



新光金控

Shin Kong Financial Holdings

Stock Code: 2888

This Annual Report is

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(URL: [//www.skfh.com.tw](https://www.skfh.com.tw))

Shin Kong Financial Holding Co., Ltd. 2024 Annual Report

Published on February 28, 2025

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Method of inquiry: www.bourse.lu

Table of Contents

Chapter 1. Letter to Shareholders	1
Chapter 2. Corporate Governance Report	14
I. Background Information of Directors, the President, Senior Vice Presidents, Vice Presidents, and Heads of Departments and Branch Offices	14
II. The distribution of remuneration to Directors, President and Senior Vice Presidents and Employee Bonus in the Most Recent Fiscal Year	37
III. Corporate Governance	48
IV. Professional Fees to the CPA Information	163
V. Replacement of CPAs	163
VI. Company Chairmen, President, or any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of such Accounting Firm	164
VII. Changes in Equity Transfer and Pledged Equity of Directors or Managerial Officers, and Those Required to Make a Declaration of Shareholding Changes by Article 11 of the "Regulations Governing A Same Person or A Same Related Party Having Held the Equity of A Same Financial Holding Corporation with Voting Power Exceeding the Specified Ratio"	165
VIII. Relationship Among the Company's Ten Largest Shareholders	170
IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company	172
Chapter 3. Capital Overview	173
I. Capital & Shares	173
II. Corporate Bonds (Including Offshore Corporate Bonds)	180
III. Issuance of Preferred Shares	181
IV. Private Placement of Corporate Bonds	185
V. Issuance of Global Depository receipts	186
VI. Employee Stock Warrants	187
VII. Restricted Stock Awards	187
VIII. M&A or Transfer of Shares of Other Financial Institutions	187
IX. Capital Plan And Utilization	188
Chapter 4. Business Overview	195
I. Business Overview	195
II. Cross-Functional Integration and Co-Marketing Benefits	277
III. Market and Business Overview	278
IV. Employee Profiles	300
V. Corporate Social Responsibility and Ethical Conducts	309
VI. Number of Full-time Non-Managerial Employees, Their Average Salary, Their Median Salary, and Comparative Information of the Three Indicators to the Previous Year	311
VII. Information Equipment	312
VIII. Information and Communication Security Management	321
IX. Labor Relations	325
X. Major Contracts	331
Chapter 5. Review and Analysis of the Financial Position and Financial Performance, and Risk Management	333
I. Financial Position	333
II. Financial Performance	335

III.	Cash Flow	336
IV.	Impact of Material Capital Expenditure on Financial Activity in the Most Recent Year	336
V.	The Company's Reinvestment Policy for the Most Recent Fiscal Year on Investments in Other Companies, the Main Reasons for Profit/Losses Resulting Therefrom and Plans for Improvement, and Investment Plans for the Coming Fiscal -Year	337
VI.	Risk Management	338
VII.	Crisis Management and Response Mechanism.....	379
VIII.	Other Important Matters	379
Chapter 6.	Special Disclosures.....	380
I.	Information on the Company's Affiliates	380
II.	Private Placement of Securities, the Date and Amount of Private Placement Approved by the Shareholders 'Meeting or Board Meeting That Shall Be Disclosed, the Base and Reasonableness of the Set Price, the Selection of Specific Person, and the Necessity of Private Placement in the Previous Year, Up to the Publication Date of This Annual Report.....	380
III.	Other Supplementary Information	380
Chapter 7.	Situations Listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report	380

Chapter 1.Letter to Shareholders

I. Impact of External Competition, Regulation, and Overall Business Environment

Reviewing 2024, geopolitical risks from the Russia-Ukraine War and Middle East tensions persisted. However, central banks adopted divergent monetary policies due to varying economic conditions. Major economies including Europe, the United States, and China initiated interest rate cut cycles in the middle of 2024 as inflation moderated, stimulating consumption and investment while stabilizing financial markets. Globally, the economy grew moderately, with the World Bank's January 2025 projection for 2024 global GDP growth at 2.7%, consistent with the previous year. In 2024, Taiwan's economy demonstrated strong performance driven by stable domestic demand and robust growth in the global semiconductor industry. Surging demand for ICT products prompted semiconductor manufacturers to increase production investments, while exports exceeded expectations. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Executive Yuan, Taiwan's 2024 GDP growth reached 4.30%, marking a substantial increase from 1.12% in 2023.

Looking ahead to 2025, global economic growth is projected to remain similar to 2024 levels, though uncertainties persist in fiscal and monetary policies across nations. The potential return of former U.S. President Donald Trump to office raises concerns over policies such as tariff hikes and immigration restrictions that may impact the global economy, while the pace and magnitude of the Federal Reserve's rate cuts are expected to decelerate. China's real estate market remains distressed. Despite infrastructure spending increases and monetary easing policies introduced since September 2024, the sustainability of these measures requires monitoring. Additionally, the global supply chain shifts triggered by geopolitical tensions and the increased infrastructure development in various countries due to extreme climate events are both major risks impacting the global economy. Beyond macroeconomic and financial market volatility, Taiwan's financial sector faces challenges including sustainability strategy implementation,

net-zero carbon reduction goals, alignment with IFRS17 and TW-ICS, and corporate governance compliance. The Company will continue advancing responsive initiatives.

II. Date and Results of the Latest Credit Rating

Taiwan Ratings:

Rated Company	National Long-Term Rating	National Short-Term Rating	Outlook	Date
Shin Kong Financial Holding	twA	twA-1	Positive	February 13, 2025
Shin Kong Life Insurance	twA+	-	Positive	February 13, 2025
Shin Kong Bank	twA+	twA-1	Positive	February 13, 2025
MasterLink Securities	twA	twA-1	Positive	February 13, 2025

Fitch Ratings:

Rated Company	Financial strength rating	Outlook	Date
Shin Kong Life Insurance	A(twn)	Stable	August 24, 2024

Standard & Poor's

Rated Company	National Long-Term Rating	National Short-Term Rating	Outlook	Date
Shin Kong Life Insurance	BBB-	-	Positive	February 13, 2025
Shin Kong Bank	BBB-	A-3	Negative	February 13, 2025

III. 2024 Business Results

In 2024, global inflation moderated, economic growth showed mild expansion, the U.S. dollar strengthened, and the New Taiwan Dollar continued to depreciate throughout the year. Shin Kong Financial Holding (SKFH) reported a consolidated net profit after tax of NT\$20.457 billion, the second-highest in history, with earnings per share of NT\$1.25 and an annual profit budget achievement rate of 314.4%. SKFH's consolidated shareholders' equity reached NT\$283.934 billion, a 15.4% increase from the previous year, with net asset value per share at NT\$15.76. The consolidated total assets amounted to NT\$5.14 trillion, a 3.9% growth from the prior year.

Shin Kong Life Insurance achieved a consolidated net profit after tax of NT\$10.229 billion, turning around from a loss in the previous year, primarily due to capital gains from equities and effective hedging cost control. Its consolidated shareholders' equity stood at NT\$188.633 billion, a 19.0% increase from the prior year. First-year premium income and total premium income were NT\$64.164 billion and NT\$190.408 billion, respectively, representing year-on-year growth of 65.1% and 13.7%. The product strategy focused on high-value foreign currency installment payment policies to reduce hedging costs and accumulate Contractual Service Margin (CSM). Foreign currency policy first-year premium income reached NT\$43.634 billion, accounting for 68.0% of total first-year premium income. The Contractual Service Margin (CSM) has met the annual target of NT\$30 billion every year since 2020.

Shin Kong Bank reported a consolidated net profit after tax of NT\$7.216 billion, a 6.3% increase from the previous year, reaching a record high. Net fee income grew by 29.3% compared to the previous year, with wealth management income increasing by 31.7%, driven by sales momentum in fund and insurance products. Shin Kong Bank continued to grow steadily, with its operational scale expanding consistently. Its consolidated total assets exceeded NT\$1.3 trillion. While balancing profitability and risk control, loan business grew by 6.0% compared to

the previous year, with asset quality remaining robust. The non-performing loan ratio and coverage ratio of bad debts stood at 0.12% and 1,086.63%, respectively.

Benefiting from strong performance in the Taiwan stock market, where the annual index surged by 28.5%, MasterLink Securities reported a consolidated net profit after tax of NT\$3.400 billion, a 36.1% increase from the previous year, marking the second-highest in history. Growth momentum was primarily driven by brokerage business, while proprietary trading and new financial product businesses also delivered solid performance. The brokerage business achieved a spot market share of 3.22%, ranking seventh in the market. MasterLink Securities actively diversified revenue streams, with its sub-brokerage business holding a 2.98% market share, also ranking seventh. The average trust asset scale of its wealth management business reached NT\$16.482 billion, a 16.7% increase from the previous year.

Business Performance of Other Subsidiaries: Shin Kong Investment Trust saw a 14.5% year-on-year growth in average assets under management and a 39.4% increase in net profit after tax. Shin Kong Financial Property Insurance Agency reported 7.3% growth in premium income and 9.1% growth in net profit after tax compared to the previous year. Shin Kong Venture Capital achieved a 3.4% increase in net profit after tax year-on-year.

Under the strategy of "Digital Rooting, Driving Transformation," Shin Kong Financial Holding Group surpassed 3.25 million digital customers. Digital adoption rates for key products and services reached 85%, with process automation achieving 95%. Shin Kong Life Insurance's e-policy adoption rate stood at 96.6%, Shin Kong Bank's digital transaction ratio at 91%, and MasterLink Securities' digital transaction ratio at 85%. The financial holding company and its subsidiaries received multiple domestic and international digital awards. In response to the government's initiatives to combat fraud through technology, Shin Kong Financial Holding actively established an industry risk alliance, participated in cross-financial sector collaborative learning for fraud prevention, and utilized privacy-enhancing technologies such as synthetic data and federated learning to build a shared

ecosystem for life insurance claim patterns, ensuring fair customer treatment. Shin Kong Financial Holding and its subsidiaries jointly developed the "SKFH AI+aaS Platform" (SKFH Group AI Plus as a Service Platform), serving as a group-level collaborative platform for AI R&D and talent co-creation. It received international digital awards including IDC Future Enterprise Awards' "Best in Future of Work," Global Banking & Finance Review's "Excellence in Innovation - Financial Holding Company Taiwan" and Global Business & Finance Magazine's "Best Business IT Innovation Taiwan." By integrating ecosystem partner resources, Shin Kong Financial Holding amplified technology R&D synergies, cultivating over 100 SPARK Hero digital seeds across the group and subsidiaries. It continued participation in the Digital Development Ministry's Digital Youth T-Ambassador Program, sharing new trends and R&D achievements through "Shin Kong Digital Day - AI Navigation, Shaping the Future Financial Landscape" and co-hosted the annual "Digital Star" innovation competition with subsidiaries, exemplifying best practices in digital financial innovation.

Shin Kong Financial Holding consolidated subsidiary resources, continuously leveraging its cross-selling platform to enhance internal resource allocation and channel utilization, driving inter-subsidiary business collaboration and maximizing integrated marketing synergies. In 2024, cross-selling resource integration generated NT\$4 billion in benefits, representing 26% year-on-year growth. Bancassurance total premiums grew 73% annually, group-coordinated investment trust fund sales increased 17%, and coordinated securities account openings rose 8% year-on-year. Focusing on customer segment management, the financial holding company utilized big data analytics to identify potential financial needs and preferences of high-value customer groups, enhancing operational efficiency. It deepened corporate clients' engagement with group products and provided diversified, comprehensive solutions to maximize cross-selling synergies.

For years, Shin Kong Financial Holding has consistently upheld "Low-Carbon, Innovation, Shared Value" as its three core ESG sustainability value propositions. It is committed to advancing corporate sustainable governance to align with

international standards. Through continuous improvements in sustainability practices, the company has been selected for four consecutive years as a constituent of the Dow Jones Sustainability Index World Index (DJSI World) and twice included in the Dow Jones Sustainability Index Emerging Markets (DJSI Emerging Markets), ranking first among global insurance industry participants. Additionally, in the MSCI ESG Rating, Shin Kong Financial Holding's rating significantly improved from BBB to the highest AAA rating, placing it within the top 16% of its industry. In domestic awards, Shin Kong Financial Holding and its subsidiaries have received over 30 accolades, including the Ministry of Environment's National Enterprise Environmental Protection Award and the Executive Yuan's National Sustainable Development Awards, demonstrating the company's position as a leader in sustainability both domestically and internationally.

