agreement shall form part of the Agreement and have the same effects as the Agreement. Unless otherwise agreed in this Amendment Agreement, the provisions in the Agreement and its attachments shall remain in force.

- (2) This Amendment Agreement shall become effective upon execution and delivery by both parties. This Amendment Agreement shall be deemed to form a part of the Agreement from the effective date.
- (3) This Amendment Agreement is executed in duplicate, each copy held by a party as evidence.

(This page is intentionally blank below)

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Agreement to be executed as of the date first mentioned above.

Party A:

Party B:

Taishin Financial Holding Co., Ltd.

Representative: Wu, Tong-Liang

Address: 12F, 13F, 15F, 16F, 21F, 22F  
and 23F, No. 118, Sec. 4, Renai Rd., Da-  
an District, Taipei

Shin Kong Financial Holding Co., Ltd.

Representative: Wei, Mark

Address: 38F., No. 66, Sec. 1, Chung-  
Hsiao W. Rd., Taipei

*[Translation for reference only; If there is any discrepancy, the Chinese version shall prevail.]*

**Attachment 1**

**Equity Securities Issued by Party A**

As of August 22, 2024

<b>Type of Marketable Security</b>	<b>Issued Volume</b>
Common share	12,976,144,312 shares
Class E preferred share	800,000,000 shares
Class F preferred share	300,000,000 shares
First domestic unsecured exchangeable bonds	50,000

## Equity Securities Issued by Party B

As of August 22, 2024

Type of Marketable Security	Issued Volume
Common share	17,157,629,042 shares
Class A preferred share	75,000,000 shares
Class B preferred share	222,000,000 shares
Sixth domestic unsecured convertible bonds	49,993 ( Balance: 49,992 certificates )
GDR (Place of listing: Luxembourg)	11,558 units ( Number of common shares represented: 289,000 )

## Attachment 2

### Amendments to the Articles of Incorporation of the Surviving Company

#### Taishin Financial Holding Co., Ltd.

##### Table of Comparison of the Articles of Incorporation

Article	Amended	Current
Article 1	<p>The Company is incorporated pursuant to the Financial Holding Company Act, the Company Act, and other relevant laws and regulations. The name of the Company shall be “Taishin Financial Holding Co., Ltd.” (abbreviated to “Taishin Holdings”).</p> <p><b><u>If the Company completes a merger with Shin Kong Financial Holding Co., Ltd. (Shin Kong Holdings), the Company will be renamed “TS Financial Holding Co., Ltd.” (abbreviated to “TS Holdings”) as of the record date of the merger. Amendment of this paragraph shall become effective as from the record date of the merger.</u></b></p>	<p>The Company is incorporated pursuant to the Financial Holding Company Act, the Company Act, and other relevant laws and regulations. The name of the Company shall be “Taishin Financial Holding Co., Ltd.” (abbreviated to “Taishin Holdings”).</p>
Article 5	<p>The authorized capital of the Company is NT\$<b>350,000,000,000</b>, divided into <b>35</b> billion shares at par value of NT\$10. The Board of Directors is authorized to issue the shares of capital in installments. <b>3.5</b> billion shares shall be reserved for the Company to issue shares for stock warrants, shares with warrants or corporate bonds with warrants.</p>	<p>The authorized capital of the Company is NT\$200,000,000,000, divided into 20 billion shares at par value of NT\$10. The Board of Directors is authorized to issue the shares of capital in installments. 2 billion shares shall be reserved for the Company to issue shares for stock warrants, shares with warrants or corporate bonds with warrants.</p>
Article 8-4	<p>The Company issues 3,500,000,000 Class E registered preferred shares ("Class E preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issue associated with Class E preferred shares are as follows:</p> <p>1. The dividend rate for Class E preferred shares should not exceed 8.00% p.a. of the issue price. In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, <b><u>or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class E preferred shares, or out of consideration for other essential factors, the Company may resolve not to distribute dividends,</u></b> and the unpaid dividend will not be carried forward to years with earnings.</p>	<p>The Company issues 3,500,000,000 Class E registered preferred shares ("Class E preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issue associated with Class E preferred shares are as follows:</p> <p>1. The dividend rate for Class E preferred shares should not exceed 8.00% p.a. of the issue price. In years when there is insufficient or no surplus to fully pay off dividends for Class E preferred shareholders, the unpaid dividend will not be carried forward to years with earnings.</p>

	<p>2. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution under an acknowledged earnings distribution proposal will be distributed first to Class E preferred shares. Any remaining balance shall be distributed according to the Articles of Incorporation.</p> <p>3. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for the dividends prescribed in the three preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.</p> <p>6. Any premium received on the issuance of Class E preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class E preferred shares.</p> <p>7. Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class</p>	<p>2. The Company has sole discretion over the distribution of Class E preferred share dividends. Earnings distribution proposals will be devised by the board of directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the annual general meeting of shareholders for acknowledgment. Any earnings available for distribution <b><u>to preferred shares and ordinary shares</u></b> under an acknowledged earnings distribution proposal will be distributed first to Class E preferred shares. Any remaining balance shall be distributed according to the Articles of Incorporation.</p> <p>3. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distributions approved during the annual general meeting of shareholders, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class E preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for the dividends prescribed in the three preceding subparagraphs herein, Class E preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to the ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class E preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class E preferred shares.</p> <p>6. Any premium received on the issuance of Class E preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class E preferred shares.</p> <p>7. Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class E preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items</p>
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	<p>E preferred shareholders.</p> <p>8. When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</p> <p>9. Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.</p> <p>10. Matters regarding the issuance of Class E preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class E preferred shares, the board of directors is authorized to proceed accordingly.</p> <p>When Class E preferred shares are issued in installment within the limit described under the first paragraph, the board of directors is authorized to decide the actual number of shares, issue price, and dividend rate for each issuance according to the Company's capital plans, market conditions at the time of issuance, and the terms of issuance detailed under the preceding subparagraphs. Details of issuance by private placement or issuances involving an increased percentage of public offering shall be submitted to the shareholders' meeting for approval.</p>	<p>concerning the rights and obligations of Class E preferred shareholders.</p> <p>8. When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</p> <p>9. Seven years after the issue date, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class E preferred shares at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.</p> <p>10. Matters regarding the issuance of Class E preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class E preferred shares, the board of directors is authorized to proceed accordingly.</p> <p>When Class E preferred shares are issued in installment within the limit described under the first paragraph, the board of directors is authorized to decide the actual number of shares, issue price, and dividend rate for each issuance according to the Company's capital plans, market conditions at the time of issuance, and the terms of issuance detailed under the preceding subparagraphs. Details of issuance by private placement or issuances involving an increased percentage of public offering shall be submitted to the shareholders' meeting for approval.</p>
Article 8-5	<p>The Company issues 800,000,000 Class F registered exchangeable preferred shares ("Class F preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issuance associated with Class F preferred shares are as follows:</p> <p>1. The dividend rate for Class F preferred shares should not exceed 4.5% p.a. of the issue price. Unless otherwise specified by the Articles of Incorporation, in years that conclude with insufficient or no surplus to fully pay off dividends for Class F preferred shareholders, <b><u>or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class F preferred shares, or out of consideration for other essential factors,</u></b></p>	<p>The Company issues 800,000,000 Class F registered exchangeable preferred shares ("Class F preferred shares"), which may be issued in installment. The rights, obligations, and other important terms of issuance associated with Class F preferred shares are as follows:</p> <p>1. The dividend rate for Class F preferred shares should not exceed 4.5% p.a. of the issue price. Unless otherwise specified by the Articles of Incorporation, in years that conclude with insufficient or no surplus to fully pay off dividends for Class F preferred shareholders, the unpaid dividend will not be carried forward to years with earnings.</p>

