

**Minutes of 2020 Annual Shareholder's Ordinary
Meeting of Jih Sun Financial Holding Company**

Date: June 12, 2020, 9:00AM

**Venue: Conference Room of New Taipei City Exhibition Hall; 2F, No. 1,
Wu Chuan Road, Wugu Dist., New Taipei Industrial Park, New Taipei
City**

Minutes of 2020 Shareholders' Ordinary Meeting of Jih Sun Financial Holding Company

Date and Time: June 12, 2019 (Fri.) at 9:00 am

Place: Conference Room of New Taipei City Exhibition Hall

(2F, No.1, Wu Chuan Road, Wugu Dist., New Taipei Industrial Park, New Taipei City)

Attendees: The total number of issued common shares of the Company is 3,711,819,741 shares, the shares represented by attending shareholders and proxies are 3,095,701,506 shares (including 785,344,993 shares with voting rights exercised by electronic means), accounting for 83.40 % of total issued common shares.

In attendance: [Directors] Huang Ching-Tang, James C. Tang, Huang Flynn Xuxian, Yang Chih-Kuang
[Independent Director] Liou Chih-Poung, Huang Hsin-Hui
[Law firm] Lawyer Chen Mei-Ling
[KPMG Taiwan] CPA Chen Fu-Wei, Manager Wu Zhi-Hong
[Jih Sun FHC & Bank] President Wang Chih-Fang
[Jih Sun Securities] President Huang Chin-Ming
[Jih Sun FHC] Vice President Lin Che-Li, Vice President Hsu Mu-Chun, Assistant Vice President Wang Hui-Zhen.

Functional committees:

[Audit Committee]: Liou Chih-Poung Independent Director, Huang Hsin-Hui Independent Director

[Remuneration Committee]: Liou Chih-Poung Independent Director, Huang Hsin-Hui Independent Director

Meeting Chairman: Huang Ching-Tang

Minutes taker: Yang Mei-Hui

I. Call the meeting to order: The total number of shares represented by attending shareholders has met the quorum, so the chairman called the meeting to order.

II. Opening remarks of the Chairman: (Omitted)

III. Matters to be Reported:

Subject (1) Report the Company's 2019 business overview report. (proposed by the board of directors)

Interpretation:

1. For the details of the business overview report of year 2019, please see attachment 1.
Keynote speech by shareholder account No. 11030:
Express opinions on the achievement of last year's operational objectives of Jih Sun FHC and its subsidiaries, how to effectively implement internal control statement and legal compliance, and the performance evaluation of the board of directors and functional committee members.
Reply by the President of FHC:
The relevant figures of FHC's net income, consolidated total income and consolidated net profit margin in 2019 are disclosed on page 17 of the manual, all of which have reached the Company's annual budget target. The FHC's budget target achievement rate is 102% (target:NT\$2.267 billion), the Securities' budget target achievement rate is 103% (target:NT\$1.127 billion), the Bank's budget target achievement rate is 101.4% (target: NT\$1.228 billion), the Property Insurance Agency's budget target achievement rate is 114% (target:NT\$500,000), the Futures' budget target achievement rate is 58% (target: NT\$75 million), the Investment Consulting's budget target achievement is 306% (target:NT\$1.27 million), the Life Insurance Agency's budget target achievement rate is 72% (target:NT\$26 million), the overseas subsidiary International Holding's

budget target achievement rate is 186% and overseas subsidiary Cresvale Securities' budget target achievement rate is 169% respectively.

Reply by the Chairman:

We have conducted the self-evaluation for the performance of the members of the board of directors and the functional committee in accordance with the regulations of the competent authority and with reference to peer's evaluation.

Reply by the Chief Auditor of the Bank:

Internal control is handled in accordance with the Measures for Implementation of Internal Control and Audit System of Financial Holding Companies and Banking Industry, and the statement has been issued in accordance with the annual audit plan and prudent internal control evaluation. The improvement handling plan for the items to be strengthened listed by the Bank has been reported to the competent authority for approval and recordation.

The questions raised by the above shareholder has been answered and explained by the Chairman, the President of FHC and the Chief Auditor of the Bank.

(Shareholders were noted and the proposal has been approved for recordation.)

Subject (2) Report 2019 final accounting report audited by the Audit Committee. (proposed by the Audit Committee)

Interpretation:

1. For the details of the Audit Committee's review report of 2019, please see attachment 2. (Shareholders were noted and the proposal has been approved for recordation.)

Subject (3) Report the distribution of remuneration of employees and directors for 2019. (proposed by the board of directors)

Interpretation:

1. Pursuant to Article 23 of the Company's Articles of Incorporation: If the Company posts profit in the fiscal year, it shall set aside no less than 0.001% as remuneration for employees and no higher than 1% as remuneration for directors. However, if the Company still suffers accumulated losses, it shall retain a certain amount to cover the losses in advance.
2. It is proposed to allocate NT\$96,000 (as a percentage to profit of 0.0042%) as employees' remuneration and NT\$14,300,000 (as a percentage to profit of 0.6281%) as directors' remuneration. All will be distributed in cash.
3. This proposal has been adopted by the "11th meeting of the 4th term of Remuneration Committee," the "21st meeting of the 4th term of Audit Committee" and the "22nd meeting of the 7th term of board of directors," and a report is made to the shareholders' meeting pursuant to Article 235-1 of the Company Act. (Shareholders were noted and the proposal has been approved for recordation.)

Subject (4): Report the execution status of the 5th and the 6th transfer of treasury shares.

Interpretation:

1. Please see the explanation of the execution status of the 5th and the 6th transfer of treasury shares in December 2019 as below:
(1) Execution status

No. of times of repurchase	5 th time	6 th time
No. of employees to which shares are transferred	2,878 employees	2,878 employees
No. of shares transferred to employees	13,714,000 shares	13,714,000 shares
No. of shares that haven't been transferred	0 share	0 share
Price per share at which shares are transferred to employees	NT\$7.30 (The average price of shares repurchased in reality is adopted as the share transfer price).	NT\$8.13 (The average price of shares repurchased in reality is adopted as the share transfer price).
Qualification of employees to received transferred shares	Consistent with the employee qualifications set out in the Measures for Transfer.	Consistent with the employee qualifications set out in the Measures for Transfer.
No. of managers to which shares are transferred	152 persons	152 persons
No. of shares transferred to managers	5,936,000 shares	5,936,000 shares
Date of share allotment to employees	December 24, 2019	December 24, 2019

(2) The transfer of such treasury shares is conducted in accordance with “The Measures for Transferring the Shares Repurchased for the 5th Time to Employees by Jih Sun Financial Holding Co., Ltd.” and “The Measures for Transferring the Shares Repurchased for the 6th Time to Employees by Jih Sun Financial Holding Co., Ltd.” A total of 27,428,000 shares were transferred in December 2019.

(3) On December 12, 2019, we have completed the reporting on the basic data pertaining to the transfer of treasury shares to employees on MOPS.

2. This proposal has been adopted by the 11th meeting of the 4th term Remuneration Committee, the 21st meeting of the 4th term Audit Committee and the 22nd meeting of the 7th term board of directors.

(Shareholders were noted and the proposal has been approved for recordation.)

Subject (5) Report the amendment of the “Rules of Procedure for Board of Directors Meetings of Jih Sun Financial Holding Co., Ltd.”. (proposed by the board of directors)

Interpretation:

1. This proposal is conducted in accordance with the amendments of the “Regulations Governing Procedures for Board of Directors Meetings of Public Companies” issued by the FSC under Jin-Guan-Zheng-Fa-Zi No.1080361934 dated 2020/01/15.

2. The major points of this amendment are explained as follows:

1. Article 3: In accordance with Article 17, Paragraph 2 of the Articles of Incorporation, we amend the wordings of Article 3.
2. Article 6: Board Meetings shall be held at the location “and time” to define more clearly.
3. Article 8: In coordination with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, we add in the wordings in Article 8 that if the board of directors is held by the more than half of the directors themselves, the directors may mutually nominate one person as the chairman.
4. Article 14: In accordance with Article 14-5, Paragraph 1, Subparagraph 10 of the Securities & Exchange Act, we amend the wordings of Article 14.
5. Article 17: We delete the wording of “Taiwan Stock Exchange”.
6. Article 18: In coordination with Article 206, Paragraph 3 of the Company Act, we add in

the wordings in Article 18 that where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting, such director shall be deemed to have a personal interest in the matter.

7. Article 19: In accordance with Article 17, Paragraph 1, Subparagraph 7 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, we add in the wording.
 8. Article 23: the Rules shall be effective after being approved by the Board Meeting and there is no need to submit to the shareholders’ meeting.
3. For the contrast table before and after the amendments and the Rules after the amendments, please see attachment 3 for the details.
4. This proposal has been adopted by the 21st meeting of the 4th term Audit Committee and the 22nd meeting of the 7th term board of directors.
(Shareholders were noted and the proposal has been approved for recordation.)

IV. Matters to be Acknowledged:

Subject (1): Acknowledgement of the Company’s business performance report and financial statements of year 2019. (proposed by the board of directors)

Interpretation:

1. The business performance report, the financial statements and the consolidated financial statements of year 2019 have been approved by the “21st meeting of the 4th term of Audit Committee” and the “22nd meeting of the 7th term of board of directors.”
2. The aforementioned financial statements, including the balance sheet (which contains the consolidated balance sheet), the comprehensive income statement (which contains the consolidated comprehensive income statement), the statement of changes in equity (which contains the consolidated statement of changes in equity) and the statement of cash flow (which contains the consolidated statement of cash flow) have been audited and certified by KPMG’s Certified Public Accountants Chen Chun-Kuang and Lee Feng-Hui with a standard unqualified opinion.
3. For the details of the 2019 business performance report, 2019 financial statements and consolidated financial statements, please see attachments 4 and 5.
4. Open for acknowledgement.

Resolution: According to the calculation of votes, there were 2,728,767,458 votes in favor (420,281,029 votes were cast via e-voting), which represented 88.14% of total voting rights, 2,518,480 votes against (2,518,480 votes were cast via e-voting), 0 vote invalid and 364,415,568 votes abstained/uncast (362,545,484 votes were cast via e-voting). The motion was adopted as proposed.

Subject (2): Acknowledgement of the Company’s earnings distribution of 2019. (proposed by the Board of Directors).

Interpretation:

1. The Company’s earnings distribution of 2019 has been adopted by the 22nd meeting of the 4th term of Audit Committee and the 23rd meeting of the 7th term of board of

directors. The Audit Committee has been asked to issue an Audit Committee Review Report.

2. The paid-in capital of the Company is NT\$37,118,197,410, which is equivalent to 3,711,819,741 common shares. We propose to distribute the dividend and bonus per share of NT\$0.5444997 (the total shares are 3,711,819,741 which are calculated in accordance with the number of shares with the rights to participate in a distribution as of April 23, 2020). We will distribute NT\$0.3811498 per share in cash with the total of NT\$1,414,759,194 and NT\$0.1633499 per share will be the capital increase with the total of NT\$606,325,400 which will issue 60,632,540 new shares for distribution. For the earnings distribution table of 2019, please see attachment 6 (Page 50 of the attached) for the details.
3. After the aforementioned proposal of earnings distribution has been resolved, in case of capital increment, repurchase, transfer, conversion, or cancellation of the Company's shares, or employees' exercise of their rights to convert stock option certificates into shares which may affect the actual number of shares outstanding on the base date of cash dividend distribution and capital increment and may lead to the changes in the distribution ratio of dividends. The total amount of cash dividends and total amount of stock dividends decided in this earnings distribution shall be adjusted for dividend distribution rate and share distribution rate of the shareholders according to the actual number of shares outstanding on the base date of cash dividend distribution and capital increment.
4. The cash dividend will be calculated based on the distribution ratio and rounded to NT\$ dollar. For the remainder less than NT\$1, based on the principle of fairness, NT\$1 will be distributed according the decimal number of the original distributed amount in descending order (if two or more decimal numbers are the same, the register numbers shall be adopted to decide the sequence) until the total distribution amount of cash dividend is met.
5. After such proposal is acknowledged and adopted by the shareholders' ordinary meeting, the board of directors is given the authority to enact the base date of ex-dividend, ex-right and handle all the matters related to the allocation of dividends based on the actual situation.
6. Open for acknowledgement.

Resolution: According to the calculation of votes, there were 2,731,861,526 votes in favor (423,375,097 votes were cast via e-voting), which represented 88.24% of total voting rights, 2,709,605 votes against (2,709,605 votes were cast via e-voting), 0 vote invalid and 361,130,375 votes abstained/uncast (359,260,291 votes were cast via e-voting). The motion was adopted as proposed.

V. Subjects of Discussion:

Subject (1): Propose to issue new shares by means of capital increase supplemented by earnings of 2019. Shareholders' voting is required. (proposed by the Board of Directors).

Interpretation:

1. This proposal is conducted in accordance with Article 240 of the Company Act and Article 19, 19-2-1 and 24 of the Articles of Incorporation of the Company.
2. For the purpose of reinforcing the financial structure of the Company, we propose to distribute common share dividends from earnings of 2019 with each share temporarily

set at NT\$0.1633499. In total, the allocation amounts to NT\$606,325,400 for capital increase by issuing 60,632,540 new common shares, which is NT\$10 at par value per share. Such issuance of new shares by means of capital increase through earnings is calculated based on the shareholding ratio of stockholders in accordance with the number of outstanding shares recorded in the Company's shareholders' register on the base day of share placement. In principle, 16.33499 shares would be allocated to every thousand shares free of charge. For allocated odd lots less than one share, shareholders are required to conduct the registration of rounded shares within 5 days from the book closure date; in the case of overdue rounding or odd lots that are less than one share after rounding, cash will be allocated according to the face value (rounded to NT\$ dollar). As for the remaining shares, the Chairman is authorized to designate specific persons to purchase them at par value.

3. After the aforementioned proposal of earnings distribution has been resolved, in case of capital increment, redemption, transfer, conversion, or cancellation of the Company's shares, or employees' exercise of their rights to convert stock option certificates into shares which may affect the number of outstanding shares and change the distribution ratio of dividends. The adjustment of the shareholders' allotment ratio shall be conducted on the basis of the actual number of outstanding shares on the base date of ex-right.
4. After such proposal is adopted by the shareholders' ordinary meeting and reported to the competent authority for approval, the board of directors is given the authority to enact the base date of ex-right and adjust the shareholders' allotment ratio based on the actual situation.
5. The rights of the new common shares issued by means of capital increase as mentioned above are the same as that of the issued common shares.
6. The proposal has been adopted by the 22nd meeting of the 4th term Audit Committee and the 23rd meeting of the 7th term board of directors.
7. Open for resolution.

Resolution: According to the calculation of votes, there were 2,731,854,961 votes in favor (423,368,532 votes were cast via e-voting), which represented 88.24% of total voting rights, 2,690,967 votes against (2,690,967 votes were cast via e-voting), 0 vote invalid and 361,155,578 votes abstained/uncast (359,285,494 votes were cast via e-voting). The motion was adopted as proposed.

Subject (2): Propose the amendments of "The Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd." Shareholders' voting is required. (proposed by the Board of Directors).

Interpretation:

1. This proposal is conducted in accordance with Article 192-1 of the "Company Act" and Article 29 and 31 of the "Corporate Governance Best Practice Principles for Financial Holding Company".
2. The major points of this amendment are as follows:
 1. Article 3: For the members of the board shall possess the necessary knowledge, skills and experience, we have added in the "business management ability (including operation management of the subsidiaries)" and the "knowledge and ability of risk management".
 2. Article 6: We have conducted the nomination and election of the candidate for director of the Company in accordance with the Company Act, Securities & Exchange Act and the relevant laws and regulations.
 3. Article 7: We have enacted that the term of office of the company's independent directors shall not exceed three consecutive terms.

4. Article 15: We have added in that "when the name of the person to be elected is inconsistent with the list of candidates for directors announced" the ballot is invalid.
 5. Article 17: For the result of the poll, we have added in "or the designated person" shall announce the voting result on-site to increase the flexibility of the operation of the meeting affairs.
 6. Article 19: We have added in the date of amendment.
3. For the contrast table before and after the amendments and the Rules after amendments, please see attachment 7 for the details.
 4. The proposal has been adopted by the 21st meeting of the 4th term Audit Committee and the 22nd meeting of the 7th term board of directors.
 5. Open for resolution.

Resolution: According to the calculation of votes, there were 2,731,840,536 votes in favor (423,354,107 votes were cast via e-voting), which represented 88.24% of total voting rights, 2,628,376 votes against (2,628,376 votes were cast via e-voting), 0 vote invalid and 361,232,594 votes abstained/uncast (359,362,510 votes were cast via e-voting). The motion was adopted as proposed.

Subject (3): Propose the amendment of the "Rules of Procedures for Shareholders' Meetings". Shareholders' voting is required. (proposed by the Board of Directors).

Interpretation:

1. This propose is conducted in accordance with the reference example of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders' Meeting issued by Taiwan Stock Exchange on January 2, 2020
2. Major points of this amendment are as follows:
 - (1) Article 2-1 adds in the provisions of the notice of convening the meeting.
 - (2) Article 3 states that the number of shares present shall be calculated based on the attendance book or the sign-in card submitted by the shareholder plus the number of shares exercising voting rights in written or electronic form.
 - (3) Article 7 enacts that the relevant motions (including provisional motions and amendments to the original proposal) shall be decided by case by case voting.
 - (4) Article 14 specifies the arrangement for appropriate voting time.
 - (5) Article 16 states that when the company convenes a shareholders' meeting, it shall convene the meeting by electronic means and exercise the voting rights by written method.
 - (6) Article 17 deletes the restriction of the provisional motion provided by the shareholders.
 - (7) Article 18 stipulates that the voting results (including the statistical weight) recorded in the minutes of proceedings shall disclose the weighted number of votes obtained by each candidate when electing directors.
 - (8) Article 18-1 adds in the provisions for public announcement.
3. For the contrast table before and after the amendments and the Rules after amendments, please see attachment 8 for the details.
4. The proposal has been adopted by the 21st meeting of the 4th term Audit Committee and the 22nd meeting of the 7th term board of directors.
5. Open for resolution.

Resolution: According to the calculation of votes, there were 2,731,848,128 votes in favor (423,361,699 votes were cast via e-voting), which represented 88.24% of total voting rights, 2,623,251 votes against (2,623,251 votes were cast via e-voting), 0 vote invalid and 361,230,127 votes abstained/uncast (359,360,043 votes were cast via e-voting). The motion was adopted as proposed.

Subject (4): Propose to release the Company's 7th term directors from non-competition restrictions. Shareholders' voting is required. (proposed by the Board of Directors).

Interpretation:

1. Pursuant to Article 209 of the Company Act, a director engaging in, either for himself/herself/itself or on behalf of another person, activities that are within the scope of a company's business shall explain at the shareholders' meeting the essential details of such activities and obtain the shareholders' approval for engaging in such activities.
2. The Company is aware that the 7th term directors may participate in other business activities the same as or similar to the Company's business scope. The proposal is to release such director from non-competition restrictions pursuant to Article 209 of the Company Act. For the details about the director concurrent serving status, please see attachment 9 for the details.
3. The proposal has been adopted by the 22nd meeting of the 4th term of Audit Committee and the 23rd meeting of the 7th term of board of directors.
4. Open for resolution.

Resolution: According to the calculation of votes, there were 2,731,358,162 votes in favor (422,871,733 votes were cast via e-voting), which represented 88.23% of total voting rights, 3,170,776 votes against (3,170,776 votes were cast via e-voting), 0 vote invalid and 361,172,568 votes abstained/uncast (359,302,484 votes were cast via e-voting). The motion was adopted as proposed.

VI. Provisional Motions: After the meeting chairman asked all attending shareholders, there was no other provisional motion.

Keynote speech by shareholder account No. 363309:

According to the news reports of the past few days, Jih Sun Bank filed a lawsuit against the debtor's assets in Mainland China to preserve the creditor's rights, but the debtor asked the legislator to hold a press conference. If the bank has improper debt recovery behavior, the debtor should report to the court rather than hold a press conference to deal with it. I hereby ask that the company must protect the shareholder's rights and interests on this matter.