To implement sustainable finance, Shin Kong Financial Holding and its subsidiaries voluntarily adhere to international frameworks such as the United Nations' Principles for Responsible Investment (PRI), Principles for Sustainable Insurance (PSI), Principles for Responsible Banking (PRB), and the Equator Principles, actively promoting responsible investment, financing, lending, and ESG financial products. Addressing the globally critical issue of climate change, Shin Kong Financial Holding officially passed the Science Based Targets initiative (SBTi) validation in February 2024, demonstrating its ambition to mitigate climate impacts. It revised its Sustainable Finance Policy to assess climate risks in high-carbon industries and pledged to phase out investments in coal and unconventional oil and gas-related sectors.

Beyond climate issues, Shin Kong Financial Holding prioritizes social and human rights initiatives. It collaborates with corporate volunteers to engage in public welfare activities such as inclusive finance, health promotion, and financial education, while fostering a Diversity, Equity, and Inclusion (DEI) workplace for employees. In 2024, Shin Kong Financial Holding outperformed private industry peers in the proportion of women in management positions and on the board of

directors, with a goal to increase the ratio of female senior executives to 30% by 2025. Additionally, comprehensive employee support programs and benefits were implemented: Shin Kong Financial Holding introduced 2 days of paid family care leave, while Shin Kong Life Insurance, Shin Kong Bank, and MasterLink Securities provided 2 days of fully paid "Maternity Leave"/"Paternity Leave" annually. These initiatives aim to establish the company as a strong support system for employees balancing career development and family responsibilities.

Shin Kong Financial Holding and its subsidiaries have achieved remarkable operational success, earning widespread recognition through numerous domestic and international awards. The financial holding company's sustainability performance earned international acclaim, including three consecutive years of the "Taiwan Top 100 Sustainable Enterprise Award" and three "Global Corporate Sustainability Awards". Subsidiary Shin Kong Life Insurance received the international "Corporate Excellence Award" in the Asia Pacific Enterprise Awards, three national awards including the "National Brand Yushan Award" (with a top national prize), two awards of "TSAA Taiwan Sustainability Action Awards", and three awards of "GCCA Greater China Excellence Customer Service Awards". Subsidiary Shin Kong Bank was selected three times for the "Best Companies to Work for in Asia", secured "Taiwan Sustainability Action Awards", two awards each for "Wealth Management Awards" by Wealth Magazine, and "Outstanding Bank Evaluation" by Excellence Magazine. Subsidiary MasterLink Securities won two awards of "National Brand Yushan Awards", four awards of "Wealth Management Bank and Securities Evaluation" by Business Today, and three honors including the "Taiwan Sustainability Action Award" and "Taiwan Sustainable Investment Award". Subsidiary Shin Kong Investment Trust was awarded the "BENCHMARK Taiwan Annual Fund Awards". Shin Kong Financial Holding and its subsidiaries have demonstrated exceptional operational performance, garnering high external acclaim and achieving substantial results.

IV. Overview of 2025 Business Plan

In 2025, Shin Kong Financial Holding adopts "Unite and Move Forward, Co-Create a New Chapter" as its annual strategic theme. Upholding prudent management principles, the Company aims to enhance operational performance across the financial holding group and subsidiaries, strengthen capital utilization efficiency and risk management mechanisms. The following business plan outlines the operational strategies and expected goals:

- **Enhance High-Value and New Business Profit Sources to Boost Profitability and Strengthen Capital Adequacy**

1. Shin Kong Financial Holding's core business focuses on effectively managing and guiding subsidiaries' strategic development, improving operational performance and capital efficiency to increase overall profitability and strengthen capital adequacy. Simultaneously, the Company will assist subsidiaries in developing high-value and innovative profit sources, expand the asset scale of banking and securities subsidiaries, and guide the life insurance subsidiary in aligning with IFRS17 and TW-ICS standards. This will broaden and deepen business scale while optimizing subsidiaries' asset structures.
2. Shin Kong Life Insurance will continue prioritizing value-driven products, promoting protection-type policies, foreign currency products, and investment-linked offerings to accumulate Contractual Service Margin (CSM) and reduce liability costs. It will strengthen risk controls and foreign exchange hedging cost management, optimize asset allocation, expand organizational scale to boost productivity, and enhance capital adequacy by increasing equity capital and reducing risk-weighted assets, ensuring alignment with international standards.
3. Shin Kong Bank will actively advance core businesses under improved capital efficiency, aiming for sustained loan portfolio growth to stabilize interest income. Concurrently, it will optimize deposit structures to lower funding costs while maintaining liquidity, enhance non-interest income

through cross-selling synergies within the bank and group, dynamically adjust investment portfolios to boost financial market returns, and increase fee-based revenue.

4. MasterLink Securities will strengthen client service capabilities to build a "warm service" brand, diversify revenue sources to elevate service income, optimize digital engagement models to foster brand loyalty, refine portfolio strategies to ensure stable returns, enhance investment efficiency to expand profit contributions, and emphasize compliance and sustainable development opportunities.

- Deepen Cross-Selling Synergies

1. Strengthen Bancassurance Sales Momentum to Drive Growth in Value-Driven Products

The Company will continue to enhance bancassurance sales momentum and increase the share of value-driven products. To meet customers' protection needs at different life stages, data mining will be utilized to segment clients and identify insurance demands. Tailored protection plans will be provided for key customer groups such as young professionals, the sandwich generation (family breadwinners), pre-retirees, and elderly retirees, addressing their life-stage insurance requirements.

2. Continuously Optimize Cross-Selling Processes with Digital Technology to Elevate Customer Financial Experience

Digital technology will be leveraged to continuously refine cross-selling product and service processes, improving customer experience, service efficiency, and satisfaction. This aims to enhance operational efficiency and scalability of shared customer bases across subsidiaries.

3. Deepen Corporate Finance Operational Efficiency to Boost Client Engagement and Contribution

By consolidating subsidiaries' corporate products and channel resources, customized corporate financial products and services will be developed based on clients' financial planning, operational management, and funding needs. One-stop solutions will be offered to deepen corporate client engagement and strengthen the financial holding group's overall contribution.

- Enhance Digital Revenue and Strengthen Digital Efficiency

1. Customer-Centric Digital Transformation Strategy

Guided by a customer-centric philosophy, the group will actively integrate digital channel resources, leverage OMO (Online merge Offline/Offline merge Online) collaboration between physical and digital touchpoints, and enhance cross-company customer management and diversion synergies. The convenience of self-service platforms will be continuously improved, while AI (Artificial Intelligence) technologies will be integrated to build innovative business models, striving to become the most trusted digital financial brand for customers.

2. Integrate Digital Technology to Build Innovative Operational Models

Shin Kong Financial Holding continues to introduce emerging technology resources to optimize and innovate its operational structures. Leveraging ecosystem resources, the company is fast-tracking the embedding of AI into operating processes, enhancing data applications in cross-industry risk alliances, and introducing an AI No-Code service platform for operational scenarios to strengthen the group's digital innovation capabilities and boost business development synergies.

3. Empower Employees to Drive Group-Wide Transformation

By collaborating with industry, government, and academic ecosystem partners, the group will accelerate enterprise-wide transformation. It will deepen digital talent development programs through AI-focused

educational training series and AI hands-on workshops, cultivating employees as "AI Enablers" to enhance technical skills, promote AI literacy, and strengthen the group's overall digital resilience.

- **Strengthen Corporate Governance, Align with International Disclosure Standards, and Enhance ESG Risk Management and Information Disclosure**

1. Shin Kong Financial Holding will continue refining its corporate governance framework, aiming to improve its governance rankings. In addition to strengthening compliance, internal controls, and audit effectiveness, the company prioritizes fair customer treatment principles. Through policy formulation and execution, it will embed fair customer practices into operations, fostering a friendly financial environment to enhance brand trust and support sustainable business practices.
2. In 2025, Shin Kong Financial Holding aims to maintain its inclusion in the Dow Jones Sustainability Indices (DJSI) World Index. Aligned with the "Roadmap For Taiwan Listed Companies To Align With IFRS Sustainability Disclosure Standards" issued by regulators in 2023, the company has established a "Sustainability Disclosure Standards Implementation Task Force" and is progressively implementing IFRS Sustainability Disclosure Standards (S1&S2) based on regulatory guidelines. Furthermore, as governments and investors increasingly emphasize ESG risk disclosure and management, Shin Kong Financial Holding will continue advancing climate risk management while expanding its focus to sustainability issues such as biodiversity and human rights, analyzing their linkages to financial performance.

V.Future Development Strategies of the Company

Looking ahead, Shin Kong Financial Holding will continue to pursue stable profitability, integrate group resources, provide optimal financial products and services, and actively leverage digital financial technology to enhance sustainable operations and customer experience, realizing the corporate value of sustainable development. The medium-to-long-term strategic focus will adhere to the following six key directions, accompanied by concrete operational plans to solidify the foundation for the company's sustainable growth:

- Enhance High-Value and New Business Profit Sources
- Expand Business Scale and Optimize Subsidiaries' Asset Structures
- Increase Profitability and Strengthen Capital Adequacy
- Deepen Cross-Selling Synergies
- Enhance Digital Revenue and Strengthen Digital Efficiency
- Implement corporate governance and promote sustainability

To achieve long-term sustainable growth, Shin Kong Financial Holding's merger and acquisition strategy targets financial holding companies with complementary strengths that can amplify synergies and expand the profitability and scale of its banking or securities subsidiaries. Shin Kong Financial Holding's merger with Taishin Financial Holding was approved at an extraordinary shareholders' meeting on October 9, 2024. The Fair Trade Commission issued a non-prohibition decision on January 8, 2025, followed by approval from the Financial Supervisory Commission on March 31, 2025. Subsequent merger procedures will proceed accordingly.

Shin Kong Financial Holding, with life insurance as its core business, and Taishin Financial Holding, centered on banking, exhibit high complementarity and collaborative benefits in operations and finance. Post-merger, the combined total assets will exceed NT\$8 trillion, making it the fourth-largest financial holding company in Taiwan. Key market positions are projected to rank within the top six: life insurance premium market share is expected to remain fourth, bank deposit/loan scale will rise to sixth, securities brokerage market share will

climb to fourth, and underwriting volume will reach second. Through economies of scale and cross-marketing among subsidiaries, such as referrals between life insurance, banking, and securities businesses, the merged entity will maximize operational synergies. Additionally, the complementary balance of post-merger asset portfolios and profit structures will enable larger operational scale, a more robust financial framework, and enhanced capital adequacy, strengthening resilience against future economic downturns or market volatility.