	<p><b><u>the Company may resolve not to distribute dividends, and</u></b> the unpaid dividend will not be carried forward to years with earnings.</p> <p>2. The Company has sole discretion on the distribution of Class F preferred share dividends. Earnings distribution or loss make-up proposals will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, <b><u>to Class G preferred shares and then, if any earnings remain,</u></b> to Class F preferred shares. Any remaining balance shall be distributed ordinary shares.</p> <p>3. Dividends on Class F preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and the earnings distribution or loss make-up proposals approved have been approved during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class F preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for dividends prescribed in the three preceding subparagraphs herein, Class F preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class F preferred shareholders shall be limited to claiming on the ordinary shares of Chang Hwa Commercial Bank Ltd owned by the Company (CHB shares). Class F preferred shareholders shall be given distribution sequence priority over ordinary shareholders. The exchange ratio of Class F preferred shares and CHB shares shall be set at 1:1.</p> <p>6. Any premium received on the issue of Class F preferred shares shall be treated as capital surplus and should not be capitalized into</p>	<p>2. The Company has sole discretion on the distribution of Class F preferred share dividends. Earnings distribution or loss make-up proposals will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class F preferred shares. Any remaining balance shall be distributed ordinary shares.</p> <p>3. Dividends on Class F preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and the earnings distribution or loss make-up proposals approved have been approved during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class F preferred share dividend. Dividends that are payable for the year of issuance shall be prorated according to the actual number of days the shares have been in circulation since the date of issue, relative to the total number of days of that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.</p> <p>4. Except for dividends prescribed in the three preceding subparagraphs herein, Class F preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.</p> <p>5. In the event of liquidation, Class F preferred shareholders shall be limited to claiming on the ordinary shares of Chang Hwa Commercial Bank Ltd owned by the Company (CHB shares). Class F preferred shareholders shall be given distribution sequence priority over ordinary shareholders. The exchange ratio of Class F preferred shares and CHB shares shall be set at 1:1.</p> <p>6. Any premium received on the issue of Class F preferred shares shall be treated as capital surplus and should not be capitalized into</p>
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	<p>paid-in capital during the circulation period of Class F preferred shares.</p> <p>7. Class F preferred shareholders are not entitled to any voting rights or election rights in Shareholders' Meetings. However, they may vote in Class F preferred shareholder meetings on amendments to the Articles of Incorporation which damage the rights of Class F preferred shareholders. The provisions governing Shareholders' Meetings shall apply.</p> <p>8. When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled to preemptive rights on the new shares equivalents to those of ordinary shareholders and Class E preferred shareholders.</p> <p>9. The Company may notify Class F preferred shareholders of their right to exchange Class F preferred shares for CHB shares at the exchange ratio of 1:1 from the beginning of the 8th year of issuance up to the end of the 10th year of issuance</p> <p>10. Ten years after the issue date, the Company may at any time, subject to the competent authority's approval, recall all outstanding Class F preferred shares and exchange them for CHB shares at the ratio of 1:1. If the 90-business-day weighted average price of CHB shares prior to the record date is lower than the issue price, the Company shall make up the gap with cash. The specifics of the cash reimbursement shall be determined by the Board.</p> <p>11. On the issue date, the Company shall set aside and deliver to the appointed custodian for safekeeping a number of CHB shares equal to that of the total number of Class F preferred shares. In the event that Class F preferred shares are redeemed, the Company shall deliver the CHB shares from the custodian to the Class F preferred shareholders.</p> <p>12. In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as when the shares were initially issued.</p> <p>13. Matters regarding the issuance of Class F preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and</p>	<p>paid-in capital during the circulation period of Class F preferred shares.</p> <p>7. Class F preferred shareholders are not entitled to any voting rights or election rights in Shareholders' Meetings. However, they may vote in Class F preferred shareholder meetings on amendments to the Articles of Incorporation which damage the rights of Class F preferred shareholders. The provisions governing Shareholders' Meetings shall apply.</p> <p>8. When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled to preemptive rights on the new shares equivalents to those of ordinary shareholders and Class E preferred shareholders.</p> <p>9. The Company may notify Class F preferred shareholders of their right to exchange Class F preferred shares for CHB shares at the exchange ratio of 1:1 from the beginning of the 8th year of issuance up to the end of the 10th year of issuance</p> <p>10. Ten years after the issue date, the Company may at any time, subject to the competent authority's approval, recall all outstanding Class F preferred shares and exchange them for CHB shares at the ratio of 1:1. If the 90-business-day weighted average price of CHB shares prior to the record date is lower than the issue price, the Company shall make up the gap with cash. The specifics of the cash reimbursement shall be determined by the Board.</p> <p>11. On the issue date, the Company shall set aside and deliver to the appointed custodian for safekeeping a number of CHB shares equal to that of the total number of Class F preferred shares. In the event that Class F preferred shares are redeemed, the Company shall deliver the CHB shares from the custodian to the Class F preferred shareholders.</p> <p>12. In the event that Class F preferred shareholders' equity decreases proportionally due to a reduction of share capital against cumulative losses, Class F preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class F preferred shareholders' interest is maintained at the same level as when the shares were initially issued.</p> <p>13. Matters regarding the issuance of Class F preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and</p>
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	<p>the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class F preferred shares, the Board of Directors is authorized to proceed accordingly.</p> <p>When Class F preferred shares are issued in installment within the limit described under the first paragraph, the Board of Directors is authorized to decide the actual number of shares, issue price, issue date, dividend rate, etc. for each issuance according to the Company's capital plans and market conditions at the time of issuance and according to the terms of issuance described under the preceding subparagraphs.</p>	<p>the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class F preferred shares, the Board of Directors is authorized to proceed accordingly.</p> <p>When Class F preferred shares are issued in installment within the limit described under the first paragraph, the Board of Directors is authorized to decide the actual number of shares, issue price, issue date, dividend rate, etc. for each issuance according to the Company's capital plans and market conditions at the time of issuance and according to the terms of issuance described under the preceding subparagraphs.</p>
Article 8-6	<p><b><u>The Company issues 297,000,000 Class G registered preferred shares ("Class G preferred shares") in total, divided into Class G preferred shares I and Class G preferred shares II.</u></b></p> <p><b><u>The rights, obligations, and other important terms of issuance associated with Class G preferred shares are as follows:</u></b></p> <ol style="list-style-type: none"> <li><b><u>1. Class G preferred shares I are issued for the purpose of assuming Shin Kong Holdings' Class A preferred shares. The rights and obligations associated with the issue date shall be based on September 27, 2019 as the issue date. Class G preferred shares II are issued for the purpose of assuming Shin Kong Holdings' Class B preferred shares. The rights and obligations associated with the issue date shall be based on September 1, 2020 as the issue date.</u></b></li> <li><b><u>2. The dividend rate of Class G preferred shares I is 3.8% p.a. with issue price NT\$45, and the dividend rate of Class G preferred shares II is 4.00% p.a. with issue price NT\$45. In years that conclude with insufficient or no surplus to fully pay off dividends for Class G preferred shares, or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the distribution of dividends for Class G preferred shares, or out of consideration for other essential factors, the Company may resolve not to distribute dividends, and the unpaid dividend will not be carried forward to years with earnings.</u></b></li> <li><b><u>3. The Company has sole discretion on the distribution of Class G preferred share dividends. Earnings distribution proposals</u></b></li> </ol>	