Reply by the President of FHC:

The news report is regarding one TRF case, the customer currently owes money to the bank. Based on the advice of external legal counsel, the bank will try its best to protect the shareholders' rights and interests in order to avoid the impact of creditor's rights and take the relevant preservation actions; in addition, in this case, the bank has made provision for the corresponding allowance for losses in accordance with the regulations of the competent authority, and the shareholders are assured that the future operational risks are controllable.

Reply by the Chairman:

The bank has actively handled such case and fully communicated with the competent authority, and will handled it in accordance with the principles of corporate governance and safeguarding the shareholders' rights and interests.

The questions raised by the above shareholder has been answered and explained by the

Chairman, the President of FHC.

VII. Adjournment: 9:51 am on the same day. All meeting agendas scheduled for today have been discussed and the meeting chairman announced that the meeting was adjourned.

Note: The meeting minutes are the summary of the meeting proceedings. Please refer to live audio and video recordings for the details.

Chairman: Huang Ching-Tang

Minutes taker: Yang Mei-Hui

Attachment 1

Business Overview Report of Jih Sun Financial Holding Co., Ltd.

Dear shareholders, ladies and gentlemen,

Looking back to 2019, the Company adheres to the principle of sound operation and develops its core business. Although the income and profit slightly decline, the financial structure continues to improve. In addition to the improvement of business performance, the Company also has outstanding performance in business innovation and customer service. The "O2O Smart Push" service system launched by the bank subsidiary won the "best product category" of the 16th National Brand Yushan Award. The "Smart Customer Service Knowledgeable Lion" launched by the securities subsidiary won the "the best popular brand" of the 16th National Brand Yushan Award, and its "Smart Trend Lock Profit System" won the "best product award" of the 16th National Brand Yushan Award. Jih Sun securities also won the first prize for the "Futures Dealer Trading Volume Growth Diamond Award" of the 5th Futures Diamond Award by the Futures Exchange and the first prize of securities group for the "best customer satisfaction award" in the 13th wealth management bank and securities appraisal by the Business Today.

Looking forward to 2020, the U.S. China trade war and the outbreak of new coronavirus epidemic will be the main factors affecting the business climate. In addition, the geopolitical disturbances remain unresolved, and the global debt risk is rising. These adverse factors will continue to affect the global economic and trade and investment confidence, and the global economic development may not be as expected. In addition, we should pay attention to the impact of the global central bank initiating the trend of negative interest rate and low interest rate. The central banks of major economies in the world expand the adoption of monetary easing policies. Although they can inject funds into the market, they also increase the global debt accumulation and the gap between the rich and the poor. The gap between the rich and the poor may bring about internal conflicts of political polarization. The extensive debt accumulation may lead to the explosion of financial crisis for developing and emerging economies. Faced with the uncertainty of the business environment, Jih Sun Financial Holding will formulate a forward-looking business strategy, plan and promote specific and feasible business development plans, and steadily move towards the vision of "becoming the most trusted financial partner of customers".

1. Business results in 2019

(1) Business environment analysis

In 2019, the global economic growth was dragged down by the tense trade situation, the economic downturn in Europe and the recession of China's economy. The global manufacturing climate continued to show signs of weakness, and the global service industry also weakened, which made the market more worried that the global growth slowdown and trade war were spreading the weak manufacturing climate to the service industry. In terms of US economic performance, uncertainties continued to impact US manufacturing, exports and corporate investment. In 2019, the economic growth slowed down quarter by quarter, with the annual economic growth rate of 2.3%, lower

than 2.9% in 2018. China's economic growth rate also showed a quarterly decline, with the annual economic growth rate of 6.1%, a sharp decline from 6.6% in 2018, which is the lowest for the past 29 years.

Taiwan's economic performance exceeded expectations, especially in terms of investment, benefiting from favorable factors such as order transfer effect and Taiwan businesses' return. In terms of investment, in addition to public sector investment such as forward-looking infrastructure construction, private investment includes Taiwan businessmen's investment back to Taiwan, giant semiconductor manufacturers' continuous investment in advance process and the acceleration of 5G infrastructure construction. In the first quarter, affected by the US-China trade war and the slowdown of global economic growth, Taiwan's foreign trade was restrained, and domestic consumption also tended to be weak, with an economic growth rate of only 1.84%. However, the second quarter began to benefit from the effect of the transfer of orders and the transfer of Taiwanese production bases back to Taiwan, which promoted the improvement of domestic production capacity. Foreign net demand and domestic investment were better than expected and the economic performance was better than expected. From the second quarter to the fourth quarter, economic growth was better than prediction and rose quarter by quarter. The annual economic growth rate reached 2.73%, but still slightly lower than 2.75% in 2018.

Based on the analysis of the market situation of the banking industry, although the operation of the domestic banking industry is limited by the impact of the low interest rate environment, the industry continues to strengthen its operating efficiency. In the last three years, the overall profit of the domestic banks has continued to grow, with a small growth of 2% in 2017 and 9.3% in 2018. In 2019, the banking industry continued to perform well and the profit showed a growth trend. In 2019, the earning before tax of domestic banks was NT\$360.73 billion, up 7.9% from NT\$334.23 billion in 2018. For the asset analysis, by the end of 2019, the total assets and net worth of domestic banks reached NT\$51.27 trillion and NT\$3.99 trillion, respectively. Compared with NT\$48.99 trillion and NT\$3.71 trillion at the end of 2018, the scale of total assets and net worth continued to increase.

According to the general analysis of the securities market, the profit of Taiwan's securities industry has fluctuated greatly in the past three years. The index of the stock exchange market has remained at 10,000 points for 15 consecutive months since it reached 10,000 points in June 2017. During this period, the trading volume of the stock market has expanded and maintained its prosperity, and the profit of the securities firms has grown substantially. The pre-tax earnings of all securities firms in 2017 have grown by 95% compared with that in 2016. In 2018, Taiwan's securities market experienced dramatic changes. In the first three quarters, the securities market continued to heat up. In the first half of the year, the pre-tax earnings of all securities firms was NT\$22.36 billion, an increase of NT\$8.95 billion or 67% compared with the same period in 2017. However, due to the impact of the economic growth downturn and the US-China trade war, Taiwan stocks began to collapse with increased volatility in October 2018, resulting in a 9.3% decline in the TAIEX for the whole year; the decline of Taiwan stocks affected the profit performance of securities firms, and the overall pre-tax earnings of securities firms for the whole year declined by 28.4% compared with that in 2017. In 2019, the stock exchange market index continued to rise after rebounding at the beginning of the year. It reached 10,000 points again in July and

up to now, and recorded a 29 year high in October. The rebound of the index led to a substantial growth in the net profit of the securities firm's proprietary trading and underwriting business, but due to the failure to effectively enlarge trading volume, the brokerage fee income declined compared with that in 2018; after a combination of favorable and unfavorable factors, the overall pre-tax earnings of the securities firms in 2019 was NT\$41.23 billion, an increase of 37.1 as compared with the same period in 2018.

(2) Changes in core business

Jih Sun Financial Holding Co., Ltd. was established on February 5, 2002. Its core businesses include commercial banking and securities and futures business. At present, the investment businesses include three subsidiaries, i.e. Jih Sun International Commercial Bank Co., Ltd., Jih Sun Securities Co., Ltd. and Jih Sun International Property Insurance Agency Co., Ltd., which are the same as the previous year.

The Company takes the dual engines of commercial bank and securities futures as its development core, and the two core businesses have developed in a balanced way over the years. In 2019, the contribution of commercial bank and securities futures to the consolidated net income is NT\$4.115 billion and NT\$4.486 billion respectively, and the contribution to the consolidated pre-tax net profit is NT\$1.139 billion and NT\$1.372 billion respectively.

(3) Business plan and implementation results of business strategy

The Company actively plans the business development strategy and resource integration of its subsidiaries to maximize the benefits of financial holding. With the efforts of all colleagues, the operation constitution of the Company and its major subsidiaries has been improved year by year, and the financial structure has remained stable. The financial structure of the Company for the last three years is analyzed as follows:

Unit: NT\$ million	2017/12/31	2018/12/31	2019/12/31
Consolidated total assets	295,957	318,971	339,340
Consolidated shareholders' equity	39,091	44,232	45,639
Capital amount	35,424	36,190	37,118
Consolidated capital adequacy ratio	165.93%	150.90%	140.45%
Ratio of liabilities to net worth	11.44%	10.62%	9.52%
Double leverage ratio	110.27%	109.18%	107.68%

The Company's consolidated capital adequacy ratio at the end of 2019 was 140.45%, down from 150.90% at the end of 2018, mainly due to the increase of risk-weighted assets of the securities subsidiary and the bank subsidiary; the ratio of liabilities to net worth was 9.52%, down from 10.62% at the end of 2018, ranking the third lowest in financial holding industry; the double leverage ratio was 107.68%, down from 109.18%

at the end of 2018, ranking the fifth lowest in financial holding industry, showing that the financial structure of the Company is still stable.

(4) Analysis of operating revenue and expenditure and profitability

The Company is a financial holding company. Its main revenue is from investment income. In 2019, the investment income recognized by equity method accounted for 98.87%, mainly incomes from the bank and securities, while other income accounted for 1.13%. The Company's financial income and expenditure and profitability for the last three years are analyzed as follows:

Unit: NT\$ million	2017	2018	2019
Net income	8,167	8,583	8,432
Provision (reversal) for bad debt expenses and guarantee liability reserve	(25)	(27)	(56)
Operating expenses	5,811	6,003	6,073
Income tax expense	46	96	142
Consolidated total profit and loss	2,335	2,511	2,274
Retained earnings	5,105	5,352	4,505
Return on consolidated assets (ROA; %)	0.80	0.81	0.69
Return on equity of common shareholders (ROE; %)	6.10	5.80	5.06
Consolidated net profit margin (%)	28.59	29.23	26.97
Earnings per share (EPS; NT\$)	0.67	0.71	0.62

The main contribution of the Company's profit comes from the bank and the securities subsidiaries. In 2019, the revenue and profit declined as compared with 2018. The consolidated net income reached NT\$8.432 billion. The consolidated net income declined by 2% as compared with 2018. The consolidated net profit before tax was NT\$2.416 billion, down 7% as compared with 2018. In 2019, the return on consolidated assets is 0.69%, and the return on shareholders' equity is 5.06%. The decline of income and profit of the Company is mainly caused by the decline of profit of the securities subsidiary by NT\$266 million, while the profit of the bank subsidiary increased by NT\$26 million in the same period.

(5) Implementation of business objectives

In the 5th ranking of corporate governance evaluation, the Company ranked 6% - 20% of OTC companies and failed to reach the top 5% of the target.

In terms of "improving profitability", the Company's overall profit in 2019 declined as compared with that in 2018 which has caused the Company's ROE and EPS ranking failed to achieve the goal.

As for the analysis of improving financial structure, the ratio of liabilities to net worth, double leverage ratio and capital adequacy ratio have achieved the goal.

(6) Research and development

The Company and its subsidiaries are actively engaged in research and development. The research and development projects in 2019 included financial market and

business strategy research, information system development, risk management tool development, new financial product development, education and training, etc..

2. Impact of external competitive environment, regulatory environment and overall business environment, and future development strategy

(1) Impact of external competitive environment, regulatory environment and overall business environment

Looking into the global economic development in 2020, the US-China trade war is still an uncertain factor that will affect the business climate. At the beginning of the year, as the U.S.A. and China were able to reach a preliminary agreement, the market expected that the trade tension between the U.S.A. and China would be eased. In addition, the U.S.A. has made preventive interest rate cuts, major countries have launched the fiscal stimulus policies, and coupled with the factor of low base period, originally major international institutions predicted that the global economic and trade growth in 2020 will be slightly better than in 2019. However, the expansion and deterioration of China's new coronavirus epidemic in late January will affect the global supply chain, and the World Bank has announced in advance that the global economic growth forecast will be revised downwards. Taiwan's economic performance in 2020 still depends on exports and domestic investment. Factors such as the accelerated transfer of some production lines back to Taiwan amidst the US-China trade war and the acceleration of global 5G infrastructure construction will enable Taiwan's exports to have a positive performance. Domestic investment, including the continuous return investment of Taiwan businesses, as well as forward-looking infrastructure construction, acceleration of 5G infrastructure construction and continuous investment in advanced manufacturing processes of semiconductor plants, will make Taiwan's investment and employment environment more stable and further promote the growth of domestic demand. Based on the above analysis of favorable factors, the Directorate General of Budget, Accounting and Statistics had optimistically forecasted the annual economic growth rate to be 2.72% initially; however, due to the prolonged outbreak of new coronavirus, which had a significant impact on the global economy, Taiwan's foreign trade, domestic demand and investment were affected; therefore, the Directorate General of Budget, Accounting and Statistics revised down its economic growth forecast on February 12. In the first quarter, it was significantly revised down from 3.02% to 1.80%, and the annual economic growth rate was revised down to 2.37%. In the future, we should continue to observe the US-China trade war, the geopolitical turmoil, the new coronavirus epidemic, global debt risk, and whether the U.S.A. will enhance the protection of intellectual property rights after the election. These adverse factors will continue to affect global economic, trade and investment confidence.

In terms of capital analysis, in 2019, governments in various countries adopted interest rate cuts and negative interest rates to stimulate economic growth. The Federal Reserve ("Fed") cut interest rates by 0.25% three times in July, September and October respectively. The central banks of other 16 countries also adopted monetary easing policy, reducing interest rates one to four times since February subsequently. In addition to interest rate cuts, central banks in Europe, the United States, Japan and other countries have implemented QE policies

simultaneously. The Fed stopped shrinking its balance sheet in August ahead of time, and it is expected that QE policy will be restarted in November, with a monthly bond purchase of US\$12 billion. The ECB also plans to restart QE policy in November, with a monthly bond purchase of EUR12 billion, while BOJ still maintains a monthly bond purchase of JPY2.24 trillion. Major European countries and Japan have been falling into negative interest rates, but the driving effect for economic growth is weaker and weaker. In the future, we should pay attention to the impact of the global central banks launching negative interest rates and the trend of low interest rates. Interest rates in Europe and Japan have been falling for so long and this situation is getting worse. It is worth observing how they will develop in the future. The trade war has increased downward pressure on China's economy. In order to support the declining economy, China may introduce more policies to stimulate the economic growth. Compared with the global easing policy, the Central Bank of the Republic of China (Taiwan) kept the interest rate unchanged and said it would help boost private investment willingness under the condition of the return of Taiwanese businesses and the increase of investment willingness. The Central Bank decided to keep the rediscount rate unchanged at 1.375%, the rate on accommodations with collateral unchanged at 1.75%, the rate on accommodations without collateral unchanged at 3.625%, with the interest rate unchanged for 14 consecutive quarters.

Central banks in the world's major economies expand their monetary easing policies, which, although they can inject money into the market, will also increase the debt crisis and the gap between the rich and the poor. In 2019, governments of all countries adopted interest rate reduction and negative interest rate to stimulate economic growth. Major European countries and Japan successively fell into negative interest rate. At present, the amount of negative interest rate bonds in the world total US\$17 trillion, accounting for a quarter of the total amount of all bonds in the world, and the problem is very serious. In addition, the World Bank warned that the world is in the fourth and largest wave of debt crisis in half a century. Global debt has climbed to about 230% of GDP, a record high. The current fourth wave of debt and the previous three waves have two things in common, namely, changes in the global financial environment, the vulnerability of ineffective use of borrowing funds and rising concerns. The previous three waves of extensive debt accumulation triggered the financial crisis in many developing and emerging economies. On the analysis of the gap between the rich and the poor, the negative interest rates make borrowing cheap and boost stock prices, which are favorable to the rich with assets, making the rich richer and widening the gap between the rich and the poor. On the other hand, new technology makes life more convenient, but new employment opportunities do not apply to all people, which will make the gap between the rich and the poor wider. At present, the world is experiencing the biggest gap between the rich and the poor since the 1930s. If the gap between the rich and the poor cannot be solved, it may bring about economic depression and political polarization. What we see in the United States and around the world will be a greater conflict.

Based on the analysis of the impact of technological innovation on the domestic financial industry, in response to the development trend of digital banking services, and to encourage financial innovation, deepen financial popularization

and meet consumer demand, the Financial Supervisory Commission accepted the application for the establishment of pure online banking from November 15, 2018 to February 15, 2019. Taiwan's internet-only banks were announced on July 30, 2019. All the three applied for internet-only bank were approved for establishment, including Next Bank, LINE Bank and Rakuten Bank. In the future, the three internet-only banks may strive for market share with the traditional banks. However, when we observe the global internet-only banks, we find that at the beginning, they can attract many customers to open accounts, but the biggest challenges subsequently are how to make profits, compliance, and risk control. It does not end at attracting people to open accounts, but it's just at the beginning. How to have a good business model to make profits, and at the same time, abide by laws and regulations, whilst well manage risk control, the challenges at all levels depend on the accumulation of experience. In the face of the threat of internet-only banks, for the domestic banking industry, how the traditional banks to meet the war will attract more attention. Internet-only banks must bring about "short-term pain" for other banks. After all, there are three more competitors. But in the long run, because of new entrants and competitors, the opening speed of laws and regulations will be faster, and the cake will be expanded faster. It is good for the financial industry. In the future, the banks that can master the technology connectivity and innovation ability will be able to hold more shares in this cake. In addition, based on the analysis of financial industry policies, the FSC will offer five measures to promote the development of financial products for an aging society in response to the fact that Taiwan is about to enter the super aged society. The FSC pointed out that the insurance industry may cooperate with the nursing care industry to provide all-round services for the elderly. Consumers can choose and use various financial instruments to plan for their aging life in advance so as to enjoy a dignified and high-quality life by the elderly. The policy will start from four aspects: 1. Providing better living security for the elderly; 2. Assisting the financial industry to open up new business opportunities; 3. Reducing the burden of social welfare of the government through commercial mechanisms; 4. Injecting new development vitality into medical and elderly care institutions, encouraging financial institutions to join hands with elderly care institutions, so as to provide elderly financial products and services and medical or elderly care services. The FSC also provides five specific incentives, which are described as follows:

1. The group annuity insurance plans to propose the preferential tax, and promote the group commercial annuity insurance with vesting right. Employees can enjoy the value of the policy account allocated by the employer for the employees after a certain period of service in the company, and the public can make up for the gap of elderly insurance.
2. Policy activation. In the future, the research direction will be towards to reducing the premium and relaxing for conversion to physical payment policy and eligible annuity mechanism, so as to improve people's willingness to purchase endowment insurance and activate policy.
3. Consideration for the introduction of long-term care into the insurance industry. At present, long-term care housing is limited to the establishment of corporate associations. In the future, we can think about the concept of "classification". Health insurance 2.0 can meet the general basic needs, and

people with high-end demands can be satisfied by physical payment form through commercial long-term care insurance.

4. Housing pension to be introduced into the credit guarantee mechanism. When the housing price in low price and non-metropolitan areas reaches a certain period of time, the total price of housing will fall, which may not be enough to pay the bank. In this case, the state will guarantee the last mile.
5. Encourage the life insurance industry to promote the aging insurance products. If the products meet the standards, the foreign investment can be relaxed. If the comprehensive rating score meets the standards set by the competent authority, the amount of foreign investment can be increased appropriately. The proportion of guaranteed and aging products (excluding investment type) in the three-year target of the FSC is more than 60%.

(2) Future development strategy

In response to various external environment variables, the Company adheres to the mission of "providing all-round financial products and services with innovation and efficiency to meet customers' financial needs.", and expects to achieve the vision of "becoming the most trusted financial partner of customers". The Company's business strategy for 2020 is as follows:

1. Deepen core business and optimize the channel contribution.
2. Utilize Fintech and implement digital transformation.
3. Strengthen internal control and balance risk and return.

