

Stock Code: 2887



台新金融控股股份有限公司
Taishin Financial Holding Co., Ltd.

2019 Shareholders' Annual General Meeting
(Common / Preferred)

Meeting Manual
(Translation)

Time: 9:00 am, June 14, 2019

Venue: 2F, No. 118, Sec. 4, Ren-ai Rd., Taipei City, Taiwan
(Taishin Financial Holding Tower)

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Taishin Financial Holding Co., Ltd.

2019 Shareholders' Annual General Meeting (Common / Preferred)

Meeting Proceedings

Time: 9:00 am, June 14, 2019

Venue: 2F, No. 118, Section 4 Ren'ai Road, Taipei City

Taishin Financial Holding Tower

- I. Commencement of meeting
- II. Chairman's speech
- III. Report items
- IV. Acknowledgments
- V. Discussions
- VI. Special motions
- VII. Meeting ends

[Report items]

- I. **The company's 2018 business report.** Please refer to the business report presented as Attachment 1 (pages 25~31 of this manual).
- II. **The Audit Committee' audit of the company's 2018 accounting records.** Please refer to The Audit Committee Report presented as Attachment 2 (pages 32 of this manual).

III. The distribution of remuneration to directors and employees of 2018.

1. This proposal is made in accordance with Article 40 of the “Article of Incorporation” and was approved at the 13th Meeting of the 7th Board of Directors on March 28, 2019.
2. The Company’s 2018 calculated provision base under regulation amounted NT\$12,395,995,740. The following are the distribution of remuneration to directors and employees of 2018:
 - (1) Directors' remuneration:
0.80% provision as Directors' remuneration, the amount is NT\$99,167,966, and distribute in accordance with the “the Directors’ Remuneration Policy ”
 - (2) Employees' remuneration:
0.01% provision as Employees' remuneration according to the Articles of Incorporation, the amount is NT\$1,239,600, and distribute to employees of Taishin FHC with cash.

IV. The issuance of 2018 corporate bonds.

1. The company's issuance of "2018 first domestic unsecured subordinated corporate bonds" (“The bonds”), up to NT\$7 billion, was resolved by the 38th meeting of the 6th term board of directors on March 29, 2018. Regarding to the bonds issuance and trading, approved by the Taipei Exchange (TPEX), were according to the Letter Zheng-Gui-Zhai No. 10700155041 dated July 2, 2018 and the Letter Zheng-Gui-Zhai No. 10700182792 dated July 6, 2018. The bonds began to be over-the –counter (OTC) traded on TPEX since July 10, 2018.
2. The purpose of the bond issue is to redeem the No.100-1 (NT\$5.2 billion) and No.100-2(NT\$1.8 billion) corporate bonds at maturity. The summary of major terms and conditions of issuance is described in the table below and in Attachment 4 (pages 49~51 of this manual) Terms Sheet.

Term	Issue amount	Period	Coupon rate	Issue date	Maturity date
2018-1	NT\$7 billion	15 years	Fixed interest rate 1.92% p.a.	2018.7.10	2033.7.10

- V. Report on the redemption plan and execution for the Company's Class D preferred shares.
1. According to Article 8-2 of the Company's Articles of Incorporation and the letter of approval Jin-Guan-Yin-Kung No. 10500057340 dated March 16, 2016 by the Financial Supervisory Commission's ("FSC"), the Company was allowed to redeem the Class D preferred shares (Class D) issued by the Company via private placement on March 22, 2006 at 6 times when Class D reached its callable period at 10 years on March 22, 2016. The Company has subsequently redeemed 507,595,774 Class D by 3 times in 2016, 2017 and 2018 respectively.
 2. Since one of the capital allocation plans of issuing the NT\$15 billion Class E preferred shares by the Company on November 30, 2018 was to fully redeem the remaining outstanding Class D, the 9th meeting of the 7th term board of directors on December 27, 2018 has resolved to fully redeem Class D and the plan was approved by the FSC's Letter Jin-Guan-Yin-Kung No.10801013510 dated February 12, 2019. The Company has subsequently redeemed the remaining 217,541,046 shares of Class D on March 25, 2019 and completed the registration of the paid-in capital reduction. As a result, total 725,136,820 shares of Class D have been completely redeemed and cancelled.
 3. Enclosed the redemption plan of Class D and the financial status after the redemption plan was completed. Please refer to Attachment 5 (pages 52 of this manual).

[Acknowledgments]

Agenda item #1

Proposed by the board of directors

Summary: **Acknowledgment of the company's 2018 business report and financial statements.**

Description:

1. The company's 2018 business report and financial statements have been prepared by the board of directors and reviewed by the Audit Committee. The company-level and consolidated financial statements have also been audited by CPAs Tza Li Gung and Kwan-Chung Lai of Deloitte Taiwan.
2. Please refer to Attachments 1 to 3 (pages 25 ~ 48 of this manual) for the company's 2018 business report, Audit Committee's Examination Report, and financial statements.

Resolution:

Summary: Acknowledgment of the Company's 2018 earnings distribution.

Description:

1. Distribution of earnings in accordance with Article 40-1 of the Company's Articles of Incorporation.
2. The 2018 audited net profit after-tax of the Company is NT\$12,930,582,133; after adjusting earning distribution reduction, the 2018 Accumulated Undistributed Earnings is NT\$12,421,251,276. The following distributions have been proposed according to the Articles of Incorporation and relevant laws and regulations:
 - (1) NT\$1,242,125,128 of 10% legal reserve is allocated according to Article 237 of the Company Act and Article 40-1 of the Company's Articles of Incorporation;
 - (2) Next, NT\$293,194,521 and NT\$1,237,472,603 cash dividends is allocated to Class D and Class E preferred shareholders, respectively;
 - (3) And then, NT\$7,477,555,024 dividends is allocated to common shareholders (approximately NT\$0.72 per share), which consist of cash dividends NT\$5,306,652,024 (approximately NT\$0.51 per share) and stock dividends NT\$2,170,903,000 (approximately NT\$0.21 per share). In particular, NT\$2,170,903,000 in stock dividends shall be paid with new offering of 217,090,300 common shares with par value of NT\$10 each. The rights and obligation of the new shares to be issued will be the same as the existing common shares. Aforementioned issuance of new common shares as stock dividend shall be discussed in a separate agenda item.
3. The amount of dividends distributed to each common share is based on 10,438,243,070 shares outstanding as at April 16, 2019; and however, the amount per share actually distributed will vary due to any treasury stock transactions and exercise of employee stock options that occurs before the ex-dividend/ex-right date, while the total distributed dividends amounts will remain unchanged.
4. The Board of Directors has authorized the chairman to set the ex-dividend date and the payment date of cash dividends for Class D and Class E preferred shares. Otherwise, the ex-dividend/ex-right date and the payment date of the dividends for common shares will be determined by the Board of Directors.
5. The 2018 earnings distribution report has been presented in Attachment 6 (page 53 of this manual). Contents and figures are subject to competent authority's approval.

Resolution:

[Discussions]

Agenda item #1

Proposed by the board of directors

Summary: **New issuance of common shares from earnings.**

Description:

1. To enhance financial structure, the company has proposed to allocate common shareholders' dividends NT\$2,170,903,000 from 2018 distributable earnings to issue 217,090,300 common shares at NT\$10 par value. The rights and obligation of the new shares to be issued will be the same as the existing common shares. The new shares issued will be allocated among common shareholders according to their shareholding ratio as of the ex-right date. Shareholders can compose a complete share from stock dividends less than one share and these combined shares shall be allocated to one of the shareholders. The stock dividends less than one share after composition or forfeited composition by shareholders will be distributed in cash (rounded to the nearest full Taiwan Dollar) and the chairman of the Company would be authorized to look for specified persons to buy the fraction of shares according to the par value.
2. The amount of dividends distributed to each common share is based on 10,438,243,070 shares outstanding as at April 16, 2019. Basically, every one thousand common shares will be entitled with 20.80 new shares; and however, the amount per share actually distributed will vary due to any treasury stock transactions and exercise of employee stock options that occurs before the ex-right date, while the total distributed dividends amounts will remain unchanged.
3. Provided that new issuance of common shares from earnings has been passed during the annual general meeting, the board of directors will determine the ex-right date of stock dividends with approval of competent authority.

Resolution:

Agenda item #2 **Amendment of the "Articles of Incorporation" A**

Proposed by the board of directors

Summary: **Amendment of the "Articles of Incorporation".**

Description:

1. To conform with the company act revision, the board has proposed changes to Articles 1 and added 5-2 of the Company’s Articles of Incorporation.
2. Below is a comparison of the amended terms. Please refer to Attachment 7 (pages 54~68 of this manual) for full context of the original "Articles of Incorporation".

Content	After amendment	Existing articles	Description
Article 1	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”)	Taishin Financial Holding Co., Ltd. (hereinafter "the Company") is incorporated pursuant to the Financial Holding Company Act, the Company Act and other laws and regulations.	The article is amended to include The Company's full name in English and its abbreviations in both Chinese and English, pursuant to Company Act #392-1 (Amended on 2018-8-1 and went into force on 2018-11-1).#392-1 stipulates that a company may apply for registration of corporate name in a foreign language to the competent authority and the authority shall register such foreign name in accordance with the foreign name indicated in the Articles of Incorporation

Article 5-2	Qualification requirements that entitle employees to receive shares when the company buys back its shares, issues new shares, employee stock warrants or restricted stock for employees, in accordance with the law, can include employees of subsidiaries that meet certain requirements.	(Additional Article)	<ol style="list-style-type: none"> 1. Additional Article 2. In accordance with the revised Article 167-1, 167-2 and 267 of the Company Act, qualification requirements that entitle the employees, including those of subsidiaries who meets certain requirements, to receive incentives.
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Resolution:

Agenda item #3 **Amendment of the "Articles of Incorporation" B**

Proposed by the shareholder with holding over 1%

Summary: **Pursuant to Company Act Article 172-1, the shareholder hereby proposes to amend the "Articles of Incorporation".**

Description:

1. To follow global trend in board structure, to enhance corporate governance and to achieve sustainable business objectives, Article 25 is proposed to be amended.
2. Below is a comparison of the amended terms

Content	After amendment	Existing articles	Description
Article 25	The company shall have a board of directors that comprises seven to nine members; and the board of directors set the number to be elected within the above range. Applicable on or after its 8th term, the Board of Directors shall comprise nine to fifteen members. Independent director elections. [...]	The company shall have a board of directors that comprises seven to nine members; [...]	To follow global trend in board structure, to enhance corporate governance and to achieve sustainable business objectives, Article 25 is amended to include the proviso that "applicable on or after its 8th term, the Board of Directors shall comprise nine to fifteen members

Resolution:

Summary: **Amendment of the “Handling Procedures for Acquisition or Disposal of Assets.”**

Description:

1. To proceed according to the latest amendments made to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, as stipulated in Letter No. Financial-Supervisory-Securities-Corporate-1070341072 issued by the Financial Supervisory Commission on Nov. 26, 2018.
2. In response to legislative amendments, the Company proposes to amend Articles 2~5,8,10,14~19, 23,28,29 and 31 of the Procedures. Key changes are described as follows.
 - (I) Established explicitly the financial regulations to take precedence when the Company acquires or disposes assets.
 - (II) Amended the rules and guidelines in response to IFRSs adoption:
 1. Right-of-use asset was included where applicable in response to adoption of IFRS 16 Leases in 2019.
 2. The range of derivatives was explicitly stated in response to the definition of financial tools in scope of IFRS 9.
 - (III) Established explicitly the loosely defined qualification requirements for external experts and specific statements to be included in the reports or opinions that they issue.
 - (IV) Loosened the requirements to exempt subscription or buyback of securities investment trust funds or futures trust funds from the announcement procedure.
3. Below is a comparison between the original and amended terms. Please refer to Attachment 8 (pages 69~84 of this manual) for the full text of the unamended “Handling Procedures for Acquisition or Disposal of Assets.”

Content	After amendment	Existing articles	Description
Article 2	Unless <u>financial laws or regulations</u> prescribed by law, Taishin Financial Holding Co., Ltd. (hereinafter referred to as “the Company”) shall follow the Procedures when engaged in the acquisition or disposal of assets. If there is any issue not covered in these Procedures, other relevant regulations of the Company shall govern.	Unless <u>otherwise</u> prescribed by law, Taishin Financial Holding Co., Ltd. (hereinafter referred to as “the Company”) shall follow the Procedures when engaged in the acquisition or disposal of assets. If there is any issue not covered in these Procedures, other relevant regulations of the Company shall govern.	The proviso is amended to clarify applicability in response to the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.
Article 3	These procedures apply to the following asset categories: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities that represent fund entitlements, depository receipts, call (put) warrants, beneficial securities, and asset-backed securities.	These procedures apply to the following asset categories: 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities that represent fund entitlements, depository receipts, call (put) warrants, beneficial securities, and asset-backed securities.	I. Subparagraph 5 is added to expand the scope of right-of-use asset in response to adoption of IFRS 16 Leases in 2019. The existing right of use of land in

Content	After amendment	Existing articles	Description
	<p>2. Real estate (including land, buildings etc.) and equipment.</p> <p>3. Memberships.</p> <p>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p><u>5. Right-of-use assets.</u></p> <p>6. Claims of financial institutions (including receivables, bills purchased and discounted, loans and overdue receivables).</p> <p>7. Derivatives.</p> <p>8. Assets legally acquired or disposed of through mergers, demergers, acquisitions or transfer of shares.</p> <p>9. Other major assets.</p>	<p>2. Real estate (including land, buildings, <u>land use rights</u> etc.) and equipment.</p> <p>3. Memberships.</p> <p>4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p>5. Claims of financial institutions (including receivables, bills purchased and discounted, loans and overdue receivables).</p> <p>6. Derivatives.</p> <p>7. Assets legally acquired or disposed of through mergers, demergers, acquisitions or transfer of shares.</p> <p>8. Other major assets.</p>	<p>Subparagraph 2 is placed in Subparagraph 5 instead.</p> <p>II. Existing Subparagraphs 5 to 8 are renumbered to Subparagraphs 6 to 9.</p>
Article 4	<p>Terms used in the Procedures are defined as follows:</p> <p>1. Derivatives: Refer to forward contracts, options contracts, futures, leverage contracts, swap contracts etc., whose value is derived from <u>a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives.</u> The term “forward contracts” does not include insurance contracts, performance contracts, after-sale service contracts, long-term leasing contracts, and long-term purchase (sales) contracts..</p> <p>2. Assets legally acquired or disposed through mergers, demergers, acquisitions or transfer of shares exchange: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or through an arrangement whereby new shares are issued in exchange for another company’s shares (hereinafter “transfer of shares”) under Article 156, Paragraph <u>3</u> of the Company Act.</p> <p>3. Related Party and subsidiary: To be defined according to the FSC’s financial reporting standards.</p> <p>4. Total assets: Refers to the amount of total assets shown in the latest company-level financial statement</p>	<p>Terms used in the Procedures are defined as follows:</p> <p>1. Derivatives: Refer to forward contracts, options contracts, futures, leverage contracts, swap contracts etc., <u>and any combination of the above,</u> whose value is derived from <u>assets,</u> interest rates, foreign exchange rates, indices, or other <u>benefits.</u> The term “forward contracts” does not include insurance contracts, performance contracts, after-sale service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.</p> <p>2. Assets legally acquired or disposed through mergers, demergers, acquisitions or transfer of shares exchange: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or through an arrangement whereby new shares are issued in exchange for another company’s shares (hereinafter “transfer of shares”) under Article 156, Paragraph <u>8</u> of the Company Act.</p> <p>3. Related Party and subsidiary: To be defined according to the FSC’s financial reporting standards.</p> <p>4. Total assets: Refers to the amount of total assets shown in the latest company-level financial statement prepared in accordance with the FSC’s financial reporting standards.</p> <p>5. Professional appraiser: Refers to a real estate appraiser or anyone who is permitted by law to perform valuation</p>	<p>I. Subparagraph 1 is amended to follow the definition of financial tools in scope of IFRS 9. The text regarding the range of derivatives under the Procedures is amended accordingly.</p> <p>II. "Article 156, Paragraph 8" under Subparagraph 2 is amended to "Article 156-3" in response to the article number change in the Company Act.</p> <p>III. Subparagraphs 9 and 10 are added according to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies to define explicitly the scope of domestic and foreign exchanges and over-the-counter venues.</p>

Content	After amendment	Existing articles	Description
	<p>prepared in accordance with the FSC's financial reporting standards.</p> <p>5. Professional appraiser: Refers to a real estate appraiser or anyone who is permitted by law to perform valuation of real estate and equipment.</p> <p>6. Date of Occurrence: Refers to, the earliest of, the signing date, payment date, deal date, date of ownership transfer, the board of directors' resolution date or any other dates when the transaction counterparty and the amount can be verified with certainty. For investments that require the approval of the competent authority, the date of occurrence shall be determined as the earlier between the above dates and the date approved by the competent authority.</p> <p>7. Investment in the Mainland China Area: Refers to investments in the Mainland China area conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area approved by the Investment Commission of the Ministry of Economic Affairs.</p> <p>8. Limited Price, Specified Price or Special Price: The terms shall be defined according to the definition provided in the "Regulations on Real Estate Appraisal" announced by the Ministry of the Interior.</p> <p>9. <u>Securities exchange: "Domestic securities exchange" refers to the Taiwan Stock Exchange Corporation; "foreign securities exchange" refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.</u></p> <p>10. <u>Over-the-counter venue ("OTC venue", "OTC"): "Domestic OTC venue" refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; "foreign OTC venue" refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.</u></p>	<p>of real estate and equipment.</p> <p>6. Date of Occurrence: Refers to, the earliest of, the signing date, payment date, deal date, date of ownership transfer, the board of directors' resolution date or any other dates when the transaction counterparty and the amount can be verified with certainty. For investments that require the approval of the competent authority, the date of occurrence shall be determined as the earlier between the above dates and the date approved by the competent authority.</p> <p>7. Investment in the Mainland China Area: Refers to investments in the Mainland China area conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area approved by the Investment Commission of the Ministry of Economic Affairs.</p> <p>8. Limited Price, Specified Price or Special Price: The terms shall be defined according to the definition provided in the "Regulations on Real Estate Appraisal" announced by the Ministry of the Interior.</p>	
Article 5	Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters	Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters	I. The requirement that external experts meet the loosely defined

Content	After amendment	Existing articles	Description
	<p>that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall <u>meet the following requirements:</u></p> <p><u>1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p><u>2. May not be a related party or de facto related party of any party to the transaction.</u></p> <p><u>3 If appraisal reports are required to obtain from two or more different professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</u></p> <p><u>When issuing an appraisal report or opinion, the personnel shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p>	<p>that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall <u>not be a related party of any party to the transaction.</u></p>	<p>qualifications under Paragraph 1 is added in response to the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p> <p>II. Paragraph 2, which provides explicitly specific statements to be included in the reports or opinions that the Company obtains from external experts, is added according to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies.</p>
Article 8	<p>When acquiring or disposing of real estate \ <u>equipment or right-of-use assets</u>, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser if the transaction amount has reached 20% of the Company's paid-in capital or NT\$300 million or more. This shall not apply, however, when the Company is transacting with a <u>domestic</u> government institution, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment <u>or right-of-use assets</u> for business use. The Company shall in the meantime observe the</p>	<p>When acquiring or disposing of real estate <u>or</u> equipment, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser if the transaction amount has reached 20% of the Company's paid-in capital or NT\$300 million or more. This shall not apply, however, when the Company is transacting with a government institution, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment for business use. The Company shall in the meantime observe the following rules:</p>	<p>I. Regarding the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, given transactions with the central and municipal government agencies in the Republic of China are required to follow the appropriate auction or bidding process as</p>