will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Once the aforementioned proposal is acknowledged, earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class G preferred shares I, and then, if any earnings remain, to Class G preferred shares II.

4. Dividends on Class G preferred shares will be paid in cash. Once the Company's account statements and the earnings distribution proposals have been acknowledged during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class G preferred share dividend, based on which to pay the dividends distributable for the previous year. Notwithstanding, if, in the year in which the record date of the merger falls, Shin Kong Holdings' original Class A preferred shared and Class B preferred shares have participated in ex-dividend and Shin Kong Holdings has distributed dividends, Class G preferred shares may no longer participate in the Company's distribution of dividends in the current year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year.
5. Except for dividends prescribed in the preceding four subparagraphs herein, Class G preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.
6. In the event of liquidation, Class G preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class G preferred shares.
7. Any premium received on the issue of Class G preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class G preferred

	<p><u>shares.</u></p> <p><b>8. Class G preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class G preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class G preferred shareholders.</b></p> <p><b>9. When the Company issues new shares for capital raising, Class G preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</b></p> <p><b>10. Seven years after the issue date September 27, 2019, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class G preferred shares I at the issue price. Seven years after the issue date September 1, 2020, the Company may at any time, subject to the competent authority's approval, recall a portion or all of the outstanding Class G preferred shares II at the issue price. The rights and obligations associated with any remaining outstanding Class G preferred shares shall continue as specified herein.</b></p> <p><b>11. Matters regarding the issuance of Class G preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class G preferred shares, the Board of Directors is authorized to proceed accordingly.</b></p>	
Article 8-7	<p><b>The Company issues 3,099,683,861 Class H registered preferred shares ("Class H preferred shares"), with a par value of NT\$ 10 each. The rights, obligations, and other important terms of issuance associated with Class H preferred shares are as follows:</b></p> <p><b>1. Class H preferred shares are issued at their par value. The dividend rate of Class H preferred shares is 1.665% p.a. In years that conclude with insufficient or no surplus to fully pay off dividends for Class H preferred shares, or if the capital adequacy ratio of the Company will fall below the minimum requirement prescribed by laws and regulations or the competent authority as a result of the</b></p>	

distribution of dividends for Class H preferred shares, or out of consideration for other essential factors, the unpaid dividends or under-distributed dividends should be accumulated to and made up in years with earnings thereafter.

2. The earnings distribution proposals of Class H preferred share dividends will be devised by the Board of Directors in accordance with Article 40-1 of the Articles of Incorporation and then submitted to the Annual General Meeting of Shareholders for acknowledgment. Once the aforementioned proposal is acknowledged, earnings available for distribution shall be distributed firstly to Class E preferred shares and then, if any earnings remain, to Class G preferred shares I, and then, if any earnings remain, to Class G preferred shares II, and then, if any earnings remain, to Class F preferred shares, and then, if any earnings remain, to Class H preferred shares for the dividends for such year and the accumulated unpaid or under-distributed dividends in each previous year. Any remaining balance shall be distributed to ordinary shares.

3. Dividends on Class H preferred shares will be paid in cash. Once the Company's financial statements and the earnings distribution proposals have been acknowledged during the Annual General Meeting of Shareholders, the Board of Directors shall be authorized to set the ex-dividend date for the distribution of the Class H preferred share dividend, based on which to pay the dividends that should be distributed for the last year and the accumulated unpaid or under-distributed dividends in each previous year. In the year of issuance, the distribution of the payable dividends shall be calculated starting from the issue date (capital increase record date) based on the actual number of days the preferred shares remained outstanding in that year. In the year of redemption, the distribution of the payable dividends shall be calculated based on the actual number of days the preferred shares remained outstanding in that year. Upon or after redemption of Class H preferred shares, the Company should make up the accumulated unpaid dividends in full in such year or in the years after based on the order of priority for dividend distribution

	<p><u>set forth in the preceding sub-paragraph.</u></p> <p><u>4. Except for dividends prescribed in the preceding three subparagraphs herein, Class H preferred shareholders are not entitled to participate in the distribution of cash or stock dividends with regard to ordinary shares and other preferred shares derived from earnings or capital reserves.</u></p> <p><u>5. In the event of liquidation, Class H preferred shareholders shall be given priority over ordinary shareholders when claiming the Company's remaining assets. The amount claimed shall not exceed the issuance amount of outstanding Class H preferred shares.</u></p> <p><u>6. Class H preferred shareholders are not entitled to any voting rights or election rights in shareholders' meetings. However, they may vote in Class H preferred shareholders' meetings and in general shareholders' meetings with regard to agenda items concerning the rights and obligations of Class H preferred shareholders.</u></p> <p><u>7. When the Company issues new shares for capital raising, Class H preferred shareholders shall be entitled to preemptive rights on the new shares equivalent to those of ordinary shareholders.</u></p> <p><u>8. Upon expiry of a three-year period from the issue date, the Company will recall all of the outstanding Class H preferred shares at the issue price.</u></p> <p><u>9. Matters regarding the issuance of Class H preferred shares not specified herein shall be governed by the applicable laws and regulations, the Articles of Incorporation, and the competent authority's rules. If the competent authority deems it necessary to modify the terms of issuance for Class H preferred shares, the Board of Directors is authorized to proceed accordingly.</u></p>	
<b>Article 8-8</b>	<p>Unless otherwise prescribed by law or stipulated in the Articles of Incorporation, the Company shall ensure that all shareholders are granted the same rights to participate in the distribution in the event that the Company wishes to return capital by means of capital allocation or reduction, or if it wishes to make exceptional cash payments for reasons other than earnings distribution.</p>	<p>Unless otherwise prescribed by law or stipulated in the Articles of Incorporation, the Company shall ensure that all shareholders are granted the same rights to participate in the distribution in the event that the Company wishes to return capital by means of capital allocation or reduction, or if it wishes to make exceptional cash payments for reasons other than earnings distribution.</p>

(Note: With regard to the actual provisions, the version approved by the Taishin Holdings shareholders' meeting and the competent authority shall prevail.)