3. Summary of business plan in 2020

(1) Business policies and important business policies

The Company adheres to the sustainable business philosophy of "customer first, credit first, unity and harmony", and plans the business policies and important business plans for 2020 in accordance with the business strategy as follows:

1. Deepen core business and optimize the channel contribution:
 - (1) Drive the subsidiaries to truly grasp product trends and improve customer profitability, so as to establish closer relationship with customers and enhance added value.
 - (2) Drive subsidiaries to build virtual and physical channels, optimize processes, provide high-quality products and services to meet customer needs, increase customer contribution and improve customer adhesion.
 - (3) Coordinate with all subsidiaries to integrate the group's resource and asset allocation and give full play to the overall operating efficiency.
2. Utilize Fintech and implement digital transformation:
 - (1) We will carry out advanced replacement of information systems to improve operational efficiency and competitiveness and meet new challenges in the era of digital finance.
 - (2) Drive the subsidiaries to develop convenient, safe and efficient intelligent applications and human-computer cooperation with Fintech to create new customer experience and new interactive marketing model.
 - (3) Drive the subsidiaries to use big data to analyze and grasp trends, develop new demands and expand new customers.
 - (4) Conduct the training and recruitment of digital talents for financial holding to help the Company further improve its digital capabilities.

3. Strengthen internal control and balance risk and return:
 - (1) Improve the internal supervision mechanism of the Company's risk management and the risk awareness of its employees, and focus on balancing risks and returns in operation.
 - (2) Implement corporate governance to ensure the rights and interests of the Company and its stakeholders (employees, shareholders and customers).
 - (3) Strengthen the information security deep defense capabilities to prevent hacker, virus and leakage, so as to ensure the security of the information system.
 - (4) Drive the subsidiaries to strengthen customer care, control business risks, and create a win-win situation with customers.
- (2) Expected business objectives
Looking into 2020, the international economy still faces many risk variables, which affect the global economic outlook and the operation of the financial industry. In response to the changes in the internal and external environments, the Company has planned a specific development plan and formulated the overall business objectives for 2020 as follows:
 1. Enhance the profitability.
 2. Improve the financial structure.
 3. Strengthen the corporate governance.

4. Summary

The Company's operation continued to develop steadily. The Company's credit rating was affirmed by Fitch Ratings. On July 9, 2019, the Company's credit rating results and those of its major subsidiaries were announced as follows:

1. Jih Sun Financial Holding's domestic long-term rating is A (twn), domestic long-term rating outlook is stable, and domestic short-term rating is F1 (twn).
2. Jih Sun Bank's domestic long-term rating is A (twn), domestic long-term rating outlook is stable, and domestic short-term rating is F1 (twn).
3. Jih Sun Securities' domestic long-term rating is A (twn), domestic long-term rating outlook is stable, and domestic short-term rating is F1 (twn).

In respect of last year's operating results and this year's operating outlook, we had presented a detailed statement to all shareholders. We would like to express our special thanks to the shareholders for your long-term support to us, and we would also like to ask you to continue to give us encouragement. We wish all the shareholders good health and all the best.

Chairman: Huang Ching-Tang

President: Wang Chih-Fang

Attachment 2

Review Report of Audit Committee

The Audit Committee agrees on the proposals about the Company's financial statements (including the consolidated financial statements), the business performance report and the earnings distribution of 2019, which have also been resolved by the board of directors. Of which, the Company's financial statements (including the consolidated financial statements) of 2019 have been audited by KPMG, which has been commissioned by the Company, and an unqualified audit report has been issued.

The Audit Committee is responsible for supervising over the Company's financial reporting procedures.

When the attesting CPAs certified the Company's financial statements (including the consolidated financial statements) of 2019, they discussed the following matters with the Audit Committee:

1. Based on the scope and time of audit planned by the attesting CPAs, there was no material audit discovery.
2. There was no discovery of other factor that might have affected the relation of independency of CPAs and other matters according to the statement of independency provided by the attesting CPAs to the Audit Committee regarding the personnel in the accounting firm that such CPAs belong to are subject to the rules of independency according to in The Norm of Professional Ethics for Certified Public Accountant.

The Audit Committee agrees that the proposals about the Company's financial statements (including the consolidated financial statements), the business performance report and the earnings distribution of 2019, which have also been resolved by the board of directors, are in compliance with the relevant laws and regulations. Hence, we hereby make a report as above in accordance with Article 219 of the Company Act.

To:

2020 Shareholders' Ordinary Meeting of Jih Sun Financial Holding Co., Ltd.

Convener of the Audit Committee: Liou Chih-Poung

2020/04/23

Attachment 3

The contrast table of the Rules of Procedures for Board of Directors Meetings of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendment	Content before the amendment	Explanation of the amendment
<p>Article 3 (Meeting notices) To convene a board meeting of the Company, a meeting notice which specifies the date, venue and reason for convening the meeting shall be sent to each Director and Independent Director (referred to herein as “the Directors”) no later than 7 days before the scheduled date. However, Board Meetings may be convened at any time without being subject to the aforementioned restriction of 7 days in case of emergency. The meeting notices referred in the preceding paragraph, <u>may be sent by way of written, fax, e-mail or other electronic format</u> Except in the case of an emergency or for other legitimate reasons, the matters listed under Article 14 of the Rules shall be included in the reason for convening the meeting and may not be raised as provisional motions.</p>	<p>Article 3 (Meeting notices) To convene a board meeting of the Company, a meeting notice which specifies the date, venue and reason for convening the meeting shall be sent to each Director and Independent Director (referred to herein as “the Directors”) no later than 7 days before the scheduled date. However, Board Meetings may be convened at any time without being subject to the aforementioned restriction of 7 days in case of emergency. The meeting notices referred in the preceding paragraph, if approved by the Directors, may be sent by way of electronic format. Except in the case of an emergency or for other legitimate reasons, the matters listed under Article 14 of the Rules shall be included in the reason for convening the meeting and may not be raised as provisional motions.</p>	<p>1. Article 17, Paragraph 2 of the Company’s Articles of Incorporation has regulated the notice method for convening a board meeting, therefore, we amend the wordings of Paragraph 2 in coordination with the Articles of Incorporation. 2. Amend the wording of paragraph 3.</p>
<p>Article 6 (Venue and time for a meeting) Board Meetings shall be held at the location <u>and time</u> of the Company and during the office hours or at any other appropriate place and time convenient for the Directors to attend.</p>	<p>Article 6 (Venue and time for a meeting) Board Meetings shall be held at the location of the Company and during the office hours or at any other appropriate place and time convenient for the Directors to attend.</p>	<p>Amend the wording to define more clearly.</p>
<p>Article 8 (Chairman and acting Chairman of Board Meetings) If the Board Meetings convenes by the Chairman, then <u>the Chairman</u> shall act as the Chairman of the Board of Directors of the Company. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after the election in the Shareholders’ Meeting; if there are two or more persons with such convening rights, they shall elect from amongst themselves or draw lots do decide one person to convene and preside over the meeting. <u>In coordination with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, if the board of directors is held by the more than half of the total number of directors themselves, the directors may mutually nominate one person as the chairman.</u> In case the Chairman of the Board of Directors is on leave or unable to exercise his/her powers for any cause, the Vice Chairman shall act as the acting Chairman. In</p>	<p>Article 8 (Chairman and acting Chairman of Board Meetings) Board Meetings shall be convened and presided over by the Chairman of the Board of Directors of the Company. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after the election in the Shareholders’ Meeting; if there are two or more persons with such convening rights, they shall elect from amongst themselves or draw lots do decide one person to convene and preside over the meeting. In case the Chairman of the Board of Directors is on leave or unable to exercise his/her powers for any cause, the Vice Chairman shall act as the acting Chairman. In case that there is no Vice Chairman or the Vice Chairman is also on leave or unable to exercise his/her powers for any cause, the Chairman shall appoint a Director to act on his/her</p>	<p>1. We amend this article in accordance with Article 10 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”. 2. In coordination with Article 203, Paragraph 4 of the Company Act, the first board of directors’ meeting of each term can be held by more than half of the elected directors themselves and in coordination with Article 203-1, Paragraph of the Company Act, if the board of directors is held by more than half of the total number of directors themselves (including the first board of directors’ meeting of each term can be held by more than half of the elected directors</p>

Attachment 3

The contrast table of the Rules of Procedures for Board of Directors Meetings of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendment	Content before the amendment	Explanation of the amendment
case that there is no Vice Chairman or the Vice Chairman is also on leave or unable to exercise his/her powers for any cause, the Chairman shall appoint a Director to act on his/her behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.	behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.	themselves), the directors may mutually nominate one person as the chairman. 3. Move the current paragraph 2 to paragraph 3.
<p>Article 14 (Items for discussion at the Board Meetings) The following items shall be submitted for discussion in Board Meetings of the Company. Except in the case of an emergency or for other legitimate reasons, the following items shall be included in the reason for convening the meeting and may not be raised as provisional motions. 1~8 (Omitted) 9. <u>The annual financial report duly signed or sealed by the chairman, managerial officer, and accounting officer and the financial report of the second quarter shall be reviewed by a certified public accountant.</u> 10~18 (Omitted)</p>	<p>Article 14 (Items for discussion at the Board Meetings) The following items shall be submitted for discussion in Board Meetings of the Company. Except in the case of an emergency or for other legitimate reasons, the following items shall be included in the reason for convening the meeting and may not be raised as provisional motions. 1~8 (Omitted) 9. Annual and semi-annual financial reports, excluding the semi-annual financial reports that need not to be audited/certified by CPAs pursuant to the laws and regulations. 10~18 (Omitted)</p>	<p>1. We amend this article in accordance with Article 14-5, Paragraph 1, Subparagraph 10 of the “Securities & Exchange Act”.</p> <p>2. We amend paragraph 9 as “The annual financial report duly signed or sealed by the chairman, managerial officer, and accounting officer, and the financial report of the second quarter shall be reviewed by a certified public accountant”.</p>
<p>Article 17 (Voting) (Omitted) The Company shall upload the resolutions to Market Observation Post System within the time period prescribed if the resolutions are material information as regulated in the relevant laws and regulations, or in the rules prescribed by Taipei Exchange.</p>	<p>Article 17 (Voting) (Omitted) The Company shall upload the resolutions to Market Observation Post System within the time period prescribed if the resolutions are material information as regulated in the relevant laws and regulations, or in the rules prescribed by Taiwan Stock Exchange or by Taipei Exchange.</p>	<p>1. The Company is the Taipei Exchange listed company and should conduct in accordance with the “Taipei Exchange Procedures for Verification and Disclosure of Material Information of Companies with TPEX Listed Securities”</p> <p>2. Delete the wording of “Taiwan Stock Exchange”.</p>
<p>Article 18 (Recusal system for directors and calculation of the voting right) If a Director or the juridical person the Director represents has a personal interest in a discussion item, he/she shall disclose the material contents of his/her interest at the Board Meeting. If the personal interest may impair the interest of the Company, the Director may not join the discussion and voting of such item. The Director shall physically recuse himself/herself from the discussion and voting, and may not exercise voting right on behalf of another Director. <u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or</u></p>	<p>Article 18 (Recusal system for directors and calculation of the voting right) If a Director or the juridical person the Director represents has a personal interest in a discussion item, he/she shall disclose the material contents of his/her interest at the Board Meeting. If the personal interest may impair the interest of the Company, the Director may not join the discussion and voting of such item. The Director shall physically recuse himself/herself from the discussion and voting, and may not exercise voting right on behalf of another Director.</p>	<p>1. We amend this article in accordance with Article 16 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.</p> <p>2. The amendment of the above article is to cooperate with the amendment of Article 206, Paragraph 3 of the Company Act dated 2018/08/01 and add in paragraph 2 that where the spouse, a blood relative</p>

Attachment 3

The contrast table of the Rules of Procedures for Board of Directors Meetings of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendment	Content before the amendment	Explanation of the amendment
<p><u>subordinate relation with a director has interests in the matters under discussion in the preceding meeting, such director shall be deemed to have a personal interest in the matter.</u></p> <p>Pursuant to Article 206, Paragraph 4 of Company Act, Article 180, Paragraph 2 of the Company Act shall apply mutatis mutandis to the Directors prohibited from exercising voting right as prescribed in the preceding 2 paragraph.</p>	<p>Pursuant to Article 206, Paragraph 2 of Company Act, Article 180, Paragraph 2 of the Company Act shall apply mutatis mutandis to the Directors prohibited from exercising voting right as prescribed in the preceding paragraph.</p>	<p>within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the preceding meeting, such director shall be deemed to have a personal interest in the matter.</p> <p>3. Move the current paragraph 2 to paragraph 3 in accordance with the amendment of Corporate Act on 2018/08/01 to move article 2016, paragraph 3 to paragraph 4.</p>
<p>Article 19 (Meeting minutes and sign-in matters)</p> <p>The resolutions of every Board Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by both the meeting chairman and the minute taker and distributed to each Director within twenty days after the meeting; the meeting minutes may be produced and distributed in electronic format. The meeting minutes shall be filed as an important document for the Company and be retained properly while the Company is in existence.</p> <p>The meeting minutes shall accurately record the following items:</p> <p>1~6 (Omitted)</p> <p>7. Discussion items: the voting method and the result of each agenda; the summary of comments made by the Directors, Independent Directors, experts, and other personnel; names of Directors with personal interests involved, reports of material contents of interest, reasons for making or not making a recusal, and status of recusal, pursuant to the prescription of Paragraph 1 of the preceding article; any objection or reservation with a record or written opinion <u>and the written opinion issued by the independent director in accordance with the provision of Article 14, Paragraph 5.</u></p> <p>8~9 (Omitted) (Omitted)</p>	<p>Article 19 (Meeting minutes and sign-in matters)</p> <p>The resolutions of every Board Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by both the meeting chairman and the minute taker and distributed to each Director within twenty days after the meeting; the meeting minutes may be produced and distributed in electronic format. The meeting minutes shall be filed as an important document for the Company and be retained properly while the Company is in existence.</p> <p>The meeting minutes shall accurately record the following items:</p> <p>1~6 (Omitted)</p> <p>7. Discussion items: the voting method and the result of each agenda; the summary of comments made by the Directors, Independent Directors, experts, and other personnel; names of Directors with personal interests involved, reports of material contents of interest, reasons for making or not making a recusal, and status of recusal, pursuant to the prescription of Paragraph 1 of the preceding article; any objection or reservation with a record or written opinion.</p> <p>8~9 (Omitted) (Omitted)</p>	<p>Add in the wording in accordance with Article 17, Paragraph 1, Subparagraph 7 of the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”.</p>

Attachment 3

The contrast table of the Rules of Procedures for Board of Directors Meetings of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendment	Content before the amendment	Explanation of the amendment
<p>Article 23 (Supplementary provisions) The Rules, and any amendment thereto, shall be effective after being approved by the Board Meeting.</p>	<p>Article 23 (Supplementary provisions) The Rules, and any amendment thereto, shall be effective after being approved by the Board Meeting and shall be reported to the shareholders' meeting.</p>	<p>In accordance with question 10 of the "Corporate Governance Q&A), the Rules belong to the self-regulation of the Company, the Rules shall be effective after being approved by the Board Meeting and there is no need to submit to the shareholders' meeting in order to increase the flexibility of the procedures.</p>

The Rules of Procedures for Board of Directors Meetings of Jih Sun Financial Holding Co., Ltd.

Date of Amendment:2020/03/19

- Article 1. (Basis for the adoption of these Rules)**
According to the provision in Article 26-3, Paragraph 8 of the Securities and Exchange Act, Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and the Corporate Governance Best Practice Principles, the Company set up the Rules to establish a benign BoD governance system, enhance its supervisory and management functions.
- Article 2. (Convention of Board of Directors meetings)**
Board of Directors meetings (“Board Meetings”) of the Company shall be held at least once every quarter so as to meet the business needs and may be held at any time in the case of emergency.
- Article 3. (Meeting notices)**
To convene a board meeting of the Company, a meeting notice which specifies the date, venue and reason for convening the meeting shall be sent to each Director and Independent Director (referred to herein as “the Directors”) no later than 7 days before the scheduled date. However, Board Meetings may be convened at any time without being subject to the aforementioned restriction of 7 days in case of emergency.
The meeting notices referred in the preceding paragraph may be sent by way of written, fax, e-mail or other electronic format.
Except in the case of an emergency or for other legitimate reasons, the matters listed under Article 14 of the Rules shall be included in the reason for convening the meeting and may not be raised as provisional motions.
- Article 4. (Meeting materials)**
The Secretarial Department of Administration Division is appointed by the Board of Directors of the Company to act as the unit in charge of the meeting procedures (“the Secretariat”). However, it may be changed in accordance with the relevant provisions of organization and authorization of the Company or the consent by the Board of Directors after a proposal is submitted.
The Secretariat shall prepare agenda items for the Board Meeting and provide sufficient meeting materials together with the meeting notices.
If the Directors consider meeting materials to be insufficient, they may request the Secretariat to provide supplemental materials in advance. If the Directors consider the materials for a specific agenda to be insufficient in content, the deliberation of such agenda may be postponed by a resolution of the Board of Directors.
- Article 5. (Attendance book and attendance by proxy)**
An attendance book shall be provided at every Board Meeting for the attending Directors (or their proxies) to sign in. Directors attending meetings via video conference shall be deemed as attending in person.
If unable to attend, a Director may appoint another Director to attend on his/her behalf by proxy, and a proxy form which specifies the scope of authorization for the reason for convening the meeting shall be presented at every turn; any appointee shall not act as proxy for more than one Director.
- Article 6. (Venue and time for a meeting)**
Board Meetings shall be held at the location and time of the Company and during the office hours or at any other appropriate place and time convenient for the Directors to attend.
- Article 7. (Video conference)**

Board meetings may be held via video conference. Directors attending meetings via video conference shall be deemed as attending in person.

Article 8. (Chairman and acting Chairman of Board Meetings)

If the Board Meetings convenes by the Chairman, then the Chairman shall act as the Chairman of the Board of Directors of the Company. However, the first meeting of every term of the newly elected Board of Directors shall be convened and presided over by the Director who has received the largest number of votes after the election in the Shareholders' Meeting; if there are two or more persons with such convening rights, they shall elect from amongst themselves or draw lots do decide one person to convene and preside over the meeting.

In coordination with Article 203, Paragraph 4 or Article 203-1, Paragraph 3 of the Company Act, if the board of directors is held by the more than half of the total number of directors themselves, the directors may mutually nominate one person as the chairman.

In case the Chairman of the Board of Directors is on leave or unable to exercise his/her powers for any cause, the Vice Chairman shall act as the acting Chairman. In case that there is no Vice Chairman or the Vice Chairman is also on leave or unable to exercise his/her powers for any cause, the Chairman shall appoint a Director to act on his/her behalf. In the absence of such an appointee, the Directors shall elect from amongst themselves one person to act on the behalf of the Chairman.

Article 9. (Non-voting participants)

Depending on the meeting agendas, personnel of the relevant departments or the subsidiaries may be invited to attend Board Meetings as non-voting participants to report the current business profile and reply to the Directors' questions, enabling them to understand the Company's current status and make appropriate resolutions.

If necessary, CPAs, attorneys or other professionals may be invited to the meetings to offer explanation. They may provide professional opinions for the Board of Directors' reference but they shall leave before the discussion and voting sessions.

People in attendance without the Chairman's approval may be requested to leave immediately by the Chairman.

Article 10. (Postponement of the meeting)

If half or more of the Directors are present at the scheduled time for a Board Meeting, the Chairman shall call the meeting to order. If half or more of all Directors are not yet present at the scheduled time for a Board Meeting, the Chairman may announce the postponement of the meeting time. The postponements shall be limited to twice at the most. If the quorum is still not met after two such delays, the Chairman shall recall the meeting following the procedures provided in Article 3, Paragraph 1 of the Rules.

The term "all Directors" stated in the preceding paragraph and in Article 19, Paragraph 4, Subparagraph 2 of the Rules shall be calculated as the number of directors in office.

Article 11. (Audio or video recording of Board Meeting process)

The process of Board Meetings of the Company shall be fully recorded in audio or video format and retained for at least five years. The recordings may be stored in electronic format.

If a lawsuit regarding any matter resolved by the Board of Directors occurs before such retention period expires, the relevant audio or video recordings shall be retained until the completion of the lawsuit.

If a Board Meeting is held via video conference, the video recording shall be part of the meeting minutes and be appropriately retained during the existence of the Company.