Chapter 2. Corporate Governance Report

I. Background Information of Directors, the President, Senior Vice Presidents, Vice Presidents, and Heads of Departments and Branch Offices

(I)Director:

April 16,2024

Title	Nationality or Place of Registration	Name	Gender Age	Date of election (appointment)	Term	Date First Elected	Shareholding when elected		Curren Shareholding		Shareholding By Spouse and Minor Children		Shareholding in the Name of Other Persons		Education and Work Experience	Position Concurrently Held in the Company or Other Companies	A Supervisor or Director Who are Spouses or Relative Within Second-Degree of Kinship			Remarks (Note 15)
							Number of Shares (Note16)	Percentage of Shareholding	Number of Shares (Note16)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relation-ship	
Chairman	R.O.C.	Shin Po Co., Ltd	-	2023.06.09	3 years	2020.06.19	1,083,375 *13,065	0.01% *0.00%	1,083,375 *13,065	0.01% *0.00%	0	0.00%	0	0.00%	MBA, George Washington University, Washington D.C., U.S.A.	Note1	None	None	None	None
		Representative: Mark Wei	Male 51~70	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	80,000	0.00%	0	0.00%						
Vice Chairman	R.O.C.	Shin Po Co., Ltd	-	2023.06.09	3 years	2010.06.19	1,083,375 *13,065	0.01% *0.00%	1,170,376 *13,065	0.01% *0.00%	0	0.00%	0	0.00%	Master of Accountancy, Western Illinois University	Note2	None	None	None	None
		Representative: Tung-Ming Wu	Male 71 or above	2023.06.09	3 years	2001.12.14	12,507	0.00%	13,499	0.00%	0	0.00%	0	0.00%						
Director	R.O.C.	Shin Kong Wu Ho Su Culture and Education Foundation	-	2023.06.09	3 years	2005.06.10	104,876	0.00%	104,876	0.00%	0	0.00%	0	0.00%	MS in Health Policy and Management, College of Public Health, National Taiwan University; MBA, Columbia Business School, Columbia University	Note3	None	None	None	None
		Representative: Olivia Wu	Female 31~50	2023.06.09	3 years	2023.06.09	3,361,092 *35,292	0.02% *0.01%	3,630,592 *35,292	0.02% *0.01%	3,822 *41	0.00% *0.00%	0	0.00%						
Director	R.O.C.	Shin Kong Wu Ho Su Culture and Education Foundation	-	2023.06.09	3 years	2005.06.10	104,876	0.00%	104,876	0.00%	0	0.00%	0	0.00%	Executive Master of Business Administration, National Sun Yat-sen University	Note4	None	None	None	None
		Representative: Tseng-Chang Lee	Male 71 or above	2023.06.09	3 years	2021.01.25	7,434,274 *27,683	0.05% *0.01%	8,026,375 *27,683	0.05% *0.01%	1,145	0.00%	0	0.00%						
Director	R.O.C.	Shin Po Co., Ltd	-	2023.06.09	3 years	2021.06.19	1,083,375 *13,065	0.01% *0.00%	1,170,376 *13,065	0.01% *0.00%	0	0.00%	0	0.00%	MBA, Chaminade University of Honolulu	Note5	None	None	None	None
		Representative:	Male	2023.06.09	3 years	2001.12.14	86,363	0.00%	93,215	0.00%	0	0.00%	0	0.00%						

Title	Nationality or Place of Registration	Name	Gender Age	Date of election (appointment)	Term	Date First Elected	Shareholding when elected		Curren Shareholding		Shareholding By Spouse and Minor Children		Shareholding in the Name of Other Persons		Education and Work Experience	Position Concurrently Held in the Company or Other Companies	A Supervisor or Director Who are Spouses or Relative Within Second-Degree of Kinship			Remarks (Note 15)
							Number of Shares (Note16)	Percentage of Shareholding	Number of Shares (Note16)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relation-ship	
		Michael Hung	51~70																	
Director	R.O.C.	Shin Kong Mitsukoshi Department Store Co., Ltd.	-	2023.06.09	3 years	2005.06.10	547,000,815*8,899,070	3.53%*3.00%	591,111,107*8,899,070	3.34%*3.00%	0	0.00%	0	0.00%	Meiji University, Japan	Note6	None	None	None	None
		Representative: Hui-Min Lai	Female 51~70	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	0	0.00%	0	0.00%						
Director	R.O.C.	Shin Po Co., Ltd	-	2023.06.09	3 years	2020.06.19	1,083,375*13,065	0.01%*0.00%	1,170,376*13,065	0.01%*0.00%	0	0.00%	0	0.00%	Master of Computer Science, UCLA; Master of Science in Physics, University of Georgia, U.S.A.	Note7	None	None	None	None
		Representative: Tun-Jen Lin	Male 71 or above	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	0	0.00%	0	0.00%						
Director	R.O.C.	Wu Chia Lu Insurance Culture and Education Foundation	-	2023.06.09	3 years	2001.12.14	8,798,316	0.06%	8,798,316	0.06%	0	0.00%	0	0.00%	MBA, University of Southern California, U.S.	Note8	None	None	None	None
		Representative: Benson Wu	Male 71 or above	2023.06.09	3 years	2012.02.14	2,112,986*34,375	0.01%*0.01%	2,283,317*68,375	0.01%*0.02%	0	0.00%	0	0.00%						
Director	R.O.C.	Tung Shing Investment Co., Ltd.	-	2023.06.09	3 years	2017.06.16	67,526,697*213,427	0.44%*0.07%	72,901,831*213,427	0.41%*0.07%	0	0.00%	0	0.00%	MBA, University of California, Los Angeles; Master of Architecture, University of Southern California.	Note9	None	None	None	None
		Representative: Hsin-Ta Wu	Male 51~70	2023.08.25	3 years	2019.08.27	0	0.00%	0	0.00%	3,046,614	0.02%	0	0.00%						
Director	R.O.C.	Hwai-Chou Chen	Male 71 or above	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Economics, City University of New York, Brooklyn College	Note10	None	None	None	None
Director	R.O.C.	Shih-Mei Lin	Female 31~50	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Laws, University College London, UK	Note11	None	None	None	None
Director	R.O.C.	Chun-Hong Chen	Male 51~70	2023.06.09	3 years	2023,06.09	1,369,634*14,105	0.01%*0.00%	1,479,432*14,105	0.01%*0.00%	0	0.00%	0	0.00%	Business Management, United States	Note12	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date of election (appointment)	Term	Date First Elected	Shareholding when elected		Curren Shareholding		Shareholding By Spouse and Minor Children		Shareholding in the Name of Other Persons		Education and Work Experience	Position Concurrently Held in the Company or Other Companies	A Supervisor or Director Who are Spouses or Relative Within Second-Degree of Kinship			Remarks (Note 15)
							Number of Shares (Note16)	Percentage of Shareholding	Number of Shares (Note16)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relation-ship	
															University					
Independent Director	R.O.C.	Min-Chiu Chien	Female 51~70	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Soochow University Master of Accountancy	Note13	None	None	None	None
Independent Director	R.O.C.	Edgar Y. Chen	Male 51~70	2023.06.09	3 years	2023.06.09	0	0.00%	0	0.00%	5,339	0.00%	0	0.00%	Ph. D. in laws, National Taiwan University	Note14	None	None	None	None
Independent Director	R.O.C.	Yung-Ming Shiu	Male 51~70	2023.06.09	3 years	2017.08.17	0	0.00%	0	0.00%	0	0.00%	0	0.00%	University of Edinburgh, UK Ph.D. in management	None	None	None	None	None

Note 1: Representative Mark Wei concurrently serves as the chairman of Shin Kong Life Insurance Co., Ltd., the independent director of Ainos Inc., the director of Ascendo Biotechnology Co., Ltd. registered in the Cayman Islands, the independent director of Advanced Lithium Electrochemistry Co., Ltd. registered in the Cayman Islands, the director of Unitravel Services Co., Ltd., the director of Rong-Shing Cultural Foundation, the independent director of Nuvoton Technology Corporation, the managing director of Sino-German Cultural & Economic Foundation, the supervisor of the Friends of Armed Forces Association, and the vice president of the Taiwan-Turkey Business Association.

Note 2: Representative Tung-Ming Wu concurrently serves as the independent director of San Fu Chemical Co., Ltd., the director of Wang Tien Woolen Textile Co., Ltd., the director of Beitou Grand Hotel Co., Ltd., the supervisor of Yung-Kwang Co., Ltd., the supervisor of Shin Pei Corp., the chairman of Shin Ming Enterprise Co., Ltd., the chairman of WeMo Corp., the supervisor of Shin Kong Recreation Co. Ltd., the director of Shin Kong Ocean Enterprise Co., Ltd., the chairman of Hsing Li Enterprise Co., Ltd., the chairman of Swiss Hotel, the chairman of FUHBIC International Co., Ltd., and the director of ShinKong Co., Ltd. Representative Tung-Ming Wu didn't serve as a director of the Company between June 11, 2005 and June 15, 2017.

Note 3: Representative Olivia Wu concurrently serves as the director of the Chinese National Association of Industry and Commerce, the director of Ru Yuan Enterprise Co., Ltd., the director of H Food and Beverage Management Consulting Co., Ltd., the director of Shin Shin Natural Gas Co., Ltd., the director of the Taiwan Institute for Sustainable Energy, the supervisor of Shin Cheng Investment Co., Ltd., the supervisor of Ru Ying Enterprise Co., Ltd., and the director of the Make-A-Wish Taiwan Association.

Note 4: Representative Tseng-Chang Lee concurrently serves as the chairman of Shuo Chang Co., Ltd., the director of Suretyship Pingtung Hsin Chang Cooperative, the director of Shin Kong Life Insurance Scholarship Foundation., and the director of Shin Kong Bank Cultural & Educational Foundation.

Note 5: Representative Michael Hung concurrently serves as the vice chairman of Shin Kong Life Insurance Co., Ltd., the director of Mega Green Energy Co., Ltd., the director of Wang Tien Woolen Textile Co., Ltd., the director of Chia Tung Development Co., Ltd., the director of Yung-Kwang Co., Ltd, the chairman of Taipei City Hung Wan Chun Charity Foundation, the chairman of Taiwan Nature Conservation Foundation, the director of Shin Kong Chao Feng Co., Ltd., the supervisor of Shinkong Asset Management Co., Ltd., the director of Shing Kong LOHAS Co., Ltd., the director of Shin Shou Apartment Building Management & Maintenance Co., Ltd., the director of Jui Fang Agriculture Co., Ltd., the director of ShinKong Co., Ltd., the director of Yuan Ching Yeh Catering Co., Ltd., and the vice chairman of the Friends of Taipei Zoo Association. Representative Shih-Chi Hung didn't serve as the Company's director from June 11, 2005 ~ March 23, 2017 and June 16, 2017~ June 19, 2018.

Note 6: Representative Hui-Min Lai concurrently serves as the director of New Taroko Development Corp. Ltd., the supervisor of Fayaque Co., Ltd., the supervisor of Payeasay Digital Integration Co., Ltd., the supervisor of Shin Kong Mitsukoshi Start-up Investment Co., Ltd., and the supervisor of Shin Kong Cinema Co., Ltd.

Note 7: Representative Tun-Jen Lin concurrently serves as the director of Wang Tien Woolen Textile Co., Ltd., the director of Shin Kong Co., Ltd., the director of NER Victory Co., Ltd., the director of Shin Kong Chao Feng Co., Ltd., the chairman of De-Shan Education Foundation, and the director of Cheng Yuan Investment Co., Ltd.

Note 8: Representative Benson Wu concurrently serves as the director of Shin Kong Life Insurance Co., Ltd., the director of Shin Kong Farm and Pasture Co., Ltd., the director of Shin Kong Recreation Co. Ltd., the chairman of Beitou Grand Hotel Co., Ltd., the supervisor of Luh Fwu Enterprise Co., Ltd., the director of SweetMe Hotspring Resort, the chairman of Wu Chia Lu Insurance Culture and Education Foundation, the director of Yung-Kwang Co., Ltd, the director of Chin Kuang-Fu Cultural & Educational Foundation, the chairman of Shin Kong Chao Feng Co., Ltd., the director of Shin Kong Real Estate Development Co., Ltd., the director of Yuan Hsing Chu Biotech Co., Ltd., the chairman of Tsui Yuan Co., Ltd., and the chairman of Chia Pang Investments Co., Ltd., and the chairman of Yun Shan Co., Ltd. Representative Benson Wu didn't serve as the Company's director from November 5, 2012 to March 22, 2015.

Note 9: Representative Hsin-Ta Wu concurrently serves as the director of Shin Kong Life Insurance Co., Ltd., the chairman of Shin Kong Mitsukoshi Development Co. Ltd., the director of Fayaque Co., Ltd., the director of Hung Yueh International Co., Ltd., the director of Yueh Yang Enterprise Co., Ltd., the director of Hsing Li Enterprise Co., Ltd., the director of Hung Ta Management Consulting Co., Ltd., the director of Hsin Hung Enterprise Co., Ltd., the director of Shin Kong Farm and Pasture Co., Ltd., the director of Shin Kong Chao Feng Co., Ltd., the director of Wang Tien Woolen Textile Co., Ltd., the director of Yung-Kwang Co., Ltd, the director of ShinKong Co., Ltd., the director of Shin Kong Mitsukoshi Department Store Co., Ltd., the director of NER Victory Company Ltd., the chairman of New Life Apartment Building Management and Maintenance Co., Ltd., and the supervisor of Chao Feng Solar Power Co., Ltd., and the director of Shin Kong Recreation Co. Ltd. Representative Hsin-Ta Wu didn't serve as the Company's director from April 25, 2023 to August 24, 2023.