**Attachment 3**  
**Disclosures by Party A**

Attachment 3.7:

Taishin Financial Holding Co., Ltd. Commercial Paper Transactions

Name of Underwriter	Transaction Date	Closing Date	Maturity Date	Duration (Days)	Interest Rate	Transaction Amount	Note
Ta Ching Bills Finance Corporation (97172915)	2024/7/18	2024/7/22	2024/8/22	31	1.738	500 million	New transaction
Union Bank of Taiwan (86380802)	2024/7/18	2024/7/22	2024/8/22	31	1.738	500 million	New transaction
Mega Bills Finance Co., Ltd. (14067826)	2024/7/18	2024/7/22	2024/8/22	31	1.738	900 million	New transaction

Note: NTD 5 billion new transactions in commercial papers are expected to be conducted between 2024/8/19 and 2024/8/23.

Attachment 3.8:

Taishin Securities Co., Ltd. Punishments

Date	Case
2024.5.31	By engaging in loan transactions with customers and citing employee subscriptions, CHEN O O, a sales representative of the subsidiary <u>Taishin Securities</u> , caused customers to remit funds upon a mistaken belief to his personal accounts etc. For the company's failure to oversee the management of its sales personnel properly and to implement internal controls, the aforementioned sales representative was released from duty, a warning was given to the company, and the company was fined NTD 960,000 and required to submit a rectification plan to the Financial Supervisory Commission within three months after approved by the board of directors, pursuant to the 2024.5.31 Financial Supervisory Commission letters Nos. Jin Guan Zheng Quan Zi 1130335116, Jin Guan Zheng Quan Fa Zi 11303351161, and Jin Guan Zheng Quan Zi 11303351162.

## Attachment 3.10:

## Taishin International Bank Co., Ltd. Material Litigations

No.	Litigation	Facts	Claim Amount	Commencement of Action	Current Status
1	Damages in tort	Certain accounts receivable factored by the bank turned out to have been incurred from the seller's untrue transactions and insured by the seller with insurance companies to commit fraud. The bank therefore claimed damages from the seller.	USD 43,714,743.9	2019.7	<ol style="list-style-type: none"> <li>1. Ancillary actions were initiated on 2019.7</li> <li>2. The judgment No. 112 Year Shang Su Zi 000004 was pronounced by the Commercial Court on 2024.7.17, partly favorable to the bank.</li> <li>3. 100% allowance for bad debt were set aside for the case.</li> </ol>
2	Civil payment	The bank purchased from customers certain L/C receivables. The customers engaged in untrue transactions and took out insurances with insurance companies to commit fraud. The issuing banks refused to accept the L/Cs. The bank therefore claimed acceptance of the L/Cs and insurance benefits from the issuing banks and L/C insurer respectively.	USD 15,331,364.66	2024.3 (versus insurance company) 2024.5 (versus issuing bank)	<ol style="list-style-type: none"> <li>1. Under review at the court of first instance.</li> <li>2. 100% allowance for bad debt were set aside for the case.</li> <li>3. Supplementary civil action is expected to be initiated against the customers in early September after the 8/22 criminal preparatory procedure.</li> </ol>
3	Claim of damages	A former customer relationship manager was involved in appropriating customer funds for himself. After negotiating a settlement and indemnity with the customer which had lodged a customer complaint, the bank claimed damages from the former customer	NTD 262,832,542 and USD 1,730,000	2021.10	<ol style="list-style-type: none"> <li>1. The bank obtained a partly favorable judgment of the court of first instance (the bank was held liable for 30% contributory negligence)</li> <li>2. The bank filed an appeal with the court of second instance (in regard to the 30% contributory negligence and to the amount of \$26,983,066 which the court of first instance had omitted to award)</li> </ol>

		relationship manager in accordance with torts provisions. Accounts receivable and NTD 320,693,111 allowance for bad debt were recognized in the books for the case.			
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Attachment 3.19:

Company	Year	Content	Administrative Remedy	Amount Involved
Taishin Securities Co., Ltd. (Taishin Securities)	2016	Call (put) warrants & exempt income allocation	In the administrative appeals process	11 million
Taishin Securities	2017	Call (put) warrants & exempt income allocation	In the administrative appeals process	17 million
Taishin Securities	2018	Exempt income allocation	Under reexamination	23 million

**Attachment 4**  
**Disclosures by Party B**

#### Attachment 4.6 No Material Changes

[4.6.1] Distribution of dividends and bonuses (including employee bonus and director and supervisor remuneration)

Party B and Party B subsidiaries will distribute dividends and bonuses (including employee bonus and director and supervisor remuneration) before the Merger Record Date in accordance with their respective articles of incorporation.

## Attachment 4.7 No Material New Debts

### 1. Shin Kong Financial Holding Co., Ltd. Commercial Paper Transactions

Name of Underwriter	Transaction Date	Closing Date	Maturity Date	Duration (Days)	Interest Rate	Transaction Amount	Note
Mega Bills Finance Co., Ltd.	2024.7.4	2024.7.5	2024.10.3	90	1.868%	200 million	
China Bills Finance Corporation	2024.7.4	2024.7.5	2024.10.3	90	1.868%	100 million	

NB: NTD 2 billion new transactions in commercial papers or bank borrowings are expected to be conducted between 2024.10.3 and 2025.12.31.