Article 12. (Agenda items)

The agenda of regular Board Meetings of the Company, convened in accordance with Article 2, Paragraph 1 of the Rules, shall include at least the following items:

1. Matters to be reported:
 - (1) The meeting minutes of the previous meeting and the implementation status.

- (2) Reporting on important financial and business matters.
- (3) Reporting on internal audit activities.
- (4) Other important matters to be reported.
2. Matters for discussion:
 - (1) Items for continued discussion from the previous meeting.
 - (2) Items for discussion at this meeting.
3. Provisional motions:

The term “regular Board Meetings” stated in the preceding paragraph refers to the first or the last meeting in each quarter. Financial statements that must be audited or reviewed by CPAs may be submitted in advance or held over if they cannot be submitted in regular Board Meetings as scheduled or if necessary.

Article 13. (Discussion of proposals)

In principle, the discussion of agendas at a Board Meeting shall proceed in accordance with the scheduled agenda attached to the meeting notice. However, it may be changed if approved by more than half of the attending Directors.

During a meeting, the Chairman may, at his/her discretion, set time for intermission or negotiation.

Unless otherwise approved by more than half of the attending Directors, the Chairman may not declare the adjournment of the meeting arbitrarily.

In the process of a Board Meeting, if the number of Directors staying in the meeting is less than half of the present Directors, the Chairman shall declare a suspension of the meeting upon a motion made by any remaining Director, and Article 10, Paragraph 1 of the Rules shall apply mutatis mutandis.

Article 14. (Items for discussion at the Board Meetings)

The following items shall be submitted for discussion in Board Meetings of the Company. Except in the case of an emergency or for other legitimate reasons, the following items shall be included in the reason for convening the meeting and may not be raised as provisional motions.

1. Proposal for the Articles of Incorporation.
2. Review of the organizational and business regulations.
3. Proposal for capital increase or reduction.
4. Proposal for surplus earnings distribution or loss make-up.
5. Resolutions for issuance of corporate bonds.
6. Appointment of directors and supervisors in the subsidiaries.
7. Establishment, revocation and alteration of domestic/overseas branches.
8. Business plan of the Company.
9. The annual financial report duly signed or sealed by the chairman, managerial officer, and accounting officer and the financial report of the second quarter shall be reviewed by a certified public accountant.
10. Adoption, amendment or assessment of the effectiveness of the internal control system.
11. Adoption or amendment of the handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, and capital utilization except for deposits in financial institutions.
12. Items of personal interest of Directors.
13. Material asset or derivatives transaction.
14. The raising, issuance, or private placement of any equity-type securities.
15. The appointment or discharge of an attesting CPA, or the remuneration given thereto.
16. The appointment or discharge of a finance, accounting, or internal audit officer.
17. A donation to a related party or a major donation to a non-related party. However, a public-interest donation of disaster relief for a major natural disaster may be submitted to the following board of directors meeting for retroactive recognition.
18. Any other items that shall be resolved by Board Meetings as required by the relevant laws and regulations or the Articles of Incorporation of the Company; material items

as required by the competent authorities or items authorized by a shareholders' meeting.

The term "related parties" stated in Subparagraph 17 of the preceding paragraph refers to the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers; the term "a major donation to a non-related party" refers to any individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NT\$100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year. However, stricter rules prescribed in the Company's Rules Governing the Donation, if any, shall prevail.

The term "within a 1-year period" stated in the preceding paragraph refers to the period of one year preceding the date the date on which the current Board of Directors meeting is convened. The amount of donation that has been approved by Board Meetings needs not to be counted.

If any of the items listed under Paragraph 1 meets the provision of Article 14-5 of the Securities and Exchange Act, it shall be arranged based on the rules thereof.

At least one independent director of the Company shall attend the Board of Directors Meeting in person; the entirety of independent directors shall attend in person for any Board of Directors Meeting concerning a matter that requires a resolution by the Board of Directors under Paragraph 1. If an independent director cannot attend the meeting in person, he/she shall appoint another independent director to attend as his or her proxy. If an independent director objects to or expresses reservations about the matter, it shall be recorded in the Board Meeting minutes; an independent director intending to express objection or reservations but unable to attend the meeting in person shall, unless there is some legitimate reason to do otherwise, issue a written opinion in advance, which shall be recorded in the Board Meeting minutes.

Article 15. (Directors' statements and the Chairman's control of the meeting)

After a Director makes a statement, the Chairman may reply by himself/herself, designate the relevant personnel to reply, or designate any professional in attendance to provide the relevant and necessary information.

The Chairman may stop a Director's statement if the statement is repeated regarding the same item or beyond the scope of the item under discussion, thereby affecting the other Directors' right to make statements or the process of the meeting.

Article 16. (Timing for voting)

When the Chairman considers that a matter has been sufficiently discussed to a degree of putting to a vote, the Chairman may announce the discussion closed and bring the matter to vote.

Article 17. (Voting)

In the voting process of Board Meeting, a resolution is deemed to have been adopted if no objection is heard from the attending Directors in response to the Chairman's inquiry. The resolution shall be referred into voting if an objection is raised in response to the Chairman's inquiry.

The method of voting shall be one of the following as determined by the Chairman:

- (1) Voting by raising hand or through voting machine.
- (2) Voting by calling the names.
- (3) Voting by ballot.
- (4) Agreed by over 50% of the total number of Directors.

The "attending Directors" stated in the preceding paragraph do not include the Directors prohibited from exercising voting rights pursuant to Article 18, Paragraph 1 of the Rules. Unless otherwise specified in the Company Act, the relevant laws and regulations or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the Directors present at the meeting attended by a majority of all Directors.

In the case of an amendment or an alternative to an agenda, the Chairman shall determine the sequence of voting. If any one of them has been resolved, the others shall be deemed

vetoed and no further voting is required.

Directors who have objections to voting results may submit written statements that shall be recorded in the Board Meeting minutes.

The Chairman may appoint person(s) to monitor the voting process and person(s) to count the ballots; the person(s) appointed to monitor the voting process should be chosen from among the Directors.

The voting results shall be announced in the meeting and recorded in the meeting minutes.

The Company shall upload the resolutions to Market Observation Post System within the time period prescribed if the resolutions are material information as regulated in the relevant laws and regulations, or in the rules prescribed by Taipei Exchange.

Article 18. (Recusal system for directors and calculation of the voting right)

If a Director or the juridical person the Director represents has a personal interest in a discussion item, he/she shall disclose the material contents of his/her interest at the Board Meeting. If the personal interest may impair the interest of the Company, the Director may not join the discussion and voting of such item. The Director shall physically recuse himself/herself from the discussion and voting, and may not exercise voting right on behalf of another Director.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the preceding meeting, such director shall be deemed to have a personal interest in the matter.

Pursuant to Article 206, Paragraph 4 of Company Act, Article 180, Paragraph 2 of the Company Act shall apply mutatis mutandis to the Directors prohibited from exercising voting right as prescribed in the preceding 2 paragraph.

Article 19. (Meeting minutes and sign-in matters)

The resolutions of every Board Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by both the meeting chairman and the minute taker and distributed to each Director within twenty days after the meeting; the meeting minutes may be produced and distributed in electronic format.

The meeting minutes shall be filed as an important document for the Company and be retained properly while the Company is in existence.

The meeting minutes shall accurately record the following items:

1. The session (or year), venue and time of the meeting.
2. The meeting chairman's name.
3. The attendance status of the Directors, including names and number of those who are present, on leave, and absent.
4. The names and job titles of those attending the meeting as non-voting participants.
5. The minute taker's name.
6. Report items.
7. Discussion items: the voting method and the result of each agenda; the summary of comments made by the Directors, Independent Directors, experts, and other personnel; names of Directors with personal interests involved, reports of material contents of interest, reasons for making or not making a recusal, and status of recusal, pursuant to the prescription of Paragraph 1 of the preceding article; any objection or reservation with a record or written opinion.
8. Provisional motions: the names of the proposers; the voting method and the result of each proposed resolution; the summary of comments made by the Directors, Independent Directors, experts, and other personnel; names of interested Directors, reports of material contents of interest, reasons for making or not making a recusal, and status of recusal pursuant to the prescription of Paragraph 1 of the preceding article; any objection or reservation with a record or written opinion.
9. Other items required to be recorded.

Any resolution with the following items shall, in addition to being stated in the meeting minutes, be published on the Market Observation Post System designated by Financial

Supervisory Commission based on the time regulated by government's law after the date on which a Meeting is held:

1. Independent directors had objection/reservation and opinions, and records or written opinions have been made from them.
2. Not being passed by the audit committee of the Company, but being adopted with the approval of two-thirds or more of all Directors.

The attendance books of Board Meetings shall be part of the meeting minutes and be retained properly during the existence of the Company.

Article 20. (Authorization principles of the Board of Directors)

In addition to the discussion items that shall be proposed for discussion at Board Meetings of the Company listed in Article 14, Paragraph 1 of the Rules and the functions and powers exclusive to the Board of Directors as prescribed by the relevant laws and regulations, the level of delegation and the content and matters covered by the Board of Directors shall be specific in accordance with the laws and regulations or the Articles of Incorporation of the Company.

Article 21. (Meetings of board of managing directors)

(Deleted)

Article 22. (Items not covered)

Items not covered in the Rules shall comply with Company Act, the Securities and Exchange Act, the Articles of Incorporation of the Company and the relevant laws and regulations.

Article 23. (Supplementary provisions)

The Rules, and any amendment thereto, shall be effective after being approved by the Board Meeting.

Attachment 4

Business Report of Jih Sun Financial Holding Co., Ltd.

I. Business Overview in 2019

Looking back to 2019, the Company adheres to the principle of sound operation and develops its core business. Although the income and profit slightly decline, the financial structure continues to improve. In addition to the improvement of business performance, the Company also has outstanding performance in business innovation and customer service. The "O2O Smart Push" service system launched by the bank subsidiary won the "best product category" of the 16th National Brand Yushan Award. The "Smart Customer Service Knowledgeable Lion" launched by the securities subsidiary won the "the best popular brand" of the 16th National Brand Yushan Award, and its "Smart Trend Lock Profit System" won the "best product award" of the 16th National Brand Yushan Award. Jih Sun securities also won the first prize for the "Futures Dealer Trading Volume Growth Diamond Award" of the 5th Futures Diamond Award by the Futures Exchange and the first prize of securities group for the "best customer satisfaction award" in the 13th wealth management bank and securities appraisal by the Business Today. The operating results of the Company and its subsidiaries in 2019 are stated as follows:

1. Economic and financial environment at home and abroad

In 2019, the global economic growth was dragged down by the tense trade situation, the economic downturn in Europe and the recession of China's economy. The global manufacturing climate continued to show signs of weakness, and the global service industry also weakened, which made the market more worried that the global growth slowdown and trade war were spreading the weak manufacturing climate to the service industry. In terms of US economic performance, uncertainties continued to impact US manufacturing, exports and corporate investment. In 2019, the economic growth slowed down quarter by quarter, with the annual economic growth rate of 2.3%, lower than 2.9% in 2018. China's economic growth rate also showed a quarterly decline, with the annual economic growth rate of 6.1%, a sharp decline from 6.6% in 2018, which is the lowest for the past 29 years.

Taiwan's economic performance exceeded expectations, especially in terms of investment, benefiting from favorable factors such as order transfer effect and Taiwan businesses' return. In terms of investment, in addition to public sector investment such as forward-looking infrastructure construction, private investment includes Taiwan businessmen's investment back to Taiwan, giant semiconductor manufacturers' continuous investment in advance process and the acceleration of 5G infrastructure construction. In the first quarter, affected by the US China trade war and the slowdown of global economic growth, Taiwan's foreign trade was restrained, and domestic consumption also tended to be weak, with an economic growth rate of only 1.84%. However, the second quarter began to benefit from the effect of the transfer of orders and the transfer of Taiwanese production bases back to Taiwan, which promoted the improvement of domestic production capacity. Foreign net demand and domestic investment were better than expected, and economic performance was better than expected. From the second quarter to the fourth quarter, economic growth was better

than prediction and rose quarter by quarter. The annual economic growth rate reached 2.73%, but still slightly lower than 2.75% in 2018.

Based on the analysis of the market situation of the banking industry, although the operation of the domestic banking industry is limited by the impact of the low interest rate environment, the industry continues to strengthen its operating efficiency. In the last three years, the overall profit of the domestic banks has continued to grow, with a small growth of 2% in 2017 and 9.3% in 2018. In 2019, the banking industry continued to perform well and the profit showed a growth trend. In 2019, the earning before tax of domestic banks was NT\$360.73 billion, up 7.9% from NT\$334.23 billion in 2018. For the asset analysis, by the end of 2019, the total assets and net worth of domestic banks reached NT\$51.27 trillion and NT\$3.99 trillion, respectively. Compared with NT\$48.99 trillion and NT\$3.71 trillion at the end of 2018, the scale of total assets and net worth continued to increase.

According to the general analysis of the securities market, the profit of Taiwan's securities industry has fluctuated greatly in the past three years. The index of the stock exchange market has remained at 10,000 points for 15 consecutive months since it reached 10,000 points in June 2017. During this period, the trading volume of the stock market has expanded and maintained its prosperity, and the profit of the securities firms has grown substantially. The pre-tax earnings of all securities firms in 2017 have grown by 95% compared with that in 2016. In 2018, Taiwan's securities market experienced dramatic changes. In the first three quarters, the securities market continued to heat up. In the first half of the year, the pre-tax earnings of all securities firms was NT\$22.36 billion, an increase of NT\$8.95 billion or 67% compared with the same period in 2017. However, due to the impact of the economic growth downturn and the US China trade war, Taiwan stocks began to collapse with increased volatility in October 2018, resulting in a 9.3% decline in the TAIEX for the whole year; the decline of Taiwan stocks affected the profit performance of securities firms, and the overall pre-tax earnings of securities firms for the whole year declined by 28.4% compared with that in 2017. In 2019, the stock exchange market index continued to rise after rebounding at the beginning of the year. It reached 10,000 points again in July and up to now, and recorded a 29 year high in October. The rebound of the index led to a substantial growth in the net profit of the securities firm's proprietary trading and underwriting business, but due to the failure to effectively enlarge trading volume, the brokerage fee income declined compared with that in 2018; after a combination of favorable and unfavorable factors, the overall pre-tax earnings of the securities firms in 2019 was NT\$41.23 billion, an increase of 37.1% compared with the same period in 2018.

2. Changes in core business

Jih Sun Financial Holding Co., Ltd. was established on February 5, 2002. Its core businesses include commercial banking and securities and futures business. At present, the investment businesses include three subsidiaries, i.e. Jih Sun International Commercial Bank Co., Ltd., Jih Sun Securities Co., Ltd. and Jih Sun International Property Insurance Agency Co., Ltd., which are the same as the previous year.

The Company takes the dual engines of commercial bank and securities futures as its development core, and the two core businesses have developed in a balanced way over the years. In 2019, the contribution of commercial bank and securities futures to the consolidated net income is NT\$4.115 billion and NT\$4.486 billion respectively, and

the contribution to the consolidated pre-tax net profit is NT\$1.139 billion and NT\$1.372 billion respectively.

3. Implementation results of business plan

The Company actively plans the business development strategy and resource integration of its subsidiaries to maximize the benefits of financial holding. With the efforts of all colleagues, the operation constitution of the Company and its major subsidiaries has been improved year by year, and the financial structure has remained stable. The financial structure of the Company for the last three years is analyzed as follows:

Unit: NT\$ million	2017/12/31	2018/12/31	2019/12/31
Consolidated total assets	295,957	318,971	339,340
Consolidated shareholders' equity	39,091	44,232	45,639
Capital amount	35,424	36,190	37,118
Consolidated capital adequacy ratio	165.93%	150.90%	140.45%
Ratio of liabilities to net worth	11.44%	10.62%	9.52%
Double leverage ratio	110.27%	109.18%	107.68%

The Company's consolidated capital adequacy ratio at the end of 2019 was 140.45%, down from 150.90% at the end of 2018, mainly due to the increase of risk weighted assets of the securities subsidiary and the bank subsidiary; the ratio of liabilities to net worth was 9.52%, down from 10.62% at the end of 2018, ranking the third lowest in financial holding industry; the double leverage ratio was 107.68%, down from 109.18% at the end of 2018, ranking the fifth lowest in financial holding industry, showing that the financial structure of the Company is still stable.

4. Analysis of operating revenue and expenditure and profitability

The Company is a financial holding company. Its main revenue is from investment income. In 2019, the investment income recognized by equity method accounted for 98.87%, mainly incomes from the bank and securities, while other income accounted for 1.13%. The Company's financial income and expenditure and profitability for the last three years are analyzed as follows:

Unit: NT\$ million	2017	2018	2019
Net income	8,167	8,583	8,432
Provision (reversal) for bad debt expenses and guarantee liability reserve	(25)	(27)	(56)
Operating expenses	5,811	6,003	6,073
Income tax expense	46	96	142
Consolidated total profit and loss	2,335	2,511	2,274

Retained earnings	5,105	5,352	4,505
Return on consolidated assets (ROA; %)	0.80	0.81	0.69
Return on equity of common shareholders (ROE; %)	6.10	5.80	5.06
Consolidated net profit margin (%)	28.59	29.23	26.97
Earnings per share (EPS; NT\$)	0.67	0.71	0.62

The main contribution of the Company's profit comes from the bank subsidiary and the securities subsidiary. In 2019, the revenue and profit declined compared with 2018. The consolidated net income reached NT\$8.432 billion. The consolidated net income declined by 2% compared with 2018. The consolidated net profit before tax was NT\$2.416 billion, down 7% compared with 2018. In 2019, the return on consolidated assets is 0.69%, and the return on shareholders' equity is 5.06%. The decline of income and profit of the Company is mainly caused by the decline of profit of the securities subsidiary by NT\$266 million, while the profit of the bank subsidiary increased by NT\$26 million in the same period.

5. Implementation of business objectives

In the 5th ranking of corporate governance evaluation, the Company ranked 6% - 20% of OTC companies and failed to reach the top 5% of the target.

In terms of "improving profitability", the Company's overall profit in 2019 declined compared with that in 2018 which has caused the Company's ROE and EPS ranking failed to achieve the goal.

As for the analysis of improving financial structure, the ratio of liabilities to net worth, double leverage ratio and capital adequacy ratio have achieved the goal.

6. Research and development

The Company and its subsidiaries are actively engaged in research and development. The research and development projects in 2019 included financial market and business strategy research, information system development, risk management tool development, new financial product development, education and training, etc.

7. Credit rating

The Company's operation continued to develop steadily. The Company's credit rating was affirmed by Fitch Ratings. On July 9, 2019, the Company's credit rating results and those of its major subsidiaries were announced as follows:

1. Jih Sun Financial Holding's domestic long-term rating is A (twn), domestic long-term rating outlook is stable, and domestic short-term rating is F1 (twn).
2. Jih Sun Bank's domestic long-term rating is A (twn), domestic long-term rating outlook is stable, and domestic short-term rating is F1 (twn).
3. Jih Sun Securities' domestic long-term rating is A (twn), domestic long-term rating outlook is stable, and domestic short-term rating is F1 (twn).

II. Summary of business plan in 2020

Looking forward to 2020, in the face of uncertain business environment, the Company will pay more attention to risk control, steadily deepen core business, and continue to

advance and innovate, to create the greatest value for shareholders. The breakdown of business plan in 2020 is as follows:

1. The impact of competitive environment, regulatory environment and overall business environment, and future development strategies

(1) Impact of external competitive environment, regulatory environment and overall business environment

Looking into the global economic development in 2020, the US-China trade war is still an uncertain factor that will affect the business climate. At the beginning of the year, as the U.S.A. and China were able to reach a preliminary agreement, the market expected that the trade tension between the U.S.A. and China would be eased. In addition, the U.S.A. has made preventive interest rate cuts, major countries have launched fiscal stimulus policies, and coupled with the factor of low base period, originally major international institutions predicted that the global economic and trade growth in 2020 will be slightly better than in 2019. However, the expansion and deterioration of China's new coronavirus epidemic in late January will affect the global supply chain, and the World Bank has announced in advance that the global economic growth forecast will be revised downwards. Taiwan's economic performance in 2020 still depends on exports and domestic investment. Factors such as the accelerated transfer of some production lines back to Taiwan amidst the US-China trade war and the acceleration of global 5G infrastructure construction will enable Taiwan's exports to have a positive performance. Domestic investment, including the continuous return investment of Taiwan businesses, as well as forward-looking infrastructure construction, acceleration of 5G infrastructure construction and continuous investment in advanced manufacturing processes of semiconductor plants, will make Taiwan's investment and employment environment more stable and further promote the growth of domestic demand. Based on the above analysis of favorable factors, the Directorate General of Budget, Accounting and Statistics had optimistically forecasted the annual economic growth rate to be 2.72% initially; however, due to the prolonged outbreak of new coronavirus, which had a significant impact on the global economy, Taiwan's foreign trade, domestic demand and investment were affected; therefore, the Directorate General of Budget, Accounting and Statistics revised down its economic growth forecast on February 12. In the first quarter, it was significantly revised down from 3.02% to 1.80%, and the annual economic growth rate was revised down to 2.37%. In the future, we should continue to observe the US-China trade war, geopolitical turmoil, the new coronavirus epidemic, global debt risk, and whether the U.S. will enhance the protection of intellectual property rights after the election. These adverse factors will continue to affect global economic, trade and investment confidence.