Note 10: Director Hwai-Chou Chen concurrently serves as the a director of Mr. Hsu Yuen-Dong and Madam Memorial Culture and Education Foundation.

Note 11: Director Shin-Mei Lin concurrently serves as the director of MasterLink Securities Corporation, the chairman of Sheaves of Grain Cultural Corporation, the independent director of Fortune Information Systems Corporation, the independent director of Taimide Technology Corporation, and the head of Dawning Law Office.

Note 12: Director Chun-Hong Chen concurrently serves as the chairman of MasterLink Securities Corp., the chairman of the Taiwan Securities Association, the director of the Asia-Pacific Psycho-Oncology Exchange Foundation, the executive director of the Accounting Research & Development Foundation, the director of Mycenax Biotech Inc., the director of the Taiwan Clinical Oncology Research Foundation, the director of the Securities & Futures Institute, the supervisor of Kingbird Tech Co., Ltd., the director of Yeh Mi Investment Co. Ltd., the supervisor of Minoshin International Co., Ltd., the supervisor of the Taiwan Total Cancer Care Association, the supervisor of the Hope Foundation for Cancer Care, the supervisor of Growtrend Biomedical Co. Ltd., the chairman of MasterLink Venture Management Corp., Ltd., the chairman of MasterLink Venture Capital Corp., Ltd., the director of Chia Her Industrial Co., Ltd., the supervisor of Yu Guang Energy Co., Ltd., the supervisor of Collins Energy Solutions Co., Ltd., the director of the Taipei Exchange., the chairman of MasterLink Futures Corp., the chairman of MasterLink Venture Capital Corp., the chairman of MasterLink Venture Management Corp.(Tianjin), the director of MasterLink Securities (BVI) Limited., and the director of Taiwan Futures Exchange.

Note 13: Independent director Min-Chiu Chien concurrently serves as the independent director of Shin Kong Life Insurance Co., Ltd., the head of Action & Co. CPA, the independent director of Hey Song Corp., the supervisor of CTBC Investments Co., Ltd., the independent director of Redwood Group Ltd. registered in the Cayman Islands, the director of Action Corporate Management Consulting Co., Ltd., and the independent of Wowprime Co., Ltd.

Note 14: Independent Director Edgar Y. Chen concurrently serves as a partner at Tsar & Tsai Law Firm.

Note 15: Where the chairperson and the president or person of an equivalent post (the highest manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the seats of independent directors, and a majority of the directors are not concurrently an employee or manager of the Company).

Note 16: * denotes the number of shares of preferred shares.

Those data of directors having a concurrent job is as of March 31, 2025.

Table 1: Major shareholders of the institutional shareholders

February 28, 2025

Name of institutional shareholders	Major shareholders of the institutional shareholders
Shin Kong Wu Ho Su Culture and Education Foundation	Tung-Chin Wu (50%), Hsien-Hsien Hsu (50%)
Wu Chia Lu Insurance Culture and Education Foundation	Chia-Lu Wu _(deceased) (60%), Benson Wu (6%), Chuan-Chuan Wu (6%), Ying-Ying Wu (6%), Ling-Ling Wu (6%), Chen-Chen Wu (6%), Chia Pang Investment Co., Ltd. (10%)
Shin Kong Mitsukoshi Department Store Co., Ltd.	Isetan Mitsukoshi Holding Ltd. (43.43%), Shin Kong Recreation Co., Ltd. (12.74%), Tung Shing Investment Co., Ltd. (5.98%), Taiwan Shin Kong Security Co., Ltd. (3.48%), ShinKong Textile Co., Ltd (3.31%), Liang Moo Co., Ltd (2.71%), Hong Tai Investment Co., Ltd (2.12%), Shin Kong Synthetic Fibers Co., Ltd (1.96%), Bai Shun Investment Co., Ltd (1.6%), Yi Kong Security Co., Ltd (1.19%)
Shin Po Co., Ltd	NER Victory Company Ltd.(100%)
Tung Shing Investment Co., Ltd.	Hsing Ji Investment Co., Ltd (18.77%), Hsing Yuan Investment Co., Ltd (18.77%), Hsin Yun Investment Co., Ltd (18.77%), Liang Moo Co., Ltd (11.78%), Xinxing Industrial Co., Ltd. (9.46%), Xinli Industrial Co., Ltd. (7.57%), Xincheng Industrial Co., Ltd. (7.57%), Hsin-Ta Wu (0.77%), Hsin-Yang Wu (0.77%), Hsin-Chang Wu (0.77%)

Table 2: Major shareholders of the institutional shareholders in Table 1

February 28, 2025

Name of institutional shareholders	Major shareholders of the institutional shareholders
Chia Pang Investment Co., Ltd.	Chao Pang Investment Co., Ltd. (15%), Chia Chuan Enterprise Co., Ltd. (15%), Chia Ying Enterprise Co., Ltd. (15%), Ko Chang Investment Co., Ltd. (15%), Cheng Ling Investment Co., Ltd. (15%), Tsui Yuan Investment Co., Ltd. (15%), Shin Kong Skyscraper Tourism Co., Ltd. (6.67%), Wu Chia Lu Insurance Culture and Education Foundation (3.33%)
Isetan Mitsukoshi Co., Ltd.	Isetan Mitsukoshi Holdings Ltd. (100%)
Shin Kong Textile Co., Ltd	Shin Kong Synthetic Fibers Co., Ltd (9.45%), Shin Kong Medical Foundation (6.99%), Ji Chen Co., Ltd (6.54%), Hong Pu Co., Ltd (4.68%), Lian Chuen Investment Co., Ltd. (4.54%), He Ruei Co., Ltd (3.99%), Chien Cheng Yi Co., Ltd (4.29%), Cheng Guang Co., Ltd (3.73%), Hua Chen Co., Ltd (3.56%), Mien Hao Co., Ltd (2.70%)
Liang Moo Co., Ltd	Tung Hsing Investment Co., Ltd. (69.50%), Xinli Industrial Co., Ltd. (7.68%) ,Xincheng Industrial Co., Ltd. (7.68%) , Xinxing Industrial Co., Ltd. (7.68%) ,Tung-Shing Wu (2.45%), Hsin-Ta Wu (1.32%), Hsin-Yang Wu (1.32%), Hsin-Chang Wu (1.32%)
Hong Tai Investment Co., Ltd.	Tung-Chin Wu (64%), Ying Ying Investment Co., Ltd (20%), Tung-Chuan Wu (2%), Tung-Sheng Wu (2%), Tung-Shing Wu(2%), Tung-Xian Wu (2%), Tung-Sheng Wu (2%), Mei-Fen Lu (2%), Hsin-Tung Wu (2%), Tung-Liang Wu (2%)
Shin Kong Recreation Co., Ltd.	Ruei Hsin Co., Ltd (28.72%), Yung-Kwang Co., Ltd (25.00%), Tung Xian Investment Co, Ltd (15.74%), Tung Hsing Investment Co., Ltd. (12.70%), Chia Pang Investment Co., Ltd (6.48%), Hong Hsin Co., Ltd (4.29%), Shin Kong Textile Co., Ltd (3.32%), Liang Moo Co., Ltd (1.28%), Chao Pang Investment Co., Ltd. (1.02%), Ji Chen Co., Ltd (0.43%)
Taiwan Shin Kong Security Co., Ltd.	Sohgo Security Service Co., Ltd (9.23%), Chunghua Post Co., Ltd (4.6%), Shin Kong Medical Foundation (4.21%), Bo Ruei Co., Ltd (3.85%), Tung-Chin Wu (3.53%), Shin Kong Life Insurance Co., Ltd. (2.81%), Shin Kong Life Insurance Employee Pension Fund Management Committee (1.99%), Tung Ying Investment Co., Ltd (1.75%), Standard Chartered International Commercial Bank, Business Department - Custodial Services (1.65%), Shin Kong Construction and Development Co., Ltd (1.53%)
Shin Kong Synthetic Fibers Corporation	Shin Kong Co., Ltd (5.21%), Shin Sheng Investment Co., Ltd (4.99%), Shin Kong Recreation Co., Ltd.(4.66%), Shin Kong Textile Co., Ltd (3.47%), Shin Kong Insurance Co., Ltd (3.04%), Ji Li En Investment Co., Ltd (2.36%), Toray Industrial Inc. (2.20%), Yuan Bao Co., Ltd (2.46%), Yi Guang Co., Ltd (2.07%), Ruei Hsin Co., Ltd (1.98%)
Bai Shun Investment Co., Ltd	The Great Taipei Gas Corporation (99.97%), Shin Kong Wu Ho-Su Culture and Education Foundation (0.03%)
Tung Shing Investment Co., Ltd.	Hsing Ji Investment Co., Ltd (18.77%), Hsing Yuan Investment Co., Ltd (18.77%), Hsin Yun Investment Co., Ltd (18.77%), Liang Moo Co., Ltd (11.78%), Xinxing Industrial Co., Ltd. (9.46%), Xinli Industrial Co., Ltd. (7.57%), Xincheng Industrial Co., Ltd(7.57%), Hsin-Ta Wu (0.77%), Hsin-Yang Wu (0.77%), Hsin-Chang Wu (0.77%)

Yi Kong Security Co., Ltd.	Taiwan Shin Kong Security Co., Ltd. (69%), Shin-Kong Life Real Estate Service Co., Ltd. (15.5%), Shin Kong Construction and Development Co., Ltd (15%), Shin Kong Wu Ho-Su Culture and Education Foundation (0.5%)
NER Victory Company Ltd.	Shin Cheng Investment Co., Ltd. (10.80%), Yi Guang Co., Ltd (10.37%), Shi-Jung Hong (7.17%), Lian Swei Co., Ltd (8.44%), Ji Chen Co., Ltd (7.92%), Hong Chi Co., Ltd (6.67%), Shin Kong International Investment Co., Ltd (7.03%), De Shan Foundation (6.56%), Jia Hao Co., Ltd (3.61%), Yi Huan Co., Ltd (3.61%)
Hsing Ji Investment Co., Ltd	Xincheng Industrial Co., Ltd(57.05%), Hsin-Chang Wu (36.29%), Xinli Industrial Co., Ltd(3.33%), Xinxing Industrial Co., Ltd(3.33%)
Hsing Yuan Investment Co., Ltd	Xinxing Industrial Co., Ltd(53.61%), Hsin-Ta Wu(30.55%), Xinli Industrial Co., Ltd(3.33%), Xincheng Industrial Co., Ltd(3.33%), Yu-Fei Li(1.67%), Hung Yueh International Co., Ltd.(1.67%), Hsin Hung Enterprise Co., Ltd.(1.67%), Hung Ta Management Consulting Co., Ltd.(1.67%)
Hsin Yun Investment Co., Ltd	Xinli Industrial Co., Ltd(55.10%), Hsin-Yang Wu(33.24%), Xinxing Industrial Co., Ltd (3.33%), Xincheng Industrial Co., Ltd(3.33%), Yueh Yang Enterprise Co., Ltd(1.67%), Hsing Li Enterprise Co., Ltd(1.67%)
Xinxing Industrial Co., Ltd	Hsin-Ta Wu (60.67%), Yin-Fang Wu Peng(22.17%), Yu-Fei Li(12.16%)
Xinli Industrial Co., Ltd	Hsin-Yang Wu (67.93%), Yin-Fang Wu Peng(25.21%), Li-Yu Chen(1.86%)
Xincheng Industrial Co., Ltd	Hsin-Chang Wu (65.27%), Yin-Fang Wu Peng(24.08%), Yi-Chen Lu(5.66%)