Content	After amendment	Existing articles	Description
	<p>following rules:</p> <p>1. Where due to special circumstances it is necessary to use a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance. <u>The same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.</u></p> <p>(omitted)</p>	<p>1. Where due to special circumstances it is necessary to use a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance. <u>The same procedure shall be followed for any future changes to the terms and conditions of the transaction.</u></p> <p>(omitted)</p>	<p>required by law, there is relatively little chance of price manipulation, and such transaction, therefore, may be exempted from the expert opinion requirement. Hence, Paragraph 1 is amended to limit the scope to domestic government agencies.</p> <p>II. Paragraph 1 is amended to include right-of-use asset in response to adoption of IFRS 16 Leases.</p> <p>III. The text is amended in accordance with Paragraph 1, Subparagraph 1.</p>
Article 10	<p>When acquiring or disposing of memberships or intangible assets <u>or right-of-use assets</u>, the responsible unit of the Company shall firstly submit an assessment report on the cost and benefits of the acquisition or disposal to the proper approval authority for decision making.</p> <p>In the event that the amount for the acquisition or disposal of membership or intangible assets <u>or right-of-use assets</u> has reached 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. The CPA shall handle the case in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF, except in transactions with <u>domestic government institution.</u></p>	<p>When acquiring or disposing of memberships or intangible assets, the responsible unit of the Company shall firstly submit an assessment report on the cost and benefits of the acquisition or disposal to the proper approval authority for decision making.</p> <p>In the event that the amount for the acquisition or disposal of membership or intangible assets has reached 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. The CPA shall handle the case in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF, except in transactions with government institution.</p>	<p>The reason for amendment is same as descriptions 1 and 2 for Article 8. The text is amended accordingly.</p>
Article 14	<p>With the exception of <u>domestic government bonds, bonds under repurchase/resale agreements, and subscription or repurchase of domestic money market funds that are issued by securities investment trust enterprise,</u> when the Company intends to acquire or dispose of any real estate <u>or right-of-use assets</u> from or to a related party, or if it intends to acquire or dispose of any assets other than real estate <u>or right-of-use assets</u> from or to a related</p>	<p>With the exception of government bonds, bonds under repurchase/resale agreements, and subscription or repurchase of domestic money market funds that are issued by securities investment trust enterprise, when the Company intends to acquire or dispose of any real estate from or to a related party, or if it intends to acquire or dispose of any assets other than real estate from or to a related party where the transaction amount has reached 20%</p>	<p>I. Regarding the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, given the credit ratings of the central and municipal government agencies in the Republic of</p>

Content	After amendment	Existing articles	Description
	<p>party where the transaction amount has reached 20% of its paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall firstly submit the following information to be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance before signing the contract and making payments:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the specific related party as the transaction counterparty. 3.The information relating to the assessment of reasonableness on the planned acquisition of real estate <u>or right-of-use assets</u> from the related party under Articles 15 and 16. <p>(omitted)</p>	<p>of its paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall firstly submit the following information to be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance before signing the contract and making payments:</p> <ol style="list-style-type: none"> 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the specific related party as the transaction counterparty. 3.The information relating to the assessment of reasonableness on the planned acquisition of real estate from the related party under Articles 15 and 16. <p>(omitted)</p>	<p>China are definitive and easy to find out, the approval by the audit committee and the board members may be waived. Hence, Paragraph 1 is amended to limit the scope to domestic government bonds.</p> <p>II. Right-of-use asset is included in this article for the same reason as description 2 for Article 8.</p>
Article 15	<p>On acquiring real estate <u>or right-of-use assets</u> from a related party, the Company shall evaluate the following methods to assess the reasonableness of the transaction costs:</p> <ol style="list-style-type: none"> 1.Based on the price of transaction with the related party, adding the required interest on funding and other costs to be borne by the buyer by law. The required interest on funding shall be calculated based on the weighted average of the interest rate for borrowing during the year the company purchases the property. It shall not, however, exceed the maximum lending rate for non-financial industries announced by the Ministry of Finance. 2.In the event that the property has been mortgaged for loan, the Company shall adopt the total appraised value by the financial institution for the specific lending. However, the actual lending amount shall not be less than 70% of the total appraised value and the loan period should be more than one year. However, this shall not apply if the financial institution is a related party of one of the trading counterparties. <p>Where land and buildings thereupon are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means</p>	<p>On acquiring real estate from a related party, the Company shall evaluate the following methods to assess the reasonableness of the transaction costs:</p> <ol style="list-style-type: none"> 1.Based on the price of transaction with the related party, adding the required interest on funding and other costs to be borne by the buyer by law. The required interest on funding shall be calculated based on the weighted average of the interest rate for borrowing during the year the company purchases the property. It shall not, however, exceed the maximum lending rate for non-financial industries announced by the Ministry of Finance. 2.In the event that the property has been mortgaged for loan, the Company shall adopt the total appraised value by the financial institution for the specific lending. However, the actual lending amount shall not be less than 70% of the total appraised value and the loan period should be more than one year. However, this shall not apply if the financial institution is a related party of one of the trading counterparties. <p>Where land and buildings thereupon are combined as a single property purchased in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p>	<p>I. Paragraphs 1 to 4 are amended to include acquisition of right-of-use asset by related party lease in response to adoption of IFRS 16 Leases.</p> <p>II. Given the possibility of group sharing lease arrangements between the Company and its subsidiaries or direct or indirect wholly owned subsidiaries as part of their business plans and the relatively low risk of such arrangements involving non-arm's-length transactions, Paragraph 4, Subparagraph 4 is added according to the Regulations Governing the Acquisition and Disposal of Assets by Public Companies to exclude such arrangements from the cost reasonableness requirement in this</p>

Content	After amendment	Existing articles	Description
	<p>listed in the preceding paragraph. When acquiring real estate <u>or right-of-use assets</u> from a related party, the Company shall appraise the cost of the real estate <u>or right-of-use assets</u> in accordance with <u>the first two paragraphs</u> above, in the meantime engaging a CPA to review the appraisal and render an opinion.</p> <p>Under the following circumstances, the Company shall follow the rules specified in <u>preceding article</u> herein for acquiring real estate <u>or right-of-use assets</u> from a related party. The provisions in the above three paragraphs shall not apply:</p> <ol style="list-style-type: none"> 1. The related party has acquired the real estate <u>or right-of-use assets</u> through inheritance or as a gift. 2. More than five years have elapsed since the acquisition of the real estate <u>or right-of-use assets</u> by the related party till the contract-signing date for this transaction. 3. The real estate is acquired through sign of a joint development contract with the related party or through engaging a related party to build real property, either on the company's own land or on rented land. 4. <u>The real property right-of-use assets for business use are acquired by the company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.</u> 	<p>When acquiring real estate from a related party, the Company shall appraise the cost of the real estate in accordance with <u>paragraph 1 and paragraph 2</u> above, in the meantime engaging a CPA to review the appraisal and render an opinion.</p> <p>Under the following circumstances, the Company shall follow the rules specified in <u>Article 14</u> herein for acquiring real estate from a related party. The provisions in the above three paragraphs shall not apply:</p> <ol style="list-style-type: none"> 1. The related party has acquired the real estate through inheritance or as a gift. 2. More than five years have elapsed since the acquisition of the real estate by the related party till the contract-signing date for this transaction. 3. The real estate is acquired through sign of a joint development contract with the related party or through engaging a related party to build real property, either on the company's own land or on rented land. 	<p>article.</p> <p>III. The text is amended in accordance with Paragraphs 3 and 4.</p>
Article 16	<p>When the results of <u>the</u> company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the 	<p>When the results of <u>a public company's</u> appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <ol style="list-style-type: none"> 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: <ol style="list-style-type: none"> (1) Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the 	<p>Based on the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the rules regarding acquisition of right-of-use asset from related parties are loosened to reflect real estate leases for factories and other property in practice and allow non-related party leases in nearby area within one year to be used as references in calculating and evaluating price reasonableness. The existing Paragraph 1, Subparagraph 1, Item 3</p>

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	<p>related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.</p> <p>2. Where the company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or the right-of-use assets thereof.</p>	<p>related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market practices.</p> <p>(3) Completed leasing transactions by unrelated parties for other floors of the same property from within the preceding year, where the transaction terms are similar after calculation of reasonable price discrepancies among floors in accordance with standard property leasing market practices.</p> <p>2. Where the company acquiring real property from a related party provides evidence that the terms of the transaction are similar to the terms of transactions completed for the acquisition of neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of</p>	<p>is made part of Item 2, and leases are also included as references. Paragraph 1, Subparagraph 1, Item 2, Subparagraph 2, and Paragraph 2 are amended accordingly.</p>

Content	After amendment	Existing articles	Description
		occurrence of the acquisition of the real property.	
Article 17	<p>Where the company acquires real property <u>or right-of-use assets</u> from a related party and the results of appraisals conducted in accordance with <u>the preceding two articles</u> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between <u>transaction price and the appraised cost of the real property or right-of-use assets</u> and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. Each independent director of the audit committee shall comply with Article 14-4, paragraphs 2 of the Securities and Exchange act mutatis mutandis application of Article 218, paragraphs 1 and 2 of the Company Act.</p> <p>3. Actions taken pursuant to <u>the preceding two subparagraphs</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased <u>or leased</u> at a premium, or they have been disposed of, <u>or the leasing contract has been terminated</u>, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the Company obtains real property <u>or right-of-use assets</u> from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the</p>	<p>Where the company acquires real property from a related party and the results of appraisals conducted in accordance with <u>Article 15 and Article 16</u> are uniformly lower than the transaction price, the following steps shall be taken:</p> <p>1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.</p> <p>2. Each independent director of the audit committee shall comply with Article 14-4, paragraphs 2 of the Securities and Exchange act mutatis mutandis application of Article 218, paragraphs 1 and 2 of the Company Act.</p> <p>3. Actions taken pursuant to <u>subparagraph 1 and subparagraph 2</u> shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.</p> <p>The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.</p> <p>When the Company obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.</p>	<p>I. This article is added in response to adoption of IFRS 16 Leases to include acquisition of right-of-use asset by related party lease as one of the procedures to be completed when evaluating whether the cost is below the price.</p> <p>II. The remaining text is amended accordingly.</p>

Content	After amendment	Existing articles	Description
	acquisition was not an arm's length transaction.		
Article 18	<p>When engaged in derivatives transactions, the Company shall ensure control over such transactions based on the following risk management and audit principles:</p> <p>1. Transaction Principles and Guidelines</p> <p>(1) The types of derivative transactions to be conducted by the Company shall include, mainly, forward exchange, options, interest and currency swaps, etc. for hedging purposes.</p> <p>(2) When engaged in derivatives transactions, the Company shall give equal attention to the safety and liquidity of products.</p> <p>(3) <u>In principle, the Company's derivative transactions are made for hedging purposes. The limits on entire trading amount and stop-loss limits on each aggregated and individual contracts shall be approved by the board of directors.</u></p> <p>(omitted)</p> <p>4. The Company shall conduct regular assessment on gains and losses, and plan in advance for emergency situations.</p> <p>(1) The Company shall assess its derivative trading positions at least once a week. Hedging transactions conducted to meet business requirements shall be assessed at least twice a month. Assessment reports shall be <u>submitted</u> to the senior management level authorized by the chairman.</p> <p>(omitted)</p>	<p>When engaged in derivatives transactions, the Company shall ensure control over such transactions based on the following risk management and audit principles:</p> <p>1. Transaction Principles and Guidelines</p> <p>(1) The types of derivative transactions to be conducted by the Company shall include, mainly, forward exchange, options, interest and currency swaps, etc. for hedging purposes.</p> <p>(2) When engaged in derivatives transactions, the Company shall give equal attention to the safety and liquidity of products.</p> <p>(3) In principle, all derivative transactions <u>shall</u> be conducted for hedging purposes. The Company shall obtain approval from the board of directors on all relevant limits, including the limits on aggregated contract value, the stop-loss limit for all transactions and individual contracts, <u>as well as other market risk limits.</u></p> <p>(omitted)</p> <p>4. The Company shall conduct regular assessment on gains and losses, and plan in advance for emergency situations.</p> <p>(1) The Company shall assess its derivative trading positions at least once a week. Hedging transactions conducted to meet business requirements shall be assessed at least twice a month. Assessment reports shall be <u>submitted</u> to the senior management level authorized by the chairman.</p> <p>(omitted)</p>	<p>I. Change of wording in the first paragraph to meet the company's real practice.</p> <p>II. Change of wording in Chinese; but not in English.</p>
Article 19	<p>(omitted)</p> <p>Where the company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:</p> <p>1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>2. Periodically evaluate whether derivatives trading performance is consistent with established</p>	<p>(omitted)</p> <p>Where the company engaging in derivatives trading, its board of directors shall faithfully supervise and manage such trading in accordance with the following principles:</p> <p>1. Designate senior management personnel to pay continuous attention to monitoring and controlling derivatives trading risk.</p> <p>2. Periodically evaluate whether derivatives trading performance is consistent with established</p>	<p>Change of wording in Chinese; but not in English</p>

Content	After amendment	Existing articles	Description
	<p>operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.</p> <p>Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <ol style="list-style-type: none"> 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted <u>in accordance</u> with these Regulations and the procedures for engaging in derivatives trading formulated by the company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. <p>The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading <u>in accordance</u> with its Procedures for Engaging in Derivatives Trading.</p>	<p>operational strategy and whether the risk undertaken is within the company's permitted scope of tolerance.</p> <p>Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <ol style="list-style-type: none"> 1. Periodically evaluate the risk management measures currently employed are appropriate and are faithfully conducted <u>in accordance</u> with these Regulations and the procedures for engaging in derivatives trading formulated by the company. 2. When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion. <p>The Company shall report to the soonest meeting of the board of directors after it authorizes the relevant personnel to handle derivatives trading <u>in accordance</u> with its Procedures for Engaging in Derivatives Trading.</p>	
Article 23	<p>(omitted)</p> <p>When participating in merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days from the date of passage of the board resolution, submit to the Financial Supervisory Commission for recordation the information required in subparagraphs 1 and 2 of the preceding paragraph. The information shall be compiled according to the specified format and transmitted via the Internet. If any of the participating companies in the merger, demerger, acquisition, or transfer of another company's shares is not a listed company or a company having its shares traded on an OTC market, the Company shall sign an agreement with such participating companies, while abiding by the provisions of <u>the preceding two paragraphs</u>.</p>	<p>(omitted)</p> <p>When participating in merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days from the date of passage of the board resolution, submit to the Financial Supervisory Commission for recordation the information required in subparagraphs 1 and 2 of the preceding paragraph. The information shall be compiled according to the specified format and transmitted via the Internet. If any of the participating companies in the merger, demerger, acquisition, or transfer of another company's shares is not a listed company or a company having its shares traded on an OTC market, the Company shall sign an agreement with such participating companies, while abiding by the provisions of <u>paragraphs 3 and 4 herein</u>.</p>	The text in Paragraph 5 is amended.
Article 28	When the company participates in the merger, demerger, acquisition, or transfer of shares, if any of the companies participating in a merger,	When the company participates in the merger, demerger, acquisition, or transfer of shares, if any of the companies participating in a merger,	The text is amended.

Content	After amendment	Existing articles	Description
	demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 23, Article 24, and <u>the preceding article</u> .	demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 23, Article 24, and <u>Article 27</u> .	
Article 29	<p>Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real estate <u>or right-of-use assets</u> from or to a related party, or acquisition or disposal of assets other than real estate <u>or right-of-use assets</u> from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. This requirement, however, shall not apply to the trading of <u>domestic</u> government bonds or bonds under repurchase or resale agreements, and subscription repurchase of domestic money market funds that are issued by securities investment trust enterprise. 2. Merger, demerger, acquisition, or transfer of shares. 3. Situations where the losses resulting from the derivative transactions has reached the stop-loss limit, including the aggregate limit for all transactions and the limit for individual transactions, as prescribed in article 18, paragraph 1, subparagraph 1, item 3. 4. Where <u>the equipment or the right-of-use assets for business use</u> <u>are</u> acquired or disposed <u>of</u>, the trading counterparty is not a related party, and the transaction amount is more than NT\$1.0 billion. 5. Situations where the real estate is acquired by the following methods: engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>on the</u> 	<p>Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:</p> <ol style="list-style-type: none"> 1. Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. This requirement, however, shall not apply to the trading of government bonds or bonds under repurchase or resale agreements, and subscription repurchase of domestic money market funds that are issued by securities investment trust enterprise. 2. Merger, demerger, acquisition, or transfer of shares. 3. Situations where the losses resulting from the derivative transactions has reached the stop-loss limit, including the aggregate limit for all transactions and the limit for individual transactions, as prescribed in article 18, paragraph 1, subparagraph 1, item 3. 4. Where <u>the type of asset</u> acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$1.0 billion. 5. Situations where the real estate is acquired by the following methods: engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale. The amount to be invested by the Company, furthermore, is more than 	<ol style="list-style-type: none"> I. Regarding the amendment of the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, given the credit ratings of the central and municipal government agencies in the Republic of China are definitive and easy to find out, the announcement procedure may be waived. Hence, Paragraph 1, Subparagraph 1 and Subparagraph 6, Item 1 are amended to limit the scope to domestic government bonds. II. Paragraph 1, Subparagraphs 1 and 4 and Paragraph 2, Subparagraph 3 are amended to include right-of-use asset in response to adoption of IFRS 16 Leases. III. Given Paragraph 1, Subparagraph 1 provides the announcement procedure for related party transactions and Subparagraph 5 provides the same for the non-related party transactions, Paragraph 1, Subparagraph 5 is amended accordingly for clarification. IV. Paragraph 1, Subparagraph 6, Item 2 is amended according to the Regulations

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	<p><u>premise that the transaction counterparty is not a related party.</u> The amount to be invested by the Company, furthermore, is more than NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of <u>domestic</u> government bonds.</p> <p>(2) Securities trading conducted through securities exchanges or through securities firms, securities subscribed in the primary market that are corporate bonds and bank debentures without equity rights(<u>excluding subordinated debt</u>), <u>or purchase or redemption of securities investment trust funds or futures trust funds</u>, or when the company is a securities dealer acting as recommending securities firms, securities subscribed according to the rules of Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase or resale agreements, and subscription or repurchase of domestic money market funds that are issued by securities investment trust enterprise.</p> <p>The “transaction amount” prescribed in the preceding paragraph shall be determined based on the following definition:</p> <p>1. The amount of each individual transaction.</p> <p>2. The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>3. The cumulative transaction amount of real estate <u>or right-of-use assets</u> acquired or disposed of (to be accumulated separately for acquisitions and disposals) for the same development project within one year.</p> <p>4. The cumulative transaction amount of the same securities acquired or</p>	<p>NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of government bonds.</p> <p>(2) Securities trading conducted by <u>professional investors</u> through <u>domestic or overseas</u> securities exchanges or through securities firms, securities subscribed in the <u>domestic</u> primary market that are corporate bonds and bank debentures without equity rights, or, when the company is a securities dealer acting as recommending securities firms, securities subscribed according to the rules of Taipei Exchange.</p> <p>(3) Trading of bonds under repurchase or resale agreements, and subscription or repurchase of domestic money market funds that are issued by securities investment trust enterprise.</p> <p>The “transaction amount” prescribed in the preceding paragraph shall be determined based on the following definition:</p> <p>1. The amount of each individual transaction.</p> <p>2. The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same trading counterparty within one year.</p> <p>3. The cumulative transaction amount of real estate acquired or disposed of (to be accumulated separately for acquisitions and disposals) for the same development project within one year.</p> <p>4. The cumulative transaction amount of the same securities acquired or disposed of (to be accumulated separately for acquisitions and disposals) within one year.</p> <p>“Within one year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items which have been announced according to the</p>	<p>Governing the Acquisition and Disposal of Assets by Public Companies:</p> <p>(I) The Company meets the criteria for investment professionals, and so the text is amended to avoid redundancy. To establish consistency in the definitions under the Procedures, all securities or institutions referred to in the Procedures, as a rule, include domestic and foreign securities or institutions. The words, domestic and foreign, are deleted accordingly.</p> <p>(II) Subscription of corporate bonds in foreign primary markets is a frequent occurrence and often involves uncomplicated products. Securities investment trust enterprises and futures trust enterprises in the country are regulated by the FSC, and subscription and redemption of funds (excluding offshore funds) are of frequent occurrence for investment professionals. Hence, the requirement is loosened to exempt investment professionals trading the securities above from the announcement procedure. In addition, given the higher risk in subordinated bonds, it is provided explicitly that</p>

Content	After amendment	Existing articles	Description
	<p>disposed of (to be accumulated separately for acquisitions and disposals) within one year.</p> <p>“Within one year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items which have been announced according to the Procedures may be excluded.</p> <p>The Company shall compile monthly reports on the status of derivative transactions conducted up to the end of the preceding month by itself and any of its subsidiaries that are not publicly-listed companies in Taiwan. The information shall be transmitted to the information reporting website specified by the Financial Supervisory Commission before the 10th of each month using the required format.</p> <p>Where any correction or addition to the information is required, the Company shall , within two days since becoming aware of the incident, repeat all reporting and announcement procedures for all the items.</p> <p>When acquiring or disposing of assets, the Company shall retain a file of the relevant contracts, meeting minutes, logbooks, appraisal reports, opinions from the CPAs, attorneys and securities underwriters for at least five years, unless otherwise provided by law.</p>	<p>Procedures may be excluded.</p> <p>The Company shall compile monthly reports on the status of derivative transactions conducted up to the end of the preceding month by itself and any of its subsidiaries that are not publicly-listed companies in Taiwan. The information shall be transmitted to the information reporting website specified by the Financial Supervisory Commission before the 10th of each month using the required format.</p> <p>Where any correction or addition to the information is required, the Company shall , within two days since becoming aware of the incident, repeat all reporting and announcement procedures for all the items.</p> <p>When acquiring or disposing of assets, the Company shall retain a file of the relevant contracts, meeting minutes, logbooks, appraisal reports, opinions from the CPAs, attorneys and securities underwriters for at least five years, unless otherwise provided by law.</p>	<p>corporate bonds and bank debentures without equity rights do not include subordinated bonds.</p> <p>V. The text in Paragraphs 4 and 6 is amended.</p>
Article 31	<p>(omitted)</p> <p>4. In the event that the subsidiary is not a publicly listed company, the Company shall, on behalf of the subsidiary, carry out relevant information announcement and reporting as stipulated in <u>preceding Chapter</u> herein, if necessary. With regard to the threshold for announcement or reporting by subsidiaries prescribed in Article 29, paragraph 1, the calculation basis for the threshold shall be the paid-in capital or total assets of the Company.</p> <p>(omitted)</p>	<p>(omitted)</p> <p>4. In the event that the subsidiary is not a publicly listed company, the Company shall, on behalf of the subsidiary, carry out relevant information announcement and reporting as stipulated in <u>Chapter 3</u> herein, if necessary. With regard to the threshold for announcement or reporting by subsidiaries prescribed in Article 29, paragraph 1 <u>herein (i.e., 20% of paid-in capital or 10% of total assets)</u>, the calculation basis for the threshold shall be the paid-in capital or total assets of the Company.</p> <p>(omitted)</p>	<p>The text in Paragraph 1, Subparagraph 4 is amended.</p>

Resolution:

[Special motion]

【Attachment 1】

Taishin Financial Holding Co., Ltd.