In terms of capital analysis, in 2019, governments in various countries adopted interest rate cuts and negative interest rates to stimulate economic growth. The Federal Reserve ("Fed") cut interest rates by 0.25% three times in July, September and October respectively. The central banks of other 16 countries also adopted monetary easing policy, reducing interest rates one to four times since February subsequently. In addition to interest rate cuts, central banks in Europe, the United States, Japan and other countries have implemented QE policies simultaneously. The Fed stopped shrinking its balance sheet in August ahead of

time, and it is expected that QE policy will be restarted in November, with a monthly bond purchase of US\$12 billion. The ECB also plans to restart QE policy in November, with a monthly bond purchase of EUR12 billion, while BOJ still maintains a monthly bond purchase of JPY2.24 trillion. Major European countries and Japan have been falling into negative interest rates, but the driving effect for economic growth is weaker and weaker. In the future, we should pay attention to the impact of the global central banks launching negative interest rates and the trend of low interest rates. Interest rates in Europe and Japan have been falling for so long and this situation is getting worse. It is worth observing how they will develop in the future. The trade war has increased downward pressure on China's economy. In order to support the declining economy, China may introduce more policies to stimulate economic growth. Compared with the global easing policy, the Central Bank of the Republic of China (Taiwan) kept the interest rate unchanged and said it would help boost private investment willingness under the condition of the return of Taiwanese businesses and the increase of investment willingness. The Central Bank decided to keep the rediscount rate unchanged at 1.375%, the rate on accommodations with collateral unchanged at 1.75%, the rate on accommodations without collateral unchanged at 3.625%, with the interest rate unchanged for 14 consecutive quarters.

Central banks in the world's major economies expand their monetary easing policies, which, although they can inject money into the market, will also increase the debt crisis and the gap between the rich and the poor. In 2019, governments of all countries adopted interest rate reduction and negative interest rate to stimulate economic growth. Major European countries and Japan successively fell into negative interest rate. At present, the amount of negative interest rate bonds in the world total US\$17 trillion, accounting for a quarter of the total amount of all bonds in the world, and the problem is very serious. In addition, the World Bank warned that the world is in the fourth and largest wave of debt crisis in half a century. Global debt has climbed to about 230% of GDP, a record high. The current fourth wave of debt and the previous three waves have two things in common, namely, changes in the global financial environment, the vulnerability of ineffective use of borrowing funds and rising concerns. The previous three waves of extensive debt accumulation triggered the financial crisis in many developing and emerging economies. On the analysis of the gap between the rich and the poor, the negative interest rates make borrowing cheap and boost stock prices, which are favorable to the rich with assets, making the rich richer and widening the gap between the rich and the poor. On the other hand, new technology makes life more convenient, but new employment opportunities do not apply to all people, which will make the gap between the rich and the poor wider. At present, the world is experiencing the biggest gap between the rich and the poor since the 1930s. If the gap between the rich and the poor cannot be solved, it may bring about economic depression and political polarization. What we see in the United States and around the world will be a greater conflict.

Based on the analysis of the impact of technological innovation on the domestic financial industry, in response to the development trend of digital banking services, and to encourage financial innovation, deepen financial popularization and meet consumer demand, the Financial Supervisory Commission accepted the application for the establishment of pure online banking from November 15, 2018

to February 15, 2019. Taiwan's internet-only banks were announced on July 30, 2019. All the three applied for internet-only bank were approved for establishment, including Next Bank, LINE Bank and Rakuten Bank. In the future, the three internet-only banks may strive for market share with the traditional banks. However, when we observe the global internet-only banks, we find that at the beginning, they can attract many customers to open accounts, but the biggest challenges subsequently are how to make profits, compliance, and risk control. It does not end at attracting people to open accounts, but it's just at the beginning. How to have a good business model to make profits, and at the same time, abide by laws and regulations, whilst well manage risk control, the challenges at all levels depend on the accumulation of experience. In the face of the threat of internet-only banks, for the domestic banking industry, how the traditional banks to meet the war will attract more attention. Internet-only banks must bring about "short-term pain" for other banks. After all, there are three more competitors. But in the long run, because of new entrants and competitors, the opening speed of laws and regulations will be faster, and the cake will be expanded faster. It is good for the financial industry. In the future, the banks that can master the technology connectivity and innovation ability will be able to hold more shares in this cake. In addition, based on the analysis of financial industry policies, the FSC will offer five measures to promote the development of the financial products for an aging society in response to the fact that Taiwan is about to enter the super aged society. The FSC pointed out that the insurance industry may cooperate with the nursing care industry to provide all-round services for the elderly. Consumers can choose and use various financial instruments to plan for their aging life in advance so as to enjoy a dignified and high-quality life by the elderly. The policy will start from four aspects: 1. Providing better living security for the elderly; 2. Assisting the financial industry to open up new business opportunities; 3. Reducing the burden of social welfare of the government through commercial mechanisms; 4. Injecting new development vitality into medical and elderly care institutions, encouraging financial institutions to join hands with elderly care institutions, so as to provide elderly financial products and services and medical or elderly care services. The FSC also provides five specific incentives, which are described as follows:

1. The group annuity insurance plans to propose the preferential tax, and promote the group commercial annuity insurance with vesting right. Employees can enjoy the value of the policy account allocated by the employer for the employees after a certain period of service in the company, and the public can make up for the gap of elderly insurance.
2. Policy activation. In the future, the research direction will be towards to reducing premium and relaxing for conversion to physical payment policy and eligible annuity mechanism, so as to improve people's willingness to purchase endowment insurance and activate policy.
3. Consideration for the introduction of long-term care into the insurance industry. At present, long-term care housing is limited to the establishment of corporate associations. In the future, we can think about the concept of "classification". Health insurance 2.0 can meet the general basic needs, and people with high-end demands can be satisfied by physical payment form through commercial long-term care insurance.

4. Housing pension to be introduced into the credit guarantee mechanism. When the housing price in low price and non-metropolitan areas reaches a certain period of time, the total price of housing will fall, which may not be enough to pay the bank. In this case, the state will guarantee the last mile.
 5. Encourage the life insurance industry to promote the aging insurance products. If the products meet the standards, the foreign investment can be relaxed. If the comprehensive rating score meets the standards set by the competent authority, the amount of foreign investment can be increased appropriately. The proportion of guaranteed and aging products (excluding investment type) in the three-year target of the FSC is more than 60%.
- (2) Future development strategy
- In response to various external environment variables, the Company adheres to the mission of "providing all-round financial products and services with innovation and efficiency to meet customers' financial needs.", and expects to achieve the vision of "becoming the most trusted financial partner of customers". The Company's business strategy for 2020 is as follows:
1. Deepen core business and optimize the channel contribution.
 2. Utilize Fintech and implement digital transformation.
 3. Strengthen internal control and balance risk and return.

2. Business policy and business plan

The Company adheres to the sustainable business philosophy of "customer first, credit first, unity and harmony", and plans the business policies and important business plans for 2020 in accordance with the business strategy as follows:

1. Deepen core business and optimize channel contribution:
 - (1) Drive the subsidiaries to truly grasp product trends and improve customer profitability, so as to establish closer relationship with customers and enhance added value.
 - (2) Drive the subsidiaries to build virtual and physical channels, optimize processes, provide high-quality products and services to meet customer needs, increase customer contribution and improve customer adhesion.
 - (3) Coordinate with all subsidiaries to integrate the group's resource and asset allocation and give full play to the overall operating efficiency.
2. Utilize Fintech and implement digital transformation:
 - (1) We will carry out advanced replacement of information systems to improve operational efficiency and competitiveness and meet new challenges in the era of digital finance.
 - (2) Drive the subsidiaries to develop convenient, safe and efficient intelligent applications and human-computer cooperation with Fintech to create new customer experience and new interactive marketing model.
 - (3) Drive the subsidiaries to use big data to analyze and grasp trends, develop new demands and expand new customers.
 - (4) Conduct training and recruitment of digital talents for financial holding to help the Company further improve its digital capabilities.
3. Strengthen internal control and balance risk and return:
 - (1) Improve the internal supervision mechanism of the Company's risk management and the risk awareness of its employees, and focus on balancing risks and returns in operation.

- (2) Implement corporate governance to ensure the rights and interests of the Company and its stakeholders (employees, shareholders and customers).
- (3) Strengthen the information security deep defense capabilities to prevent hacker, virus and leakage, so as to ensure the security of the information system.
- (4) Drive subsidiaries to strengthen customer care, control business risks, and create a win-win situation with customers.

3. Business objectives

Looking forward to 2020, the US-China trade war and the outbreak of new coronavirus epidemic will be the main factors affecting the business climate. In addition, geopolitical disturbances remain unresolved, and the global debt risk is rising. These adverse factors will continue to affect global economic and trade and investment confidence, and the global economic development may not be as expected. In addition, we should pay attention to the impact of the global central bank initiating the trend of negative interest rate and low interest rate. The central banks of major economies in the world expand the adoption of monetary easing policies. Although they can inject funds into the market, they also increase the global debt accumulation and the gap between the rich and the poor. The gap between the rich and the poor may bring about internal conflicts of political polarization. The extensive debt accumulation may lead to the explosion of financial crisis for developing and emerging economies. In response to the changes in the internal and external environments, the Company has planned a specific development plan and formulated the overall business objectives for 2020 as follows:

1. Enhance the profitability.
2. Improve the financial structure.
3. Strengthen the corporate governance.

Responsible person: Huang Ching-Tang

Manager: Wang Chih-Fang

Accounting supervisor: Wang Hui-Chen

Attachment 5

The Board of Directors
Jih Sun Financial Holding Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Jih Sun Financial Holding Co., Ltd. and its subsidiaries (“the Company”) as of December 31, 2019 and 2018, 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2019 and 2018, and the consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies and the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), interpretation as well as related guidance endorsed 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, Jin-Kuan-Yin-Fa-Zi No.10802731571, and generally accepted auditing standards in the Republic of China for the year ended December 31, 2019; we conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements of Financial Institutions by Certified Public Accountants and generally accepted auditing standards in the Republic of China for the year ended December 31, 2018. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountant Code of Professional Ethics in Republic of China (“the Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code. 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, 2019. These matters are 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Fair value assessment of financial instruments

Please refer to Note 4 (H) “Financial instruments”, Note 5 (B) “Major sources of uncertainty for assumptions and estimation”, and Note 6 (AT) “Disclosure of financial instruments” to the consolidated financial statements.

Description of key audit matters:

Some of the financial instruments held by the Company were without a quoted price in an active market, and the fair value of such instruments were estimated based on other valuation techniques. Therefore, valuation of financial instruments was one of the key audit matters in our audit of the Company's consolidated financial statements.

Our principal audit procedures included:

Our main audit procedures included testing of the Company's classification of financial assets, and the Company's controls over the identification, measurement and management of valuation risk. For financial instruments which used quoted market price, sampling test was conducted to confirm the adequacy and correctness of the quoted price; for financial instruments without a quoted market price, sampling test was conducted to review valuation documents from the Company to confirm whether the adequacy and correctness of the valuation method. In addition, we also assessed whether the Company's presentation and disclosure of financial instruments meets relevant accounting standard.

2. Assessments on impairment loss on loans and receivables

Please refer to 4 (R) "Financial asset impairment", Note 5 (A) "Major sources of uncertainty for assumptions and estimation", Note 6 (G) "Receivables-net" and Note 6 (I) "Loans discounted-net" to the consolidated financial statements.

Description of key audit matters:

The management of the Company assessed and recognized expected credit losses ("ECL") for the loans and receivables. Loss allowances for financial assets are classified in three stages according to changes in credit risk on the financial assets since initial recognition, recognized 12-month ECL and lifetime ECL according to the stage which the financial assets belonged to and then demonstrated evidence of impairment will be then individually or collectively assessed. For the collectively assessed loans and receivables, the Company used a model established by the management basing on past loss experience and forecast of future economic conditions for loans and receivables with similar credit risk characteristics; for the individually assessed loans and receivables, the Company assessed the impairment loss based on the present value of estimated future cash flows. As the aforementioned measurement is subject to significant judgments and estimation by the management, impairment of loans and receivables was one of the key audit matters in our audit of the Company's consolidated financial statements.

Our principal audit procedures included:

Our main audit procedures included understanding the methodology used by the management to assess the impairment of loans and receivables, and performing the relevant control procedures. For the individually assessed loans and receivables, we evaluated the rationality of future recoverable cash flow and the value of collateral. For the collectively assessed loans and receivables, we evaluated the completeness of loans and receivables, and the model design adopted for the relevant impairment assessment and the rationality of the relevant parameters.

3. Net brokering service fee

Please refer to Note 4 (Q) "Revenue recognition" and Note 6 (AL) "Net service fee (charge) and commission's income" to the consolidated financial statements.

Description of key audit matters:

The Company receives orders to trade and engage in brokerage so as to earn brokering service fee. Whether the Company's revenue and discount recognition is appropriate may cause a material impact on the consolidated financial statements, therefore, we identify revenue recognition as a key audit matter.

Our principal audit procedures included:

To make a random inspection into the trading procedures in order to test whether the internal control of the brokerage business is executed effectively or not; to make a random inspection into the approval of discount of brokering fee income; to make a random inspection into the relevant forms in order to test the accuracy of calculation of brokering service fee and analyze the differences.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies and IFRSs, IASs, interpretation as well as related guidance endorsed 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 the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objective 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 decision of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by managements.
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 Company'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 conclusion is based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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 determined those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precluded 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 Chun-Kuang Chen and Tan-Tan Chung.

KPMG
Taipei, Taiwan (Republic of China)
March 19, 2020

JIH SUN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2019 and 2018

Unit: NT\$ Thousand

	2019.12.31		2018.12.31			2019.12.31		2018.12.31	
	Amount	%	Amount	%		Amount	%	Amount	%
ASSETS					LIABILITIES AND EQUITY				
Cash and cash equivalents	8,251,966	3	5,932,676	2	LIABILITIES:				
Due from the central bank and call loans to banks	19,885,850	6	12,480,770	4	Deposits from the central bank and banks	10,114,504	3	16,251,600	5
Financial assets at fair value through profit or loss	10,269,010	3	13,008,186	4	Financial liabilities at fair value through profit or loss	507,352	-	400,294	-
Financial assets at fair value through other comprehensive income	66,803,319	20	61,012,364	19	Securities sold under repurchase agreements	30,005,049	9	30,606,783	10
Investments in debt instruments at amortised cost	33,956,687	10	36,133,562	11	Commercial papers issued-net	9,925,312	3	7,346,973	2
Bond investments under resale agreements	5,982	-	-	-	Payables	11,073,513	3	9,418,738	3
Receivables- net	17,654,983	5	14,610,099	5	Current tax liabilities	28,771	-	23,386	-
Current tax assets	126,122	-	91,904	-	Deposits	221,003,616	65	194,691,057	61
Loans discounted- net	165,488,714	49	157,370,762	49	Bonds payable	2,500,000	1	5,000,000	2
Investments accounted for using equity method- net	303,778	-	289,434	-	Other borrowings	200,000	-	1,330,000	-
Restricted assets- net	598,840	-	840,040	-	Provisions	269,894	-	313,277	-
Other financial assets- net	8,046,214	3	9,880,921	3	Other financial liabilities	7,099,570	2	8,855,299	3
Investment property- net	402,991	-	407,022	-	Lease liabilities	596,829	-	-	-
Property and equipment- net	5,075,366	1	5,099,186	2	Deferred tax liabilities	83,190	-	82,861	-
Right-of use assets- net	597,258	-	-	-	Other liabilities	293,519	-	418,640	-
Intangible assets - net	184,213	-	174,489	-	Total Liabilities	293,701,119	86	274,738,908	86
Deferred tax assets	23,705	-	74,306	-	Equity attributable to owners of parent				
Other assets- net	1,665,288	-	1,565,537	1	Capital:				
					Common stock	37,118,197	11	36,190,357	11
					Capital surplus	142,458	-	16,418	-
					Retained earnings:				
					Legal reserve	1,924,609	1	1,673,633	1
					Special reserve	334,681	-	875,464	-
					Unappropriated earnings	2,245,650	1	2,802,993	1
					Other equity interest	3,835,665	1	3,190,331	1
					Treasury stocks	-	-	(554,891)	-
					Non-controlling interests	37,907	-	38,045	-
					Total Equity	45,639,167	14	44,232,350	14
					Significant contingents liabilities and unrecognized contract commitments				
TOTAL ASSETS	\$ 339,340,286	100	318,971,258	100	TOTAL LIABILITIES AND EQUITY	\$ 339,340,286	100	318,971,258	100

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

JIH SUN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

Unit: NTS Thousand

	January to December, 2019		January to December, 2018		Change %
	Amount	%	Amount	%	
Revenue from interest	\$ 5,141,947	61	5,064,277	59	2
Deduct: interest expenses	1,932,238	23	1,630,109	19	19
Net interest income	3,209,709	38	3,434,168	40	(7)
Net income (loss) except interest					
Net service fee (charge) and commissions income	3,872,476	46	3,819,835	45	1
Gains on financial assets or liabilities at fair value through profit or loss	158,727	2	425,248	5	(63)
Realized gains or losses on financial assets or liabilities at fair value through comprehensive income	788,774	9	631,642	7	25
Foreign exchange gains	153,721	2	83,245	1	85
Impairment loss on assets	(1,889)	-	(5,957)	-	68
Share of profit of associates and joint ventures accounted for using equity method	21,326	-	6,077	-	251
Net other non-interest incomes	229,353	3	188,368	2	22
Net income except interest subtotal	5,222,488	62	5,148,458	60	1
Net income	8,432,197	100	8,582,626	100	(2)
Reversal of provision for bad debts expense, commitment and guarantee liability	(56,301)	(1)	(27,503)	-	(105)
Operating expenses					
Employee benefits expense	3,795,129	45	3,663,730	43	4
Depreciation and amortization expenses	517,320	6	206,453	2	151
Other general and administrative expenses	1,760,167	21	2,133,217	25	(17)
Total operating expenses	6,072,616	72	6,003,400	70	1
Income from continuing operations	2,415,882	29	2,606,729	30	(7)
Tax expense	(141,544)	(2)	(96,095)	(1)	(47)
Profit	2,274,338	27	2,510,634	29	(9)
Other comprehensive items					
Components of other comprehensive income that will not be reclassified to profit or loss					
Losses on remeasurements of defined benefit plan	(9,663)	-	(11,613)	-	17
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	370,183	4	756,188	9	(51)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(1,339)	-	22,462	-	(106)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,749	-	12,998	-	(87)
Subtotal of other comprehensive income that will not be reclassified to profit or loss, net of tax	360,930	4	780,035	9	(54)
Components of other comprehensive income that will be reclassified to profit or loss					
Exchange differences on translation of foreign financial statements	(30,840)	-	31,543	-	(198)
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	280,717	3	(31,393)	-	994
Impairment losses from investments in debt instruments measured at fair value through other comprehensive income	1,698	-	6,829	-	(75)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-
Subtotal of other comprehensive income that will be reclassified to profit or loss, net of tax	251,575	3	6,979	-	3,505
Other comprehensive income, net	612,505	7	787,014	9	(22)
Comprehensive income	\$ 2,886,843	34	3,297,648	38	(12)
Profit, attributable to					
Profit, attributable to owners of parent	\$ 2,273,309	27	2,509,770	29	(9)
Profit, attributable to non-controlling interests	1,029	-	864	-	19
	\$ 2,274,338	27	2,510,634	29	
Comprehensive income, attributable to					
Comprehensive income, attributable to owners of parent	\$ 2,886,661	34	3,295,657	38	(12)
Comprehensive income, attributable to non-controlling interests	182	-	1,991	-	(91)
	\$ 2,886,843	34	3,297,648	38	
Earnings per Share (NTS dollar)					
Basic earnings per share	\$ 0.62		0.69		