### 2. Redemption of Shin Kong Financial Holding Co., Ltd. Outstanding Bonds

No.	Cause	Measures
1	NTD 3 billion funding requirement in relation to the 2020 domestic straight corporate bonds to mature May 27, 2025	The requirement will be fulfilled by the issuance of straight/convertible bonds or the borrowing of funds from financial institutions
2	NTD 5 billion funding requirement in relation to the 2022 domestic straight corporate bonds to mature April 12, 2027	The requirement will be fulfilled by the issuance of straight/convertible bonds or the borrowing of funds from financial institutions.
3	Sixth domestic unsecured convertible bonds	<ol style="list-style-type: none"> <li>Pursuant to Article 17 of the terms of issuance and conversion, in the event the issuer exercises the call right, the funding requirement in relation to the redemption at face value will be fulfilled by the issuance of straight/convertible bonds or the borrowing of funds from financial institutions.</li> <li>Pursuant to Article 18 of the terms of issuance and conversion, a bondholder may exercise the put right on the third anniversary of issuance (May 12, 2026), in which case the issuer shall redeem at the face value of the bonds plus interest payable refund (0.6012% of face value). The funding requirement will be fulfilled by the issuance of straight/convertible bonds or the borrowing of funds from financial institutions</li> </ol>

## Attachment 4.8 Legal Compliance

### [4.8.3] Government investigations of the business and operating practices of Party B and Party B subsidiaries

No.	Date of Occurrence	Name of Company	Facts
1	2024.2	MasterLink Securities Corporation	Taiwan Stock Exchange audited a certain specialist of the Hsinchu branch
2	2024.6.11	Shin Kong Life Insurance Co., Ltd.	On June 11, 2024, an investigator and his team visited Shin Kong Life Insurance Co., Ltd.'s Shin Kong Life Tower and Songshan Financial Building with a search warrant, indicating a need to investigate a criminal case and requesting the company to furnish data relating to the new construction project on Shin Kong Banqiao oil depot sites A and B. Relevant related parties were interviewed as well. The case is currently under investigation by the prosecution.
3	2024.6.12	Shin-Kong Life Real Estate Service Co., Ltd	According to June 12, 2024 press reports, the supervisor LU ○-xian was interviewed by the prosecuting authority in relation to the Jasper Villa Banqiao case and released on a \$1 million bail after further questioning by the prosecution. The case is currently under investigation by the prosecuting authority.

### [4.8.4] Dispositions imposed by the competent authorities, from correction or above, in regard to the business and operating practices of Party B and Party B subsidiaries since January 1, 2024

No.	Date of Punishment	Name of Company	Punishment
1	2024.1.5	MasterLink Securities Corporation	The company was subject to correction for operating futures introducing broker business in violation of futures laws and regulations.
2	2024.1.12	Taiwan Shin Kong Commercial Bank Co., Ltd.	An NTD 8 million fine was imposed for the deficiency in relation to a former wealth management officer's appropriation of customer funds and inappropriate fund transactions with customers.

3	2024.2.26	MasterLink Securities Corporation	During its audit of the Banqiao branch being the party subject to disposition, Taiwan Stock Exchange Corporation discovered that the officer and sales personnel of the branch's sales department had engaged in lending and borrowing with customers and acted as an intermediary for such lending or borrowing, kept custody of seals or passbooks for customers, processed applications for trading of securities from a person who is not an agent with a power of attorney from the customer etc. For those deficiencies, which showed the party subject to disposition had failed to implement internal controls, such party was fined NTD 480,000.
4	2024.3.22	Taiwan Shin Kong Commercial Bank Co., Ltd.	In conducting credit card acquiring business, the company failed to enter into terms of contract in accordance with the provisions that were in force at the time of its act, as a result of which certain customers still used the credit card as an instrument for paying the principal and interest of a policy loan. For such deficiency, the company was subject to correction.
5	2024.4.23	Shin Kong Life Insurance Co., Ltd.	Since the ratio of total adjusted net capital to risk-based capital fell below the grade of adequate capital prescribed by the Insurance Act, and the capital increase, financial or business improvement plan proposed failed to raise the company's capital adequacy ratio to the statutory standard, the company was restricted from engaging in new loan or other transactions with interested parties until its capital adequacy ratio met the statutory standard and approval was obtained from the Financial Supervisory Commission. Shin Kong Life Insurance was further ordered to present within a month a capital increase, financial or business improvement plan that is specific, complete, and can enable conformity of the company's capital adequacy ratio with laws and regulations within a reasonable time, and also to reduce the 2024 remuneration of the chairperson of the board of directors, WEI O O, by 30% for a year.
6	2024.4.23	Shin Kong Financial Holding Co., Ltd.	The company failed to fulfill its responsibility for maintaining the sound operation of the subsidiary Shin Kong Life Insurance Co., Ltd. As a result, the overall soundness of the financial holding company's financial and business operation was affected, likely to impair the financial holding company's sound operation. The company was subject to correction and ordered to reduce the 2024 remuneration of the chairperson of the board of directors, CHEN O O, by 50% for a year.
7	2024.4.24	MasterLink Securities Corporation	Out-trades were reported on September 5, 2023. During its special audit at the company, Taiwan Stock Exchange discovered that out-trades had been reported not based on real errors, the staging environment and production environment of the intranet had not been separated by

			purpose, outsourcers had logged in the system through remote access without being subjected to multi-factor authentication, and outsourcers' use of extranet remote access had not been properly controlled etc. Correction and a fine of NTD 900,000 were imposed.
8	2024.7.10	MasterLink Securities Corporation	An employee surnamed LIAO had kept custody of customer funds and provided discretionary investment services during his employment with the company. Correction and a fine of NTD 240,000 were imposed. The company was further ordered to suspend LIAO's execution of duties for six months.

#### Attachment 4.10 Legal Disputes

[4.10.2] Criminal investigative procedures against the directors or officers of Party B and Party B subsidiaries which may cause a material adverse impact on the company

Shin Kong Life Insurance Co., Ltd.

No.	Date of Occurrence	Facts	Current Status
1	2024.6.11	On June 11, 2024, an investigator and his team visited Shin Kong Life Insurance Co., Ltd.'s Shin Kong Life Tower and Songshan Financial Building with a search warrant, indicating a need to investigate a criminal case and requesting the company to furnish data relating to the new construction project on Shin Kong Banqiao oil depot sites A and B. Relevant related parties were interviewed as well.	Under investigation by the prosecuting authority