(II) Information about Directors

1. Information Disclosure on Directors' Professional Qualifications and Independent Directors' Independence

February 28, 2025

Critreia Name & Title	Professional Qualifications and Experience	Independence Status	Number of Other Taiwan's Public Companies in Which the Individual Concurrently Serves as an Independent Director
Mark Wei /Director	1. Experience: Held positions as Chairman of KGI Commercial Bank Co., Ltd., Chairman of AIG Taiwan Insurance Co., Ltd., Director-General of the Insurance Bureau at the Financial Supervisory Commission, Executive Yuan, and Head of the First Division (Securities Market Management) at the Securities and Futures Commission, Ministry of Finance. 2. Professional Qualifications: An instructor or higher in a department of finance, commerce and other academic department related to the business needs of the company in a public or private junior college, college, or university ; Possesses experience in finance, commerce, insurance, and	1. Corporate Director representative of Shin Po Co., Ltd. 2. Also serveing as the Chairman of a related company(100% subsidiary) of our company. 3. The rest In accordance with the 「 Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	3

	capabilities otherwise necessary for the business of the Company. 3. No condition defined in Article 30 of the Company Act has appeared.		
Tung-Ming Wu /Vice Chairman	1.Experience: Held positions as Chairman of FUHBIC Co., Ltd., Director of Shin Kong Life Insurance Co., Ltd., and the chairman of Swiss Hotel . 2.Professional Qualifications: Possesses experience in commerce, accounting, information technology, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.	1.Corporate Director representative of Shin Po Co., Ltd. 2.Serveing as a Director of the corporate shareholder ranked among the top five shareholders of the company. 3.The rest In accordance with the 「 Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	1
Hwai-Chou Chen /Director	1.Experience: Held positions as the Chairman of Chang Hwa Commercial Bank, Ltd., General Manager of Taishin Financial Holding Co., Ltd., and Chief Financial Officer of Taiwan High Speed Rail Corporation. 2.Professional Qualifications: Possesses experience in finance, commerce, corporate affairs, and capabilities otherwise necessary for the business of the Company.	1.Natural persons as Directors. 2.In accordance with the 「 Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0

	3.No condition defined in Article 30 of the Company Act has appeared.		
Olivia Wu /Director	1.Experience: Held positions as General Manager of Shin Kong Financial Holding Co., Ltd., Vice Chairman of Taiwan Shin Kong Commercial Bank Co., Ltd., and Independent Director of Dr. Wu Skincare Co., Ltd. 2.Professional Qualifications: Possesses experience in finance, commerce, corporate affairs, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.	1.Corporate Director representative of Shin Kong Wu Ho Su Culture and Education Foundation. 2.A relative within the second degree of kinship of the manager of a related enterprise of the company. 3.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0
Tseng-Chang Lee /Director	1.Experience: Held positions as Chairman of Taiwan Shin Kong Commercial Bank Co., Ltd., Chairman of Shin Fu Insurance Agency Co., Ltd., and Director of The Bankers Association of the Republic of China. 2.Professional Qualifications: Possesses experience in finance, commerce, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has	1.Corporate Director representative of Shin Kong Wu Ho Su Culture and Education Foundation. 2.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0

	appeared.		
Hui-Min Lai /Director	1.Experience: Held positions as Deputy General Manager of the Finance Department, Business Division at Shin Kong Mitsukoshi Department Store Co., Ltd., Supervisor at PayEasy Digital Integration Co., Ltd., and Supervisor at Shin Kong Cinema Co., Ltd. 2.Professional Qualifications: Possesses experience in commerce, finance, information technology, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.	1.Corporate Director representative of Shin Kong Mitsukoshi Department Store Co., Ltd. 2.Serveing as an employee of the corporate shareholder ranked among the top five shareholders of the company. 3.The rest In accordance with the 「 Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0
Tun-Jen Lin /Director	1.Experience: Held positions as Supervisor at Shin Kong Life Insurance Co., Ltd., Director at Chao Feng Solar Co. Ltd., and General Manager at Powerworld Securities Co., Ltd. 2.Professional Qualifications: Possesses experience in finance, commerce, insurance, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30	1.Corporate Director representative of Shin Po Co., Ltd. 2.Serveing as a Director of the corporate shareholder ranked among the top five shareholders of the company. 3.The rest In accordance with the 「 Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies 」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance	0

	of the Company Act has appeared.	with the relevant independence criteria.	
Michael Hung /Director	1.Experience: Held positions as Director at Shin Kong Financial Holding Co., Ltd., Chairman at WS Management Co., Ltd., and Chairman at Chia Tung Development Co., Ltd. 2.Professional Qualifications: have work experience in the area of commerce, insurance, accounting, information technology, and otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.	1.Corporate Director representative of Shin Po Co., Ltd. 2.Serveing as a Director of the corporate shareholder ranked among the top five shareholders of the company, also serveing as the Vice Chairman of a related company(100% subsidiary) of our company. 3.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0
Hsin-Ta Wu /Director	1.Experience: Held positions as Director at Shin Kong Mitsukoshi Department Store Co., Ltd., Chairman at Shin Kong Mitsukoshi Development Co., Ltd., and Representative Director at Sky99 International (Hong Kong) Limited. 2.Professional Qualifications: have work experience in the area of commerce, insurance, and otherwise necessary for the business of the Company. 3.No condition defined in Article 30	1.Corporate Director representative of Tung Shing Investment Co., Ltd. 2.Serveing as a Director of the corporate shareholder ranked among the top five shareholders of the company, also serveing as the Director of a related company(100% subsidiary) of our company. 3.A relative within the second degree of kinship of the Director of a related enterprise of the company. 4.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory	0

	of the Company Act has appeared.	Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	
Benson Wu /Director	1.Experience: Held positions as Chairman and General Manager of Shin Kong Chao Feng Co., Ltd., Director of Shin Kong Life Insurance Co., Ltd., and Chairman of Pei-Tou Hotel Co., Ltd. 2.Professional Qualifications: have work experience in the area of commerce, insurance, and otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.	1.Corporate Director representative of Wu Chia Lu Insurance Culture and Education Foundation. 2.Also serving as the Director of a related company(100% subsidiary) of our company. 3.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0
Shih-Mei Lin /Director	1.Experience: Held positions as Managing Attorney at Dawning Law Office, Independent Director at Fortune Information Systems Corp., and Independent Director at Taimede Co., Ltd. 2.Professional Qualifications: Possesses qualification to practice law ; Possesses experience in legal matters, information technology, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30	1.Natural persons as Directors. 2.Also serving as the Director of a related company(100% subsidiary) of our company. 3.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	2

	of the Company Act has appeared.		
Chun-Hong Chen /Director	1.Experience: Held positions as Chairman of the Taiwan Securities Association, Chairman of MasterLink Securities Co., Ltd., and Chairman of MasterLink Venture Capital Corp., Ltd. 2.Professional Qualifications: Possesses experience in finance, commerce, corporate affairs, and capabilities otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.	1.Natural persons as directors. 2.Also serving as the Chairman of a related company(100% subsidiary) of our company. 3.The rest In accordance with the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 promulgated by the Financial Supervisory Commission, the independence requirements listed have been verified and are in compliance with the relevant independence criteria.	0
Min-Chiu Chien /Independent Director	1.Experience: Held positions as Managing Accountant at Action CPA Firm, Independent Director at Hey-Song Corporation, Independent Director at Redwood Group Limited, and Independent Director at Lian Fa International Dining Business Co., Ltd. 2.Professional Qualifications: Possesses the qualification of a CPA ; An instructor or higher in a department of accounting and or other academic department related to the business needs of the Company in a public or private	1.In accordance with the company's articles of association and the corporate governance practice guidelines, Directors are elected through a nomination system. During the nomination and selection of board members, the company has obtained the relevant declarations, educational and work backgrounds, concurrent positions, and information tables of stakeholders and potential stakeholders from each director, to verify and confirm the independence of themselves, their spouses, and relatives within the third degree of kinship in relation to the company. 2.The company has also verified that the three listed independent directors meet the qualification	3

	junior college, college, or university/Possesses experience in commerce, accounting, and capabilities otherwise necessary for the business of the Company 3.No condition defined in Article 30 of the Company Act has appeared.	requirements set forth in the 「Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies」 and Article 14-2 of the 「Securities and Exchange Act」 promulgated by the Financial Supervisory Commission, both prior to their election and during their tenure. Furthermore, the independent directors have been granted full power to participate in decision-making and express opinions as per Article 14-3 of the 「Securities and Exchange Act」, enabling them to independently execute their duties.	
Edgar Y. Chen /Independent Director	1.Experience: Held positions as Partner at Tsar & Tsai Law Firm, Chairman of the Taipei Bar Association, Judge at the Taipei District Court, and Prosecutor at the Taipei District Prosecutors Office. 2.Professional Qualifications: Possesses qualification to practice law ; An instructor or higher in a department of law and or other academic department related to the business needs of the Company in a public or private junior college, college, or university / Have work experience in the area of legal matters and otherwise necessary for the business of the Company. 3.No condition defined in Article 30 of the Company Act has appeared.		0
Yung-Ming Shiu /Independent	1.Experience: Held positions as independent director of Shin Kong		0

Director	Life Insurance Co., Ltd., Professor at NCCU Department of Risk Management and Insurance, independent director of Taiwan Financial Holdings, independent director of Bank of Taiwan, and independent director of BankTaiwan LIFE INSURANCE. 2. Professional Qualifications: An instructor or higher in a department of finance, commerce, insurance, and/or other academic department related to the business needs of the Company in a public or private junior college, college, or university / Have work experience in the area of finance, commerce, insurance and capabilities otherwise necessary for the business of the Company. 3. No condition defined in Article 30 of the Company Act has appeared.		

Note:

The calculation method for the number of independent directors who concurrently serve as independent directors of other public companies is in accordance with the provisions of Article 4, item 2, of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies: Where an independent director of a financial holding company or of a TWSE listed or TPEX listed investment holding company concurrently serves as an independent director of more than one wholly owned subsidiary of that company, the number of such subsidiaries beyond one shall be included in the calculation of the number of subsidiaries at which the independent director concurrently serves under paragraph 1.

2. Diversity And Independence of The Board of Directors :

(1) Diversity of the Board of Directors:

The Company's Board of Directors members are diverse in areas such as age, industry experience, professional knowledge, and abilities. To strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, Article 31 of the Company's "Corporate Governance Best Practice Principles" provides that diversity must be considered when formulating the composition of the board of directors, and an appropriate diversity policy must be formulated according to the Company's operations, operation types, and development needs such as: Basic conditions and values (such as gender, age, nationality, culture, etc.), professional knowledge and skills (professional background: law, accounting, industry, finance, marketing, or technology), industrial experience, etc. We will continue to increase the number of female directors in the future to implement gender equality and diversity on the board of directors, the proportion of female directors in this term's board of directors is a modest 26.6%. The Company values industry experience diversity in the composition of the board of directors. Board members must have experience in other diversified industries in addition to the financial industry. The relevant diversification implementation status is shown below (P.38). The Board diversity policy has been disclosed on the Company's portal and the Market Observation Post System.

(2) Independence of the Board of Directors:

The current (8th) board of directors of the Company consists of 15 directors, including 12 directors (all non-executive directors, accounting for 80% of the total seats) and 3 independent directors (20% of the total seats). This configuration conforms to the Company's Articles of Association and Corporate Governance Best Practice Principles stipulations that the number of independent directors shall not be less than one-fifth of the number of directors. The independence of the Company's independent directors conforms to the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies in that none of the board members are spouses or relatives within the second degree of kinship, and there is no circumstance specified in Paragraphs 3 & 4, Article 26-3 of the Securities and Exchange Act.