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

JIH SUN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(Expressed in Thousands of New Taiwan Dollars)

Item	Capital stock	Capital surplus	Retained earnings			Other equity					Treasury stocks	Total equity attributable to owners of parent	Non-controlling interests	Total
	Common stock		Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Other	Total				
Balance- January 1, 2018	35,423,607	-	1,440,323	1,371,328	2,293,281	(232,829)	-	(307,953)	-	(540,782)	(925,693)	39,062,064	28,563	39,090,627
Effects of retrospective application	-	-	-	-	(36,624)	-	2,967,120	307,953	-	3,275,073	-	3,238,449	8,708	3,247,157
Balance-January 1, 2018 after adjustments	35,423,607	-	1,440,323	1,371,328	2,256,657	(232,829)	2,967,120	-	-	2,734,291	(925,693)	42,300,513	37,271	42,337,784
Profit	-	-	-	-	2,509,770	-	-	-	-	-	-	2,509,770	864	2,510,634
Other comprehensive income	-	-	-	-	1,518	31,543	730,503	-	22,323	784,369	-	785,887	1,127	787,014
Total comprehensive income	-	-	-	-	2,511,288	31,543	730,503	-	22,323	784,369	-	3,295,657	1,991	3,297,648
Earnings appropriation and distribution:														
Legal reserve	-	-	233,310	-	(233,310)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(495,864)	495,864	-	-	-	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	(1,789,085)	-	-	-	-	-	-	(1,789,085)	-	(1,789,085)
Stock dividends - common stock	766,750	-	-	-	(766,750)	-	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	328,329	-	(328,329)	-	-	(328,329)	-	-	-	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(1,217)	(1,217)
Change in capital surplus:														
Treasury shares sold to employees	-	16,418	-	-	-	-	-	-	-	-	370,802	387,220	-	387,220
Balance-December 31, 2018	36,190,357	16,418	1,673,633	875,464	2,802,993	(201,286)	3,369,294	-	22,323	3,190,331	(554,891)	44,194,305	38,045	44,232,350
Effects of retrospective application	-	-	-	-	4,337	-	-	-	-	-	-	4,337	-	4,337
Balance-January 1, 2019 after adjustments	36,190,357	16,418	1,673,633	875,464	2,807,330	(201,286)	3,369,294	-	22,323	3,190,331	(554,891)	44,198,642	38,045	44,236,687
Profit	-	-	-	-	2,273,309	-	-	-	-	-	-	2,273,309	1,029	2,274,338
Other comprehensive income	-	-	-	-	(6,955)	(30,840)	653,401	-	(2,254)	620,307	-	613,352	(847)	612,505
Total comprehensive income	-	-	-	-	2,266,354	(30,840)	653,401	-	(2,254)	620,307	-	2,886,661	182	2,886,843
Earnings appropriation and distribution:														
Legal reserve	-	-	250,976	-	(250,976)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(540,783)	540,783	-	-	-	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	(2,164,960)	-	-	-	-	-	-	(2,164,960)	-	(2,164,960)
Stock dividends - common stock	927,840	-	-	-	(927,840)	-	-	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	(14)	-	-	-	-	-	-	(14)	-	(14)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(25,027)	-	25,027	-	-	25,027	-	-	-	-
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	(320)	(320)
Change in capital surplus:														
Treasury shares sold to employees	-	126,040	-	-	-	-	-	-	-	-	554,891	680,931	-	680,931
Balance-December 31, 2019	\$ 37,118,197	142,458	1,924,609	334,681	2,245,650	(232,126)	4,047,722	-	20,069	3,835,665	-	45,601,260	37,907	45,639,167

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

JIH SUN FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019 and 2018
(Expressed in Thousands of New Taiwan Dollars)

	For years ended December 31,	
	2019	2018
Cash flows from operating activities:		
Profit before tax	\$ 2,415,882	2,606,729
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expenses	468,291	146,177
Amortization expenses	49,029	60,276
Interest expenses	1,932,238	1,630,109
Finance income	(78,301)	(67,828)
Interest income	(5,141,947)	(5,064,277)
Dividend earned	(638,123)	(693,011)
Share-based payments	127,641	17,488
Provision for bad debt expenses, commitment and guarantee liability	187,022	229,549
Net losses on financial assets or liabilities at fair value through profit or loss	614,100	455,579
Share of profit of associates and joint ventures accounted for using equity method	(21,326)	(6,077)
Gains on disposal of property and equipment	(3,526)	-
Losses on retirement of property and equipment	482	949
Property and equipment transferred to expense	412	-
Impairment losses on financial assets	1,889	5,957
Other lease income	(1)	-
Subtotal of income and expense items with no effect on cash flows	(2,502,120)	(3,285,109)
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Due from the central bank and call loans to banks	(308,389)	(367,680)
Financial assets at fair value through profit or loss	2,800,806	398,803
Financial assets at fair value through other comprehensive income	(5,151,035)	(18,767,221)
Investments in debt instruments at amortised cost	2,176,744	1,147,758
Receivables	(3,121,846)	6,327,295
Loans discounted	(8,276,412)	(6,823,362)
Other financial assets	1,834,930	(1,941,767)
Other assets	(112,918)	279,232
Net changes in operating assets	(10,158,120)	(19,746,942)
Net Changes in operating liabilities:		
Deposits from the central bank and banks	(6,137,096)	1,924,780
Financial liabilities at fair value through profit or loss	(568,672)	(938,199)
Securities sold under repurchase agreements	(601,734)	15,002,932
Payables	1,691,925	(4,314,160)
Deposits	26,312,559	5,994,842
Provisions	(38,183)	59,559
Other financial liabilities	(1,755,729)	1,860,616
Other liabilities	(125,121)	(465,288)
Net changes in operating liabilities	18,777,949	19,125,082
Net changes in operating assets and liabilities	8,619,829	(621,860)
Sum of adjustments	6,117,709	(3,906,969)
Cash from (used in) operating activities	8,533,591	(1,300,240)
Interest and finance income received	5,261,837	5,071,998
Dividends received	637,585	693,011
Interest paid	(1,965,216)	(1,596,038)
Income taxes received	439	20,303
Income taxes paid	(117,954)	(99,910)
Net cash flows from (used in) operating activities	12,350,282	2,789,124

Cash flows from investing activities:

Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,920	7,848
Purchases of property and equipment	(168,552)	(158,444)
Proceeds from disposal of property and equipment	8,634	-
Purchases of intangible assets	(33,362)	(43,962)
Decrease in restricted assets	241,200	50,580
Dividends received	5,460	11,076

Net cash flows from (used in) investing activities**Cash flows from (used in) financing activities:**

Increase (decrease) in commercial paper issued	2,578,339	(2,120,790)
(Decrease) increase in other borrowings	(1,130,000)	190,000
Repayments of financial debentures	(2,500,000)	-
Repayments of lease liabilities	(298,178)	-
Cash dividends paid	(2,164,960)	(1,481,285)
Treasury shares sold to employees	553,290	369,732
Change in non-controlling interests	(334)	(1,217)

Net cash flows used in financing activities

Effect of exchange rate changes on cash and cash equivalents	(30,776)	31,403
Net increase (decrease) in cash and cash equivalents	9,421,963	(355,935)
Cash and cash equivalents, at the beginning of the period	13,154,506	13,510,441
Cash and cash equivalents, at the end of the period	\$ 22,576,469	13,154,506

Components of cash and cash equivalents:

Cash and cash equivalents recognized in the balance sheets	\$ 8,251,966	5,932,676
Due from the central bank and call loans to banks which meet IAS 7 definition of cash and cash equivalents	14,318,521	7,221,830
Securities purchased under resell agreements qualifying for cash and cash equivalents under the definition of IAS 7	5,982	-
Cash and cash equivalents, at the end of the period	\$ 22,576,469	13,154,506

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

Jih Sun Financial Holding Co., Ltd.
Balance Sheet
December 31, 2019 and 2018

Unit: NT\$ Thousand

Assets	2019.12.31	2018.12.31	Liabilities and Equity	2019.12.31	2018.12.31
Item	Amount	Amount	Item	Amount	Amount
Cash and cash equivalents	\$ 707,717	476,402	Short-term borrowings	-	410,000
Receivables, net	480	73,763	Commercial papers issued	3,688,381	3,478,685
Current tax assets	120,616	78,285	Payables	645,779	799,708
Investments accounted for using equity method, net	49,103,264	48,249,358	Provisions	1,656	1,225
Property and equipment, net	626	849	Lease liability	1,281	-
Right-of-use assets, net	1,410	-	Deferred tax liabilities	2,808	2,644
Intangible assets, net	1,063	1,330	Other liabilities	1,998	568
Other assets, net	7,987	7,148	Total Liabilities	4,341,903	4,692,830
			Equity		
			Common stock	37,118,197	36,190,357
			Capital surplus	142,458	16,418
			Retained earnings		
			Legal reserve	1,924,609	1,673,633
			Special reserve	334,681	875,464
			Unappropriated earnings	2,245,650	2,802,993
			Other equity interest		
			Exchange differences on translation of foreign financial statements	(232,126)	(201,286)
			Unrealized gains of financial assets measured at fair value through other comprehensive income	4,047,722	3,369,294
			Others	20,069	22,323
			Treasury stocks	-	(554,891)
			Total Equity	45,601,260	44,194,305
Total Assets	\$ 49,943,163	48,887,135	Total Liabilities and Equity	\$ 49,943,163	48,887,135

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

Jih Sun Financial Holding Co., Ltd.
Statements of Comprehensive Income
For The Years Ended December 31, 2019 And 2018

Unit: NT\$ Thousand

Item	2019	2018
	Amount	Amount
Operating revenues:		
Share of profit of associates and joint ventures accounted for using equity method	\$ 2,363,070	2,602,946
Other revenues	26,959	21,336
	2,390,029	2,624,282
Operating expenses and losses		
Operating expenses	101,157	109,158
Interest expenses	22,974	19,962
Other expenses and losses	3,564	3,670
	127,695	132,790
Profit before tax	2,262,334	2,491,492
Tax benefit	10,975	18,278
Profit	2,273,309	2,509,770
Other comprehensive income		
Components of other comprehensive income that will not be reclassified to profit or loss		
Losses on remeasurements of defined benefit plan	(9,608)	(11,619)
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	370,986	755,067
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(1,339)	22,462
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,738	12,998
Subtotal of other comprehensive income that will not be reclassified to profit or loss, net of tax	361,777	778,908
Components of other comprehensive income that will be reclassified to profit or loss		
Exchange differences on translation of foreign financial statements	(30,840)	31,543
Unrealized gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	280,717	(31,393)
Impairment losses from investments in debt instruments measured at fair value through other comprehensive income	1,698	6,829
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-
Subtotal of other comprehensive income that will be reclassified to profit or loss, net of tax	251,575	6,979
Other comprehensive income, net of tax	613,352	785,887
Total comprehensive income	\$ 2,886,661	3,295,657
EPS		
Basic EPS (NT\$ dollar)	\$ 0.62	0.69

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

Jih Sun Financial Holding Co., Ltd.
Statements of Changes in Equity
For The Years Ended December 31, 2019 And 2018
(Expressed in Thousands of New Taiwan Dollars)

Item	Capital stock	Capital surplus	Retained earnings			Other equity					Treasury stocks	Total equity
	Common stock		Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Other	Total		
Balance- January 1, 2018	35,423,607	-	1,440,323	1,371,328	2,293,281	(232,829)	-	(307,953)	-	(540,782)	(925,693)	39,062,064
Effects of retrospective application	-	-	-	-	(36,624)	-	2,967,120	307,953	-	3,275,073	-	3,238,449
Balance-January 1, 2018 after adjustments	35,423,607	-	1,440,323	1,371,328	2,256,657	(232,829)	2,967,120	-	-	2,734,291	(925,693)	42,300,513
Profit	-	-	-	-	2,509,770	-	-	-	-	-	-	2,509,770
Other comprehensive income	-	-	-	-	1,518	31,543	730,503	-	22,323	784,369	-	785,887
Total comprehensive income	-	-	-	-	2,511,288	31,543	730,503	-	22,323	784,369	-	3,295,657
Earnings appropriation and distribution:												
Legal reserve	-	-	233,310	-	(233,310)	-	-	-	-	-	-	-
Special reserve	-	-	-	(495,864)	495,864	-	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	(1,789,085)	-	-	-	-	-	-	(1,789,085)
Stock dividends - common stock	766,750	-	-	-	(766,750)	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	328,329	-	(328,329)	-	-	(328,329)	-	-
Change in capital surplus:												
Treasury shares sold to employees	-	16,418	-	-	-	-	-	-	-	-	370,802	387,220
Balance-December 31, 2018	36,190,357	16,418	1,673,633	875,464	2,802,993	(201,286)	3,369,294	-	22,323	3,190,331	(554,891)	44,194,305
Effects of retrospective application	-	-	-	-	4,337	-	-	-	-	-	-	4,337
Balance-January 1, 2019 after adjustments	36,190,357	16,418	1,673,633	875,464	2,807,330	(201,286)	3,369,294	-	22,323	3,190,331	(554,891)	44,198,642
Profit	-	-	-	-	2,273,309	-	-	-	-	-	-	2,273,309
Other comprehensive income	-	-	-	-	(6,955)	(30,840)	653,401	-	(2,254)	620,307	-	613,352
Total comprehensive income	-	-	-	-	2,266,354	(30,840)	653,401	-	(2,254)	620,307	-	2,886,661
Earnings appropriation and distribution:												
Legal reserve	-	-	250,976	-	(250,976)	-	-	-	-	-	-	-
Special reserve	-	-	-	(540,783)	540,783	-	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	(2,164,960)	-	-	-	-	-	-	(2,164,960)
Stock dividends - common stock	927,840	-	-	-	(927,840)	-	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	-	-	-	-	(14)	-	-	-	-	-	-	(14)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(25,027)	-	25,027	-	-	25,027	-	-
Change in capital surplus:												
Treasury shares sold to employees	-	126,040	-	-	-	-	-	-	-	-	554,891	680,931
Balance-December 31, 2019	\$ 37,118,197	142,458	1,924,609	334,681	2,245,650	(232,126)	4,047,722	-	20,069	3,835,665	-	45,601,260

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

Jih Sun Financial Holding Co., Ltd.
Statement of Cash Flow
For The Years Ended December 31, 2019 And 2018

Unit: NT\$ Thousand

Item	2019		2018	
	Subtotal	Total	Subtotal	Total
Cash flows from operating activities:				
Profit before tax		\$ 2,262,334		2,491,492
Adjustments				
Adjustments to reconcile profit				
Depreciation expense	2,361		129	
Amortization expense	289		111	
Share of profit of associates and joint ventures accounted for using equity method	(2,363,070)		(2,602,946)	
Interest income	(4,567)		(1,603)	
Interest expense	22,974		19,962	
Share-based payment	4,302		782	
Subtotal of income and expense items with no effect on cash flows		(2,337,711)		(2,583,565)
Changes in operating assets and liabilities				
Decrease in receivables	45,149		32,816	
(Increase) decrease other assets	(22)		476	
(Decrease) increase in payables	(153,792)		44,636	
Increase in provisions	83		105	
Increase in other liabilities	1,430		5	
Net changes in operating assets and liabilities		(107,152)		78,038
Cash used in operating activities		(182,529)		(14,035)
Interest received	4,263		1,600	
Income tax received	-		20,303	
Income tax paid	(2,918)		(7,798)	
Interest paid	(23,107)		(19,898)	
Net cash flows used in operating activities		(204,291)		(19,828)
Cash flows from investing activities:				
Acquisition of investments accounted for using equity method	(3,400)		-	
Dividend received	2,129,586		1,451,460	
Acquisition of intangible asset	(22)		(1,423)	
Acquisition of property and equipment	(22)		(907)	
Net cash flows from investing activities		2,126,142		1,449,130
Cash flows from financing activities:				
(Decrease) increase in short-term borrowings from banks	(410,000)		10,000	
Increase (decrease) in commercial papers payable	209,696		(140,276)	
Repayments of lease liabilities	(1,901)		-	
Treasury shares sold to employees	553,290		369,732	
Share-based payments received from subsidiaries	123,339		16,706	
Cash dividend paid	(2,164,960)		(1,481,285)	
Net cash flows used in financing activities		(1,690,536)		(1,225,123)
Net increase in cash and cash equivalents		231,315		204,179
Cash and cash equivalents at beginning of period		476,402		272,223
Cash and cash equivalents at end of period		\$ 707,717		476,402

Chairman: Huang Chin-Tang

President: Wang Zhi-Fang

Accounting Supervisor: Wang Hui-Chen

Attachment 6
Jih Sun Financial Holding Co., Ltd.
Earnings Distribution Table of 2019

Unit: NTS dollar

Undistributed earnings at the beginning of the term	\$	0
Plus: Adjustment of the retained earnings by adoption of IFRS 9 in 2019		4,336,380
Minus: Revaluation of defined benefit plan recognized in retained earnings		(6,954,760)
Minus: Loss from the disposal of equity instrument measured at fair value through other comprehensive income		(25,028,044)
Minus: Adjustment of the retained earnings of the changes in ownership interests in subsidiaries		(13,614)
Undistributed earnings after adjustment at the beginning of the term		(27,660,038)
Plus: Net income after tax of 2019		2,273,309,587
Minus: Provision of legal reserve (10%)		(224,564,955)
Earnings available for distribution		2,021,084,594
Distribution items		
Dividends for shareholders:		
Common share stock dividend: NT\$0.1633499 per share		(606,325,400)
Common share cash dividend: NT\$0.3811498 per share		(1,414,759,194)
Undistributed earnings at the end of the term	\$	0

Note 1:

The total of minus items of equities, such as cumulative translation adjustment and unrealized gains(losses) of financial products under shareholder's equities in 2019 is NT\$3,835,663,990, which was increased by NT\$645,334,400 as compared with the loss from the amount of plus items of NT\$3,190,329,590 under equities in 2018 and there is no need provision for special reserve.

Note 2:

The distribution of common share dividend is calculated in accordance with the number of shares with the right to participate in a distribution as of April 23, 2020. (3,711,819,741 shares) and the distribution amount is NT\$2,021,084,594 in total. If the number of outstanding shares on the base date of distribution of cash dividend is affected by factors such as capital increment, repurchase, transfer, conversion, or cancellation of the Company's shares, or employees' exercise of their rights to convert stock option certificates into shares will affect the cash dividend distribution base day and the number of outstanding shares on the base date of capital increase which may lead to the changes in distribution ratio of dividends, the board of directors is given the authority by the shareholders' meeting to adjust the payout ratio.

Chariman: Huang Chin-Tang

Manager: Wang Chin-Fang

Accounting supervisor: Wang Hui-Chen

Attachment 7

The contrast table of the Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p>Article 3 Consideration shall be given to the overall composition of the board of directors in the selection of the Company’s directors. It is advisable that the composition of the board members shall be determined by taking diversity into consideration, provided that no improper restrictions shall be set against gender, age, nationality, and culture. The members of the board shall possess the necessary knowledge, skills and experience to perform their duties. The abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 1. The ability to make judgments about operations. 2. Law, marketing, technology, accounting and financial analysis ability. 3. Business management ability (<u>including operation and management of subsidiaries</u>). 4. Crises management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership ability. 8. Decision-making ability. 9. <u>Knowledge and ability of risk management.</u> <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</p> <p>The qualification and election of independent directors shall be conducted pursuant to the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”</p> <p>A specific percentage of board members of the Company shall adhere to the provisions set forth in the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company.”</p>	<p>Article 3 Consideration shall be given to the overall composition of the board of directors in the selection of the Company’s directors. It is advisable that the composition of the board members shall be determined by taking diversity into consideration, provided that no improper restrictions shall be set against gender, age, nationality, and culture. The members of the board shall possess the necessary knowledge, skills and experience to perform their duties. The abilities that must be present in the board as a whole are as follows:</p> <ol style="list-style-type: none"> 1. The ability to make judgments about operations. 2. Law, marketing, technology, accounting and financial analysis ability. 3. Business management ability. 4. Crises management ability. 5. Knowledge of the industry. 6. An international market perspective. 7. Leadership ability. 8. Decision-making ability. <p>More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.</p> <p>The qualification and election of independent directors shall be conducted pursuant to the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.”</p> <p>A specific percentage of board members of the Company shall adhere to the provisions set forth in the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company.”</p>	<ol style="list-style-type: none"> 1. To amend this article in accordance with Article 29 of the Corporate Governance Best Practice Principles for Financial Holding Company. 2. The capabilities of board members include business management ability (including operation and management of subsidiaries) and knowledge and ability of risk management.