2018 Business Report

Macroeconomic and Financial Analysis

The global economy in 2018 exhibited overall deceleration in momentum. Of all the major economies, only the U.S. still maintained steady expansion throughout the year, whereas the Eurozone and Japan saw quarterly decline within the year, and the Chinese economy experienced significantly stronger downward pressure in the second half of the year due to regulatory policies such as deleveraging of debts and supply-side structural reform as well as the U.S.-China trade disputes, among other negative factors. Consequently, the total demand of major international consumer markets weakened, causing Taiwan and export-dependent countries such as Germany, Japan, and South Korea to experience economic recession in the second half of 2018.

Amid global economic fluctuations, Taiwan saw a cooler economy in the second half of 2018 than in the first half, although its internal demand exhibited relatively stable performance, thanks to the influx of returning Taiwanese business investments caused by the U.S.-China trade war and increased capital expenditure of technological giants, which enabled Taiwan's economic growth to remain at 2.63% in 2018. The stock market, in response to economic factors, fell significantly in the fourth quarter, closing at 9,727 at the end of the year, 9% down from 10,643 in the previous year.

The financial sector in Taiwan was severely impacted by market performance in the second half of 2018. Overall earnings before tax for the financial sector amounted to NT\$523.3 billion, a 3% drop from 2017. Earnings before tax for the banking industry totaled NT\$377.7 billion, accounting for 30% financial industry's total profits. By contrast, the percentages for the insurance and securities industries decreased. Fortunately, since the beginning of the year, the United States, European countries, and China successively released information about relaxation of their monetary policies, which effectively recovered the stock market and other risky asset values. Looking forward, the global economy will continue to slow down, as variables of the U.S.-China trade war introduce new challenges and opportunities to the operation of the financial industry. Given the government's robust efforts to improve the investment environment in Taiwan, accelerate the implementation of prospective infrastructure projects, and promote the "Welcoming the Return of Taiwanese Investment Initiative Action Plan," the financial industry expects to embrace this wave of industry demand and improve its business performance.

Overall Business Performance

Taishin FHC followed the operating budgets closely in 2018. The core businesses grew at a steady pace, leading to consistent profit growth. The net profit after tax totaled NT\$12.9 billion. The net interest income and the net fee income rose by 4.6% and 4.4%, respectively. This represented an EPS of NT\$1.09, an ROE of 9.06%, and a net worth per common share of NT\$12.33.

In terms of capital structure, Taishin FHC delivered healthy results with the capital adequacy ratio rising from 124.9% at the end of 2017 to 127.1% at the end of 2018; the double leverage ratio falling from 112.9% at the end of 2017 to 111.2% at the end of 2018; and the debt ratio falling from 17.4% at the end of 2017 to 15.7% at the end of 2018.

In October 2018, Taishin FHC was granted global long- and short-term credit ratings of BBB and F3, respectively, in a report of the international credit rating agency Fitch Rating. The national long- and short-term credit ratings were A+(twn) and F1(twn), respectively, and the outlook was "Negative". In November 2018, Taishin FHC was granted by Taiwan Ratings Corp. international long- and short-term ratings of BBB- and A-3, respectively, and domestic long- and short-term ratings of twA and twA-1, respectively. The outlook was "Positive".

Regarding overseas business expansion, Taishin FHC actively forges its presence in the Chinese and Asia Pacific markets, and has to date established branches in Hong Kong, Singapore, Japan (Tokyo), and Australia (Brisbane). Meanwhile, we have also submitted our application for establishing our Long An Branch in Vietnam. With respect to local offices, we currently serve our customers through the Ho Chi Minh City office in Vietnam and the Yangon office in Myanmar. This year, we plan to incorporate an office in Shanghai, which has been approved by the FSC in January 2019. We will proceed to submit application to the Chinese authority. In the future, we will continue to expand our overseas presence by offering more comprehensive and higher quality international financial services to customers.

FinTech application: Taishin created a digital strategy team under Taishin FHC. It optimizes O2O integration through continuing use of advanced fintech applications so to enable digital services to offer easier-to-use and more friendly and wide-ranging features and products. Subsidiary Taishin Bank is the first among peers to launch a new digital banking brand, Richart. The brand steadily holds a market share of more than 50% in digital accounts and is well received by users. The number of times CARDaily (credit card app) was downloaded in 2018 increased by 184% from 2017. By continuously improving the functions of this app, we aim to become a one-stop digital shopping platform for Taishin cardholders.

With respect to securities services, our subsidiary Taishin Securities have been gaining market share since the merger with Ta Chong Securities. The net fee income has shown an annual growth of 76.5%. Furthermore, an offshore securities unit (OSU) were created in November 2018. It added offshore securities underwriting and foreign currency securities sale to the range of available services. Taishin Securities will continue to enhance the functionality

of its electronic platform, and expand the futures services and sub-brokerage services in the future. It plans to expand the product line and follows Taishin FHC's fintech development strategy to provide better services for customers.

Business performance of our banking, securities, and investment trust subsidiaries in the previous year is summarized as follows.

I. Retail Banking Services

As of the end of 2018, the size of Taishin Bank's mortgage portfolio stood at NT\$484.9 billion, representing close to 7% in YOY growth; the auto loan balance amounted to NT\$45.4 billion, representing a 7% YOY growth, and again placing Taishin Bank at the top of the financial industry; we had 4.64 million credit cards outstanding, ranking 4th with a 10.5% market share; and lastly, Taishin Bank had 126,000 card accepting merchants nationwide, ranking first with a 21.2% market share.

Mobile payment marketing campaigns: Taishin Bank is the first card-issuing bank in Taiwan to introduce the four major mobile payment platforms (Apple Pay, Samsung Pay, Google Pay, and Taiwan Pay). In 2018, we subsequently introduced mobile payment services for wearable devices produced by two major smart watch brands, Fitbit and Garmin, and integrated Fitbit Pay into our iPass joint credit card to satisfy the mobile payment needs of cardholders to pay with their credit card and transport card. We also cooperated exclusively with MasterCard to introduce an innovative payment service that not only enables general credit card transactions but also offers the Masterpass payment method. MasterCard is integrated into an electronic wallet so that consumers can easily and quickly complete online transactions without having to enter their card number. With respect to cross-border payment service, Taishin Bank possesses close to 30,000 points of service in duty-free stores, department stores, major shopping districts, and nightmarkets that can support multiple cross-border payments using electronic wallets, including payment tools used by the KEB Hana Bank. Taishin is the first financial institution in Taiwan to cooperate with a Korean bank in this regard.

Credit cards: Taishin Bank continues to develop a wide variety of convenient digital credit card application channels with the goal of enhancing consumer experience. Launched in 2018, the FarEasTone friDay Joint Credit Card provides maximum 3% cash back on telephone bills, the highest cash back bonus in the market. In December 2018, we combined the Richart digital foreign currency account and MasterCard, introducing the business FlyGo credit card that allows cardholders to conveniently make overseas purchases or exchange foreign currencies at a bargain. Taishin Bank offers a comprehensive line of cobranded cards that ranges from airline, telecommunication, department store, insurance, wholesale, consumer electronics, to duty free shopping, satisfying all the needs of our customers.

Wealth management: The Taishin Bank brand is built on "Professional Leadership"

and "Protection with Dedication". Taishin Bank offers a diverse range of localized and personalized customer services, and is constantly in pursuit of innovation and stronger customer relationships, aided by its outstanding digital services that establish Taishin Bank as an Intelligent Partner of its customers. In 2018, our net fee income from wealth management services achieved a 3.1% YOY growth. In particular, 74.9% and 13.8% of the fees came from bancassurance and fund investment, respectively. Due to the increased popularity of smart financial management, Taishin Bank introduced a novel smart investment platform—Roboking, which boasts the abilities to provide prospective investment portfolios, participate in customers' investments, and facilitate instant monitoring of investment portfolios, thereby offering Taishin customers a better and more comprehensive alternative to managing their finances online.

II. Wholesale Banking Services

Corporate lending: Loans to state-owned and private enterprises totaled NT\$240.9 billion at the end of 2018, 15th among the 37 domestic banks. The annual growth rate of syndications was 17%, 7th in the industry. In support of the government's initiative, Taishin Bank provides guarantees in compliance with policy to help SMEs acquire operating capital. Our lending to SMEs rose to NT\$138.3 billion by the end of 2018, a 5.3% YOY growth. We will continue to expand the scope of our cooperation with the SME Credit Guarantee Fund of Taiwan, help SMEs to upgrade their business, and provide relevant financing schemes in accordance with major governmental policies such as the 5+2 Industry Policy and the Welcoming the Return of Taiwanese Investment Initiative Action Plan.

Other wholesale banking services: Automated clearing house (ACH), developed in collaboration with Taiwan Clearing House for fulfilling the needs of corporate customers to allocate funds, was rated as the best payment service and second best debit collection service in the market. Taishin Bank remained the market leader in factoring services with a volume totaling NT\$251 billion in 2018. We provided share administration services to a total of 194 companies traded on the TWSE/TPEX and the Emerging Stock Market, ranking 4th among peers.

System implementation: As we continuously expand our overseas business, Taishin Bank introduced the GB2B Global Digital Corporate Banking Network at the end of 2018, creating more automated and user-friendly interface and functions that offer one-stop solutions and product integrated services to satisfy the diverse needs of overseas Taiwanese businessmen. We will continue to incorporate ACH and financial products and services into our GB2B Global Digital Corporate Banking Network this year and assist existing customers with upgrades that will provide them with access to these services. Additionally, Taishin is committed to developing regional banks, and will be establishing online banking services for its Hong Kong branch in 2019 to vie for business opportunities with multinational companies and other medium-sized and large enterprises.

III. Securities and Investment Trust Subsidiaries

Securities operations: The company will continue to work closely with various distributors to provide more a comprehensive range of services to individual and corporate clients. It is also committed to keep enhancing the functionality and accessibility of its electronic platforms in order to satisfy customer demand for easier and quicker e-trades. Regarding underwriting services, Taishin continues to focus on offering underwriting services to well managed companies, and seek opportunities in funding projects applying for first time TWSE/TPEX listing in Taiwan. The market share reached 1.7% in brokerage services and 2.6% in margin trade balance at the end of 2018. Taishin Securities handled a total of 22 securities underwriting cases as lead underwriter throughout the entire year. It was ranked 2nd in number of cases handled as lead underwriter and 4th in amount handled as lead underwriter. It is the leader in both total number of cases and total amount.

Investment trust operations: The size of public/private offering and discretionary assets under management by Taishin Securities Investment Trust (TSIT) reached NT\$103.9 billion at the end of 2018 out of which NT\$74.9 billion was in publicly offered funds, accounting for a 2.9% market share and enabling the company to rank 8th place among domestic investment trusts. Looking forward, TSIT's assets under management is expected to continue to advance toward the NT\$130 billion mark. In addition to winning the tender for the Ministry of Labor NT\$11 billion discretionary investment project in 2018, TSIT, regarding publicly offered funds, is optimistic about the demand for bond ETFs and the potential investment growth in emerging markets bond market. TSIT was first to entered a license agreement with world leading provider of emerging markets bond indexes JPMorgan. TSIT subsequently launched Taishin JPMorgan Emerging Markets IG Bond ETF in May 2018 and became the first SITE in Taiwan to offer investors a product linked to one of JPMorgan emerging markets bond indexes.

In summary, we have received continuous acclaim for our excellence in various aspects of business, including banking, securities, and invest trust services. Taishin is the first of its peers to introduce the Richart digital banking service, which has won the Red Dot Communication Design Award for two consecutive years since 2017 and the Gartner Financial Service Innovation Award in November 2018. Taishin is the sole recipient of these two awards in the financial industry of Taiwan. Taishin Bank also won the Best Retail Banking, Best Digital Banking, and Best Credit Card awards given by Asian Banking & Finance magazine(AB&F). Taishin Bank's idea of integrating wealth management services with digital finance technology has helped us to win the Professional Wealth Management Best private bank for Big Data analytics and Artificial Intelligence (AI) award, the Best Private Bank in Taiwan award by the Asian Banker, and the Best Private Bank award for five consecutive years by Private Banker International (PBI). The wholesale banking

services by Taishin Bank support government policies, and have been named an Excellent SME Credit Guarantee Partner Award winner by the Ministry of Economic Affairs for seven years in a row. Furthermore, Taishin Securities was named second place in "Underwriting Recommendations and Number of OTC Companies" by Taipei Exchange, and was the recipient of a number of awards, including Lipper Fund Awards Taiwan and Best Fund Awards. Taishin FHC received a total of 116 awards from domestic and international professional institutions in 2018, the largest number of awards for the company since its establishment.

Future Prospects

An overview of the overall financial environment shows that financial industry operators must determine how to bolster their competitiveness and satisfy customer needs while maintaining financial stability, given the rise of FinTech applications and the key roles that members of the financial industry play in anti-money laundering initiatives. For the purpose of developing innovative financial services and implementing financial consumer protection, the FSC has planned a multitude of focuses, including expanding the use of FinTech applications to enhance service convenience; using diverse financial products to create wealth for industries and the general public; differentiating financial supervision to ensure financial stability; increasing the level of internationalization of the capital market; and strengthening risk-oriented anti-money laundering tasks in the financial industry.

In 2019, we will commit to achieving the goals of our existing business activities in accordance with the principle of "rigorous risk management and aggressive expansion" while supporting government policies and complying with applicable regulations. Our business strategies and plans include: Continue to develop financial advantages, actively integrate financial holdings resources, expand the business scale of the subsidiaries provided that risk control and business growth are both accounted for, and create diverse profit engines; utilize new technologies, continuously expand the market share of our Richart mobile banking service, improve mobile payment tools, develop innovative business models, and create business opportunities that will enable us to maintain definitive market advantages; and continue to promote overseas business expansion, focus primarily on Asian countries and areas populated by Overseas Chinese communities, and develop international businesses. In addition, we will continue to strengthen our risk management capability and simultaneously adopt system upgrade, talent selection and retention, and process improvement to build the best environment and human resources for business development.

Corporate governance and Corporate Social Responsibility

With respect to corporate governance and corporate social responsibility, we have been

achieving excellent results for years since TWSE announced the first Corporate Governance Evaluation in 2015. The company is also one of the constituents of the TWSE Corporate Governance 100 Index and has been rated Excellent in the CG6011 (2017) Corporate Governance Certification conducted by Taiwan Corporate Governance Association. To increase information transparency, the Taishin FHC Corporate Social Responsibility (CSR) Report passes independent third party certification every year. Reports published in last two years also received AA1000 Type 2 Accountability Principles and Performance Information certification. Certification by a certification agency contributes to the credibility and transparency of sustainability information and has helped the company become one of the first financial institutions to incorporate sustainability into their business practices. We have moreover established the Corporate Sustainability Committee to oversee six functional teams responsible for corporate sustainability, liability products, customer relations, employee care, green operations, and social inclusion. We and our subsidiaries as well as various affiliated foundations work together toward the same goals. In 2018, Taishin FHC had great success at an assessment by the globally recognized Dow Jones Sustainability Index (DJSI) and became included in DJSI World and DJSI Emerging Markets as a first-time nominee. The Company will persist in its commitment to good corporate governance and corporate social responsibility practices in order to fulfill the promise of maintaining sustainable business development.

Taishin employees have long dedicated themselves to delivering the best banking services with "integrity, commitment, innovation and cooperation" in mind. Even in the pursuit of profitability and continuous growth, Taishin has been able to demonstrate the innovation and customer-centric values that have helped shape Taiwan's banking industry as a whole and embodied the group's fulfillment of its corporate social responsibility. Taishin will hereafter adhere to the same business philosophy while continuing to deliver comprehensive services and maximizing profits so as to benefit our shareholders, customers, employees and the greater community alike and to deliver on our promises to shareholders.

Chairman: Wu, Tong-Liang

President: Welch Lin

Accounting Supervisor: Vincent Tsai

【Attachment 2】

**Taishin Financial Holding Co., Ltd.
Audit Committee Report**

April 25, 2019

The board of directors has prepared the 2018 business report, financial statements and earnings distribution proposal for the Company. The financial statements have been audited and certified by CPA Tza Li Gung and CPA Kwan-Chung Lai of Deloitte Taiwan, who have also expressed an opinion. The above reports and statements compiled by the board of directors have been audited by the Audit Committee and considered in compliance with relevant rules and regulations. Please kindly note that the report hereby presented has been prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:
Taishin Financial Holding Co., Ltd. 2019 Annual General Meeting

The convener of Audit Committee
Chang, Min-Yu

【Attachment 3】

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Taishin Financial Holding Co., Ltd.

Opinion

We have audited the accompanying financial statements of Taishin Financial Holding Co., Ltd. (“Taishin Financial Holding”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Statements by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following were the key audit matters in the audit of the consolidated financial statements of the Group for the year ended December 31, 2018:

Impairment of Loans

Commercial lending is the core business of the Group. Loans are mainly recorded in Taishin International Bank Co., Ltd. (“Taishin Bank”), a subsidiary of Taishin Financial Holdings, and represent the Group’s significant accounts, which reached around 57% of the Group’s total assets as of December 31, 2018. The Group assesses the impairment of loans of Taishin Bank in accordance with IFRS 9 “Financial Instruments”. See Notes 5 and 14 to the consolidated financial statements for the relevant and additional information. The Group management’s judgement and the assumptions used have significant impact on the impairment assessments. Therefore, we consider the impairment of loans as a key audit matter. Refer to Note 6 to the consolidated financial statements for the relevant and additional information.