Board Diversity Policy Implementation Status:

a.Professional Background

DiversityCore Competencies Name of Director	Industry Experience								Professional Qualification				Professional capabilities				Industry Classification
	Gender	A Concurrent	Age			Consecutive Service Years as the Company’s Director			Insurance	Banking	Securities	Asset Management	Accounting	Law	Information Technology	Risk Management/ Financial Management/ Actuary	GICS Level1
			31 to 50	51 to 70	71 or above	Less than 3 years	3 To 9 years	9 years or above									
Mark Wei	Male			V		V			V	V	V				V	V	Financials 、 Consumer Discretionary 、 Information Technology
Tung-Ming Wu	Male				V		V		V				V		V		Materials 、 Industrials 、 Consumer Discretionary 、 Consumer Staples 、 Financials 、 Information Technology
Michael Hung	Male			V			V		V	V	V	V			V	V	Consumer Discretionary 、 Financials 、 Communication Services 、 Utilities
Olivia Wu	Female		V			V			V	V						V	Financials
Tseng-Chang Lee	Male				V		V		V	V					V		Financials
Hsin-Ta Wu	Male			V			V		V							V	Industrials 、 Consumer Discretionary 、 Financials
Hui-Min Lai	Female			V		V										V	Consumer Discretionary
Benson Wu	Male				V			V	V						V	V	Financials 、 Utilities
Tun-Jen Lin	Male				V	V					V				V		Financials 、 Utilities
Hwai-Chou Chen	Male				V	V				V						V	Financials 、 Industrials
Shih-Mei Lin	Female		V			V								V	V		Consumer Discretionary
Chun-Hung Chen	Male			V		V					V					V	Financials
Min-Chiu Chien	Female			V		V							V				Consumer Discretionary
Edgar Y. Chen	Male			V		V								V			Consumer Discretionary
Yung-Ming Shiu	Male			V			V		V	V						V	Financials

Note: All directors are nationals of the Republic of China, with no representation from socially disadvantaged groups.

b.Term:

Sequence	Title	Representative	Consecutive Years of Service*		Total Years of Service*	
			Years	Date Latest Elected	Years	Date First Elected
1	Chairman	Mark Wei	1.56	2023.6.9	1.56	2023.6.9
2	Vice Chairman	Tung-Ming Wu	7.55	2017.6.16	23.06	2001.12.14
3	Director	Michael Hung	6.54	2018.6.20	22.30	2001.12.14
4	Director	Olivia Wu	1.56	2023.6.9	17.57	2004.7.1
5	Director	Tseng-Chang Lee	3.93	2021.1.25	20.27	2004.9.30
6	Director	Hsin-Ta Wu	1.35	2023.8.25	5.35	2019.8.27
7	Director	Hui-Min Lai	1.56	2023.6.9	1.56	2023.6.9
8	Director	Benson Wu	9.78	2015.3.23	15.87	2008.10.3
9	Director	Tun-Jen Lin	1.56	2023.6.9	1.56	2023.6.9
10	Director	Hwai-Chou Chen	1.56	2023.6.9	1.56	2023.6.9
11	Director	Shih-Mei Lin	1.56	2023.6.9	1.56	2023.6.9
12	Director	Chun-Hung Chen	1.56	2023.6.9	6.34	2018.8.31
13	Independent Director	Min-Chiu Chien	1.56	2023.6.9	1.56	2023.6.9
14	Independent Director	Edgar Y. Chen	1.56	2023.6.9	1.56	2023.6.9
15	Independent Director	Yung-Ming Shiu	4.54	2020.6.19	7.38	2017.8.17
Average			3.18	--	8.6	--

* Years of Service was calculated as of January 1, 2025.

* Total Years of Service: Calculated from December 14, 2001 when the promoter at the meeting elected the first Board members as required by Article 26 of the Financial Holding Company Act; however, the years of service for which he/she concurrently served SKFH and its subsidiaries was calculated only once.

(III) Information of President, Senior Vice President, Vice President, and Supervisor of all Departments and Branches

April 25, 2025

Title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Number of Shares		Shareholding under spouse or minor children		Shareholding in the Name of Other		Education and Work Experience (Note 2)	Positions Currently Held in Other Companies	Managers Who Are Spouses or Relative Within Second- Degree of Kinship			Remarks (Note 3)
					Number of Shares (Note 4)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relationship	
President	R.O.C.	Stephen Chen	Male	2023.08.11	156,000	0.00%	0	0.00%	0	0.00%	The University Of Bath, MBA Managing Director, Taipei Fubon Bank. President, Houshi Assets Management Company Limited	Chairman & president, Shin Kong Venture Capital International Co., Ltd.	None	None	None	None
Chief Auditor	R.O.C.	Kuei-Houng Tsai	Female	2023.11.01	100,003	0.00%	0	0.00%	0	0.00%	Feng Chia University, Graduate School of Insurance Research Bradley University, MBA Chief Auditor, Shin Kong Life Insurance Co., Ltd.	None	None	None	None	None
Chief Information Security Officer & Chief Information Officer	R.O.C.	Kuo-Ping Lin	Male	2023.09.01	508,649	0.00%	0	0.00%	0	0.00%	National Chengchi University EMBA Chief Information Officer, Shin Kong Life Insurance Co., Ltd.	Chief Information Security Officer, Taiwan Shin Kong Commercial Bank Co., Ltd	None	None	None	None
Chief Legal officer	R.O.C.	Shiou-Yu Chang	Female	2023.07.08	200,000	0.00%	7,565 *130	0.00% *0.00%	0	0.00%	National Taiwan University, EMBA Division of Finance Director, Chang Hwa Commercial Bank, Ltd.	Director, Next Commercial Bank Co., Ltd.	None	None	None	None
Chief Compliance Officer	R.O.C.	Chi-Yao Lu	Male	2023.12.01	376,918	0.00%	0	0.00%	0	0.00%	Tunghai University, The College of Law Chief Legal officer, Shin Kong Life Insurance Co., Ltd.	None	None	None	None	None
Vice President	R.O.C.	Judy Lin	Female	2023.03.29	385,142	0.00%	0	0.00%	0	0.00%	Feng Chia University, Graduate School of Insurance Research Vice President, Shin Kong Bank	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Number of Shares		Shareholding under spouse or minor children		Shareholding in the Name of Other		Education and Work Experience (Note 2)	Positions Currently Held in Other Companies	Managers Who Are Spouses or Relative Within Second- Degree of Kinship			Remarks (Note 3)
					Number of Shares (Note 4)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relationship	
											Co., Ltd.					
Vice President	R.O.C.	Wayne Chang	Male	2020.09.30	182,000	0.00%	0	0.00%	0	0.00%	National Chiao Tung University MBA, Institute of Business and Management Senior Assistant Vice President, Shin Kong Financial Holding Co., Ltd. Senior Vice President, DBS Bank (Taiwan) Ltd.	None	None	None	None	None
Senior Assistant Vice President	R.O.C.	Yi-Tsuei Hsu	Female	2018.01.01	117,000 *10,000	0.00% *0.00%	0	0.00%	0	0.00%	National Chengchi University, Master of Business Administration Senior Assistant Vice President , Shin Kong Financial Holding Co., Ltd.	None	None	None	None	None
Senior Assistant Vice President	R.O.C.	Vicky Lu	Female	2019.01.01	92,358 *9,000	0.00% *0.00%	0	0.00%	0	0.00%	National Chung Cheng University, Department of Finance Assistant Vice President, Shin Kong Life Insurance Co., Ltd.	Supervisor, Shin Kong Investment Trust Co., Ltd	None	None	None	None
Senior Assistant Vice President	R.O.C.	Min-Chi Wu	Female	2022.01.01	692	0.00%	0	0.00%	0	0.00%	National Taiwan University, Graduate School of Finance Senior Assistant Vice President, Shin Kong Life Insurance Co., Ltd.	Supervisor, Shin Kong Venture Capital International Co., Ltd.; Director, Shin Kong Leasing (Suzhou) Co., Ltd. Supervisor, Shin Kong Property Insurance Agency Co., Ltd.	None	None	None	None
Senior Assistant Vice President	R.O.C.	Cheng-Wei Fang	Male	2022.01.01	120,869	0.00%	0	0.00%	0	0.00%	Ming Chuan University, Department of Information Management	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Number of Shares		Shareholding under spouse or minor children		Shareholding in the Name of Other		Education and Work Experience (Note 2)	Positions Currently Held in Other Companies	Managers Who Are Spouses or Relative Within Second- Degree of Kinship			Remarks (Note 3)
					Number of Shares (Note 4)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relationship	
											Assistant Vice President & F-ISAC Executive Secretary, Financial Information Service Co. Ltd Assistant Vice President, CTBC Bank Co., Ltd.					
Senior Assistant Vice President	R.O.C.	Li-Jung Huang	Female	2022.04.01	18,000 *7,050	0.00% *0.00%	0	0.00%	0	0.00%	National Taipei University, Finance and Law School Assistant Vice President, Shin Kong Financial Holding Co., Ltd.	None	None	None	None	None
Assistant Vice President	R.O.C.	Allen Li	Male	2023.06.01	53,715	0.00%	0	0.00%	0	0.00%	National Sun Yat-sen University Department of Business Administration Assistant Vice President, MasterLink Securities Corp.	None	None	None	None	None
Assistant Vice President	R.O.C.	Da-Hsiang Lo	Male	2020.01.01	98,719 *5,000	0.00% *0.00%	0	0.00%	0	0.00%	Fu Jen Catholic University, Department of Law Assistant Vice President, Shin Kong Life Insurance Co., Ltd.	None	None	None	None	None
Assistant Vice President	R.O.C.	Chien-Cheng Ho	Male	2022.01.01	80,380	0.00%	0	0.00%	0	0.00%	Tunghai University, The College of Law Project Assistant Vice President, Shin Kong Life Insurance Co., Ltd.	None	None	None	None	None
Assistant Vice President	R.O.C.	Chih- Wei Tsao	Male	2023.01.01	64,190	0.00%	0	0.00%	0	0.00%	Soochow University, Law School Project Assistant Vice President, Shin Kong Financial Holding Co., Ltd.	None	None	None	None	None
Assistant Vice President	R.O.C.	Hsin- Nan Li	Male	2023.01.01	130,641	0.00%	0	0.00%	0	0.00%	National Taiwan University, Institute of Epidemiology Manager, Shin Kong Life Insurance Co., Ltd.	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Number of Shares		Shareholding under spouse or minor children		Shareholding in the Name of Other		Education and Work Experience (Note 2)	Positions Currently Held in Other Companies	Managers Who Are Spouses or Relative Within Second- Degree of Kinship			Remarks (Note 3)
					Number of Shares (Note 4)	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relationship	
Assistant Vice President	R.O.C.	Kuang-Ti Sun	Male	2023.10.16	172,232 *2,000	0.00% *0.00%	13,112 *32	0.00% *0.00%	0	0.00%	National Taiwan University, Department of Economics Assistant Vice President, Shin Kong Life Insurance Co., Ltd.	None	None	None	None	None
Assistant Vice President	R.O.C.	Pei-Chun Lu	Female	2024.01.01	98,000 *6,000	0.00% *0.00%	0	0.00%	0	0.00%	National Central University, Department of Business Administration Project Assistant Vice President, Shin Kong Financial Holding Co., Ltd.	Independent director, SR Group Holdings.	None	None	None	None
Assistant Vice President	R.O.C.	Chun-Ying Lin	Female	2024.03.01	51,480 *4,000	0.00% *0.00%	0	0.00%	0	0.00%	Fu Jen Catholic University, Department of Business Administration Project Assistant Vice President, Shin Kong Financial Holding Co., Ltd.	None	None	None	None	None
Assistant Vice President	R.O.C.	Shu-Li Wei	Male	2025.01.01	983	0.00%	934	0.00%	0	0.00%	National Chung Hsing University, Graduate Institute of Technology Management Project Assistant Vice President, Shin Kong Financial Holding Co., Ltd.	None	None	None	None	None

Note 1: Information of President, Senior Vice President, Vice President, supervisors of departments and branches, or any equivalent position thereof, shall be included regardless of the title.

Note 2: Experiences related to the current position. Where the personnel served in the certifying accounting firm or its affiliates in the period aforementioned, the title and job content shall be specified.

Note 3: Where the Chairperson of the Board and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the seats of Independent Directors, and a majority of the Directors are not concurrently an employee or manager of the company).

Note 4:* denotes the number of shares of preferred shares.