Attachment 7

The contrast table of the Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p>Article 6</p> <p>The company shall set up independent directors <u>according to law</u>, the number of which shall not be less than two, and shall not be less than one fifth of the number of directors. The election of directors of the company adopts the system of nomination of candidates. The shareholders shall select the candidates from the list of candidates for directors. Independent directors and non-independent directors shall be elected together, and the number of elected directors shall be calculated respectively. Those with more voting rights shall be elected as independent directors and non-independent directors in turn.</p> <p><u>The nomination and selection of candidates for directors of the company shall be conducted in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations.</u></p> <p>When the number of independent directors falls below the rules prescribed in the first paragraph due to the dismissal of an independent director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting; when all independent shareholders are dismissed, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Article 6</p> <p>Pursuant to Articles 142 and 183 of the Securities and Exchange Act, the Company shall appoint independent directors, the number of which may not be less than two and not less than one-fifth of the total number of directors. The Company adopts a candidate nomination system for the election of the directors. For the purpose of reviewing the qualifications, academic background and experiences of director candidates and whether they are involved in any of the actions prescribed in Article 30 of the Company Act, the Company may not arbitrarily add requirements for documentary proof of other qualifications. In addition, it shall publicize the results of the review to serve as a reference for shareholders, and the shareholders shall elect the directors among the nominees listed in the roster of director candidates. Elections of both independent directors and non-independent directors shall be held at the same time with the number of elected directors being calculated separately. The candidates receiving ballots representing the highest number of votes will be elected independent directors and non-independent directors sequentially and respectively. The roster of director candidates of the Company shall be proposed through the methods below. After the board of directors evaluates that the candidates comply with the qualification requirements of directors, the roster will be submitted to the shareholders' meeting for election:</p> <p>(1) Shareholders holding 1% or more of the total number of issued shares may propose the roster of independent director and non-independent director candidates to the Company in written form, provided that the number of nominees may not exceed the required number of directors to be elected.</p> <p>(2) The board of directors proposes the roster of independent director and non-independent director candidates, provided that the number of nominees may not exceed the required number of directors to be elected.</p>	<p>1. This article shall be amended in accordance with Article 192-1 of the Company Act and Letter Interpretation Jing-Shang-Zi No. 10702429010 by the Ministry of Economic Affairs.</p> <p>2. Delete the words such as the qualification conditions for the board of directors to examine the candidates of directors. The nomination and selection of candidates for directors of the company shall be conducted in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations.</p> <p>3. The original regulation of the independent director's qualification and other words in this article are deleted because they are repeated with Article 3, Paragraph 3 of these rules.</p>

Attachment 7

The contrast table of the Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
	<p>(3) Other methods approved by the competent authority.</p> <p>The independent directors of the Company shall possess any of the qualifications set forth in Article 2, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and shall not be found involved in matters under Article 2, Paragraph 2 and Article 3 of the same Regulations.</p> <p>When the number of independent directors falls below the rules prescribed in the first paragraph due to the dismissal of an independent director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders’ meeting; when all independent shareholders are dismissed, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	
<p>Article 7</p> <p>The board of directors of the Company may, prior to calling a shareholders’ meeting to hold the re-election of independent directors, conduct a preview and overall assessment on whether the qualifications, academic background and experience of the independent director candidates <u>nominated</u> by the shareholders or the board of directors are consistent with Articles 3 and 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company” and Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and then provide the roster of independent director candidates along with the opinions and data related to review and assessment for the shareholders’ reference, enabling them to choose competent independent directors.</p> <p><u>The term of office</u> of the company's independent directors included in the list</p>	<p>Article 7</p> <p>The board of directors of the Company may, prior to calling a shareholders’ meeting to hold the re-election of independent directors, conduct a preview and overall assessment on whether the qualifications, academic background and experience of the independent director candidates recommended by the shareholders or the board of directors are consistent with Articles 3 and 9 of the “Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company” and Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies,” and then provide the roster of independent director candidates along with the opinions and data related to review and assessment for the shareholders’ reference, enabling them to choose competent independent directors.</p> <p>When an independent director included by the Company into the roster of</p>	<p>1. In accordance with Article 31 of the “Corporate Governance Best Practice Principles for Financial Holding Company”, this article is amended.</p> <p>2. Strengthen the functions of independent directors and corporate governance of financial institutions.</p>

Attachment 7

The contrast table of the Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
of candidates for directors in accordance with the preceding paragraph <u>shall not exceed three consecutive terms.</u>	independent director candidates pursuant to the preceding paragraph has served as the Company's independent director for three consecutive terms, the Company shall jointly announce the reasons for continuing nominating the candidate for acting as independent director at the time of publicizing the review results as prescribed in Article 6, Paragraph 2, and shall explain the aforementioned reasons to the shareholders while carrying out an election at the shareholders' meeting.	
<p>Article 15</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot is not the one prescribed in the Rules. 2. A blank ballot is cast inside the ballot box. 3. The number of candidate entered exceeds the required number. 4. Other words or marks are entered in addition to the candidate's name (including its juristic person title or the full name of the representative) and shareholder account number or the identification document number. 5. Any of a candidate's full name, shareholder account number, identification document number or allotted number of votes that have been entered is altered. 6. The writing is unclear or indecipherable. 7. The candidate whose name is entered in the ballot is a shareholder, but the candidate's name does not conform with that given in the shareholder register; or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name, identification document number and data specified on identity card do not match. 8. The name of the candidate entered is identical to that of another candidate, but neither shareholder account number nor identity card number is provided in the ballot to identify such individual. 9. <u>Where the name of the person to be elected is inconsistent with the list of</u> 	<p>Article 15</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot is not the one prescribed in the Rules. 2. A blank ballot is cast inside the ballot box. 3. The number of candidate entered exceeds the required number. 4. Other words or marks are entered in addition to the candidate's name (including its juristic person title or the full name of the representative) and shareholder account number or the identification document number. 5. Any of a candidate's full name, shareholder account number, identification document number or allotted number of votes that have been entered is altered. 6. The writing is unclear or indecipherable. 7. The candidate whose name is entered in the ballot is a shareholder, but the candidate's name does not conform with that given in the shareholder register; or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name, identification document number and data specified on identity card do not match. 8. The name of the candidate entered is identical to that of another candidate, but neither shareholder account number nor identity card number is provided in the ballot to identify such individual. 	<p>The provisions of Subparagraph 9, invalidity of electoral votes, are added to state that "Where the name of the person to be elected is inconsistent with the list of candidates for directors announced."</p>

Attachment 7

The contrast table of the Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd. before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<u>candidates for directors announced.</u>		
<p>Article 17 The votes shall be calculated on site immediately after the end of the poll, and the chairperson <u>or the designated person</u> shall announce the voting result on site immediately, including the name list of elected directors and independent directors and the number of votes with which they were elected.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the end of the lawsuit.</p>	<p>Article 17 The votes shall be calculated on site immediately after the end of the poll, and the chairperson shall announce the voting result on site immediately, including the name list of elected directors and independent directors and the number of votes with which they were elected.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the end of the lawsuit.</p>	<p>For the announcement of voting result on the spot, "or the designated person "is added to increase the flexibility of the operation of the meeting affairs.</p>
<p>Article 19 The Rules, and any amendments thereto, shall be announced for implementation after approval by the shareholders' meeting.</p> <p>The Rules were enacted on June 6, 2003. The first amendment was on June 11, 2004. The second amendment was on June 9, 2006. The third amendment was on April 10, 2007. The fourth amendment was on June 19, 2009. The fifth amendment was on June 24, 2011. The sixth amendment was on June 22, 2012. The seventh amendment was on June 21, 2013. The eighth amendment was on June 8, 2016. The ninth amendment was on June 8, 2018. <u>The tenth amendment was in 2020.</u></p>	<p>Article 19 The Rules, and any amendments thereto, shall be announced for implementation after approval by the shareholders' meeting.</p> <p>The Rules were enacted on June 6, 2003. The first amendment was on June 11, 2004. The second amendment was on June 9, 2006. The third amendment was on April 10, 2007. The fourth amendment was on June 19, 2009. The fifth amendment was on June 24, 2011. The sixth amendment was on June 22, 2012. The seventh amendment was on June 21, 2013. The eighth amendment was on June 8, 2016. The ninth amendment was on June 8, 2018.</p>	<p>Date of amendment is added.</p>

The Rules Governing the Election of Directors of Jih Sun Financial Holding Co., Ltd.

Date of Amendment: 2020/06/12

Article 1 Unless otherwise specified in the laws and regulations and the Articles of Incorporation of the Company, the election of the Company's directors shall be conducted pursuant to the Rules.

Article 2 Unless otherwise specified in the laws and regulations, the election of the Company's directors shall be conducted at a shareholders meeting.

Article 3 Consideration shall be given to the overall composition of the board of directors in the selection of the Company's directors. It is advisable that the composition of the board members shall be determined by taking diversity into consideration, provided that no improper restrictions shall be set against gender, age, nationality, and culture. The members of the board shall possess the necessary knowledge, skills and experience to perform their duties. The abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Law, marketing, technology, accounting and financial analysis ability.
3. Business management ability (including operation and management of subsidiaries).
4. Crises management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.
9. Knowledge and ability of risk management.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

The qualification and election of independent directors shall be conducted pursuant to the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

A specific percentage of board members of the Company shall adhere to the provisions set forth in the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company."

Article 4 (Deleted)

Article 5 In cases where there are five or less directors in the Company, two of whom are required to possess any of the qualifications set forth in Article 9, Paragraph 1 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company"; if there are more than five directors, one director in addition to the original two shall possess any of such qualifications for an increment of every four directors.

The directors of the Company may not engage in any of the matters prescribed in Article 3 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company."

When the number of directors falls below seven due to the dismissal of a director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's Articles of Incorporation, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The company shall set up independent directors according to law, the number of which shall not be less than two, and shall not be less than one fifth of the number of directors. The election

of directors of the company adopts the system of nomination of candidates. The shareholders shall select the candidates from the list of candidates for directors. Independent directors and non-independent directors shall be elected together, and the number of elected directors shall be calculated respectively. Those with more voting rights shall be elected as independent directors and non-independent directors in turn.

The nomination and selection of candidates for directors of the company shall be conducted in accordance with the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

When the number of independent directors falls below the rules prescribed in the first paragraph due to the dismissal of an independent director for any reason, the Company shall hold a by-election to fill the vacancy at its next shareholders' meeting; when all independent shareholders are dismissed, the Company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 7 The board of directors of the Company may, prior to calling a shareholders' meeting to hold the re-election of independent directors, conduct a preview and overall assessment on whether the qualifications, academic background and experience of the independent director candidates nominated by the shareholders or the board of directors are consistent with Articles 3 and 9 of the "Regulations Governing Qualification Requirements for the Promoter or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company" and Articles 2, 3 and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and then provide the roster of independent director candidates along with the opinions and data related to review and assessment for the shareholders' reference, enabling them to choose competent independent directors.
The term of office of the company's independent directors included in the list of candidates for directors in accordance with the preceding paragraph shall not exceed three consecutive terms.

Article 8 In cases where a government organization or a juristic person is the Company's shareholder, such government organization or juristic person and its representative may be elected non-independent directors respectively; however, they may not be elected the independent directors. In addition, the appointment letter for the appointed representative shall be provided upon application for register.

Article 9 The cumulative voting method shall be used for election of directors and independent directors of the Company. Each share will have votes in a number equal to the number of the directors or independent directors to be elected, and may be cast for a single candidate or split among multiple candidates. Those receiving ballots representing the highest number of votes shall be elected.

Article 10 In accordance with the number of directors and independent directors of the Company prescribed in the Articles of Incorporation, the candidates receiving ballots representing the highest number of votes respectively shall be elected directors or independent directors sequentially, under the premise that the percentage and qualifications set forth in Articles 5 and 6 of the Rules are complied with. However, it shall be conducted in accordance with the circumstances as below:

1. When a candidate receiving the highest number of votes does not possess any of the qualifications set forth in Articles 5 and 6 of the Rules, resulting in the number of persons of the Company that shall possess the qualifications falling short of the statutory percentage, the candidate may not be elected director or independent director. Moreover, the vacancy shall be filled by the candidate receiving the second highest number of votes originally and possessing any of the qualifications set forth in Articles 5 and 6 of the Rules, and such candidate shall be elected director or independent director.
2. If two or more candidates receive the same number of votes, thus exceeding the specified number of positions, the one that possesses any of the qualifications set forth in Articles 5 and 6 of the Rules shall be preceded to be elected, which is followed by drawing lots by

those receiving the same number of votes. The chairperson shall draw lots on behalf of the absent candidate.

Article 11 (Deleted)

Article 12 The chairperson shall, prior to the election, assign a number of the vote monitoring and bot counting personnel to carry out the relevant matters.

Article 13 The Company shall prepare the ballots with attendance card number printed on them and the number of votes associated with each ballot specified on them.

Article 14 If a candidate is a shareholder, a voter must enter the candidate's full name, shareholder account number and the allotted number of votes in each ballot; if a candidate is not a shareholder, a voter shall enter the candidate's full name and identification document number. However, when the candidate is a government organization or juristic person, the name of the government organization or juristic person and its representative shall be entered in the column for the candidate on the ballot.

Article 15 A ballot is invalid under any of the following circumstances:

1. The ballot is not the one prescribed in the Rules.
2. A blank ballot is cast inside the ballot box.
3. The number of candidate entered exceeds the required number.
4. Other words or marks are entered in addition to the candidate's name (including its juristic person title or the full name of the representative) and shareholder account number or the identification document number.
5. Any of a candidate's full name, shareholder account number, identification document number or allotted number of votes that have been entered is altered.
6. The writing is unclear or indecipherable.
7. The candidate whose name is entered in the ballot is a shareholder, but the candidate's name does not conform with that given in the shareholder register; or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name, identification document number and data specified on identity card do not match.
8. The name of the candidate entered is identical to that of another candidate, but neither shareholder account number nor identity card number is provided in the ballot to identify such individual.
9. Where the name of the person to be elected is inconsistent with the list of candidates for directors announced.

Article 16 If the total combined number of allotted votes on a ballot is less than the number of votes held by the voter, the insufficient votes are deemed as abstained.

Article 17 The votes shall be calculated on site immediately after the end of the poll, and the chairperson or the designated person shall announce the voting result on site immediately, including the name list of elected directors and independent directors and the number of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the vote monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the end of the lawsuit.

Article 18 Others matters not mentioned herein, if any, shall be conducted pursuant to the rules of the Company and the relevant laws and regulations.

Article 19 The Rules, and any amendments thereto, shall be announced for implementation after approval by the shareholders' meeting.

The Rules were enacted on June 6, 2003.
The first amendment was on June 11, 2004.
The second amendment was on June 9, 2006.
The third amendment was on April 10, 2007.
The fourth amendment was on June 19, 2009.
The fifth amendment was on June 24, 2011.
The sixth amendment was on June 22, 2012.
The seventh amendment was on June 21, 2013.
The eighth amendment was on June 8, 2016.
The ninth amendment was on June 8, 2018.
The tenth amendment was on June 12, 2020.

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p><u>Article 2-1</u> <u>The shareholders' meeting of the Company shall be convened by the board of directors unless otherwise provided by laws and regulations.</u> <u>The Company shall, 30 days prior to the shareholders' meeting or 15 days prior to the interim shareholders' meeting, make electronic files of the notice of shareholders' meeting, paper for power of attorney, the cause of action and explanatory data of various proposals such as the relevant acknowledgement proposal, the discussion proposal, the selection or removal of directors, etc., and transmit them to the Market Observation Post System ("MOPS"). And on 21 days before the shareholders' meeting or 15 days before the interim shareholders' meeting, the shareholders' meeting manual and the supplementary data of the meeting shall be made as electronic files and transmitted to the MOPS. For 15 days before the shareholders' meeting, the meeting manual and supplementary data shall be prepared for the shareholders to read at any time, and shall be displayed in the Company and the professional stock agency appointed by the Company, and shall be distributed on the site of the shareholders' meeting.</u> <u>The notice and public announcement shall specify the reason for calling the meeting; if the notice is approved by the other party, it can be done electronically.</u> <u>The Company's election or removal of directors, change of articles of association, reduction of capital, application for suspension of public</u></p>	<p>(There is no such article)</p>	<p>With reference to Article 3 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", the provisions of the notice of convening a meeting are added so as to make the rules complete.</p>

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p><u>offering, permission for business competition of director, surplus to capital increase, reserve to capital increase, dissolution, merger, division of the company, or the matters referred to in Article 185, Paragraph 1 of the Company Act shall be listed in the reasons for convening the meeting and the main contents shall be stated, which shall not be put forward by provisional motion; the main contents may be placed on the website designated by the securities regulatory authority or the Company, and the website shall be specified in the notice.</u></p> <p><u>The reasons for the convening of the shareholders' meeting have indicated the full re-election of directors and the date of taking office. After the re-election of the shareholders' meeting is completed, the date of taking office shall not be changed by provisional motion or other means at the same meeting</u></p> <p><u>A shareholder holding more than 1% of the total issued shares may propose to the Company a proposal for a shareholders' meeting, which shall be limited to one and shall not be included if there is more than one proposal. However, if a shareholder's proposal is a proposal to urge the Company to promote the public interest or fulfill its social responsibility, the board of directors may still include the proposal. In addition, the board of directors may not list the proposal proposed by the shareholders as a proposal in case of any of the circumstances in Article 172-1, Paragraph 4 of the Company Act.</u></p> <p><u>The Company shall, prior to the date of</u></p>		

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p><u>suspension of stock transfer before the shareholders' meeting, publicly announce acceptance of shareholder's proposal, written or electronic acceptance method, acceptance place and acceptance period; the acceptance period shall not be less than 10 days</u></p> <p><u>A proposal made by a shareholder shall be limited to three hundred words. If the proposal exceeds three hundred words, the proposal shall not be included in the proposal; the shareholder making the proposal shall attend the shareholders' meeting in person or by proxy and participate in the discussion of the proposal.</u></p> <p><u>The company shall, prior to the date of the notice of convening the shareholders' meeting, notify the proposing shareholders of the results of the handling, and list the proposals in accordance with the provisions of this article in the notice of meeting. For the proposals of shareholders not included in the proposal, the board of directors shall explain the reasons for not included in the shareholders' meeting.</u></p>		
<p>Article 3</p> <p>The place of a shareholders' meeting shall be furnished with an attendance book for the attending shareholders to sign, or the attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>Shareholders may be allowed to enter the place of the meeting by wearing attendance cards or showing the relevant certificates.</p> <p>The number of shares present shall be calculated based on the attendance book or the sign-in card</p>	<p>Article 3</p> <p>The place of a shareholders' meeting shall be furnished with an attendance book for the attending shareholders to sign, or the attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>Shareholders may be allowed to enter the place of the meeting by wearing attendance cards or showing the relevant certificates.</p> <p>The number of shares present shall be calculated based on the attendance book or the sign-in card</p>	<p>With reference to Article 9, Paragraph 1 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", to revise Paragraph 3 of this article.</p>