Our audit procedures on the impairment of loans included testing of the design and operating effectiveness of controls and procedures for identifying loans and advances exposed to impairment and for ensuring that provisions against those assets were made. We identified loans and receivables and checked from public information to see whether the borrowers were possibly problematic companies, or have already been included in the companies under evaluation for lifetime expected credit losses (ECLs). We evaluated the assumptions used in the Group’s impairment assessment model of ECLs to assess whether the ECLs of loans would be assessed in groups based on the nature of the products, borrowers’ credit ratings and collateral, and we also checked the Group’s compliance with regulations on assessment of impairment and its compliance with IFRS 9.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2018 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tza-Li Gung and Kwan-Chung Lai.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 21, 2019

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
**CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)**

ASSETS	2018		2017	
	Amount	%	Amount	%
Cash and cash equivalents	\$ 22,590,750	1	\$ 22,034,918	1
Due from the Central Bank and call loans to banks	55,875,912	3	56,832,392	4
Financial assets at fair value through profit or loss (FVTPL)	115,782,595	7	106,153,738	6
Financial assets at fair value through other comprehensive income (FVTOCI)	336,400,248	19	-	-
Available-for-sale financial assets, net	-	-	307,885,507	18
Financial assets at amortized cost	3,081,240	-	-	-
Securities purchased under resale agreements	2,416,641	-	7,615,565	1
Receivables, net	144,763,489	8	135,089,033	8
Current tax assets	354,251	-	357,417	-
Loans, net	1,018,505,146	57	959,618,741	57
Held-to-maturity financial assets, net	-	-	6,095	-
Investments accounted for using the equity method, net	40,100,981	2	38,521,283	2
OTHER FINANCIAL ASSETS, NET				
Financial assets carried at cost, net	-	-	3,006,159	-
Other miscellaneous financial assets, net	9,866,430	1	8,712,552	1
Other financial assets, net	9,866,430	1	11,718,711	1
Investment property, net	907,311	-	769,694	-
Property and equipment, net	18,895,823	1	19,143,108	1
Intangible assets, net	2,275,459	-	2,283,808	-
Deferred tax assets	3,360,316	-	2,480,967	-
Other assets, net	11,716,925	1	7,009,339	1
TOTAL	\$ 1,786,893,517	100	\$ 1,677,520,316	100
LIABILITIES AND EQUITY				
Due to the Central Bank and banks	\$ 57,441,338	3	\$ 64,252,429	4
Funds borrowed from the Central Bank and other banks	1,536,650	-	-	-
Financial liabilities at FVTPL	29,502,674	2	18,467,718	1
Securities sold under repurchase agreements	83,045,834	5	76,695,065	5
Commercial paper issued, net	12,215,597	1	15,298,649	1
Payables	28,783,190	2	29,096,110	2
Current tax liabilities	2,306,439	-	1,464,131	-
Deposits and remittances	1,259,675,424	70	1,194,493,789	71
Bonds payable	61,700,000	3	64,400,000	4
Other borrowings	11,545,384	1	10,315,076	1
Provisions	1,721,335	-	1,485,384	-
Other financial liabilities	59,083,447	3	41,388,865	2
Deferred tax liabilities	108,838	-	96,839	-
Other liabilities	3,709,414	-	4,744,152	-
Total liabilities	1,612,375,564	90	1,522,198,207	91
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
Capital stock				
Common stock	104,362,071	6	99,842,620	6
Preferred stock	10,175,410	1	7,900,547	-
Advance receipts for capital stock	3,996	-	14,422	-
Capital surplus	37,805,713	2	26,453,556	2
Retained earnings				
Legal reserve	9,115,012	-	7,838,803	-
Special reserve	572,115	-	502,815	-
Unappropriated earnings	12,421,251	1	12,762,094	1
Other equity	(71,042)	-	(126,592)	-
Equity attributable to owners of parent	174,384,526	10	155,188,265	9
NON-CONTROLLING INTERESTS	133,427	-	133,844	-
Total equity	174,517,953	10	155,322,109	9
TOTAL	\$ 1,786,893,517	100	\$ 1,677,520,316	100

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
INTEREST INCOME	\$ 34,485,001	87	\$ 30,621,256	81
INTEREST EXPENSES	<u>(14,893,700)</u>	<u>(38)</u>	<u>(11,886,687)</u>	<u>(31)</u>
NET INTEREST INCOME	<u>19,591,301</u>	<u>49</u>	<u>18,734,569</u>	<u>50</u>
NET INCOME OTHER THAN NET INTEREST INCOME				
Net service fee and commissions income	12,012,226	30	11,510,076	30
Gain on financial assets and liabilities at FVTPL	3,125,283	8	3,219,009	9
Realized gain on financial assets at FVTOCI	388,455	1	-	-
Realized gain on available-for-sale financial assets	-	-	458,002	1
Foreign exchange gains (losses)	1,074,385	3	399,465	1
Impairment (loss) gain on assets	(900)	-	(38,939)	-
Share of profit (loss) of associates accounted for using equity method	2,875,227	7	2,764,943	7
Net other non-interest income				
Gain from bargain purchase	-	-	106,747	-
Net other miscellaneous income	<u>682,346</u>	<u>2</u>	<u>648,029</u>	<u>2</u>
Net income other than net interest income	<u>20,157,022</u>	<u>51</u>	<u>19,067,332</u>	<u>50</u>
NET REVENUE AND GAINS	<u>39,748,323</u>	<u>100</u>	<u>37,801,901</u>	<u>100</u>
PROVISIONS FOR ALLOWANCE FOR BAD DEBT EXPENSES, COMMITMENTS AND GUARANTEES LIABILITIES	<u>(3,340,539)</u>	<u>(8)</u>	<u>(1,851,058)</u>	<u>(5)</u>
OPERATING EXPENSES				
Employee benefits expenses	(12,374,008)	(31)	(12,163,656)	(32)
Depreciation and amortization expenses	(1,194,980)	(3)	(1,067,232)	(3)
Other general and administrative expenses	<u>(8,602,413)</u>	<u>(22)</u>	<u>(7,910,326)</u>	<u>(21)</u>
Total operating expenses	<u>(22,171,401)</u>	<u>(56)</u>	<u>(21,141,214)</u>	<u>(56)</u>
INCOME BEFORE INCOME TAX	14,236,383	36	14,809,629	39
INCOME TAX EXPENSE	<u>(1,306,250)</u>	<u>(3)</u>	<u>(1,739,463)</u>	<u>(5)</u>
NET INCOME	<u>12,930,133</u>	<u>33</u>	<u>13,070,166</u>	<u>34</u>

(Continued)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Gain (losses) on remeasurements of defined benefit plans	\$ (80,908)	-	\$ (191,918)	-
Share of other comprehensive income of associates accounted for using the equity method	(103,813)	-	(78,779)	-
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at FVTPL	544	-	-	-
Unrealized gain on investments in equity instruments designated as at FVTOCI	115,368	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	42,920	-	32,223	-
Items that will be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(55,051)	-	(12,373)	-
Unrealized gain on available-for-sale financial assets	-	-	295,094	1
Share of other comprehensive loss of associate accounted for using the equity method	136,550	-	(126,615)	(1)
Unrealized loss on investment in debt instruments at FVTOCI	(401,998)	(1)	-	-
Impairment loss on investment in debt instruments at FVTOCI	146	-	-	-
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>25,574</u>	<u>-</u>	<u>(24,856)</u>	<u>-</u>
Other comprehensive income (loss), net of tax	<u>(320,668)</u>	<u>(1)</u>	<u>(107,224)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 12,609,465</u>	<u>32</u>	<u>\$ 12,962,942</u>	<u>34</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of parent	\$ 12,930,583	33	\$ 13,060,662	34
Non-controlling interests	<u>(450)</u>	<u>-</u>	<u>9,504</u>	<u>-</u>
	<u>\$ 12,930,133</u>	<u>33</u>	<u>\$ 13,070,166</u>	<u>34</u>

(Continued)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME				
ATTRIBUTABLE TO:				
Owners of parent	\$ 12,609,882	32	\$ 12,953,592	34
Non-controlling interests	<u>(417)</u>	<u>-</u>	<u>9,350</u>	<u>-</u>
	<u>\$ 12,609,465</u>	<u>32</u>	<u>\$ 12,962,942</u>	<u>34</u>
EARNINGS PER SHARE				
Basic	<u>\$ 1.09</u>		<u>\$ 1.10</u>	
Diluted	<u>\$ 1.09</u>		<u>\$ 1.10</u>	

(Concluded)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent									Other Equity			Non-controlling Interests	Total Equity	
	Capital Stock		Capital Surplus				Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets FVTOCI	Unrealized Gains on Available-for-sale Financial Assets			Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL
	Common Stock	Preferred Stock	Advanced Receipts for Capital Stock	Additional Paid-in Capital in Excess of Par	Treasury Stock Transactions	Stock-based Compensation	Legal Reserve	Special Reserve	Unappropriated Earnings						
BALANCE AT JANUARY 1, 2017	\$ 95,130,986	\$ 8,625,684	\$ 68,402	\$ 24,776,589	\$ 2,075,475	\$ 280,521	\$ 6,755,788	\$ 465,368	\$ 10,830,150	\$ (168,382)	\$ -	\$ (89,441)	\$ -	\$ 124,494	\$ 148,875,634
Appropriation of 2016 earnings															
Legal reserve	-	-	-	-	-	-	1,083,015	-	(1,083,015)	-	-	-	-	-	-
Cash dividends on common stock	-	-	-	-	-	-	-	-	(5,026,874)	-	-	-	-	-	(5,026,874)
Cash dividends on preferred stock	-	-	-	-	-	-	-	-	(569,918)	-	-	-	-	-	(569,918)
Stock dividends	4,112,896	-	-	-	-	-	-	-	(4,112,896)	-	-	-	-	-	-
Special reserve under Order No. 1010012865 issued by the FSC	-	-	-	-	-	-	-	37,447	(37,447)	-	-	-	-	-	-
Net income for the year ended December 31, 2017	-	-	-	-	-	-	-	-	13,060,662	-	-	-	-	9,504	13,070,166
Other comprehensive income for the year ended December 31, 2017, net of tax	-	-	-	-	-	-	-	-	(238,301)	(295,164)	-	426,414	(19)	(154)	(107,224)
Total comprehensive income for the year ended December 31, 2017	-	-	-	-	-	-	-	-	12,822,361	(295,164)	-	426,414	(19)	9,350	12,962,942
Redemption of preferred stock D	-	(725,137)	-	(614,596)	-	-	-	-	(60,267)	-	-	-	-	-	(1,400,000)
Share-based payments	598,738	-	(53,980)	44,880	-	(109,313)	-	-	-	-	-	-	-	-	480,325
BALANCE AT DECEMBER 31, 2017	99,842,620	7,900,547	14,422	24,206,873	2,075,475	171,208	7,838,803	502,815	12,762,094	(463,546)	-	336,973	(19)	133,844	155,322,109
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	(249,170)	-	513,329	(336,973)	-	-	(72,814)
BALANCE AT JANUARY 1, 2018 AS RESTATED	99,842,620	7,900,547	14,422	24,206,873	2,075,475	171,208	7,838,803	502,815	12,512,924	(463,546)	513,329	-	(19)	133,844	155,249,295
Appropriation of 2017 earnings															
Legal reserve	-	-	-	-	-	-	1,276,209	-	(1,276,209)	-	-	-	-	-	-
Special reserve under order No. 10310006310 issued by FSC	-	-	-	-	-	-	-	106,747	(106,747)	-	-	-	-	-	-
Cash dividends on common stock	-	-	-	-	-	-	-	-	(5,414,689)	-	-	-	-	-	(5,414,689)
Cash dividends on preferred stock	-	-	-	-	-	-	-	-	(1,571,695)	-	-	-	-	-	(1,571,695)
Stock dividends	4,430,201	-	-	-	-	-	-	-	(4,430,201)	-	-	-	-	-	-
Special reserve reversed under order No. 1010012865 issued by the FSC	-	-	-	-	-	-	-	(37,447)	37,447	-	-	-	-	-	-
Net income for the year ended December 31, 2018	-	-	-	-	-	-	-	-	12,930,583	-	-	-	-	(450)	12,930,133
Other comprehensive income for the year ended December 31, 2018, net of tax	-	-	-	-	-	-	-	-	(88,357)	90,683	(323,777)	-	750	33	(320,668)
Total comprehensive income for the year ended December 31, 2018	-	-	-	-	-	-	-	-	12,842,226	90,683	(323,777)	-	750	(417)	12,609,465
Disposals of investments in equity instruments designated as at FVTOCI	-	-	-	-	-	-	-	-	(111,538)	-	111,538	-	-	-	-
Preferred stock E issued	-	3,000,000	-	11,987,061	-	-	-	-	-	-	-	-	-	-	14,987,061
Redemption of preferred stock D	-	(725,137)	-	(614,596)	-	-	-	-	(60,267)	-	-	-	-	-	(1,400,000)
Share-based payments	89,250	-	(10,426)	23,324	-	(43,632)	-	-	-	-	-	-	-	-	58,516
BALANCE AT DECEMBER 31, 2018	\$ 104,362,071	\$ 10,175,410	\$ 3,996	\$ 35,602,662	\$ 2,075,475	\$ 127,576	\$ 9,115,012	\$ 572,115	\$ 12,421,251	\$ (372,863)	\$ 301,090	\$ -	\$ 731	\$ 133,427	\$ 174,517,953

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 14,236,383	\$ 14,809,629
Adjustments:		
Adjustments to reconcile profit or loss		
Depreciation expenses	932,139	841,683
Amortization expenses	262,841	225,549
Provisions for allowance for bad debts expenses, commitments and guarantee liabilities	3,340,539	1,851,058
Net gain on financial assets and liabilities at FVTPL	(3,125,283)	(3,219,009)
Interest expenses	14,893,700	11,886,687
Interest income	(34,485,001)	(30,621,256)
Dividend income	(244,334)	(273,558)
Stock-based payments	73,709	118,939
Share of profit of associates accounted for using the equity method	(2,875,227)	(2,764,943)
Gain on disposal of investments	(144,121)	(338,423)
Impairment loss on financial assets	900	38,939
Gains from bargain purchase	-	(106,747)
Other adjustments	<u>1,104,056</u>	<u>1,956,521</u>
Total adjustments	<u>(20,266,082)</u>	<u>(20,404,560)</u>
Changes in operating assets and liabilities		
(Increase) decrease in due from the Central Bank	(11,361,498)	6,271,959
(Increase) decrease in financial assets at FVTPL	24,370,144	6,475,461
(Increase) decrease in financial assets at FVTOCI	(38,161,569)	-
(Increase) decrease in financial assets at amortized cost	(3,073,300)	-
(Increase) decrease in available-for-sale financial assets	-	(6,799,659)
(Increase) decrease in securities purchased under resale agreements	-	1,048,507
(Increase) decrease in receivables	(11,548,087)	(18,548,807)
(Increase) decrease in loans	(59,476,488)	(82,613,975)
(Increase) decrease in other financial assets	(1,514,552)	2,843,947
(Increase) decrease in other assets	(4,715,843)	9,623,221
Increase (decrease) in due to the Central Bank and banks	(673,790)	(1,738,265)
Increase (decrease) in financial liabilities at FVTPL	(12,377,805)	(34,578,154)
Increase (decrease) in securities sold under repurchase agreements	6,350,769	4,082,202
Increase (decrease) in payables	(807,148)	(3,651,098)
Increase (decrease) in deposits and remittances	65,181,635	90,354,700
Increase (decrease) in provisions	(33,942)	(69,024)
Increase (decrease) in other financial liabilities	17,694,582	(2,911,702)
Increase (decrease) in other liabilities	<u>(1,083,577)</u>	<u>1,336,859</u>
Cash generated from (used in) operations	<u>(37,260,168)</u>	<u>(34,468,759)</u>
Interest received	35,245,326	31,096,412
Dividends received	1,407,516	1,223,972
Interest paid	(14,543,034)	(11,806,271)

(Continued)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

	2018	2017
Income taxes returned	\$ 19	\$ 192,763
Income taxes paid	<u>(1,258,861)</u>	<u>(961,832)</u>
Net cash generated from (used in) operating activities	<u>(16,409,202)</u>	<u>(14,723,715)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from capital reduction of financial assets at FVTOCI	23,091	-
Acquisition of financial assets carried at cost	(3,070)	-
Acquisition of financial assets at cost	-	(222,586)
Proceeds from disposal of financial assets at cost	-	5,570
Proceeds from capital reduction of financial assets carried at cost	-	38,751
Acquisition of property and equipment	(695,201)	(1,240,533)
Proceeds from disposal of property and equipment	134	7,475
Acquisition of intangible assets	(237,751)	(308,444)
Acquisition of investment properties	(139,113)	-
Proceeds from disposal of investment property	-	128,412
Cash outflows from business combination	<u>-</u>	<u>(3,212,533)</u>
Net cash generated from (used in) investing activities	<u>(1,051,910)</u>	<u>(4,803,888)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in due to the Central Bank and banks	(4,600,651)	19,024,233
Increase (decrease) in commercial paper payable	(3,085,000)	6,092,901
Corporate bond issued	7,000,000	8,000,000
Corporate bond repayment	(9,700,000)	(5,300,000)
Bank debenture repayments	-	(13,300,000)
Increase (decrease) in other borrowings	1,504,427	2,863,145
Increase (decrease) in financial liabilities designated as at FVTPL	3,050,000	-
Preferred stock E issued	14,987,061	-
Cash dividends distributed	(6,986,384)	(5,596,792)
Exercise of employee stock options	58,516	480,114
Redemption of preferred stock D	<u>(1,400,000)</u>	<u>(1,400,000)</u>
Net cash generated from (used in) financing activities	<u>827,969</u>	<u>10,863,601</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(327,927)</u>	<u>(45,559)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,961,070)	(8,709,561)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>43,616,998</u>	<u>52,326,559</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 26,655,928</u>	<u>\$ 43,616,998</u>

(Continued)

TAISHIN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017 (In Thousands of New Taiwan Dollars)

Reconciliation of cash and cash equivalents:

	2018	2017
Cash and cash equivalents in consolidated balance sheets	\$ 22,590,750	\$ 22,034,918
Call loans to banks qualifying as cash and cash equivalents under the definition of IAS 7 permitted by the Financial Supervisory Commission	1,648,537	13,966,515
Securities purchased under resell agreements qualifying as cash and cash equivalents under the definition of IAS 7 permitted by the Financial Supervisory Commission	<u>2,416,641</u>	<u>7,615,565</u>
Cash and cash equivalents at the end of the year	<u>\$ 26,655,928</u>	<u>\$ 43,616,998</u>

(Concluded)

TAISHIN FINANCIAL HOLDING CO., LTD.

BALANCE SHEETS

DECEMBER 31, 2018 AND 2017

(In Thousands of New Taiwan Dollars)

ASSETS	2018	2017	LIABILITIES AND EQUITY	2018	2017
CASH AND CASH EQUIVALENTS	\$ 3,966,191	\$ 18,088	LIABILITIES		
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	1,995	-	Commercial papers issued net	\$ 2,495,745	\$ -
SECURITIES PURCHASED UNDER RESALE AGREEMENTS	2,100,049	5,690,312	Payables	988,595	1,065,030
RECEIVABLES	1,581,663	942,923	Current tax liabilities	1,930,570	1,195,730
CURRENT TAX ASSETS	229,092	229,092	Bonds payable	<u>22,000,000</u>	<u>24,700,000</u>
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	193,892,658	175,242,626	Total liabilities	<u>27,414,910</u>	<u>26,960,760</u>
OTHER FINANCIAL ASSETS			EQUITY		
Financial assets carried at cost	-	2,200	Capital stock		
PROPERTY AND EQUIPMENT, NET	5,604	5,280	Common stock	104,362,071	99,842,620
OTHER ASSETS	<u>22,184</u>	<u>18,504</u>	Preferred stock	10,175,410	7,900,547
			Advance receipts for capital stock	3,996	14,422
			Capital surplus	37,805,713	26,453,556
			Retained earnings		
			Legal reserve	9,115,012	7,838,803
			Special reserve	572,115	502,815
			Unappropriated earnings	12,421,251	12,762,094
			Other equity	<u>(71,042)</u>	<u>(126,592)</u>
			Total equity	<u>174,384,526</u>	<u>155,188,265</u>
TOTAL	<u>\$ 201,799,436</u>	<u>\$ 182,149,025</u>	TOTAL	<u>\$ 201,799,436</u>	<u>\$ 182,149,025</u>

TAISHIN FINANCIAL HOLDING CO., LTD.