II. The distribution of remuneration to Directors, President and Senior Vice Presidents and Employee Bonus in the Most Recent Fiscal Year:

(I) Remuneration Paid to Directors and Independent Directors

Unit: NT\$ thousands

Title	Name (Note 1)	Director Remuneration								Proportion of NIAT after summing the 4 items of A, B, C, and D (Note 10)		Remuneration for Concurrently Serving as An Employee								Total Remuneration (A, B, C, D, E, F, and G) Over NIAT (%) (Note 10)		Whether or Not Receiving Remuneration from the Parent Company, or from Re-invested Entities Other Than Subsidiaries (Note 11)
		Rewards (A) (Note 2)		Separation Pay and Pension (B)		Directors' Remuneration (C) (Note 3)		Business Allowance (D) (Note 4)				Salaries, Bonuses and Allowance (E) (Note 5)		Separation Pay and Pension (F)		Employees' Compensation (G) (Note 6)						
		The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidated Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company		All Companies Listed in the Consolidate d Financial Statements (Note 7)		The Company	All Companies Listed in the Consolidate d Financial Statements	
Cash	Stock															Cash	Stock					
Director	Shin Po Co., Ltd	24,419	104,713	0	0	60,000	60,000	1,333	4,847	85,752 0.42%	169,560 0.83%	0	0	0	0	0	0	0	85,752 0.42%	169,566 0.83	None	
Representative Director (Chairman)	Mark Wei (Note 12)																					
Representative Director (Vice Chairman)	Tung-Ming Wu																					
Representative Director	Michael Hung																					
Representative Director	Tun-Jen Lin																					
Director	Shin Kong Wu Ho Su Culture and Education Foundation																					
Representative Director	Olivia Wu																					
Representative Director	Tseng-Chang Lee																					
Director	Tung Shing Investment Co., Ltd.																					

Title	Name (Note 1)	Director Remuneration								Proportion of NIAT after summing the 4 items of A, B, C, and D (Note 10)		Remuneration for Concurrently Serving as An Employee								Total Remuneration (A, B, C, D, E, F, and G) Over NIAT (%) (Note 10)		Whether or Not Receiving Remuneration from the Parent Company, or from Re-invested Entities Other Than Subsidiaries (Note 11)	
		Rewards (A) (Note 2)		Separation Pay and Pension (B)		Directors' Remuneration (C) (Note 3)		Business Allowance (D) (Note 4)				Salaries, Bonuses and Allowance (E) (Note 5)		Separation Pay and Pension (F)		Employees' Compensation (G) (Note 6)							
		The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidated Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company	All Companies Listed in the Consolidate d Financial Statements (Note 7)	The Company		All Companies Listed in the Consolidate d Financial Statements (Note 7)		The Company	All Companies Listed in the Consolidate d Financial Statements		
																Cash	Stock	Cash	Stock				
Representative Director	Hsin-Ta Wu																						
Director	Shin Kong Mitsukoshi Department Store Co., Ltd.																						
Representative Director	Hui-Min Lai																						
Director	Wu Chia Lu Insurance Culture and Education Foundation																						
Representative Director	Benson Wu																						
Director	Hwai-Chou Chen (Note 13)																						
Director	Chun-Hong Chen																						
Director	Shih-Mei Lin																						
Independent Director	Yung-Ming Shiu																						
Independent Director	Edgar Y. Chen	10,280	13,500	0	0	0	0	819	1,211	11,099 0.05%	14,721 0.07%	0	0	0	0	0	0	0	0	11,099 0.05%	14,721	None	
Independent Director	Min-Chiu Chien																						

1. Please state the policy, system, standards and structure by which independent Directors' are paid their remuneration, and describe the correlation between the remuneration given and the assumed responsibilities, risks, invested time:

(1) The remuneration items for independent directors are divided into rewards and business allowance according to their nature.

(2) The remuneration of the independent directors of the Company is decided by the responsibilities, risks, invested time, and the common standard in the industry stipulated in Article 23.2 of the Company's regulations. Authorization is given to the board of directors to determine the fixed remuneration and the independent directors shall not participate in the company's surplus distribution. For those who serve as independent directors of any subsidiary, remuneration shall be issued according to the standard of the independent directors of the subsidiary. When the subsidiary's remuneration is lower than the standard of the Company, the difference will be supplemented by the Company.

(3) Business execution expenses are the related costs incurred by an independent director in the execution of the business, including attendance fees for the board of directors and functional committees.

2. In addition to the disclosure in the above table, was there any remuneration received by Directors of the Company from any of the companies listed in the financial statements for their rendering services (such as serving as consultants, a non-employee function) in the most recent year: None.

Remuneration Range Table

Range of Compensations Paid to Directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies listed in this financial statement (Note 9) H	The Company (Note 8)	All companies listed in this financial statement (Note 9) I
Under NT\$1,000,000	Benson Wu, Hsin-Ta Wu, Michael Hung		Benson Wu, Hsin-Ta Wu, Michael Hung	
NT\$1,000,000(inclusive)~ NT\$2,000,000(non-inclusive)	Tun-Jen Lin, Hui-Min Lai, Min-Chiu Chien	Benson Wu, Tun-Jen Lin, Hui-Min Lai	Tun-Jen Lin, Hui-Min Lai, Min-Chiu Chien	Benson Wu, Tun-Jen Lin, Hui-Min Lai
NT\$2,000,000 (inclusive)~ NT\$3,500,000(non-inclusive)	Mark Wei, Olivia Wu, Tseng-Chang Lee	Olivia Wu	Mark Wei, Olivia Wu, Tseng-Chang Lee	Olivia Wu
NT\$3,500,000 (inclusive)~ NT\$5,000,000(non-inclusive)	Shih-Mei Lin, Chun-Hong Chen, Wu Chia Lu Insurance Culture and Education Foundation, Tung Shing Investment Co., Ltd., Shin Kong Mitsukoshi Department Store Co., Ltd., Yung-Ming Shiu, Edgar Y. Chen	Wu Chia Lu Insurance Culture and Education Foundation, Tung Shing Investment Co., Shin Kong Mitsukoshi Department Store Co., Ltd., Yung-Ming Shiu, Edgar Y. Chen	Shih-Mei Lin, Chun-Hong Chen, Wu Chia Lu Insurance Culture and Education Foundation, Tung Shing Investment Co., Ltd., Shin Kong Mitsukoshi Department Store Co., Ltd., Yung-Ming Shiu, Edgar Y. Chen	Wu Chia Lu Insurance Culture and Education Foundation, Tung Shing Investment Co., Shin Kong Mitsukoshi Department Store Co., Ltd., Yung-Ming Shiu, Edgar Y. Chen
NT\$5,000,000 (inclusive)~ NT\$10,000,000 (non-inclusive)	Tung-Ming Wu, Shin Kong Wu Ho Su Culture and Education Foundation	Tung-Ming Wu, Hsin-Ta Wu, Tseng-Chang Lee , Shih-Mei Lin, Shin Kong Wu Ho Su Culture and Education Foundation, Min-Chiu Chien	Tung-Ming Wu, Shin Kong Wu Ho Su Culture and Education Foundation	Tung-Ming Wu, Hsin-Ta Wu, Tseng-Chang Lee , Shih-Mei Lin, Shin Kong Wu Ho Su Culture and Education Foundation, Min-Chiu Chien
NT\$10,000,000(inclusive)~ NT\$15,000,000 (non-inclusive)	Hwai-Chou Chen	Hwai-Chou Chen	Hwai-Chou Chen	Hwai-Chou Chen
NT\$15,000,000(inclusive)~ NT\$30,000,000(non-inclusive)	Shin Po Co., Ltd	Mark Wei, Michael Hung, Shin Po Co., Ltd	Shin Po Co., Ltd	Mark Wei, Michael Hung, Shin Po Co., Ltd
NT\$30,000,000(inclusive)~ NT\$50,000,000(non-inclusive)		Chun-Hong Chen		Chun-Hong Chen
NT\$50,000,000(inclusive)~ NT\$100,000,000 (non-inclusive)				
Over NT\$100,000,000(inclusive)				
Total	20	20	20	20

- Note 1: The names of Directors shall be listed respectively (for institutional shareholders, the name of institutional shareholders and representatives shall be listed respectively), and the payment amount shall be disclosed in summary by Director and Independent Director.
- Note 2: a.It refers to the rewards paid to Directors in the most recent year (including director salary, duty allowance, severance pay, bonuses, incentives, etc.).
b.This includes the Company's long-term incentive bonus awarded in FY22 and provisioned in FY24 of NT\$1,622 thousand, and also includes subsidiaries long-term incentive bonus awarded in FY21 to FY23 and provisioned in FY24 of NT\$5,111 thousand.
- Note 3: It refers to the director compensation that was approved in the most recent year by the Board of Directors.
- Note 4: It refers to the business allowance of Directors in the most recent year (including traveling expenses, special disbursements, subsidies, dorms, and provision of such tangible objects as company cars). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please annotate the compensation paid to such driver. However, such compensation shall not be included.
- Note 5: a.It refers to the salary, allowance, severance pay, bonus, incentives, travel expenses, special disbursements, subsidies, dorms, and company cars provided to Directors who concurrently serves as an employee (e.g. President, Senior Vice President, other managers and employees). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please annotate the compensation paid to such driver. However, such compensation shall not be included. Any compensations listed under IFRS 2 Share-Based Payment, including issuance of employee stock warrants, restricted stock awards, and subscription to issuance of common shares shall also be included in calculation of remuneration.
b.The total amounted of driver-related compensation paid by all the company's consolidated report is NT\$3,499 thousand. The company paid is NT\$1,415 thousand.
- Note 6: It refer to the fact that the employee bonus amount to be distributed to Directors concurrently serving as employees (including President, Senior Vice President, other managers and employees) who receives employee bonus (including stock and cash) in the most recent year after approval by the Board of the most recent year shall be disclosed, and Appendix 1-3 shall be prepared.
- Note 7: The total amount of remunerations paid to Directors of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed.
- Note 8: For the sum of various compensations paid to Directors by the Company, the name of each Director shall be disclosed in the proper range.
- Note 9: For the sum of various remuneration paid to the Company's Directors by all consolidated entities (including the Company), the name of Director shall be disclosed in the proper range.
- Note 10: Net profit after tax refers to the net profit after tax of the individual financial statements of the most recent year
- Note 11: a.The remuneration amount received by Directors of the Company from invested entities other than subsidiaries shall be clearly filled in this column.
b.Where a director of the Company received remuneration from invested entities other than subsidiaries, such remuneration received shall be integrated in Column I of the Remuneration Range Table, and the name of the column shall be modified as "All Re-Invested Entities."
c.Remuneration refers to the rewards, remuneration (including remuneration of employee, director, supervisor or manager) and business execution fees received by Directors of the Company who serve as the Directors, supervisors or managers of invested entities other than subsidiaries.
- Note 12 : Term of 2024: January 1, 2024 ~ June 30, 2024 (Director), July 1, 2024 ~ December 31, 2023 (Chairman).
- Note 13 : Term of 2024: January 1, 2024 ~ June 30, 2024 (Chairman), July 1, 2024 ~ December 31, 2023 (Director).
- * The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

(II) Remuneration Paid to President and Vice Presidents

Unit: NT\$ thousands

Title	Name (Note 1)	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and Allowances (C) (Note 3)		Employee compensation (D) (Note 4)				Proportion of NIAT after summing the 4 items of A, B, C, and D (Note 8)		Whether or not receiving remuneration from parent company, or from invested entities other than subsidiaries (Note 9)
		The Company	All companies listed in the consolidated financial statements (Note 5)	The Company	All companies listed in the consolidated financial statements (Note 5)	The Company	All compani es listed in the consolid ated financial statemen ts (Note 5)	The Company		All companies listed in the consolidated financial statements (Note 5)		The Company	All companies listed in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Stephen Chen	26,540	26,540	808	808	39,225	42,029	1,377	0	1,502	0	67,950 0.33%	70,879 0.35%	None
Vice President	Judy Lin													
Vice President	Wayne Chang													
Auditor	Kuei-Houng Tsai													
Chief Legal officer	Shiou-Yu Chang													
Chief Compliance Officer	Chi-Yao Lu													
Chief Information Security Officer & Chief Information Officer	Kuo-Ping Lin													

§ Regardless of titles, compensations of employees with positions equivalent to President and Senior Vice Presidents (such as President, CEO, Director, etc.) shall be disclosed.