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p>submitted by the shareholder <u>plus the number of shares exercising voting rights in written or electronic form.</u></p> <p>The number of attending equities shall be calculated based on the attendance book or sign-in cards handed by shareholders.</p>	<p>submitted by the shareholder.</p>	
<p>Article 7</p> <p>A shareholders' meeting shall proceed in the order set by the agenda.</p> <p>If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, <u>the relevant motions (including provisional motions and amendments to the original motions) shall be decided by case by case vote,</u> and the meeting shall proceed in the order set by the agenda. No change shall be made unless resolved by the shareholders meeting.</p> <p>The rules prescribed in the preceding paragraph shall apply mutatis mutandis to a shareholders meeting convened by other party with the power to convene that is not the board of directors.</p> <p>The chairperson may not declare the meeting adjourned prior to the completion of the meeting agenda (including provisional motions) prescribed in the preceding two paragraphs, except by the resolution of the meeting.</p>	<p>Article 7</p> <p>A shareholders' meeting shall proceed in the order set by the agenda.</p> <p>If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors and the meeting shall proceed in the order set by the agenda. No change shall be made unless resolved by the shareholders meeting.</p> <p>The rules prescribed in the preceding paragraph shall apply mutatis mutandis to a shareholders meeting convened by other party with the power to convene that is not the board of directors.</p> <p>The chairperson may not declare the meeting adjourned prior to the completion of the meeting agenda (including provisional motions) prescribed in the preceding two paragraphs, except by the resolution of the meeting.</p>	<ol style="list-style-type: none"> 1. With reference to Article 10 of the reference example of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", the paragraph 2 of this article is revised. 2. The spirit of case by case voting is implemented.
<p>Article 14</p> <p>When a chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairperson may announce the discussion closed and call for a vote, <u>and arrange sufficient time for voting.</u></p>	<p>Article 14</p> <p>When a chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the Chairperson may announce the discussion closed and call for a vote.</p>	<ol style="list-style-type: none"> 1. With reference to Article 10 of the reference example of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", this article is revised. 2. In order to avoid the excessive restriction of voting time by the convener of the shareholders' meeting, resulting in the

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
		shareholders' voting rights being affected as they are too late to vote.
<p>Article 16 Each shareholder has one voting right, except for restrictions or non-voting rights listed in Article 179, Paragraph 2 of the Company Act. When the company convenes a shareholders' meeting, <u>it shall adopt by electronic form and exercise the voting rights in written form</u>; when it exercises its voting rights <u>in written or</u> electronic form, the exercise method shall be specified in the notice of convening the shareholders' meeting. The shareholders who exercise their voting rights <u>in written or</u> electronic form shall be deemed to attend the shareholders' meeting in person. However, for the temporary motion of the shareholders' meeting and the amendment of the original proposal, it shall be deemed as abstention Where the voting right is exercised <u>in written or</u> electronic form as referred to in the preceding paragraph, the declaration of intention shall be delivered to the company two days before the shareholders' meeting. In case of any repetition of the declaration of intention, the one delivered first shall prevail. However, this restriction shall not apply if the declaration of intention is withdrawn. After the shareholders exercise their voting rights <u>in written or</u> electronic form, if they want to attend the shareholders' meeting in person, they shall withdraw the expression of intention to exercise the voting rights mentioned in the preceding paragraph in the same way as they</p>	<p>Article 16 Each shareholder has one voting right, except for restrictions or non-voting rights listed in Article 179, Paragraph 2 of the Company Act. When the company convenes a shareholders' meeting, the shareholders who fail to attend the shareholders' meeting in person shall exercise their voting rights electronically and in writing; when it exercises its voting rights in electronic form, the exercise method shall be specified in the notice of convening the shareholders' meeting. The shareholders who exercise their voting rights in electronic form shall be deemed to attend the shareholders' meeting in person. However, for the temporary motion of the shareholders' meeting and the amendment of the original proposal, it shall be deemed as abstention Where the voting right is exercised in electronic form as referred to in the preceding paragraph, the declaration of intention shall be delivered to the company two days before the shareholders' meeting. In case of any repetition of the declaration of intention, the one delivered first shall prevail. However, this restriction shall not apply if the declaration of intention is withdrawn. After the shareholders exercise their voting rights in electronic form, if they want to attend the shareholders' meeting in person, they shall withdraw the expression of intention to exercise the voting rights mentioned in the preceding</p>	<ol style="list-style-type: none"> 1. In accordance with Article 13 of the reference example of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", this article is amended. 2. In 2018, listed and OTC companies fully adopted the electronic voting

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p>exercise their voting rights two days before the shareholders' meeting; if they do not withdraw within the time limit, the voting rights exercised <u>in written or</u> electronic form shall prevail. If they exercise their voting rights <u>in written or</u> electronic form and entrust their proxy to attend the shareholders' meeting by power of attorney, the voting rights of the entrusted agent shall prevail. Except as otherwise provided in the Company Act and the Articles of Association of the company, the voting of a proposal shall be adopted with the consent of more than half of the voting rights of the shareholders present. When voting, the chairperson or the designee shall announce the total voting rights of the shareholders present on a case by case basis, and the shareholders shall vote on a case by case basis, and the results of the shareholders' consent, objection and abstention shall be input into the Market Observation Post System on the day after the shareholders' meeting.</p>	<p>paragraph in the same way as they exercise their voting rights two days before the shareholders' meeting; if they do not withdraw within the time limit, the voting rights exercised in electronic form shall prevail. If they exercise their voting rights in electronic form and entrust their proxy to attend the shareholders' meeting by power of attorney, the voting rights of the entrusted agent shall prevail. Except as otherwise provided in the Company Act and the Articles of Association of the company, the voting of a proposal shall be adopted with the consent of more than half of the voting rights of the shareholders present. When voting, the chairperson or the designee shall announce the total voting rights of the shareholders present on a case by case basis, and the shareholders shall vote on a case by case basis, and the results of the shareholders' consent, objection and abstention shall be input into the Market Observation Post System on the day after the shareholders' meeting.</p>	
<p>Article 17 A proposal submitted by a shareholder may not violate the Financial Holding Company Act, Company Act and other laws and regulations. When there is an amendment or alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When one among them is adopted, the other</p>	<p>Article 17 With the exception of the proposals set in the agenda, other proposals provided by shareholders or an amendment or an alternative to the proposal shall be petitioned by other shareholders. Other proposals may be discussed or put to a vote after the petition is signed by 10 or more attending shareholders or the proposer and the petitioner account for 1% of the total number of voting rights of the issued shares. A proposal submitted by a shareholder may</p>	<ol style="list-style-type: none"> 1. With reference to Article 13 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", the current provisions of Paragraph 1 of this article is deleted. 2. For paragraph change, Paragraph 2 of the current article is transferred to Paragraph 1 of the amended article, and Paragraph 3 of the current article is transferred to Paragraph 2 of the amended article.

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p>proposals will then be deemed rejected and no further voting shall be required.</p>	<p>not violate the Financial Holding Company Act, Company Act and other laws and regulations. When there is an amendment or alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When one among them is adopted, the other proposals will then be deemed rejected and no further voting shall be required.</p>	
<p>Article 18 Vote monitoring and calculating personnel for the voting on a proposal shall be appointed by the chairperson, provided that the monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting and a record shall be made of the vote. Matters with respect to the resolutions at a shareholders meeting shall be compiled into the meeting minutes. The meeting minutes shall be signed or sealed by the meeting chairperson and a copy distributed to all the shareholders within 20 days after the meeting. The Company may distribute the meeting minutes prescribed in the preceding paragraph by means of public announcement or through other methods allowed by the laws and regulations. The meeting minutes shall record the year, month, day, venue, name of the chairperson, the methods by which the resolutions were adopted, and a summary of the deliberations and their results of</p>	<p>Article 18 Vote monitoring and calculating personnel for the voting on a proposal shall be appointed by the chairperson, provided that the monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting and a record shall be made of the vote. Matters with respect to the resolutions at a shareholders meeting shall be compiled into the meeting minutes. The meeting minutes shall be signed or sealed by the meeting chairperson and a copy distributed to all the shareholders within 20 days after the meeting. The Company may distribute the meeting minutes prescribed in the preceding paragraph by means of public announcement or through other methods allowed by the laws and regulations. The meeting minutes shall record the year, month, day, venue, name of the chairperson, the methods by which the resolutions were adopted, and a summary of the deliberations and their results, and shall be retained permanently for the duration</p>	<ol style="list-style-type: none"> 1. With reference to Article 15 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", this article is revised. 2. In order to implement the case by case voting spirit.

Attachment 8

The contrast table of the "Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd." before and after the amendments

Content after the amendments	Content before the amendments	Explanation of the amendments
<p><u>voting (including the weight of statistics), when there are directors to be elected, the number of weighted voting obtained by each candidate shall be disclosed</u>, and shall be retained permanently for the duration of the existence of the Company. The attendance book for the attending shareholders and the proxy forms of the proxies shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company act, such materials shall be retained until the conclusion of the litigation.</p>	<p>of the existence of the Company. The attendance book for the attending shareholders and the proxy forms of the proxies shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company act, such materials shall be retained until the conclusion of the litigation.</p>	
<p>Article 18-1 The Company shall compile a statistical table in accordance with the prescribed format to disclose clearly the number of shares acquired by the solicitors and the number of shares represented by the entrusted agent in the shareholders' meeting on the day of the shareholders' meeting. In the event that any resolution of the shareholders' meeting is material information as required by laws and regulations or by the Taipei Exchange, the Company shall transmit the content to the MOPS within the prescribed time.</p>	<p>(There is no such article)</p>	<p>With reference to Article 16 of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings", the provisions for public announcement are added, so as to make these rules complete.</p>

The Rules of Procedures for Shareholders' Meetings of Jih Sun Financial Holding Co., Ltd.

Date of Amendment: 2020/06/12

Article 1

The procedures for the Company's shareholders' meetings shall be as provided in the Rules.

Article 2

Shareholders mentioned in the Rules refer to shareholders themselves or proxies consigned by shareholders to attend the meeting.

Article 2-1

The shareholders' meeting of the Company shall be convened by the board of directors unless otherwise provided by laws and regulations.

The Company shall, 30 days prior to the shareholders' meeting or 15 days prior to the interim shareholders' meeting, make electronic files of the notice of shareholders' meeting, paper for power of attorney, the cause of action and explanatory data of various proposals such as the relevant acknowledgement proposal, the discussion proposal, the selection or removal of directors, etc., and transmit them to the Market Observation Post System ("MOPS"). And on 21 days before the shareholders' meeting or 15 days before the interim shareholders' meeting, the shareholders' meeting manual and the supplementary data of the meeting shall be made as electronic files and transmitted to the MOPS. For 15 days before the shareholders' meeting, the meeting manual and supplementary data shall be prepared for the shareholders to read at any time, and shall be displayed in the Company and the professional stock agency appointed by the Company, and shall be distributed on the site of the shareholders' meeting.

The notice and public announcement shall specify the reason for calling the meeting; if the notice is approved by the other party, it can be done electronically.

The Company's election or removal of directors, change of articles of association, reduction of capital, application for suspension of public offering, permission for business competition of director, surplus to capital increase, reserve to capital increase, dissolution, merger, division of the company, or the matters referred to in Article 185, Paragraph 1 of the Company Act shall be listed in the reasons for convening the meeting and the main contents shall be stated, which shall not be put forward by provisional motion; the main contents may be placed on the website designated by the securities regulatory authority or the Company, and the website shall be specified in the notice.

The reasons for the convening of the shareholders' meeting have indicated the full re-election of directors and the date of taking office. After the re-election of the shareholders' meeting is completed, the date of taking office shall not be changed by provisional motion or other means at the same meeting.

A shareholder holding more than 1% of the total issued shares may propose to the Company a proposal for a shareholders' meeting, which shall be limited to one and shall not be included if there is more than one proposal. However, if a shareholder's proposal is a proposal to urge the Company to promote the public interest or fulfill its social responsibility, the board of directors may still include the proposal. In addition, the board of directors may not list the proposal proposed by the shareholders as a

proposal in case of any of the circumstances in Article 172-1, Paragraph 4 of the Company Act.

The Company shall, prior to the date of suspension of stock transfer before the shareholders' meeting, publicly announce acceptance of shareholder's proposal, written or electronic acceptance method, acceptance place and acceptance period; the acceptance period shall not be less than 10 days

A proposal made by a shareholder shall be limited to three hundred words. If the proposal exceeds three hundred words, the proposal shall not be included in the proposal; the shareholder making the proposal shall attend the shareholders' meeting in person or by proxy and participate in the discussion of the proposal.

The company shall, prior to the date of the notice of convening the shareholders' meeting, notify the proposing shareholders of the results of the handling, and list the proposals in accordance with the provisions of this article in the notice of meeting. For the proposals of shareholders not included in the proposal, the board of directors shall explain the reasons for not included in the shareholders' meeting.

Article 3

The place of a shareholders' meeting shall be furnished with an attendance book for the attending shareholders to sign, or the attending shareholders may hand in a sign-in card in lieu of signing in.

Shareholders may be allowed to enter the place of the meeting by wearing attendance cards or showing the relevant certificates.

The number of shares present shall be calculated based on the attendance book or the sign-in card submitted by the shareholder plus the number of shares exercising voting rights in written or electronic form.

The number of attending equities shall be calculated based on the attendance book or sign-in cards handed by shareholders.

Article 4

Attendance and voting at shareholders meetings shall be calculated based on the number of shares.

Article 5

The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders or suitable for the convention of a shareholders meeting. The meeting may start no earlier than 9 a.m. or no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

If a shareholders' meeting is convened by the board of directors, the meeting shall be chaired by the Chairman of the board. In cases where the Chairman is on leave or unable to exercise the powers of the Chairman for any reason, the Vice Chairman shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman is also on leave or unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the managing directors to act as chairperson; if there are no managing directors, one director shall be appointed to act as chairperson; if the Chairman does not make such a designation, the managing directors or the directors shall elect from themselves one person to serve as chairperson.

Article 7

A shareholders' meeting shall proceed in the order set by the agenda. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors, the relevant motions (including provisional motions and amendments to the original motions) shall be decided by case by case vote, and the meeting shall proceed in the order set by the agenda. No change shall be made unless resolved by the shareholders' meeting.

The rules prescribed in the preceding paragraph shall apply mutatis mutandis to a shareholders meeting convened by other party with the power to convene that is not the board of directors.

The chairperson may not declare the meeting adjourned prior to the completion of the meeting agenda (including provisional motions) prescribed in the preceding two paragraphs, except by the resolution of the meeting.

After the meeting is adjourned, shareholders may not, unless otherwise specified by the laws, elect another chairperson at the original venue or seek another venue to continue the meeting.

Article 8

The Company may designate the consigned lawyers, certified public accountants or the relevant personnel to attend a shareholders' meeting.

The personnel handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands, or other certificates sufficient for identification.

Article 9

The Company shall make an audio or video recording of the whole process of a shareholders' meeting, which shall be retained for at least one year.

Article 10

Before speaking, an attending shareholder shall specify on a speaker's slip the attendance card number (or his or her shareholder account number), full name and the subject of the speech. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker' slip but does not speak shall be deemed as to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

Article 11

A shareholder may not speak more than twice on the same proposal unless with the consent of the chairperson.

A single speech may not exceed 5 minutes; however, it may be prolonged by 3 minutes after obtaining the permission from the chairperson, provided that no more than one postponement.

When a shareholder violated the rules prescribed in the preceding two paragraphs or the scope of the agenda item, the chairperson may terminate the speech.

When a shareholder exceed the time while making the speech, the chairperson may terminate the speech.

When a speech violates the rules set forth in the Article, the content of the speech may not be recorded in the meeting minutes.

Article 12

When a juristic person is appointed to attend as proxy, such juristic person shall only designate one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13

After an attending shareholder has spoken, the chairperson may respond in person or designate the relevant personnel to respond.

Article 14

When a chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote, and arrange sufficient time for voting.

Article 15

The chairperson shall call the meeting to order at the appointed meeting time. However, the chairperson may announce a postponement when the attending shareholders do not represent a majority of the total number of issued shares, provided that no more than two such postponements and the combined total of no more than 1 hour. If the quorum is not met after two postponements and the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act.

When, prior to the closure of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution to the shareholders' meeting for a vote pursuant to Article 174 of the Company Act.

Article 16

Each shareholder has one voting right, except for restrictions or non-voting rights listed in Article 179, Paragraph 2 of the Company Act.

When the company convenes a shareholders' meeting, it shall adopt by electronic form and exercise the voting rights in written form; when it exercises its voting rights in written or electronic form, the exercise method shall be specified in the notice of convening the shareholders' meeting. The shareholders who exercise their voting rights in written or electronic form shall be deemed to attend the shareholders' meeting in person. However, for the temporary motion of the shareholders' meeting and the amendment of the original proposal, it shall be deemed as abstention

Where the voting right is exercised in written or electronic form as referred to in the preceding paragraph, the declaration of intention shall be delivered to the company two days before the shareholders' meeting. In case of any repetition of the declaration of intention, the one delivered first shall prevail. However, this restriction shall not apply if the declaration of intention is withdrawn.

After the shareholders exercise their voting rights in written or electronic form, if they want to attend the shareholders' meeting in person, they shall withdraw the expression of intention to exercise the voting rights mentioned in the preceding paragraph in the

same way as they exercise their voting rights two days before the shareholders' meeting; if they do not withdraw within the time limit, the voting rights exercised in written or electronic form shall prevail. If they exercise their voting rights in written or electronic form and entrust their proxy to attend the shareholders' meeting by power of attorney, the voting rights of the entrusted agent shall prevail.

Except as otherwise provided in the Company Act and the Articles of Incorporation of the Company, the voting of a proposal shall be adopted with the consent of more than half of the voting rights of the shareholders present. When voting, the chairperson or the designee shall announce the total voting rights of the shareholders present on a case by case basis, and the shareholders shall vote on a case by case basis, and the results of the shareholders' consent, objection and abstention shall be input into the Market Observation Post System on the day after the shareholders' meeting.

Article 17

A proposal submitted by a shareholder may not violate the Financial Holding Company Act, Company Act and other laws and regulations.

When there is an amendment or alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When one among them is adopted, the other proposals will then be deemed rejected and no further voting shall be required.

Article 18

Vote monitoring and calculating personnel for the voting on a proposal shall be appointed by the chairperson, provided that the monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting and a record shall be made of the vote.

Matters with respect to the resolutions at a shareholders' meeting shall be compiled into the meeting minutes. The meeting minutes shall be signed or sealed by the meeting chairperson and a copy distributed to all the shareholders within 20 days after the meeting.

The Company may distribute the meeting minutes prescribed in the preceding paragraph by means of public announcement or through other methods allowed by the laws and regulations.

The meeting minutes shall record the year, month, day, venue, name of the chairperson, the methods by which the resolutions were adopted, and a summary of the deliberations and their results of voting (including the weight of statistics), when there are directors to be elected, the number of weighted voting obtained by each candidate shall be disclosed, and shall be retained permanently for the duration of the existence of the Company.

The attendance book for the attending shareholders and the proxy forms of the proxies shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company act, such materials shall be retained until the conclusion of the litigation.

Article 18-1

The Company shall compile a statistical table in accordance with the prescribed format to disclose clearly the number of shares acquired by the solicitors and the number of shares represented by the entrusted agent in the shareholders' meeting on the day of the shareholders' meeting.

In the event that any resolution of the shareholders' meeting is material information as required by laws and regulations or by the Taipei Exchange, the Company shall transmit the content to the MOPS within the prescribed time.

Article 19

When a meeting is in progress, the chairperson may announce a break based on time considerations.

If an air strike warning occurs in the process of a meeting, the meeting shall be suspended immediately and people shall be evacuated. The meeting shall be resumed one hour after the warning is clear.

Article 20

The chairperson may direct the personnel handling administrative affairs, picketers or security personnel to help maintain order at the meeting place. When picketers or security personnel help maintain order at the meeting place, they shall wear a badge bearing the word "Picketeer."

Article 21

Others Matters not mentioned herein, if any, shall be conducted pursuant to the Company Act, the Articles of Incorporation of the Company and other relevant laws and regulations.

Article 22

The Rules, and any amendment thereto, shall come into force after approval by the shareholders' meeting.

Attachment 9

The Contents of Release of Directors from Non-competition Restrictions at the 2020 shareholders' Ordinary Meeting

Job Title	Name of Director	Company in which a Director Assumes a Position	Position
Independent Director	Liou Chih-Poung	Jia-Ying Intellectual Property Management Co., Ltd.	Chairman
		Jia-Ying Management Consultants Co., Ltd.	Chairman