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2018	2017
INCOME		
Share of profit of subsidiaries and associates accounted for using equity method	\$ 13,602,396	\$ 13,891,551
Interest income	9,118	19,229
Other income	<u>20,628</u>	<u>21,214</u>
Total income	<u>13,632,142</u>	<u>13,931,994</u>
EXPENSES AND LOSSES		
Operating expenses	(360,657)	(497,504)
Interest expenses	<u>(476,975)</u>	<u>(490,189)</u>
Total expenses and losses	<u>(837,632)</u>	<u>(987,693)</u>
INCOME BEFORE INCOME TAX	12,794,510	12,944,301
INCOME TAX BENEFIT	<u>136,073</u>	<u>116,361</u>
NET INCOME	12,930,583	13,060,662
OTHER COMPREHENSIVE INCOME		
Components of other comprehensive income that will not be reclassified to profit or loss		
Remeasurement of defined benefit plans	672	(1,688)
Unrealized gain on investments in equity instruments designated as at FVTOCI	54	-
Share of the other comprehensive income of associates accounted for using equity method	(26,649)	(236,632)
Components of other comprehensive income that will be reclassified to profit or loss		
Share of the other comprehensive income of associates accounted for using equity method	<u>(294,778)</u>	<u>131,250</u>
Other comprehensive income, net of tax	<u>(320,701)</u>	<u>(107,070)</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 12,609,882</u>	<u>\$ 12,953,592</u>
EARNINGS PER SHARE		
Basic	<u>\$1.09</u>	<u>\$1.10</u>
Diluted	<u>\$1.09</u>	<u>\$1.10</u>

TAISHIN FINANCIAL HOLDING CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Capital Stock						Capital Surplus			Retained Earnings			Other Equity			Total Equity
	Common Stock	Preferred Stock	Advance Receipts for Capital Stock	Additional Paid-in Capital in Excess of Par	Treasury Stock Transactions	Stock-based Compensation	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets Fair Value at FVTOCI	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Changes in Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities at FVTPL			
BALANCE AT JANUARY 1, 2017	\$ 95,130,986	\$ 8,625,684	\$ 68,402	\$ 24,776,589	\$ 2,075,475	\$ 280,521	\$ 6,755,788	\$ 465,368	\$ 10,830,150	\$ (168,382)	\$ -	\$ (89,441)	\$ -	\$ 148,751,140		
Appropriation of 2016 earnings																
Legal reserve	-	-	-	-	-	-	1,083,015	-	(1,083,015)	-	-	-	-	-		
Cash dividends on common stock	-	-	-	-	-	-	-	-	(5,026,874)	-	-	-	-	(5,026,874)		
Cash dividends on preferred stock	-	-	-	-	-	-	-	-	(569,918)	-	-	-	-	(569,918)		
Share dividends on common stock	4,112,896	-	-	-	-	-	-	-	(4,112,896)	-	-	-	-	-		
Special reserve under Ruler No. 1010012865 issued by the FSC	-	-	-	-	-	-	-	37,447	(37,447)	-	-	-	-	-		
Net income (loss) for the year ended December 31, 2017	-	-	-	-	-	-	-	-	13,060,662	-	-	-	-	13,060,662		
Other comprehensive income (loss) for the year ended December 31, 2017, net of tax	-	-	-	-	-	-	-	-	(238,301)	(295,164)	-	426,414	(19)	(107,070)		
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	-	-	-	-	12,822,361	(295,164)	-	426,414	(19)	12,953,592		
Redemption of preferred stock D	-	(725,137)	-	(614,596)	-	-	-	-	(60,267)	-	-	-	-	(1,400,000)		
Stock-based payments	598,738	-	(53,980)	44,880	-	(109,313)	-	-	-	-	-	-	-	480,325		
BALANCE AT DECEMBER 31, 2017	99,842,620	7,900,547	14,422	24,206,873	2,075,475	171,208	7,838,803	502,815	12,762,094	(463,546)	-	336,973	(19)	155,188,265		
Effect of retrospective application and retrospective restatement	-	-	-	-	-	-	-	-	(249,170)	-	513,329	(336,973)	-	(72,814)		
BALANCE AT JANUARY 1, 2018 AS RESTATED	99,842,620	7,900,547	14,422	24,206,873	2,075,475	171,208	7,838,803	502,815	12,512,924	(463,546)	513,329	-	(19)	155,115,451		
Appropriation of 2017 earnings																
Legal reserve	-	-	-	-	-	-	1,276,209	-	(1,276,209)	-	-	-	-	-		
Special reserve under Ruler No. 10310006310 issued by the FSC	-	-	-	-	-	-	-	106,747	(106,747)	-	-	-	-	-		
Cash dividends on common stock	-	-	-	-	-	-	-	-	(5,414,689)	-	-	-	-	(5,414,689)		
Cash dividends on preferred stock	-	-	-	-	-	-	-	-	(1,571,695)	-	-	-	-	(1,571,695)		
Share dividends on common stock	4,430,201	-	-	-	-	-	-	-	(4,430,201)	-	-	-	-	-		
Special reserve reversed under Ruler No. 1010012865 issued by the FSC	-	-	-	-	-	-	-	(37,447)	37,447	-	-	-	-	-		
Net income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	-	12,930,583	-	-	-	-	12,930,583		
Other comprehensive income (loss) for the year ended December 31, 2018, net of tax	-	-	-	-	-	-	-	-	(88,357)	90,683	(323,777)	-	750	(320,701)		
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	-	-	-	-	12,842,226	90,683	(323,777)	-	750	12,609,882		
Disposals of investments designated as at FVTOCI	-	-	-	-	-	-	-	-	(111,538)	-	111,538	-	-	-		
Issue of preferred stock E	-	3,000,000	-	11,987,061	-	-	-	-	-	-	-	-	-	14,987,061		
Redemption of preferred stock D	-	(725,137)	-	(614,596)	-	-	-	-	(60,267)	-	-	-	-	(1,400,000)		
Stock-based payments	89,250	-	(10,426)	23,324	-	(43,632)	-	-	-	-	-	-	-	58,516		
BALANCE AT DECEMBER 31, 2018	<u>\$ 104,362,071</u>	<u>\$ 10,175,410</u>	<u>\$ 3,996</u>	<u>\$ 35,602,662</u>	<u>\$ 2,075,475</u>	<u>\$ 127,576</u>	<u>\$ 9,115,012</u>	<u>\$ 572,115</u>	<u>\$ 12,421,251</u>	<u>\$ (372,863)</u>	<u>\$ 301,090</u>	<u>\$ -</u>	<u>\$ 731</u>	<u>\$ 174,384,526</u>		

TAISHIN FINANCIAL HOLDING CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	\$ 12,794,510	\$ 12,944,301
Depreciation expenses	2,113	2,405
Interest expense	476,975	490,189
Interest revenue	(9,118)	(19,229)
Dividends income	(66)	(57)
Share-based payments	6,044	14,276
Share of profit of subsidiaries and associates accounted for using equity method	(13,602,396)	(13,891,551)
Changes in operating assets and liabilities		
Net changes in operating assets		
(Increase) decrease in receivables	731,090	616,491
(Increase) decrease in other assets	(3,008)	(2,497)
Net changes in operating liabilities		
Increase (decrease) in payables	17,970	534,665
Increase (decrease) in other liabilities	-	(4,970)
Interest received	9,323	22,006
Dividend received	8,630,348	7,267,725
Interest paid	(581,613)	(992,701)
Income taxes refund	-	138,907
Income taxes paid	(499,188)	(450,381)
Net cash generated from (used in) operating activities	<u>7,972,984</u>	<u>6,669,579</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(14,071,900)	(3,728,100)
Acquisition of property and equipment	(2,437)	(21)
Net cash generated from (used in) investing activities	<u>(14,074,337)</u>	<u>(3,728,121)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in commercial papers issued	2,500,000	(1,500,000)
Corporate bond issued	7,000,000	8,000,000
Corporate bond repayment	(9,700,000)	(5,300,000)
Issue of preferred stock E	14,987,061	-
Cash dividends distributed	(6,986,384)	(5,596,792)
Exercise of employee share options	58,516	480,114
Redemption of preferred stock D	(1,400,000)	(1,400,000)
Net cash generated from (used in) financing activities	<u>6,459,193</u>	<u>(5,316,678)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	357,840	(2,375,220)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>5,708,400</u>	<u>8,083,620</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,066,240</u>	<u>\$ 5,708,400</u>
CASH AND CASH EQUIVALENTS IN BALANCE SHEET	\$ 3,966,191	\$ 18,088
SECURITIES PURCHASED UNDER RESELL AGREEMENTS QUALIFYING AS CASH AND CASH EQUIVALENTS UNDER THE DEFINITION OF IAS 7 PERMITTED BY THE FINANCIAL SUPERVISORY COMMISSION	<u>2,100,049</u>	<u>5,690,312</u>
	<u>\$ 6,066,240</u>	<u>\$ 5,708,400</u>

【 Attachment 4 】

Taishin Financial Holding Co., Ltd.

Terms Sheet for 2018 First Domestic Unsecured Subordinated Corporate Bonds

- I. Name of bond: Taishin Financial Holding Co., Ltd. ("Taishin") 2018 First Domestic Unsecured Subordinated Corporate Bond ("Corporate Bond").
- II. Issue amount: The issue amount of the Corporate Bond is seven billion New Taiwan Dollars.
- III. Face value: The Corporate Bond is issued in only one face value at one million New Taiwan Dollars.
- IV. Maturity: The Corporate Bond matures in fifteen years, starting on July 10, 2018 and ending on July 10, 2033.
- V. Issue price: The Corporate Bond is issued at par value on the issue date.
- VI. Coupon rate: The coupon rate is fixed at 1.92% p.a.
- VII. Interest calculation and payment:
1. Starting on the issue date, the Corporate Bond pays single interest, which is calculated and paid at the coupon rate adjusted by the actual number of days, every year. The actual amount of interest payment shall be determined by Taishin.
 2. Interest payments shall be rounded to the nearest dollar based on respective face value.
 3. When paying interests on the Corporate Bond, Taishin will withhold income taxes and supplementary National Health Insurance premiums as required by law.
- VIII. Return of principal: Principal of the Corporate Bond will be returned in one lump sum at maturity.
- IX. Special provisions for payment of the principal and interest: When a principal return date or interest payment date falls on a date on which the agent for payment of the principal and interest is closed for business, the principal or interest payment will be paid without additional interest on the following business day. No interest will be accrued on a principal or interest payment that is collected after the principal return date or interest payment date.
- X. Type of collateral: The Corporate Bond is an unsecured subordinated corporate bond.
- XI. Form of bond: The Corporate Bond is issued without physical form and registered with the Taiwan Depository and Clearing Corporation ("TDCC").
- XII. Underwriter: The Corporate Bond is offered to the public. Taishin Securities Co., Ltd. is the lead underwriter.
- XIII. Trustee: Taipei Fubon Commercial Bank Co., Ltd. is the trustee of creditors of the Corporate Bond, and exercises the rights of creditors on behalf of the creditors of the Corporate Bond to audit and ensure Taishin performs its obligations under the terms of

issuance for the Corporate Bond. All creditors who hold the Corporate Bond in their portfolios, regardless of by subscription at time of issue or by purchase/transfer from a third party after the initial offering, shall agree and acknowledge the rights and obligations of the trustee as specified in the trustee agreement between Taishin and the trustee and the terms of issuance for the Corporate Bond, and grant discretionary powers to the trustee. Such authorization cannot be revoked prior to maturity of the Corporate Bond. The trustee shall provide services until the day the Corporate Bond is fully repaid. The content of the trustee agreement is available for viewing to the creditors of the Corporate Bond at a business office operated by Taishin or its trustee during specified business hours.

XIV. Agent for payment of the principal and interest: the Head office & Business Department of Taishin International Bank Co., Ltd is a payment agent to handle all payment of the principal and interest processes on Taishin's behalf and to complete book-entry transfers of principals and interests according to the list of bondholders provided by TDCC. The payment agent of the principal and interest will, as required by law, withhold income taxes and compile withholding certificates and send them to corresponding creditors of the Corporate Bond.

XV. Notification: Information regarding the Corporate Bond of which the creditors should be notified, unless otherwise stipulated by law, will be announced and registered on the Market Observation Post System or be handled in accordance with the applicable TDCC regulations.

XVI. Target clients: Available only to professional investors as defined under the Taipei Exchange ("TPEX") Rules Governing Management of Foreign Currency Denominated International Bonds.

XVII. Other information:

1. Creditors of the Corporate Bond are subordinate to all other creditors, and have priority only before Taishin's shareholders' priority rights to allocation of residual assets.
2. If a principal or interest payment from the Corporate Bond brings Taishin's capital adequacy ratio below the statutory minimum specified by the competent authority, principal and interest payments from the Corporate Bond will be suspended until Taishin's capital adequacy ratio meets the competent authority's requirements. (Accrued interests will be payable on such principal and interest payments at the coupon rate during the extension.)
3. The Corporate Bond may be freely traded, transferred, pledged, or provided as collateral.
4. According to the Civil Code, bondholders will not be able to collect principals paid from the Corporate Bond but not collected for more fifteen years starting on the

respective payment date or interests paid but not collected for more than five years.

5. An application to list the Corporate Bond on TPEX will be submitted according to the applicable regulations.

6. Taishin shall promptly cancel without resale any of the Corporate Bond that it has repurchased in the secondary market.

XVIII. Taishin issued the Corporate Bond after the effective filing date stated in the notice given in the TPEX Letter of Approval Zheng-Gui-Zhai No. 10700155041. Matters not specified in these terms shall be governed by the Company Act, the Financial Holding Company Act, the Regulations Governing Corporate Bond Issuance by Financial Holding Companies, the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, and other regulations promulgated by the competent authorities.

Issuer: Taishin Financial Holding Co., Ltd.

Representative: Wu, Tong-Liang

July 3, 2018

【 Attachment 5 】

1. Redemption plan of Class D preferred shares

Unit: share/ NT\$

Number	The record date of capital reduction(Note 1)	Redeemed shares	Reduction in paid-in capital(dollar)	The amount of redemption(dollar)
1	2016.03.23	362,568,410	3,625,684,100	7,000,000,011
2	2017.03.23	72,513,682	725,136,820	1,400,000,002
3	2018.03.23	72,513,682	725,136,820	1,400,000,002
4	2019.03.25	217,541,046	2,175,410,460	4,200,000,007
Total		725,136,820	7,251,368,200(Note 2)	14,000,000,022

Note 1: Face value per share is NT\$10.

Note 2: The Company issued 777,777,779 Class D preferred shares on March 22, 2006. After the cancellation of 52,640,959 shares to reimburse accumulated deficit on Dec. 4, 2009, the outstanding Class D preferred shares were changed to 725,136,820 shares.

2. Financial structure after the redemption completed in 2019

March 31, 2019

Unit:NT\$

Paid-in capital (Note)	112,382,430,700
Capital Adequacy Ratio(CAR)	119.66%
Double Leverage Ratio(DLR)	113.52%
Debt to Equity Ratio(D/E)	15.65%

Note: 1,481,000 new common shares of excised employee stock options were included during the period of January 1, 2019 to April 15, 2019, and the face value per share is NT\$10.

【 Attachment 6 】

Taishin Financial Holding Co., Ltd.
Earnings Distribution Plan
For 2018

Unit: NT\$

Beginning unappropriated earnings	\$ 0
Add: Net income for the current year	12,930,582,133
Subtract: Effect of retrospective application of IFRS 9	(249,169,129)
Subtract: Adjustment of unappropriated earnings due to the redemption of preferred stock D during 2018	(60,267,043)
Subtract: Losses on remeasurements of defined benefit plans	(88,356,808)
Subtract: Loss on disposals of investments in equity instruments designated as at fair value through other comprehensive income	(111,537,877)
Accumulated Undistributed Earnings	12,421,251,276
Subtract: Provision of legal reserves	(1,242,125,128)
Distributable earnings	11,179,126,148
Distributions	
Class D preferred share dividends	(293,194,521)
Class E preferred share dividends (issued in 2016)	(1,187,500,000)
Class E preferred share dividends (issued in 2018)	(49,972,603)
Common share dividends	(7,477,555,024)
Closing undistributed earnings	\$ 2,170,904,000

Description:

1. According to Article 41, Paragraph 1 of the Securities and Exchange Act, given the total balance of decreases in other equity was -\$71,042,853 in the balance sheet ending December 31, 2018 and lower than the special reserve, \$220,376,387, allocated at initial IFRSs adoption, and therefore, special reserve allocation is not required.
2. The company started buying back the outstanding Class D preferred shares on March 23, 2016. The amount of dividend distribution is based on the ratio of the actual number of outstanding shares to the number of outstanding shares throughout the year in 2018.
3. Taishin issued Class E preferred shares in 2016 and in 2018. The amount of dividend distribution is based on the terms of issue and the ratio of the actual number of outstanding shares to the number of outstanding shares throughout the year in 2018.
4. The common share dividends shall be distributed approximately NT\$0.72 per share, which consist of cash dividends approximately NT\$0.51 per share and stock dividends approximately NT\$0.21 per share. Issuance of new common shares as stock dividend shall be discussed in a separate agenda item.
5. The amount of dividends distributed to each common share is based on 10,438,243,070 shares outstanding as at April 16, 2019; and however, the amount per share actually distributed will vary due to any treasury stock transactions and exercise of employee stock options that occurs before the ex-dividend/ex-right date, while the total distributed dividends amounts will remain unchanged.
6. The Board of Directors has authorized the chairman to set the ex-dividend date and the payment date of cash dividends for Class D and Class E preferred shares. Otherwise, the ex-dividend/ex-right date and the payment date of the dividends for common shares will be determined by the Board of Directors.
7. The cash dividends shall be allocated among common shareholders according to their shareholding ratio, and rounded down to the nearest Integer in dollar. The remaining amount will be recognized as company's other income.
8. Contents and figures are subject to competent authority's approval

Chairman: Wu, Tong-Liang President: Welch Lin Accounting Officer: Vincent Tsai

【Attachment 7】

Taishin Financial Holding Co., Ltd.

Articles of Incorporation

Chapter 1 General Provisions

Article 1 Taishin Financial Holding Co., Ltd. (hereinafter "the Company") is incorporated pursuant to the Financial Holding Company Act, the Company Act and other laws and regulations.

Article 2 The business objectives of the Company are to derive the economic benefits of financial institutions, to enhance the synergy from financial cross selling, to protect the public interest and to support the financial policies of the country.

Article 3 The Company has its head office in Taipei City. The Company may, set up branches in proper locations domestically or overseas.

Article 4 Public announcements of the Company shall, except otherwise stipulated by the competent authority in charge of securities and exchange, be posted on the daily newspapers circulating in the municipality/city/county where the Company is located.

Chapter 2 Shares

Article 5 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.

Article 5-1 For the purpose of employee motivation, the Company may issue stock warrants or handle stock transfer through the following methods:

1. Issuing employee stock warrants at a price lower than the closing price of the Company's shares on the issuing date, subject to approval by shareholders' meeting.
2. Transfer Company's shares to employees at a price lower than the average buyback price of the Company's shares, as approved in the most recent shareholders' meeting.

The issuance of stock warrants or transfer of buyback shares mentioned in the preceding paragraph shall be handled in accordance with relevant laws and regulations. The resolution of such shall be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders' meeting, who represent a majority of the outstanding shares of the Company.

Article 6 The Company's shares shall be registered, including ordinary shares and preferred shares issued in installment under different terms and conditions. The shares shall be numbered and signed/sealed by at least three directors of the Company, and shall be administered in accordance with the requirements of the competent authority in

charge of the securities and exchange.

The issued shares of the Company may not be represented by the physical share certificates or may alternatively be represented by a consolidated certificate for the shares issued through several tranches, provided that the new shares or the consolidated certificates shall be registered with, or in the custody of, the centralized securities depository institution.

Article 7 (Deleted).

Article 8 (Deleted).

Article 8-1 (Deleted).

Article 8-2 The Company has issued 217,541,046 Class D registered preferred shares to registered owners. The rights and terms of issues are as follows:

1. Any earnings concluded in a financial year shall first make up for losses of previous years, right after statutory taxation and accounting adjustments. Any surpluses are subject to provision of legal reserve according to Article 40 of the Articles of Incorporation and other special reserves in accordance with laws and regulations. The remainder is subject to the distribution of Class C preferred share dividend for the current year and any unpaid dividend accumulated from previous years. Any remaining earnings shall be paid to Class D preferred shares as the current year's dividend.
2. Class D preferred share dividends are payable at 6.5% per annum on the issue price. Dividends are paid annually in cash in one lump sum. Once the Company's reports and statements have been acknowledged in the annual general meeting, the board of directors shall be authorized to set the ex-dividend date for the distribution of the Class D preferred share dividend. Dividends that are payable for the year of initial public offerings shall be prorated according to the actual number of days the shares are in circulation since the date of issue, relative to the total number of days of that year. The date of issue is defined as the date the Company receives additional capital.
3. In years when the Company concludes insufficient or no surplus to fully pay off dividends for Class D preferred shareholders, the unpaid dividend will not be carried forward.
4. In addition to receiving dividends payable at the fixed rate stated in Paragraph 2 herein and Clause 2 of this paragraph, with approval of the Board of the Directors, Class D preferred shareholders are also entitled to receive dividend distribution of ordinary shares at the ratio of two preferred shares for one ordinary share, on any surplus remaining after Class C preferred shareholders are paid a dividend at the specified rate and after ordinary shareholders are paid an equivalent amount of Class D preferred share dividend. However, the Class D preferred shareholders are not entitled to receive shares that are issued against capitalized reserves.
5. In the event of liquidation, Class D preferred shareholders shall be given priority to claim on the Company's remaining assets over ordinary

shareholders but subordinate to Class C preferred shareholders and no more than offering value of Class D preferred shares.