# 【 Attachment 4 】

## TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Cash and cash equivalents	\$ 25,615,903	1	\$ 29,232,521	1	\$ 31,764,521	1
Due from the Central Bank and call loans to banks	103,784,560	3	109,924,871	4	105,305,891	4
Financial assets at fair value through profit or loss (FVTPL)	189,042,875	6	200,978,801	7	188,308,409	6
Financial assets at fair value through other comprehensive income (FVTOCI)	180,072,946	6	147,149,191	5	138,935,799	5
Investments in debt instruments at amortized cost	761,477,221	23	734,631,003	24	736,686,638	25
Securities purchased under resell agreements	3,498,271	-	21,359,056	1	10,113,544	-
Receivables, net	198,611,025	6	165,317,191	5	177,470,199	6
Loans, net	1,651,635,756	51	1,524,822,536	50	1,482,214,178	50
Reinsurance contract assets, net	587,523	-	598,394	-	497,170	-
Investments accounted for using equity method	501,259	-	527,714	-	494,129	-
Other financial assets, net	52,021,732	2	39,997,264	1	39,500,391	1
Investment properties, net	5,505,520	-	4,093,509	-	3,798,077	-
Property and equipment, net	25,572,408	1	25,700,393	1	25,830,960	1
Right-of-use assets, net	2,269,163	-	2,291,375	-	2,453,347	-
Intangible assets, net	3,573,218	-	3,565,321	-	3,598,352	-
Deferred tax assets	7,346,519	-	7,800,552	-	7,507,061	-
Other assets, net	26,579,490	1	17,961,678	1	18,261,190	1
<b>TOTAL</b>	<b>\$ 3,237,695,389</b>	<b>100</b>	<b>\$ 3,035,951,370</b>	<b>100</b>	<b>\$ 2,972,739,856</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
Deposits from the Central Bank and banks	\$ 24,164,370	1	\$ 17,071,307	1	\$ 30,140,467	1
Financial liabilities at fair value through profit or loss (FVTPL)	58,569,397	2	65,303,086	2	55,191,382	2
Securities sold under repurchase agreements	80,596,032	2	85,658,987	3	83,031,677	3
Commercial papers issued, net	37,246,449	1	30,223,005	1	23,082,120	1
Payables	57,506,515	2	39,299,694	1	48,027,865	2
Current tax liabilities	2,808,059	-	3,907,323	-	2,838,659	-
Deposits and remittances	2,261,848,884	70	2,102,513,646	69	2,056,771,059	69
Bonds payable	65,206,625	2	68,144,602	2	68,081,898	2
Other borrowings	11,151,963	-	10,387,601	1	11,057,834	-
Provisions	257,817,401	8	241,426,541	8	234,812,687	8
Other financial liabilities	147,499,562	5	141,856,704	5	140,623,101	5
Lease liabilities	2,347,226	-	2,405,852	-	2,534,414	-
Deferred tax liabilities	1,822,642	-	1,383,817	-	1,500,480	-
Other liabilities	8,986,747	-	9,806,732	-	6,390,012	-
<b>Total liabilities</b>	<b>3,017,571,872</b>	<b>93</b>	<b>2,819,388,897</b>	<b>93</b>	<b>2,764,083,655</b>	<b>93</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF PARENT</b>						
Share capital						
Ordinary shares	124,770,618	4	124,770,618	4	119,741,476	4
Preferred shares	11,000,000	1	11,000,000	1	11,000,000	1
Stock dividend to be distributed	4,990,825	-	-	-	5,029,142	-
Capital surplus	38,197,778	1	38,197,778	1	38,197,778	1
Retained earnings						
Legal reserve	18,439,029	-	16,926,942	1	16,926,942	1
Special reserve	1,146,190	-	10,920,515	-	10,920,515	-
Unappropriated earnings	20,189,697	1	15,513,819	-	9,765,376	-
Other equity	1,362,454	-	(794,452)	-	(2,952,496)	-
<b>Total equity attributable to owners of parent</b>	<b>220,096,591</b>	<b>7</b>	<b>216,535,220</b>	<b>7</b>	<b>208,628,733</b>	<b>7</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>26,926</b>	<b>-</b>	<b>27,253</b>	<b>-</b>	<b>27,468</b>	<b>-</b>
<b>Total equity</b>	<b>220,123,517</b>	<b>7</b>	<b>216,562,473</b>	<b>7</b>	<b>208,656,201</b>	<b>7</b>
<b>TOTAL</b>	<b>\$ 3,237,695,389</b>	<b>100</b>	<b>\$ 3,035,951,370</b>	<b>100</b>	<b>\$ 2,972,739,856</b>	<b>100</b>

## TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST INCOME	\$ 21,948,642	103	\$ 18,401,119	105	\$ 42,460,378	100	\$ 35,083,379	95
INTEREST EXPENSES	(13,281,854)	(62)	(10,895,348)	(62)	(25,567,689)	(60)	(20,284,915)	(55)
NET INTEREST INCOME	<u>8,666,788</u>	<u>41</u>	<u>7,505,771</u>	<u>43</u>	<u>16,892,689</u>	<u>40</u>	<u>14,798,464</u>	<u>40</u>
NET INCOME OTHER THAN NET INTEREST INCOME								
Net service fee and commission income	2,784,396	13	2,653,014	15	5,652,086	13	5,207,934	14
Net income from insurance operations	5,980,726	28	4,015,445	23	12,794,167	30	9,510,501	26
Gain (loss) on financial assets and liabilities at FVTPL	4,799,311	22	1,862,907	11	6,241,535	15	7,124,956	20
Realized gain (loss) on financial assets at FVTOCI	103,044	1	77,024	-	446,242	1	99,102	-
Gain (loss) on derecognition of financial assets at amortized cost	(2,219)	-	476	-	5,532	-	779	-
Foreign exchange gain (loss)	999,309	5	2,241,102	13	3,106,258	7	2,305,084	6
(Impairment loss on assets) reversal of impairment loss on assets	(1,549)	-	(5,430)	-	(7,675)	-	(11,027)	-
Share of profit (loss) of associates accounted for using equity method	4,117	-	685	-	19,798	-	607	-
Gain (loss) on reclassification using the overlay approach	(2,042,408)	(10)	(1,030,034)	(6)	(2,261,338)	(5)	(2,715,907)	(7)
Net other non-interest income								
Net other miscellaneous income (loss)	<u>72,786</u>	<u>-</u>	<u>193,661</u>	<u>1</u>	<u>(205,179)</u>	<u>(1)</u>	<u>416,781</u>	<u>1</u>
Net income other than net interest income	<u>12,697,513</u>	<u>59</u>	<u>10,008,850</u>	<u>57</u>	<u>25,791,426</u>	<u>60</u>	<u>21,938,810</u>	<u>60</u>
NET REVENUE AND GAINS	<u>21,364,301</u>	<u>100</u>	<u>17,514,621</u>	<u>100</u>	<u>42,684,115</u>	<u>100</u>	<u>36,737,274</u>	<u>100</u>
BAD DEBT EXPENSES, COMMITMENTS AND GUARANTEES LIABILITIES PROVISION	<u>(280,261)</u>	<u>(1)</u>	<u>(568,147)</u>	<u>(3)</u>	<u>(907,205)</u>	<u>(2)</u>	<u>(811,947)</u>	<u>(2)</u>
NET CHANGES IN INSURANCE LIABILITY RESERVE	<u>(5,645,534)</u>	<u>(27)</u>	<u>(4,156,029)</u>	<u>(24)</u>	<u>(11,707,982)</u>	<u>(28)</u>	<u>(9,430,927)</u>	<u>(26)</u>