6. Any premium received on the issue of Class D preferred shares shall be treated as capital surplus and should not be capitalized into paid-in capital during the circulation period of Class D preferred shares.
7. Class D preferred shareholders are not entitled to any voting rights or election in shareholders' meeting. However, they have the right to be elected as directors and may vote in Class D preferred shareholders' meetings and in general shareholders' meetings with regards to agenda items concerning rights of Class D preferred shareholders.
8. When the Company issues new shares for capital raising, Class D preferred shareholders shall be entitled equivalent preemptive rights on the new shares to Class C preferred shareholders and ordinary shareholders.
9. Three years after the issue date, one Class D preferred shares may be converted into one ordinary share. Ten years after the issue date, the Company may repurchase a portion or all of outstanding Class D preferred shares at any time at the issue price. In the event that the Company decides to repurchase Class D preferred shares, dividend payable for the current year shall be prorated according to the number of days the shares are in circulation, relative to the total number of days in that year, and paid on the repurchase day.

In the event that both ordinary and preferred shareholders' equity are decreased proportionally due to a reduction of share capital against cumulative losses, Class D preferred shareholders' equity shall be adjusted/made up for the amount decreased so that Class D preferred shareholder' interest is maintained at the same level as when the shares were initially issued.

Article 8-3 When the number of the Company's outstanding Class D preferred shares have exceeded 200 million (inclusive), the following activities which would influence the rights and interests of Class D preferred shareholders and should be approved by Class D preferred shareholders' meeting in advance.

1. Issuing new shares for cash at a price which is lower than the fair market value prescribed by law or at any other consideration, or issuing equity-related securities for the purpose of merger or similar transactions. The issuance of new shares for the capitalization of employee bonus is not included.
2. Issuing securities which are convertible to equities or warrants for subscription at a price lower than the fair market value; or converting/subscribing such securities at a price lower than the fair market value.
3. Distributing dividends or issuing bonus shares which dilutes the Class D preferred shareholders' interests. The issuance of new shares for the capitalization of employee bonus according to the Articles of Incorporation is not included.
4. Other activities involving the distribution or allocation of securities which may have a similar effect as the activities prescribed in the above subparagraphs.

Article 8-4 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 issues associated with Class E preferred shares are as follows:

1. The dividend rate for Class E preferred shares should not exceed 8.00% p.a. of the issue price. In years when the Company concludes 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.
2. The Company has sole discretion on 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. Earnings available for distribution to preferred shares and ordinary shares under an acknowledged earnings distribution proposal will be distributed firstly to Class D preferred shares and then to Class E preferred shares, if any. Any remaining balance shall be distributed according to the Articles of Incorporation.
3. Dividends on Class E preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distribution 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 are 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.
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 of the ordinary shares and other preferred shares derived from earnings or capital reserves.
5. In the event of liquidation, Class E preferred shareholders shall be given priority to claim on the Company's remaining assets over ordinary shareholders, but subordinate to Class D preferred shareholders, and no more than issuance amount of outstanding Class E preferred shares.
6. Any premium received on the issue 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.
7. Class E preferred shareholders are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in Class E preferred shareholder meetings and in general shareholder meetings with regard to agenda items concerning rights and obligations of Class E preferred shareholders.
8. When the Company issues new shares for capital raising, Class E preferred shareholders shall be entitled equivalent preemptive rights on the new shares to ordinary shareholders and Class D preferred shareholders.
9. Seven years after the issue date, the Company may, subject to the competent

authority's approval, recall a portion or all of outstanding Class E preferred shares at any time at the issue price. The rights and obligations associated with any remaining outstanding Class E preferred shares shall continue as specified herein.

10. Matters regarding 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.

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 and market conditions at the time of issuance and the terms of issuance under the preceding subparagraphs. Details of issuance by private placement or involving an increased percentage of public offering shall be submitted to the shareholders' meeting for approval.

Article 8-5 The Company issues 4,000,000,000 Class F registered convertible 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:

1. The dividend rate for Class F preferred shares should not exceed 7.00% p.a. of the issue price. In years when the Company concludes 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.
2. The Company has sole discretion on the distribution of Class F 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. Earnings available for distribution to preferred shares and ordinary shares under an acknowledged earnings distribution proposal will be distributed firstly to Class D and Class E preferred shares and then to Class F preferred shares, if any. Any remaining balance shall be distributed according to the Articles of Incorporation.
3. Dividends on Class F preferred shares will be paid in cash. Once the Company's financial statements have been acknowledged and earnings distribution 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 are 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.

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 of the ordinary shares and other preferred shares derived from earnings or capital reserves.
5. In the event of liquidation, Class F preferred shareholders shall be given priority to claim on the Company's remaining assets over ordinary shareholders, but subordinate to Class D and Class E preferred shareholders and no more than the issuance amount of outstanding Class F preferred shares.
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.
7. Class F preferred shareholders are not entitled to any voting rights or election rights in shareholders' meeting. However, they may vote in Class F preferred shareholder meetings and in general shareholders' meeting with regard to agenda items concerning rights and obligations of Class F preferred shareholders.
8. When the Company issues new shares for capital raising, Class F preferred shareholders shall be entitled equivalent preemptive rights on the new shares to ordinary shareholders and Class D and Class E preferred shareholders.
9. The conversion lockout period for Class F preferred shares may not be shorter than three years after the issue date. One Class F preferred share will be able to be converted into one ordinary share after the lockout period.
10. Ten years after the issue date, the Company may, subject to the competent authority's approval, recall a portion or all of outstanding Class F preferred shares at any time at the issue price. The rights and obligations associated with any remaining outstanding Class F preferred shares shall continue as specified herein.
11. Matters regarding issuance of Class F 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 F preferred shares, the board of directors is authorized to proceed accordingly.

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, dividend rate, and conversion lockout period for each issuance according to the Company's capital plans and market conditions at the time of issuance and the terms of issuance under the preceding subparagraphs. Details of issuance by private placement or involving an increased percentage of public offering shall be submitted to the shareholders' meeting for approval.

Article 8-6 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 to make exceptional cash payments for reasons other than earnings distribution.

Article 9 No change shall be made to the shareholders' roster within 60 days prior to an annual general meeting; or within 30 days prior to an extraordinary shareholders' meeting, or within 5 days prior to the record date determined for the distribution of dividends, bonus or other benefits.

The period prescribed in the preceding paragraph shall be calculated from the meeting day or the record date.

Article 10 The share related matters shall be handled in accordance with the Company Act, the guidelines announced by the competent authority in charge of the securities industry and other relevant laws and regulations.

Chapter 3 Business

Article 11 The Company is engaged in the financial holding business. (Code H801011)

Article 12 The Company's scope of business is as follows:

1. The Company may invest in the business stipulated in the Financial Holding Company Act.
2. Management of invested businesses.
3. Investment in the business other than as specified in subparagraph 1 above, subject to approval of the competent authority, but may not involve in the operation and management of such business.
4. Other related business approved by the competent authority.

Article 13 The total amount of investment shall not be limited to the 40% of paid-in capital set forth in the first paragraph of Article 13 of the Company Act.

Article 14 (Deleted).

Chapter 4 Shareholders' meeting

Article 15 The company holds two types of shareholders' meetings: annual general meetings and extraordinary shareholders' meetings. The annual general meeting is convened at least once a year and no later than six months after the end of the financial year. Extraordinary shareholders' meetings may be held whenever necessary, subject to compliance with the Company Act.

Unless otherwise specified in the Company Act or other relevant laws, all shareholders' meetings are to be called by the board of directors.

Article 16 A notice of the time, venue and the proposal of the meeting shall be given to each shareholder 30 days in advance of convening an annual general meeting, or 15 days in advance of convening an extraordinary shareholders' meeting and shall be publicly announced. Subject to agreement by the receiving party, meeting notices may also be delivered electronically.

For shareholders holding less than one thousand shares, the aforementioned meeting notices may be communicated by way of public announcement instead.

Article 17 Shareholders may appoint proxies to attend shareholders' meetings by completing the company's proxy forms for each meeting, specifying the scope of delegation. With regard to the number of shares and voting rights to be represented by each proxy, the Company shall follow the relevant regulations. Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must arrive at the company at least five days before the shareholders' meeting. In the event that more than one proxy forms are issued, the proxy form that arrives first shall prevail. However, exception shall be granted if the shareholder issues a proper declaration to revoke the previous proxy arrangement.

Should the shareholder decide to attend a shareholders' meeting personally or exercise voting rights in writing or through electronic means after a proxy form has been delivered to the company, a written notice should be sent to the company no later than two days before the meeting commences to revoke the proxy arrangement. If the revocation is made after the prescribed period, then the voting decision exercised by the proxy shall prevail.

The proxy for the shareholders' meeting shall be considered invalid if the submitted form is not printed by the Company.

Article 18 Unless otherwise prescribed in the Company Act or in the Articles of Incorporation, each share is entitled to one voting right.

When electing Directors in the shareholders' meeting, each share shall have votes equivalent to the number of elected Directors to be elected. Such votes may be cast for one single director or may be allocated among the number of the directors to be voted for. Those receiving ballots representing the larger number of votes shall be elected as the directors.

Article 19 Matters to be resolved and executed by the Shareholders' meeting are:

1. Establishment and amendment of the Articles of Incorporation for the Company.
2. Election of directors.
3. Examination and ratification of the reports and statements prepared by the board of directors, as well as the Audit Committee's reports.
4. Resolutions on the issuance of new shares due to capitalization of earnings and reserves.
5. Resolutions on the distribution of earnings and make-up of deficits.
6. Resolutions on remuneration for directors.
7. Resolutions on the liquidation, merger or divestment of the Company.
8. Resolutions on significant changes in business policies.
9. Other matters to be resolved in the shareholders' meeting for statutory reasons.

Article 20 If the shareholders' meeting is convened by the board of directors, the chairman of the board shall preside over the meeting. If the Chairman is unable to perform his duties due to leave of absence or for any other reason, the Vice Chairman shall

act on the Chairman's behalf. If there is no vice chairman or if the vice chairman is on leave or unable to perform his duties, the Chairman shall appoint a director to act on his behalf. If the Chairman does not appoint anyone to act on his behalf, a representative shall be elected from among the directors. If the meeting is convened by an authorized party other than the board of directors, the meeting shall be chaired by the authorized convener. If there are two or more conveners, one of them shall be elected to chair the meeting.

Article 21 Unless otherwise prescribed in the Financial Holding Company Act, Company Act or other regulations, resolutions in the shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 22 Representative of the institutional shareholders is not limited to one person, but the number of votes of such institutional shareholder shall be determined by the aggregate number of the shares held by such institutional shareholders.

When an institutional shareholder has two or more representatives, the voting right of such institutional shareholder shall be jointly exercised by the representatives.

Article 23 The minutes of the shareholders' meetings shall be prepared, duly signed or chop sealed by the Chairman of the shareholders' meeting, distributed to the shareholders within 20 days after shareholders' meetings.

The meeting minutes prescribed in the preceding paragraph may be distributed by means of public announcement.

Article 24 The rules stipulated in the Chapter shall also apply to the preferred shareholders' meeting of the Company.

Chapter 5 Directors

Article 25 The company shall have a board of directors that comprises seven to nine members; and the board of directors set the number to be elected within the above range; The company adopts nomination system for independent director elections. The election of non-independent directors shall adopt nomination system on or after July 1st, 2015. The directors and independent directors shall be elected among shareholders from the candidate list in annual general meeting in accordance with the Financial Holding Company Act, Company Act and relevant laws and regulations, unless otherwise specified by other laws and regulations.

All of the company's directors shall maintain share ownership within the levels stipulated by the securities authority.

The credential of the Company's directors shall meet the criteria set forth in the guidelines set by the competent authority.

The company may remunerate directors for their services, no matter whether the company has generated profits. The board of directors is authorized to determine the level of remuneration for the above parties based on their individual

participation and contribution to the company's operations, and in reference to industry peers.

Article 25-1 Among the number of directors of the board prescribed in the preceding article, the number of independent directors of the Company shall be no less than three or no less than one fifth of the total number of directors, whichever is higher. With respect to professional qualifications, shareholdings, restrictions on holding concurrent posts, nomination, election/appointment and other compliance-related requirements for independent directors, the Company shall follow the relevant laws and regulations announced by the competent authority in charge of the securities and exchange.

Article 25-2 The Board of the Company shall set up the Audit Committee to replace the role of supervisors, which shall consist of the entire independent directors. It shall be no less than three in number, one of whom shall serve as the convener, and at least one of whom shall have accounting or finance expertise. Exercise of powers and other compliance matters of the Audit Committee shall be handled in accordance with relevant laws and regulations or provisions of the Articles of Incorporations of the Company.

Article 26 Directors shall serve a term of three years and may be reelected.

In the event the tenure of Directors is due and there is not enough time for the Company to elect the new Directors, his/her tenure shall continue until the new Directors is elected; provided that the competent authority may, by exercising its power, order the Company to elect the new Directors in a prescribed period, Should the new Directors is not elected in the prescribed period, the tenure of Directors shall be automatically ceased.

Article 27 The Company shall have one Chairman of the Board of Directors to be elected from among the directors by a majority vote at a board meeting at which more than two-thirds of the directors are present. The Company may have one vice chairman to be elected in the same procedure as above.

The Chairman shall chair the shareholders' meeting and the meeting of the Board of Directors, and shall represent the Company.

Article 28 The Company shall convene regular meetings for the board of directors on a quarterly basis. Ad hoc meetings may be arranged whenever it is considered necessary or urgent. Unless otherwise prescribed by laws and regulations board of directors' meetings shall be convened by the chairman.

The meeting notice should specify reasons for convening the meeting and sent to the Directors by mail, e-mail, fax or hand delivery at least 7 days prior to the meeting. The notice of convening an ad hoc board meeting may also be delivered in the same way as above.

Unless otherwise provide by the Financial Holding Company Act, Company Act or other laws and regulations, a board of directors meeting at which a resolution is adopted shall be attended by a majority of the Directors and at which meeting a majority of those who present vote in favor of such a resolution.

Article 29 If the Chairman is unable to perform his duties due to leave of absence or any other reason, the vice chairman shall act on the Chairman's behalf. If the vice chairman is also on leave or unable to perform his duties, the Chairman shall appoint one of the directors to act on his behalf. If the Chairman does not appoint a deputy, the remaining directors shall appoint an acting chairperson from among themselves.

Article 30 Directors shall attend board of directors' meetings in person. If a Director is unable to attend a meeting, he/she may appoint a proxy to attend the meeting by completing the company's proxy forms for each meeting, specifying the scope of delegation. A director may act as the proxy for only one other Director. .

Article 31 The functions and responsibilities of the board of directors:

1. Review and approval of business policies and plans.
2. Review and approval of the budget and final accounts.
3. Review or approval on the establishment and amendment of important policies and regulations.
4. Resolutions on the issuance of new shares.
5. Determining proposals on the distribution of earnings or make-up of deficits.
6. Resolutions on the issuance of corporate bonds.
7. Resolutions on plans for redeeming shares of the Company.
8. Review or approval on investments, as well as the acquisition, disposal and lease of assets or other rights.
9. Review or approval on important contracts.
10. Appointment, dismissal and determination on the remuneration of managers, chief auditor and other employees of equal job level.
11. Convening the shareholders' meetings and submitting the agenda and reports for the meeting.
12. Executing the resolutions of the shareholder's meeting.
13. Matters requiring resolution in the board of directors' meeting pursuant to the "Guidelines Governing the Division of Job Responsibilities" of the Company.
14. Appointment, dismissal and approval of remuneration for the Company's CPA.
15. Appointment of directors and supervisors of subsidiaries.
16. Review of matters assigned by the Chairman or proposed by the president.
17. Resolution of other important matters commissioned.
18. Other matters to be executed by the board of directors as required by law or authorized by the shareholders' meeting.

Article 31-1 The board of directors may, pursuant to the relevant laws and regulations, purchase liability insurance contracts for the Company's directors and key employees to cover the respective compensation liabilities involved when performing their duties.

Article 31-2 The board of directors may authorize the chairman or relevant

managers/departments to review and approve various issues during recess of the board, including the approval of internal policies, appointment (reappointment) of directors and supervisors of subsidiaries, making and amendment of the "Guidelines Governing the Authority and Responsibility ", etc. This, however, shall not apply to matters which are required to be resolved in the board of directors meeting for statutory reasons or according to the "Guidelines Governing the Authority and Responsibility".

Article 31-3 In order to derive overall economic benefit of its operations, the Company may, where permitted by law, authorize the board of directors to integrate the resources of the Company and its subsidiaries and among subsidiaries, thereby enhancing cross-sector performance. The Company shall also establish a suitable and reasonable cost allocation system through communication and negotiation, based on the degree of resource-sharing and profit contribution of the Company and its subsidiaries and among subsidiaries.

Article 31-4 The Company may establish functional committees of different types. The organizational rules for functional committees shall include number of committee members, qualification requirements, term of office, job authorities and meeting procedures, etc. The organizational rules shall be submitted to the board of directors for approval.

Article 32 (Deleted).

Article 33 (Deleted).

Article 34 Directors of the Company may concurrently act as directors or supervisors of the Company's subsidiaries.

Chapter 6 Managers

Article 35 The Company shall have one president, one chief auditor and managers. The appointment, dismissal and remunerations of such managerial personnel shall be decided in the board of directors' meeting, subject to compliance with the Company Act and relevant laws and regulations.

The appointment and dismissal of the president and chief auditor mentioned in the preceding paragraph shall be proposed by the Chairman and agreed upon by the Board of Directors. The appointment and dismissal of managers shall be proposed by the president and agreed upon by the Board of Directors in accordance the preceding paragraph.

Article 36 Except for the authority granted to the shareholders' meeting and Board of Directors by laws and regulations and the Articles of Incorporation of the Company, the Board of Directors is authorized to establish rules regarding authority and responsibility for the Board of Directors, the Chairman, president, managers and various departments.

Article 37 The credential of the Company's president, chief auditor and managers shall comply with the qualification standards established by the competent authority.

Article 38 (Deleted)

Chapter 7 Accounting

Article 39 The fiscal year of the Company shall be from January 1 to December 31. At the end of each fiscal year, the Board of Directors shall compile and submit the following reports and statements to the shareholders' meeting for acknowledgment, pursuant to the legal procedures.

1. Business reports.
2. Financial statements.
3. Proposals for distribution of earnings or make-up of deficit.

The compilation, audit, reporting and record keeping of the reports, statements, annual reports and other items required by the competent authority prescribed in the preceding paragraph shall be made in accordance with the Company Act, Securities and Exchange Act, Financial Holding Company Act and other relevant laws and regulations.

Article 40 0.01% provision of the Company's current year profit shall be made as employee bonus, and the board of directors shall decide to distribute the bonus in the form of shares or cash, which can also be distributed to employees of affiliated companies that meet the criteria specified in the Company Act. The Company may also make provision of director remuneration no more than 1% of the aforementioned profit.

The Company shall first make up the accumulated deficits, if any, before allocating any profit to employee bonus and director remuneration.

Employee bonus and director remuneration proposals shall be presented to the shareholders meeting.

Article 40-1 Any earnings concluded in a financial year shall first make up for loss of previous years, right after statutory taxation and accounting adjustments. Any surplus is subject to provision of a 10% legal reserve and special reserve according to law. The remainder shall be available for distribution of Class D preferred share dividend according to the priority specified by Article 8-2 in the Article of Incorporation. The remaining balance, if any, will be combined with reversal of special reserves and initial cumulative undistributed earnings available for dividend distribution into the amount available for distribution on ordinary shares and every Class preferred shares. Cash dividends shall be no less than 10% of the total amount of dividend distribution in the same year. Earnings distribution proposals will be devised by the board of directors and submitted to the annual general meeting of shareholders for acknowledgment.

The rights and obligations and the priority, amount and method of distribution associated with every Class preferred shares shall be governed in accordance with the Articles of Incorporation.

Article 41 The Company shall adopt a residual dividend policy in the event that the dividend distribution for ordinary shares causes dilution of the equity of Class D preferred shares during the period when the number of outstanding Class D special shares

exceeds 200 million (inclusive). The purpose of this policy is to ensure continuous business development and profit growth, while taking into account working capital management and capital adequacy level required by the competent authority and the international standards.

With regard to dividend distribution, the Company shall, in principle, distribute a stock dividend while considering business needs, capital plans, fund for reinvestment or acquisitions, and major regulatory changes, etc. The remainder shall be distributed as cash dividend.

Chapter 8 Addendum

Article 42 The organization guidelines, detailed operational procedures and management policies shall be prescribed by the Board of Directors.

Article 43 For matters not covered herein, the provisions of the Company Act, Securities and Exchange Act, Financial Holding Company Act and other relevant laws and regulations shall govern.

Article 44 These Articles of Incorporation were adopted on Dec. 7, 2001, in the Founders' Meeting.

Note:

2001/12/07 Adopted in the Founders' Meeting.

2003/06/06 The 1st revision was resolved in the 2003 general shareholders' meeting to amend articles 5, 6, 18, 27, 29, 40, 41, and 44; to cancel article 7 and to add article 8-1.

2004/06/11 The 2nd revision was resolved in the 2004 general shareholders' meeting to amend articles 8, 8-1, 35 and 44.

2005/06/10 The 3rd revision was resolved in the 2005 general shareholders' meeting to cancel article 14 and amend articles 17, 25, 27, 37, 41 and 44.

2005/12/28 The 4th revision was resolved in the 2005 extraordinary shareholders' meeting to amend articles 5, 8-1, 25 and 40 and add article 8-2.

2006/06/09 The 5th revision was resolved in the 2006 general shareholders' meeting to amend articles 8-1, 16, 17, 23, 25, 35, 39 and 41 and add articles 8-3, 8-4, 25-1 and 31-1.

2007/06/15 The 6th revision was resolved in the 2007 general shareholders' meeting to amend article 13 and add article 31-2.

2008/06/13 The 7th revision was resolved in the 2008 general shareholders' meeting to add article 5-1; cancel article 8 and amend articles 8-1, 8-2, 25, 31-2 and 40.

2009/06/26 The 8th revision was resolved in the 2009 general shareholders' meeting to amend articles 8-1 and 8-2.

2010/06/18 The 9th revision was resolved in the 2010 general shareholders' meeting to amend articles 28, 31 and 35 and add articles 31-3 and 31-4.

2011/06/24 The 10th revision was resolved in the 2011 general shareholders' meeting on June 24, 2011 to amend articles 8-1, 8-2, 35, 36, 37 and 40 and cancel article 38.

2012/06/22 The 11th revision was resolved in the 2012 general shareholders' meeting on June 22, 2012 to amend articles 8-1, 8-2, 16, 17, 23, 40 and 41. (According to the letter reply from the Financial Supervisory Commission dated April 11, 2013 under reference Jin-Guan-Yin-Kong-Tze-10260001260, the implementation of articles

8-1 and 8-2 shall be postponed).

2014/06/06 The 12th revision was resolved in the 2014 general shareholders' meeting on June 06, 2014 to amend articles 8-1, 8-2, 15, 25 and 40.

2015/06/12 The 13th revision was resolved in the 2015 general shareholders' meeting on June 12, 2015 to amend articles 8-2,18,19, Chapter 5,25,25-1,25-2,26,27,28, 31-1,32, 33,34,39,40.

2016/06/08 The 14th revision was resolved in the 2016 general shareholders' meeting on June 08, 2016 to amend articles 5,8-2,8-4,8-5,8-6,40,40-1. (According to the letter reply from the Financial Supervisory Commission dated September 12, 2016 under reference Jin-Guan-Yin-Kong-Tze-10500206640, further elaboration shall be provided when specific issuance plan under article 8-5 is available.)

2017/06/16 The 15th revision was resolved in the 2017 general shareholders' meeting on June 16, 2017 to amend articles 8-2,40.

2018/06/08 The 16th revision was resolved in the 2018 general shareholders' meeting on June 08, 2018 to amend articles 8-2.

【Attachment 8】

Taishin Financial Holding Co., Ltd.

Handling Procedures for Acquisition or Disposal of Assets

Chapter 1 General Principles

Article 1

The procedures are established according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (“the Regulations”) established by the Financial Supervisory Commission (“the FSC”) as authorized by Article 36-1 of the Securities and Exchange Act.

Article 2

Unless otherwise prescribed by law, Taishin Financial Holding Co., Ltd. (hereinafter referred to as “the Company”) shall follow the Procedures when engaged in the acquisition or disposal of assets. If there is any issue not covered in these Procedures, other relevant regulations of the Company shall govern.

Article 3

These procedures apply to the following asset categories:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities that represent fund entitlements, depository receipts, call (put) warrants, beneficial securities, and asset-backed securities.
2. Real estate (including land, buildings, land use rights etc.) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Claims of financial institutions (including receivables, bills purchased and discounted, loans and overdue receivables).
6. Derivatives.
7. Assets legally acquired or disposed of through mergers, demergers, acquisitions or transfer of shares.
8. Other major assets.

Article 4

Terms used in the Procedures are defined as follows:

1. Derivatives: Refer to forward contracts, options contracts, futures, leverage contracts, swap contracts etc., and any combination of the above, whose value is derived from assets, interest rates, foreign exchange rates, indices, or other benefits. The term “forward contracts” does not include insurance contracts, performance contracts, after-sale service contracts, long-term leasing contracts, and long-term purchase (sales) contracts.
2. Assets legally acquired or disposed through mergers, demergers, acquisitions or transfer of shares exchange: Refers to assets acquired or disposed of through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or

through an arrangement whereby new shares are issued in exchange for another company's shares (hereinafter "transfer of shares") under Article 156, Paragraph 8 of the Company Act.

3. Related Party and subsidiary: To be defined according to the FSC's financial reporting standards.
4. Total assets: Refers to the amount of total assets shown in the latest company-level financial statement prepared in accordance with the FSC's financial reporting standards.
5. Professional appraiser: Refers to a real estate appraiser or anyone who is permitted by law to perform valuation of real estate and equipment.
6. Date of Occurrence: Refers to, the earliest of, the signing date, payment date, deal date, date of ownership transfer, the board of directors' resolution date or any other dates when the transaction counterparty and the amount can be verified with certainty. For investments that require the approval of the competent authority, the date of occurrence shall be determined as the earlier between the above dates and the date approved by the competent authority.
7. Investment in the Mainland China Area: Refers to investments in the Mainland China area conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area approved by the Investment Commission of the Ministry of Economic Affairs.
8. Limited Price, Specified Price or Special Price: The terms shall be defined according to the definition provided in the "Regulations on Real Estate Appraisal" announced by the Ministry of the Interior.

Article 5

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall not be a related party of any party to the transaction.

Article 6

If any director expresses dissent and it is contained in the minutes or a written statement when the Procedures are being discussed in the board of directors meeting and such objections have been recorded or made in writing, the Company shall the director's dissenting opinion to audit committee. The Company shall, in the meantime, take into full consideration each independent director's opinions. If an independent director objects to or expresses reservations about any matter, it shall be recorded in the minutes of the board of directors meeting.

Any transaction involving major assets or derivatives shall be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 33, paragraphs 2 and 3.

Any transaction involving major assets or derivatives referred to company's transaction involving assets or derivatives is subject to the approval of the board of directors under the company's procedures or other laws or regulations.

Chapter 2 Administrative Procedures

Section 1 Acquisition or Disposal of Assets

Article 7

Before the acquisition or disposal of real estate by the Company, the responsible unit should first study the relevant market reports and appraisal reports and submit a written assessment report to the proper approval authority for decision making.

Before the acquisition or disposal of equipment by the Company, the responsible unit shall conduct in advance a cost-benefit analysis to compare the forecast and actual results of the transaction. The proposal shall be submitted to the proper approval authority for decision-making after the procurement, contracting or sales procedures.

When investing in real estate, the Company shall observe the provisions stipulated in the Financial Holding Company Act with regard to the restrictions on the usage of such real estate.

Article 8

When acquiring or disposing of real estate or equipment, the Company shall, prior to the date of occurrence of the event, obtain an appraisal report from a professional appraiser if the transaction amount has reached 20% of the Company's paid-in capital or NT\$300 million or more. This shall not apply, however, when the Company is transacting with a government institution, engaging others to build on its own land or on rented land, or acquiring or disposing of machinery equipment for business use. The Company shall in the meantime observe the following rules:

1. Where due to special circumstances it is necessary to use a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance. The same procedure shall be followed for any future changes to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or above, appraisals from two or more professional appraisers shall be obtained.
3. If the following situation occurs with regard to the professional appraisal report, the Company shall engage a CPA to handle the case in accordance with the provisions of the Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF), and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price. This is not required, however, if all the appraised results for the assets to be acquired are higher than the transaction amount, or if all the appraised results for the assets to be disposed of are lower than the transaction amount.
 - (1) The discrepancy between the appraisal result and the transaction amount is 20% or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10% or more of the transaction amount.
4. The time between the contract date and the date of the report issued by the professional appraiser shall not be more than three months. The Company, however, may still adopt opinions of the original professional appraiser in the event that the transaction is

applicable to the announced current value for the same period and less than six months have passed.

The matters for which paragraph 1, subparagraph 1 requires shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 33, paragraphs 2 and 3.

Article 9

Before the acquisition or disposal of short-term securities, the Company shall first request its investment analysts to collect the relevant information, evaluate and discuss the results and report to the proper approval authority for decision-making.

With respect to investment projects in long-term equities, the Company shall first request the responsible units to conduct a feasibility study. A proposal shall be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance if the case is considered feasible. Only when the case has been resolved in the board of directors meeting shall the Company submit the application to the competent authority for approval and proceed with the relevant contract-signing procedures.

The company acquisition or disposal of securities, shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period which have been certified or reviewed by a certified public accountant. Such financial statements shall be used as a reference for appraising the transaction price. If the transaction amount has reached 20% of the company's paid-in capital or NT\$300 million or more, the Company shall, prior to the date of occurrence of the event, additionally engage a CPA to provide an opinion regarding the reasonableness of the transaction price. If the CPA requires the evidence of an expert report, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to securities with publicly quoted prices from an active market, or if it has been otherwise provided by the regulations of the Financial Supervisory Commission (FSC).

With regard to the scope, limits and application procedures for investment in securities, the Company shall follow the relevant regulations stipulated in Articles 36, 37 and 39 of the Financial Holding Company Act.

The matters for which paragraph 2 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 33, paragraphs 2 and 3.

Article 10

When acquiring or disposing of memberships or intangible assets, the responsible unit of the Company shall firstly submit an assessment report on the cost and benefits of the acquisition or disposal to the proper approval authority for decision making.

In the event that the amount for the acquisition or disposal of membership or intangible assets has reached 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. The CPA shall handle the case

in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF, except in transactions with government institution.

Article 11

The calculation of the transaction amounts referred to in the preceding three articles shall be conducted in accordance with Article 29, paragraph 2 herein. In the meantime, “within one year” as used herein refers to the year proceeding to the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

Article 12

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be used as a substitute for the appraisal report or CPA opinion.

Section 2 Related Party Transactions

Article 13

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

The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Article 11-1 herein.

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

Article 14

With the exception of government bonds, bonds under repurchase/resale agreements, and subscription or repurchase of domestic money market funds that are issued by securities investment trust enterprise, when the Company intends to acquire or dispose of any real estate from or to a related party, or if it intends to acquire or dispose of any assets other than real estate from or to a related party where the transaction amount has reached 20% of its paid-in capital, 10% of its total assets, or NT\$300 million or more, the Company shall firstly submit the following information to be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution in advance before signing the contract and making payments:

1. The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
2. The reason for choosing the specific related party as the transaction counterparty.
3. The information relating to the assessment of reasonableness on the planned acquisition of real estate from the related party under Articles 15 and 16.
4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company’s related parties.

5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, as well as evaluation reports on the necessity of the transaction and reasonableness of the funds utilization.
6. An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article.
7. Restrictive covenants and other important stipulations associated with the transaction.

The transaction amount prescribed in the preceding paragraph shall be calculated in accordance with the provisions stipulated in Article 29, paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year preceding the date of occurrence of the current transaction. Transactions which have been approved by audit committee and the board of directors, however, may not be included.

When proposed for discussion by the board of directors, independent directors' opinions must also be fully taken into consideration. Any objections or reservations made by independent directors must be detailed in board meeting minutes.

The matters for which paragraph 1 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 33, paragraphs 2 and 3.

Transactions with related parties of the company shall comply with the Financial Holding Company Act.

Article 15

On acquiring real estate from a related party, the Company shall evaluate the following methods to assess the reasonableness of the transaction costs:

1. Based on the price of transaction with the related party, adding the required interest on funding and other costs to be borne by the buyer by law. The required interest on funding shall be calculated based on the weighted average of the interest rate for borrowing during the year the company purchases the property. It shall not, however, exceed the maximum lending rate for non-financial industries announced by the Ministry of Finance.
2. In the event that the property has been mortgaged for loan, the Company shall adopt the total appraised value by the financial institution for the specific lending. However, the actual lending amount shall not be less than 70% of the total appraised value and the loan period should be more than one year. However, this shall not apply if the financial institution is a related party of one of the trading counterparties.

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

When acquiring real estate from a related party, the Company shall appraise the cost of the real estate in accordance with paragraph 1 and paragraph 2 above, in the meantime engaging a CPA to review the appraisal and render an opinion.

Under the following circumstances, the Company shall follow the rules specified in Article 14 herein for acquiring real estate from a related party. The provisions in the above three paragraphs shall not apply:

1. The related party has acquired the real estate through inheritance or as a gift.

2. More than five years have elapsed since the acquisition of the real estate by the related party till the contract-signing date for this transaction.
3. The real estate is acquired through sign of a joint development contract with the related party or through engaging a related party to build real property, either on the company's own land or on rented land.

Article 16

When the results of a public company's appraisal conducted in accordance with paragraph 1 and paragraph 2 of the preceding Article are uniformly lower than the transaction price, the matter shall be handled in compliance with Article 17. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:

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

Completed transactions for neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transaction for similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property.

Article 17

Where the company acquires real property from a related party and the results of appraisals conducted in accordance with Article 15 and Article 16 are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Article 41, paragraph 1 of the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares.

Where a public company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph of the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.

2. Each independent director of the audit committee shall comply with Article 14-4, paragraphs 2 of the Securities and Exchange act mutatis mutandis application of Article 218, paragraphs 1 and 2 of the Company Act.
3. Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company obtains real property from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was not an arm's length transaction.

Section 3 Engaging in Derivatives Transactions

Article 18

When engaged in derivatives transactions, the Company shall ensure control over such transactions based on the following risk management and audit principles:

1. Transaction Principles and Guidelines
 - (1) The types of derivative transactions to be conducted by the Company shall include, mainly, forward exchange, options, interest and currency swaps, etc. for hedging purposes.
 - (2) When engaged in derivatives transactions, the Company shall give equal attention to the safety and liquidity of products.
 - (3) In principle, all derivative transactions shall be conducted for hedging purposes. The Company shall obtain approval from the board of directors on all relevant limits, including the limits on aggregated contract value, the stop-loss limit for all transactions and individual contracts, as well as other market risk limits.
 - (4) The Company shall handle its derivative financial instruments according to the following procedures:

- A. Proper authorization shall be obtained with regard to the types and limits of the derivative transactions to be conducted. Only authorized employees may conduct derivative transactions.
 - B. The trader shall complete a deal slip once a deal is concluded.
 - C. Operations personnel shall be responsible for deal confirmation and settlement procedures.
 - D. The Company shall, on a regular basis, conduct a review of positions held and evaluate gains and losses.
2. Risk Management Measures
- (1) The relevant rules of the Taishin Financial Holding - Risk Management Policy shall be followed when managing derivative financial instruments risks, including control of credit, market price, liquidity, cash flow, operational and legal risks; as well as the scope of risk management, risk measurement, identification and control procedures.
 - (2) The risk management unit is responsible for checking the effectiveness of hedges for all transactions that involve derivative financial instruments, including the amount and particulars of the transaction.
 - (3) Personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement.
 - (4) Personnel responsible for risk measurement, monitoring and control shall be assigned to a department separate from the individuals specified in the preceding subparagraph, and shall report to the board of directors or other senior managers who are not engaged in decision making on transactions or trading positions.
3. Internal Audit System
- (1) The internal auditors of the Company shall audit derivative transactions on a regular or ad hoc basis and ensure that they comply with these Procedures and relevant rules.
 - (2) The auditors shall, on a regular basis, check the adequacy of the company's internal control system for derivatives transactions. They shall conduct monthly audits on the trading department to ensure compliance with the Procedures for Derivatives Trading. Audit reports shall be produced. The auditors are required to advise the audit committee in writing if any significant violations are found. The auditors should follow up on the status of defects identified during the audit process where necessary.
4. The Company shall conduct regular assessment on gains and losses, and plan in advance for emergency situations.
- (1) The Company shall assess its derivative trading positions at least once a week. Hedging transactions conducted to meet business requirements shall be assessed at least twice a month. Assessment reports shall be submitted to the senior management level authorized by the chairman.
 - (2) The assessment reports prescribed in the preceding paragraph shall be submitted to the head of the risk management unit for review. In case of unexpected situations such as bankruptcy of a counterparty or high volatility in the market which may have a significant and negative impact on the Company, the situation shall be reported to the Risk Management Committee for any necessary actions.

Article 19

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

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

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

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

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

Article 20

The Company engaging in derivatives trading shall establish a log book in which details of the types and amounts of derivatives trading engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph 1, subparagraph 4 of Article 18 and subparagraph 2 of paragraph 1, and subparagraph 1 of paragraph 2, of Article 19 shall be recorded in detail in the log book.

Section 4 Mergers, Demerger, Acquisitions and Transfer of Shares

Article 21

When the company that conducts a merger, demerger, acquisition, or transfer of shares, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution.

The aforesaid opinion on the reasonableness of a merger will not be required when the company merges with or acquires a subsidiary in which it holds, directly or indirectly, 100% of the shares or total capital or when subsidiaries in which the company holds, directly or indirectly, 100% of the shares or total capital merge with or acquire each other.

The matters for which paragraph 1 requires recognition by the supervisors shall first be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution, and shall be subject to mutatis mutandis application of Article 33, paragraphs 2 and 3.

Article 22

The company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to in paragraph 1 of the preceding Article when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

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

Article 23

Unless otherwise provided by law or agreed in advance by the Financial Supervisory Commission for special reasons, all participating companies in any merger, demerger or acquisition project are required to convene a board of directors meeting and shareholders' meeting on the same day to resolve related matters.

Unless otherwise provided by law or agreed in advance by the Financial Supervisory Commission for special reasons, the companies participating in a transfer of shares are required to convene a board of directors meeting on the same day.

When engaged in merger, demerger, acquisition or transfer of another company's shares, the Company shall keep a complete written record including the following information, which shall be retained for five years for review and audit purposes:

1. Basic Personnel Information: Including the job title, name and ID number (or passport number in the case of foreign nationals) of all personnel involved in the planning or implementation of the merger, demergers, acquisition, or transfer of another company's shares prior to public disclosure of the information.
2. Dates of Important Events: Including the dates of signing a letter of intent or memorandum of understanding, commissioning a financial or legal advisor, signing contracts or holding board of directors meetings.
3. Important Documents and Meeting Minutes: Including the plans for merger, demergers, acquisition or share transfer plans, letter of intent or memorandum of understanding, important contracts and minutes of the board of directors meetings.

When participating in merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days from the date of passage of the board resolution, submit to the Financial Supervisory Commission for recordation the information required in subparagraphs 1 and 2 of the preceding paragraph. The information shall be compiled according to the specified format and transmitted via the Internet.

If any of the participating companies in the merger, demerger, acquisition, or transfer of another company's shares is not a listed company or a company having its shares traded on an OTC market, the Company shall sign an agreement with such participating companies, while abiding by the provisions of paragraphs 3 and 4 herein.

Article 24

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

Article 25

The companies participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:

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

Article 26

When participating in the merger, demerger, acquisition, or transfer of shares, the Company shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:

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

Article 27

After public disclosure of the information, if the company intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the

number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Article 28

When the company participates in the merger, demerger, acquisition, or transfer of shares, if any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the public company(s) shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Article 23, Article 24, and Article 27.