(Continued)

## TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING EXPENSES								
Employee benefits expenses	(5,164,644)	(24)	(4,572,429)	(26)	(10,020,706)	(23)	(8,955,003)	(24)
Depreciation and amortization expenses	(696,623)	(3)	(684,217)	(4)	(1,390,164)	(3)	(1,339,278)	(4)
Other general and administrative expenses	(3,187,784)	(15)	(2,825,803)	(16)	(6,203,388)	(15)	(5,537,193)	(15)
Total operating expenses	(9,049,051)	(42)	(8,082,449)	(46)	(17,614,258)	(41)	(15,831,474)	(43)
INCOME BEFORE INCOME TAX	6,389,455	30	4,707,996	27	12,454,670	29	10,662,926	29
INCOME TAX EXPENSE	(824,597)	(4)	(887,726)	(5)	(1,877,963)	(4)	(1,778,239)	(5)
NET INCOME	5,564,858	26	3,820,270	22	10,576,707	25	8,884,687	24
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss								
Share of other comprehensive income of associates accounted for using equity method	-	-	-	-	(88)	-	-	-
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL	(74,279)	-	(37,561)	-	(140,420)	-	(98,619)	-
Unrealized gain (loss) on investments in equity instruments designated as at FVTOCI	549,848	2	1,223,709	7	1,138,345	2	1,672,873	4
Items that will be reclassified subsequently to profit or loss								
Exchange differences on translation of foreign financial statements	20,008	-	(80,679)	-	67,239	-	(68,569)	-
Unrealized gain (loss) on investments in debt instruments at FVTOCI	(104,899)	(1)	(279,702)	(2)	(893,073)	(2)	650,715	2
Impairment loss (Reversal of impairment loss) from investments in debt instruments at FVTOCI	1,218	-	494	-	2,287	-	(329)	-
Other comprehensive income (loss) on reclassification using the overlay approach	2,042,408	10	1,030,034	6	2,261,338	5	2,715,907	7

(Continued)

# TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>(14,921)</u>	<u>-</u>	<u>39,536</u>	<u>-</u>	<u>(10,272)</u>	<u>-</u>	<u>(41,489)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of tax	<u>2,419,383</u>	<u>11</u>	<u>1,895,831</u>	<u>11</u>	<u>2,425,356</u>	<u>5</u>	<u>4,830,489</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME (LOSS)	<u>\$ 7,984,241</u>	<u>37</u>	<u>\$ 5,716,101</u>	<u>33</u>	<u>\$ 13,002,063</u>	<u>30</u>	<u>\$ 13,715,176</u>	<u>37</u>
NET INCOME ATTRIBUTABLE TO:								
Owners of parent	\$ 5,564,541	26	\$ 3,818,517	22	\$ 10,576,003	25	\$ 8,882,957	24
Non-controlling interests	<u>317</u>	<u>-</u>	<u>1,753</u>	<u>-</u>	<u>704</u>	<u>-</u>	<u>1,730</u>	<u>-</u>
	<u>\$ 5,564,858</u>	<u>26</u>	<u>\$ 3,820,270</u>	<u>22</u>	<u>\$ 10,576,707</u>	<u>25</u>	<u>\$ 8,884,687</u>	<u>24</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of parent	\$ 7,983,924	37	\$ 5,714,348	33	\$ 13,001,359	30	\$ 13,713,446	37
Non-controlling interests	<u>317</u>	<u>-</u>	<u>1,753</u>	<u>-</u>	<u>704</u>	<u>-</u>	<u>1,730</u>	<u>-</u>
	<u>\$ 7,984,241</u>	<u>37</u>	<u>\$ 5,716,101</u>	<u>33</u>	<u>\$ 13,002,063</u>	<u>30</u>	<u>\$ 13,715,176</u>	<u>37</u>
EARNINGS PER SHARE								
Basic	<u>\$ 0.39</u>		<u>\$ 0.26</u>		<u>\$ 0.74</u>		<u>\$ 0.61</u>	
Diluted	<u>\$ 0.39</u>		<u>\$ 0.26</u>		<u>\$ 0.74</u>		<u>\$ 0.61</u>	

(Concluded)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent										Other Equity				Non-controlling Interests	Total Equity
	Share Capital		Stock Dividend to Be Distributed	Capital Surplus				Retained Earnings			Exchange Differences on Translation of Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at FVTOCI	Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL	Other Comprehensive Income (Loss) on Reclassification Using the Overlay Approach		
	Ordinary Shares	Preferred Shares		Capital in Excess of Par	Treasury Shares Transactions	Share-based Compensation	Others	Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2023	\$ 119,741,476	\$ 11,000,000	\$ -	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 15,244,071	\$ 8,698,118	\$ 17,279,705	\$ (138,234)	\$ (3,800,290)	\$ 282,149	\$ (3,637,143)	\$ 26,182	\$ 202,893,812
Appropriation of 2022 earnings	-	-	-	-	-	-	-	1,682,871	-	(1,682,871)	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	-	-	-	-	7,251,539	(7,251,539)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	-	-	-	-	-	-	(6,106,815)	-	-	-	-	-	(6,106,815)
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	-	(1,845,528)	-	-	-	-	-	(1,845,528)
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	-	(5,029,142)	-	-	-	-	-	-
Stock dividends of ordinary shares	-	-	5,029,142	-	-	-	-	-	-	5,029,142	-	-	-	-	-	-
Reversal of the special reserve	-	-	-	-	-	-	-	-	(5,029,142)	5,029,142	-	-	-	-	-	-
Net income for the six months ended June 30, 2023	-	-	-	-	-	-	-	-	-	8,882,957	-	-	-	-	1,730	8,884,687
Other comprehensive income (loss) for the six months ended June 30, 2023, net of tax	-	-	-	-	-	-	-	-	-	-	(68,569)	2,286,658	(98,619)	2,711,019	-	4,830,489
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	-	-	-	8,882,957	(68,569)	2,286,658	(98,619)	2,711,019	1,730	13,715,176
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	489,467	-	(489,467)	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(444)	(444)
BALANCE AT JUNE 30, 2023	\$ 119,741,476	\$ 11,000,000	\$ 5,029,142	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 9,765,376	\$ (206,803)	\$ (2,003,099)	\$ 183,530	\$ (926,124)	\$ 27,468	\$ 208,656,201
BALANCE AT JANUARY 1, 2024	\$ 124,770,618	\$ 11,000,000	\$ -	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 16,926,942	\$ 10,920,515	\$ 15,513,819	\$ (184,525)	\$ (986,719)	\$ 161,394	\$ 215,398	\$ 27,253	\$ 216,562,473
Appropriation of 2023 earnings	-	-	-	-	-	-	-	1,512,087	-	(1,512,087)	-	-	-	-	-	-
Legal reserve appropriated	-	-	-	-	-	-	-	-	-	(7,486,237)	-	-	-	-	-	(7,486,237)
Cash dividends of ordinary shares	-	-	-	-	-	-	-	-	-	(1,953,751)	-	-	-	-	-	(1,953,751)
Cash dividends of preferred shares	-	-	-	-	-	-	-	-	-	(4,990,825)	-	-	-	-	-	-
Stock dividends of ordinary shares	-	-	4,990,825	-	-	-	-	-	-	9,774,325	-	-	-	-	-	-
Reversal of the special reserve	-	-	-	-	-	-	-	-	(9,774,325)	9,774,325	-	-	-	-	-	-
Net income for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	10,576,003	-	-	-	-	704	10,576,707
Other comprehensive income (loss) for the six months ended June 30, 2024, net of tax	-	-	-	-	-	-	-	-	-	(88)	67,239	234,183	(140,420)	2,264,442	-	2,425,356
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	-	-	-	10,575,915	67,239	234,183	(140,420)	2,264,442	704	13,002,063
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	-	268,538	-	(268,538)	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,031)	(1,031)
BALANCE AT JUNE 30, 2024	\$ 124,770,618	\$ 11,000,000	\$ 4,990,825	\$ 36,066,458	\$ 2,075,475	\$ 52,632	\$ 3,213	\$ 18,439,029	\$ 1,146,190	\$ 20,189,697	\$ (117,286)	\$ (1,021,074)	\$ 20,974	\$ 2,479,840	\$ 26,926	\$ 220,123,517

# TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended	
	June 30	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before income tax	\$ 12,454,670	\$ 10,662,926
Adjustments:		
Adjustments for reconciliation of profit or loss		
Depreciation expenses	1,087,824	1,059,804
Amortization expenses	302,340	279,474
Provisions for bad debts expenses, commitments and guarantee liabilities	907,205	811,947
Net loss (gain) on financial assets and liabilities at FVTPL	(6,241,535)	(7,124,956)
Net loss (gain) on financial assets and liabilities at FVTOCI	(446,242)	(99,102)
Interest expenses	25,567,689	20,284,915
Loss (gain) on derecognition of financial assets at amortized cost	(5,532)	(779)
Interest income	(42,460,378)	(35,083,379)
Net change in insurance liabilities	15,804,907	10,376,155
Net change in other provisions	544,730	(16,885)
Share of (profit) loss of associates accounted for using equity method	(19,798)	(607)
(Gain) loss on reclassification using the overlay approach	2,261,338	2,715,907
Impairment loss on financial assets	7,675	11,027
Other adjustments	(444)	3,106
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank and call loans to banks	(5,915,306)	(815,875)
(Increase) decrease in financial assets at FVTPL	33,275,619	(5,503,012)
(Increase) decrease in financial assets at FVTOCI	(32,498,339)	5,640,236
(Increase) decrease in financial assets in debt instruments at amortized cost	(25,734,289)	(92,764,514)
(Increase) decrease in securities purchased under resell agreements	-	880,818
(Increase) decrease in receivables	(30,966,015)	(22,372,591)
(Increase) decrease in loans	(127,751,098)	(66,816,057)
(Increase) decrease in reinsurance contract assets	62,648	102,134
(Increase) decrease in other financial assets	(12,604,109)	(3,072,458)
(Increase) decrease in other assets	(8,416,298)	(1,307,058)
Increase (decrease) in deposits from the Central Bank and banks	122,043	(2,544,522)
Increase (decrease) in financial liabilities at FVTPL	(23,098,370)	(22,567,618)
Increase (decrease) in securities sold under repurchase agreements	(5,062,955)	(1,530,905)
Increase (decrease) in payables	7,968,506	7,186,979
Increase (decrease) in deposits and remittances	159,335,238	142,104,934
Increase (decrease) in provisions	(56,229)	(46,313)
Increase (decrease) in other financial liabilities	5,642,858	15,007,247
Increase (decrease) in other liabilities	(978,215)	(701,892)
Cash generated from (used in) operations	(56,909,862)	(45,240,914)

(Continued)

# TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS (In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
Interest received	40,608,163	32,543,841
Dividends received	777,577	1,026,649
Interest paid	(24,788,714)	(18,306,180)
Income taxes refund	-	186,784
Income taxes paid	<u>(2,047,374)</u>	<u>(558,127)</u>
Net cash generated from (used in) operating activities	<u>(42,360,210)</u>	<u>(30,347,947)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investments accounted for using equity method	-	(160,000)
Acquisition of property and equipment	(489,420)	(444,379)
Proceeds from disposal of property and equipment	4,560	1,366
Acquisition of intangible assets	(307,629)	(344,975)
Acquisition of investment properties	<u>(1,452,207)</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>(2,244,696)</u>	<u>(947,988)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in due to the Central Bank and banks	6,971,020	14,471,456
Increase in commercial papers payable	7,039,000	7,045,000
Repayments of bank notes payable	(3,000,000)	-
Increase in other borrowings	524,943	-
Decrease in other borrowings	-	(913,416)
Payments of lease liabilities	(467,099)	(413,280)
Change in non-controlling interests	<u>(1,031)</u>	<u>(444)</u>
Net cash generated from (used in) financing activities	<u>11,066,833</u>	<u>20,189,316</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>5,053</u>	<u>(26,826)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	(33,533,020)	(11,133,445)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		
	<u>74,140,886</u>	<u>80,598,219</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		
	<u>\$ 40,607,866</u>	<u>\$ 69,464,774</u>

(Continued)

# TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

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Reconciliation of cash and cash equivalents:

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Cash and cash equivalents in consolidated balance sheets	\$ 25,615,903	\$ 31,764,521
Due from the Central bank and call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7	11,493,692	27,586,709
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7	<u>3,498,271</u>	<u>10,113,544</u>
Cash and cash equivalents at the end of the period	<u>\$ 40,607,866</u>	<u>\$ 69,464,774</u>

(Concluded)

# TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

## PROPERTIES CATALOG

(In Thousands of New Taiwan Dollars)

	<u>June 30, 2024</u>
Property and equipment, net	
Land	\$ 17,414,366
Buildings	5,316,359
Machinery equipment	2,099,455
Transportation equipment	127,465
Miscellaneous equipment	121,641
Leasehold improvements	350,679
Prepayments for equipment	<u>142,443</u>
Total property and equipment	<u>25,572,408</u>
Investment properties, net	
Land	4,348,099
Buildings	<u>1,157,421</u>
Total investment properties	<u>5,505,520</u>
TOTAL	<u>\$ 31,077,928</u>