Chapter 3 Public Disclosure of Information

Article 29

Under any of the following circumstances, the Company shall, within 2 days from the date of occurrence of the event, publicly announce and report the relevant information about the acquisition or disposal of assets on the designated website of the Financial Supervisory Commission using the specified format:

1. Acquisition or disposal of real estate from or to a related party, or acquisition or disposal of assets other than real estate from or to a related party where the transaction amount reaches 20% of the Company's paid-in capital, 10% or more of the Company's total assets, or NT\$300 million or more. This requirement, however, shall not apply to the trading of government bonds or bonds under repurchase or resale agreements, and subscription repurchase of domestic money market funds that are issued by securities investment trust enterprise.
2. Merger, demerger, acquisition, or transfer of shares.
3. Situations where the losses resulting from the derivative transactions has reached the stop-loss limit, including the aggregate limit for all transactions and the limit for individual transactions, as prescribed in article 18, paragraph 1, subparagraph 1, item 3.
4. Where the type of asset acquired or disposed is equipment for business use, the trading counterparty is not a related party, and the transaction amount is more than NT\$1.0 billion.
5. Situations where the real estate is acquired by the following methods: engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale. The amount to be invested by the Company, furthermore, is more than NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of government bonds.
 - (2) Securities trading conducted by professional investors through domestic or overseas securities exchanges or through securities firms, securities subscribed in the

domestic primary market that are corporate bonds and bank debentures without equity rights, or, when the company is a securities dealer acting as recommending securities firms, securities subscribed according to the rules of Taipei Exchange.

- (3) Trading of bonds under repurchase or resale agreements, and subscription or repurchase of domestic money market funds that are issued by securities investment trust enterprise.

The “transaction amount” prescribed in the preceding paragraph shall be determined based on the following definition:

1. The amount of each individual transaction.
2. The cumulative transaction amount of acquisitions or disposals of the same type of underlying asset with the same trading counterparty within one year.
3. The cumulative transaction amount of real estate acquired or disposed of (to be accumulated separately for acquisitions and disposals) for the same development project within one year.
4. The cumulative transaction amount of the same securities acquired or disposed of (to be accumulated separately for acquisitions and disposals) within one year.

“Within one year” as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. Items which have been announced according to the Procedures may be excluded.

The Company shall compile monthly reports on the status of derivative transactions conducted up to the end of the preceding month by itself and any of its subsidiaries that are not publicly-listed companies in Taiwan. The information shall be transmitted to the information reporting website specified by the Financial Supervisory Commission before the 10th of each month using the required format.

Where any correction or addition to the information is required, the Company shall, within two days since becoming aware of the incident, repeat all reporting and announcement procedures for all the items.

When acquiring or disposing of assets, the Company shall retain a file of the relevant contracts, meeting minutes, logbooks, appraisal reports, opinions from the CPAs, attorneys and securities underwriters for at least five years, unless otherwise provided by law.

Article 30

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

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

Chapter 4 Additional Provisions

Article 31

The Company shall supervise its subsidiaries with regard to the procedures for asset acquisition or disposal:

1. The subsidiaries of the Company shall establish their own Asset Acquisition or Disposal Procedures based on these Procedures, which shall be sent to the Company for recordation after approval in the shareholders' meeting. The same procedures shall be followed for the revision of the procedures.
2. In the event that the amount of any transaction conducted by the subsidiary for the acquisition or disposal of assets has reached 20% of its paid-in capital, 10% of its total assets or NT\$300 million or more, the subsidiary shall inform the responsible units of the Company before execution of the transaction.
3. If the subsidiary has conducted self-inspection of its Asset Acquisition or Disposal Procedures, the subsidiary shall submit the relevant inspection reports to the audit department of the Company for review.
4. In the event that the subsidiary is not a publicly listed company, the Company shall, on behalf of the subsidiary, carry out relevant information announcement and reporting as stipulated in Chapter 3 herein, if necessary. With regard to the threshold for announcement or reporting by subsidiaries prescribed in Article 29, paragraph 1 herein (i.e., 20% of paid-in capital or 10% of total assets), the calculation basis for the threshold shall be the paid-in capital or total assets of the Company.
5. If the subsidiary of the Company issues shares that do not carry a face value or have a face value other than NT\$10, the Company shall apply "10% of equity" as an alternative threshold for "20% of paid-in capital" as specified in these procedures, attributable to owners of the parent company.

Article 32

Any employee of the Company who violates these Procedures when handling the acquisition or disposal of assets shall be subject to disciplinary actions based on the severity of the violation and in accordance with the relevant human resources management policies of the Company.

Article 33

These Procedures shall be approved by more than half of all audit committee members and then submitted to the board of directors for a resolution and then to the shareholders' meeting for approval. They shall take effect after approval in the shareholders' meeting. The same applies when the procedures are amended.

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

The terms "all audit committee members" in paragraph 2 and "all directors" in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.

Notes:

- 2012/06/22 These Procedures were established in the 2012 general shareholders' meeting. (The "Handling Procedures for Acquisition or Disposal of Assets" amended and resolved in the June 15, 2007 by Shareholders' Annual General Meeting were abolished at the same time).
- 2014/06/06 The First Amendment in the 2014 general shareholders' meeting to amend articles 1,3,4,7,8,10,14,15,18,19,23,29 and 31.
- 2015/06/12 The Second Amendment in the 2015 general shareholders' meeting to amend articles 6,8,9,14,17,18,21,33,and these changes will come into effect July 1, 2015.
- 2017/06/16 The Third Amendment in the 2017 general shareholders' meeting to amend articles 8,10,14,21and 29.

【Attachment 9】

Taishin Financial Holding Co., Ltd. Rules of Procedure for Shareholder Meetings

(The basis)

Article 1 Rules of Procedure for Shareholder Meetings (the Rules) are established in accordance with Article 11 of the Corporate Governance Best-Practice Principles for Financial Holding Companies to provide sound governance over the Company's shareholder meetings, thereby enhancing the supervisory function of shareholders.

(Applicable laws)

Article 2 Unless otherwise specified by laws and regulations or the Articles of Incorporation, shareholder meetings of the Company shall be conducted in accordance with the Rules.

(Convention and notice of shareholders' meetings)

Article 3 Unless otherwise specified by laws and regulations or the Articles of Incorporation, shareholders' meetings are convened by the Board of Directors.

The Company shall prepare an electronic file which contains the meeting notice, a proxy form, agenda (items for acknowledgement, approval, election and dismissal of directors) and remarks and post it onto the Market Observation Post System (MOPS) 30 days prior to an annual general meeting, or 15 days prior to an extraordinary shareholders' meeting. An electronic copy of the shareholders' meeting manual and supplementary information shall be posted onto MOPS 21 days before an annual general meeting, or 15 days before an extraordinary shareholders' meeting. Hard copies of the shareholders' meeting manual and supplementary information shall be provided and made available 15 days prior to the meeting and distribute to shareholders at the meeting venue on the day of meeting.

The meeting notice and public announcement shall specify agenda items. The meeting notices may be delivered electronically upon agreement by the specific shareholder(s). For shareholders holding less than one thousand shares, meeting notices may be communicated by way of public announcement.

Agenda items involving election or dismissal of directors, amendment of this Company's Articles of Incorporation, liquidation, merger, or spin-off of the Company, or any matters set forth in Article 185, Paragraph 1 of the Company Act, Article 26-1 or Article 43-6 of the Securities and Exchange Act or Article 56-1 and 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be specified in the notices of the meeting, and may not be proposed as special motions.

Shareholders who own more than 1% of the Company's total issued shares may propose in writing one item to be included in the agenda of the annual general meetings. Each shareholder may only propose one agenda item; additional item will

not be accepted. The Board of Directors may disregard shareholders' proposals if the proposed agenda item involve any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act.

The Company shall announce the places and time period in which shareholders' proposals are accepted before the book closure date. The period of acceptance shall be no shorter than ten days.

Contents of each agenda item proposed by shareholders may not exceed 300 Chinese characters or shall not be accepted. Shareholders who have successfully proposed agenda items shall attend the annual general meeting in person or through proxy attendance and participate in the discussion.

The Company shall notify the proposing shareholders of the acceptance or rejection to their proposal before the date the meeting notice is sent. Meanwhile, accepted agenda items shall be included into the meeting notice. The Board of Directors shall give explanations to rejected proposals in the meeting.

(Proxy and authorization)

Article 4 Shareholders may appoint proxies to attend shareholders' meetings by completing the Company's proxy form and specifying the scope of delegated authority.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must arrive at the company at least five days before the shareholders' meeting. In the event that multiple proxy forms are issued, the proxy form that arrives first shall prevail. However, exception shall be granted if the shareholder issues a declaration to revoke the previous proxy arrangement.

Should the shareholder decide to attend shareholders' meeting personally or exercise voting rights in writing or through electronic means after a proxy form has been submitted to the company, a written notice must be sent to the company no later than two days before the meeting commences to revoke the proxy arrangement. If the revocation is made after the prescribed period, then the voting decision exercised by the proxy shall prevail.

(Venue and time of shareholders' meetings)

Article 5 Shareholders' meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9.00 a.m. or later than 3.00 p.m.

(Preparation of Documents)

Article 6 The company shall provide an attendance book to record attendance of shareholders or proxies thereof (collectively referred to as shareholders below) to sign in; alternatively, attendance cards may be presented instead of signing in on the attendance book.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance certificate, speech note, ballots and other information relevant to the meeting. Shareholders shall also be given election ballots when there is an election of directors or supervisors.

Shareholders must present an attendance certificate, an attendance card or other proof

of attendance to attend a shareholders' meeting. The Company should not require additional identification documents for shareholders' attendance. Proxy solicitor must present proof of identity for verification.

Government agency shareholder or institutional shareholder may appoint more than one representative to attend the shareholders' meetings. An institution acting as the proxy may appoint one (and only one) representative to attend the meeting.

(Chairperson and other attendance)

Article 7 If the shareholders' meeting is convened by the board of directors, the Chairman of the board shall preside over the meeting. If the Chairman is unable to perform such duties due to leave of absence or for any other reason, the Vice Chairman shall act on the Chairman's behalf. If there is no Vice Chairman or if Vice Chairman is on leave or unable to perform his duties, the Chairman may appoint one of the directors to act on the Chairman's behalf. If the Chairman does not appoint anyone act on his behalf, one shall be elected from among the directors to act on the Chairman's behalf.

Shareholders' meetings that are convened by the board of directors should have more than half of the board members attending the meeting.

If the shareholders' meeting is convened by an authorized party other than the board of directors, the convener will act as the meeting chairperson. If there are two or more conveners at the same time, one shall be appointed from among them to chair the meeting.

The Company may appoint legal counsels, certified public accountants, and/or other relevant personnel to attend the shareholders' meeting.

(Video- and tape-recording during shareholders' meetings)

Article 8 The whole proceeding of the shareholder meetings shall be video- or tape-recorded and such recordings shall be kept for at least one year or up to the conclusion of the shareholder action (if any) initiated under Article 189 of the Company Act.

(Number of attendance and meeting commencement)

Article 9 The quorum of the shareholders' meeting shall be determined by the number of shares represented at the meeting. The number of shares represented at the meeting is calculated based on the total amount registered in the attendance book or the attendance cards collected, plus the number of shares where voting rights are exercised in writing or through electronic means.

The chairperson shall call the meeting to order as schedule. However, if the total number of shares represented at the meeting counts for less than half of the Company's total issued shares, the chairperson may announce to postpone the meeting for a maximum of two times with a total duration no more than one hour. The chairperson shall dismiss the meeting if there is no quorum after the aforementioned postponement(s).

If there is no quorum after the aforementioned postponement(s) but the number of shares represented at the meeting exceeds one-third of the total issued shares of the Company, tentative resolutions may be adopted in accordance to Article 175,

Paragraph 1 of the Company Act. This tentative resolution shall be disclosed to all shareholders and another shareholders' meeting shall be reconvened within one month.

If the number of shares represented in the meeting reaches 50% or more of all issued shares before the meeting ends, the chairperson may re-propose the tentative resolution to the meeting for voting according to Article 174 of the Company Act.

(Meeting process)

Article 10 If the shareholders' meeting is convened by the board of directors, the board of directors shall determine the meeting proceedings. The proceedings shall not be changed unless resolved in the shareholders' meeting.

The above provision also applies if the shareholders' meeting is convened by any authorized party other than the board of directors.

In either of the two arrangements described above, the Chairman cannot dismiss the meeting while an agenda item (including special motions) is still in progress. If the Chairman violates the meeting policy by dismissing the meeting when it is not allowed to do so, other members of the board shall immediately assist the attending shareholders to elect another Chairman with the support of more than half of voting rights represented and continue the meeting.

The chairperson shall allow adequate time to explain and discuss the each agenda item, amendments or special motions proposed in the meeting. The chairperson may announce to conclude the discussion as he/she sees fit and submit the proposals to vote for resolution.

(Shareholders' speech)

Article 11 When a shareholder wish to speak in the meeting, a speech note shall be filled out with summary of the speech, and the shareholder's account number (or the attendance ID serial number). The sequence of shareholders' comments shall be determined by the chairperson.

Any shareholder submits a speech note without speaking, no speech shall be deemed to have been made by such shareholder.. In case the contents of the speech of a shareholder are inconsistent with the contents of the speech note, the contents of the actual speech shall prevail.

Each shareholder shall not speak for more than two times, five minutes at most for each speech, on the same agenda item unless otherwise agreed by the chairperson. The chairperson may stop shareholders' speech if they violate the Rules or speak outside the scope of the agenda item under discussion.

No shareholder shall interrupt the speech of other shareholders unless agreed by the chairperson and the shareholder in speaking. Any violators shall be restrained by the chairperson.

Where an institutional shareholder has appointed two or more representatives to attend the shareholders' meeting, only one representative may speak per agenda item.

After the shareholder has finished speech, the chairperson may answer to the shareholder's queries personally or appoint any relevant personnel to respond.

(Voting right and conflict of interest)

Article 12 The count of votes in a shareholders' meeting is based on the number of shares represented at the meeting.

Shares that do not carry voting rights are excluded from the calculation of outstanding shares when voting for the final resolution.

A shareholder shall abstain from and shall not be a proxy of others for a voting on certain agenda items that he/she has a conflict of interest against the Company at the shareholders meeting

The aforementioned abstained shall be excluded from the total voting rights represented in the meeting.

A person who is proxy of 2 or more shareholders shall cast a vote with a maximum of 3% of total number of voting shares and the excessive voting shares, if any, shall be invalid. The restriction does not apply to trust business or regulator-approved-stock agencies.

(Voting, ballot examination and ballot count)

Article 13 Every one share held by a shareholder has one voting right, subject to the provisions of Paragraph 2 in Article 179 of the Company Act.

Voting rights can be exercised in writing or by way of electronic transmission, if the method for exercising votes has been described in the notice of shareholder meeting. Shareholders who have voted in writing or by way of electronic transmission are considered to have attended such shareholders' meeting in person, but shall be deemed to have waived their rights in respect of any special motions or amendments to the original agenda items in such shareholders' meeting.

Instructions to exercise votes in writing or by way of electronic transmission shall be delivered to the Company two days prior to the shareholders' meeting. In the event where there are duplicate submissions are delivered to the Company, the first submission shall prevail; unless an explicit statement to revoke the previous instruction is made in the instruction which comes later.

If the shareholder decides to attend the shareholders' meeting in person after submitting a voting instruction in writing or by way of electronic transmission, he shall, at least two days prior to the meeting date. Serves a separate declaration of intention to rescind his previous voting instruction. In absence of a timely rescission of the previous voting instruction, the votes exercised in writing or by way of electronic transmission shall prevail. In the event that a shareholder has exercised his votes in writing or by way of electronic transmission, and at the same time appointed a proxy to attend the shareholders meeting, then the voting decision exercised by the proxy shall prevail.

Unless otherwise specified by the Company Act or the Articles of Incorporation, a resolution is adopted by a majority of the votes represented by the shareholders present at the meeting. The chairperson or his/her designate shall announce the total number of voting shares during the voting. The shareholders shall cast their votes on each item to be voted.

A resolution may be passed by a unanimously approval by attending shareholders with the same effect as by a voting. If any objections are raised, the agenda item shall be voted on according to the rules outlined above. Shareholders who wish to propose additional agenda items or changes to existing agenda items must have their proposals seconded by another shareholder.

In cases where there are several amendments or alternative resolutions to a certain agenda item, the chairperson shall determine the order in which the new and original proposals are voted on. If any resolution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The chairperson will appoint ballot examiners and ballot counters; the ballot examiners must be a shareholder.

The counting process shall be performed publicly at the meeting venue and the result of the vote shall be reported and recorded accordingly.

(Election)

Article 14 The election of directors shall be conducted in accordance with the Company's relevant guidelines to the election and the result of the election shall be announced at the meeting.

All ballots used in the election shall be sealed and signed by the ballot examiners, and properly kept for at least one year or up to the conclusion of any legal action initiated by shareholders under Article 189 of the Company Act.

(Meeting minutes and acknowledgment)

Article 15 The minutes of shareholders' meeting shall be prepared, duly signed or chop sealed by the chairperson of the shareholders' meeting, distributed to the shareholders within 20 days after the meeting. Preparation and distribution of meeting minutes can be made in electronic form.

The Company may distribute meeting minutes by posting details onto MOPS.

The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, and the proceeding and results of various meeting agenda items. These minutes should be kept for the life of the Company.

Any resolutions that are passed with a unanimously approval by the attending shareholders shall be remarked as "the item is unanimously approved by the shareholders after inquiry made by the chairperson at the meeting." If there is objection from the attending shareholders, the resolution must specify the voting method adopted and the number and percentage of rights voted in favor.

(Disclosure)

Article 16 The Company shall publish information regarding the number of shares acquired by solicitors and the number of shares represented by proxy agents using the prescribed format.

The Company shall post resolutions that are classified as material information as defined by laws and regulations published by the Taiwan Stock Exchange Corporation, via the MOPS within the regulated deadline.

(Meeting order)

Article 17 Personnel working at the shareholders' meeting must wear identification cards or badges.

The chairperson may conduct the disciplinary officers or the security staff to help maintain order in the meeting. Such disciplinary officers or security staff must wear badges marked "Disciplinary Officers" or identification cards.

The shareholder making oral presentation at the meeting shall use the equipment provided by the Company, or the chairperson may stop the presentation.

The chairperson may instruct disciplinary officers or security staff to remove shareholders who violate the meeting rules and refuse to obey the instructions given by the chairperson.

(Intermission)

Article 18 The chairperson may, at his discretion, set time for intermission. In case of incident of majeure events, the chairperson may suspend the meeting temporarily and announce, depending the situation, when the meeting will resume.

The shareholders meeting may resolve to move the meeting to other venue to continue when the availability of the meeting venue is expired and the meeting is not completed.

Shareholders may also resolve to postpone or resume the meeting within the next five days, according to Article 182 of the Company Act.

(Level of approval authority)

Article 19 The Rules shall take effect once approved in the shareholders' meeting. The same applies to all subsequent changes.

Note:

2011/06/24 Passed and adopted in the 2011 annual general meeting. The Rules previously established by the company's founders on 2001.12.07 and later amended on 2003.06.06 were abolished at the same time.

2012/06/22 The 1st revision was resolved in the 2012 general shareholders' meeting on June 22, 2012 to amend articles 3, 4, 13, and 15.

2015/06/12 The 2nd revision was resolved in the 2015 general shareholders' meeting on June 12, 2015 to amend articles 3, 6 and 14.

【Attachment 10】

Taishin Financial Holding Co., Ltd. Minimum Shareholding Requirement, Individual and Aggregate Shareholding of Directors

- I. Minimum shareholding requirement and shareholding positions of directors as of the book closure date for this shareholders' meeting (2019.04.16):

Title	Minimum shareholding requirement	Shareholding as of 2019.04.16
All directors	160,000,000	423,615,241

- II. Details of directors' shareholding:

Title	Name	Representative	Shareholding
Chairman	Chia Hao Co., Ltd.	Wu, Tong-Liang	18,496,698
Director	TASCO Chemical Co., Ltd.	Wu, Cheng-Ching	389,492,121
Director	Hsiang-Chao Co., Ltd.	Kuo, Jui-Sung	9,451,508
Director	Santo Arden Co., Ltd.	Wang, Chu-Chan	6,174,914
Independent Director	Lin, Yi-Fu		0
Independent Director	Chang, Min-Yu		0
Independent Director	Kuan, Kuo-Lin		0
Total directors' shareholding			423,615,241