Remuneration Range Table

Range of Compensations Paid to Presidents and Senior Vice Presidents	Name of President and Senior Vice Presidents	
	The Company (Note 6)	All companies listed in this financial statement (Note 7) E
Under NT\$1,000,000		
NT\$1,000,000(inclusive)~ NT\$2,000,000(non-inclusive)		
NT\$2,000,000 (inclusive)~ NT\$3,500,000(non-inclusive)		
NT\$3,500,000 (inclusive)~ NT\$5,000,000(non-inclusive)	Chi-Yao Lu	
NT\$5,000,000 (inclusive)~ NT\$10,000,000 (non-inclusive)	Judy Lin, Kuo-Ping Lin, Shiou-Yu Chang, Wayne Chang, Kuei-Houng Tsai	Kuo-Ping Lin, Shiou-Yu Chang, Wayne Chang, Kuei-Houng Tsai, Chi-Yao Lu
NT\$10,000,000(inclusive)~ NT\$15,000,000 (non-inclusive)		Judy Lin
NT\$15,000,000(inclusive)~ NT\$30,000,000(non-inclusive)	Stephen Chen	Stephen Chen
NT\$30,000,000(inclusive)~ NT\$50,000,000(non-inclusive)		
NT\$50,000,000(inclusive)~ NT\$100,000,000 (non-inclusive)		
Over NT\$100,000,000(inclusive)		
Total	7	7

Note 1: Names of the President and Senior Vice Presidents shall be listed separately and the amount of remuneration shall be disclosed in aggregate.

Note 2: This refers to salaries, allowances and severance pay of President and Senior Vice Presidents in the most recent fiscal year.

Note 3: a. This refers to bonuses, incentive pay, transport fee, special allowance, various subsidies, accommodation, vehicles, etc. provided to President and Senior Vice Presidents in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please annotate the compensation paid to such driver. However, such compensation shall not be included. Any compensations listed under IFRS 2 Share-Based Payment, including issuance of employee stock warrants, restricted stock awards, and subscription to issuance of common shares shall also be included in calculation of remuneration.

b, This includes the Company's long-term incentive bonus awarded in FY22 and provisioned in FY24 of NT\$327 thousand, and also includes subsidiaries long-term incentive bonus awarded in FY21 to FY23 and provisioned in FY24 of NT\$1,537 thousand.

c. The total amount of driver-related compensation paid by all the company's consolidated report is NT\$958 thousand.

Note 4: The employee compensation amount to be distributed to President and Senior Vice Presidents (including stock and cash. Where the amount is unable to be estimated, the distributable amount of the year shall be calculated based on the ratio of actual distribution amount of previous year) approved by the Board in the most recent year, and Appendix 1-3 shall be prepared.

Note 5: The total amount of remunerations paid to President and Senior Vice Presidents of the Company by all companies (including the Company) in the consolidated financial statements shall be disclosed.

Note 6: For the sum of various compensations paid to Presidents and Senior Vice Presidents by the Company, the name of each President and Senior Vice President shall be disclosed in the proper range.

Note 7: For the sum of various remuneration paid to the Company's President and Senior Vice Presidents by all consolidated entities (including the Company), the name of President and Senior Vice Presidents shall be disclosed in the proper range.

Note 8: Net profit after tax refers to the net profit after tax of the individual financial statements of the most recent year

Note 9: a. The remuneration amount received by President and Senior Vice Presidents of the Company from invested entities other than subsidiaries shall be clearly filled in this column. (fill "None" in the form if there is none)

b. Where the President and Senior Vice Presidents of the Company received remuneration from the parent company, or from invested entities other than subsidiaries, such remuneration received shall be integrated in Column E of the Remuneration Range Table, and the name of the column shall be modified as "Parent and All Invested Entities."

c. Remuneration refers to the rewards, remuneration (including remuneration of employee, director, supervisor or manager) and business execution fees received by President and Senior Vice Presidents of the Company who serve as the Directors, supervisors or managers of the parent company, or of invested entities other than subsidiaries.

§ The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

(III) Remuneration of the supervisor: None. (The Company replaces the role of supervisor with our Audit Committee)

(IV) Retired Directors and Presidents of the Company or affiliated companies serving as consultants: None.

(V)The names of managerial officers responsible for distributing employee compensation and the status of payments:

i. Earnings distribution for the latest year

2024; Unit: NT\$ thousands

	Title (Note 1)	Name (Note 1)	Stock (Note 2)	Cash (Note 2)	Total	Percentage of total amount to NIAT (%)
Manager (Note 3)	President	Stephen Chen	0	2,646	2,646	0.013%
	Vice President	Judy Lin				
	Chief Legal officer	Shiou-Yu Chang				
	Vice President	Wayne Chang				
	Chief Auditor	Kuei-Houng Tsai				
	Chief Compliance Officer	Chi-Yao Lu				
	Chief Information Security Officer & Chief Information Officer	Kuo-Ping Lin				
	Senior Assistant Vice President	Yi-Tsuei Hsu				
	Senior Assistant Vice President	Vicky Lu				
	Senior Assistant Vice President	Min-Chi Wu				
	Senior Assistant Vice President	Cheng-Wei Fang				
	Senior Assistant Vice President	Allen Li				
	Senior Assistant Vice President	Li-Jung Huang				
	Assistant Vice President	Kuang-Ti Sun				
	Assistant Vice President	Hsin- Nan Li				
	Assistant Vice President	Da-Hsiang Lo				
	Assistant Vice President	Chih- Wei Tsao				
	Assistant Vice President	Chien-Cheng Ho				
	Assistant Vice President	Chun-Ying Lin				
	Assistant Vice President	Pei-Chun Lu				

Note 1: individual names and titles shall be disclosed, but compensations received can be disclosed in aggregation.

Note 2: The employee compensation to be distributed to managers (including stock and cash) approved by the Board in the most recent year shall be filled in. Where the amount is unable to be estimated, the distributable amount of the year shall be calculated based on the ratio of actual distribution amount of previous year. Net profit after tax refers to the net profit after tax of the individual financial statements of the most recent year

Note 3: The applicable scope of managers, in accordance with the provision of Tai-Tsai-Cheng-San-Zhi Order No. 0920001301 dated March 27, 2003 by Financial Supervisory Commission, is as follows:

- (1)President and equivalent level.
- (2)Senior Vice President and equivalent level
- (3)Vice President and equivalent level.
- (4)Head of financial department.
- (5)Head of accounting department
- (6)Other personnel with the authority to manage company affairs and to sign on behalf on the Company

Note 4: Where Directors, President and Senior Vice Presidents receive employee compensation (including stock and cash), this Table shall be prepared in addition to Appendix 1-2.

ii. The 2024 distribution information acquired in 2023: None.

(The Company reported net losses after taxes for FY23, and hence no distribution of employee compensation was made)

(V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, president, and vice president, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

1.Total remuneration, as a percentage of net income, paid in the past 2 fiscal years to directors, president, and vice president

For the year 2024, the Company and all other companies included in the consolidated financial statements paid a total of NT\$184,281 thousand and NT\$70,879 thousand as remuneration to the Directors, President, and Vice President, accounting for 0.9% and 0.35% of net income, respectively. For the year 2023, the Company and all other companies included in the consolidated financial statements paid a total of NT\$77,239 thousand and NT\$172,308 thousand as remuneration to the Directors, President, and Vice President, accounting for -1.04% and -2.33% of net income, respectively.

The increase of remuneration in the second phase was mainly due to the significant increase in profits in 2024 compared to the loss in 2023, reflecting the increase in annual variable compensation (such as directors' remuneration, annual performance bonuses, etc.).

2.The remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Independent Director

- a. Remuneration of directors includes remuneration and business execution costs
- b. The remuneration of independent directors is in accordance with Article 23 of the Company's articles of incorporation. The board of directors shall determine a fixed remuneration based on its responsibilities, risks, time spent and the usual level of the industry, and does not participate in the Company's surplus distribution.
- c. Business execution expenses include related expenses incurred in the execution of the business, including expenses such as carriage fees for attending the meetings of the board of directors.

(2) Director

- a. The remuneration items for directors are classified by nature into rewards, directors' remuneration, and business allowance.
- b. The remuneration of directors is reviewed by the compensation committee in accordance with Article 23 of the Company's articles of incorporation. According to the authorization, the board of directors shall negotiate the remuneration of directors in accordance with its degree of participation in the Company's operations and contribution value, as well as industry standards.

The changes in directors' rewards also take into consideration individual evaluations of items such as the directors' degree of participation in the Company's operations, the directors' professionalism and ongoing learning, internal controls, grasp of the Company's objectives and tasks, and understanding of the directors' duties. The chairman and vice chairman effectively link personal annual performance bonuses with the Company's operating performance according to the annual performance bonus rules for senior executives, taking into account after-tax net profit, shareholders' equity, and financial indicators - subsidiaries operating performance and capital adequacy ratio, and non-financial indicators - digital finance (digital customer management and digital transformation effectiveness), integrated marketing and related indicators of corporate governance (such as the implementation of laws and regulations compliance and internal control system effectiveness, corporate governance evaluation results and corporate sustainable operations performance). In addition, in order to create long-term value for the company, shareholders and employees, a link between bonuses and future risk control should be established according to the long-term incentive bonus rules and the long-term incentive bonus rules for senior executives and the stock trust reward plan, and set individual percentage standards to strengthen the link between long-term rewards and shareholder value.

- c. Remuneration of directors according to Article 32 of the articles of incorporation: If the Company makes a profit during the year, no more than 0.5% of the profit may be allocated by the board of directors for remuneration of directors. The remuneration distribution proposal shall be submitted to the shareholders' meeting. When the Company has accumulated losses, it should reserve the amount to cover these losses in advance, and then allocate directors' remuneration based on the remaining balance according to the ratio induced in the prior section. The distribution ratio depends on the individual directors' participation in the Company's operations, their contribution value, and performance. The allocation will be carried out based on the weighted results of these ratios.
- d. Business allowance includes the attendance fees for the board of directors and other various expenses required for the execution of the Company's business.

(2) Managers

- a. The compensation items for managers are classified by nature into rewards, pensions, bonuses, and employees' compensation.
- b. The policies, systems, standards and structure of the performance evaluation and salary remuneration of the Company's managers are reviewed by the remuneration committee and submitted to the board of directors for decision. The remuneration

of managers is based on their professional qualifications, and with reference to the salary levels of the Company, the same trade or business, and the market. Performance of managers is evaluated in accordance with performance management methods. When setting performance objectives, in addition to financial indicators- subsidiaries operating performance and capital adequacy ratio, there are also non-financial indicators - digital finance (digital customer management and digital transformation effectiveness), integrated marketing and related indicators of corporate governance (such as the implementation of laws and regulations compliance and internal control system effectiveness, corporate governance evaluation results and corporate sustainable operations performance).

At the same time, in order to implement the purpose of linking performance and rewards, and to encourage managers to pursue outstanding performance, personal annual performance bonuses are effectively linked with the Company's operating performance and personal performance in accordance with the annual performance bonus method. In order to create long-term value for the Company, shareholders and employees, senior managers establish a link between bonuses and future risks in accordance with the long-term incentive bonus method, managers encouraged and reward in accordance with the employee stock ownership trust. Remuneration of employees according to Article 32 of the Company's articles of incorporation: If the Company makes a profit during the year, it shall allocate more than one ten thousandth and less than five ten thousandth of profit for employee compensation, which may include employees of affiliated companies who meet certain conditions. The plan for the distribution of the remuneration of employees shall be submitted to the shareholders' meeting. If the Company has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the balance in proportion to the preceding paragraph.

III. Corporate Governance:

(I) The state of operations of the board of directors:

i. Attendance of directors at board meetings for the latest year

THE 8th Session of the Board of Directors held 17 meetings in the latest period (January 1, 2024~December 31, 2024), and director attendance status is as follows:

Title	Name	Expected times of attendance (A)	Number of actual attendance (B)	Attendance by Proxy	Actual attendance rate [B / A] (%)	Remarks
Chairman	Shin Po Co., Ltd Representative: Mark Wei	17	17	0	100%	
Vice Chairman	Shin Po Co., Ltd Representative: Tung-Ming Wu	17	16	1	94%	
Director	Shin Po Co., Ltd Representative: Michael Hung	17	17	0	100%	
Director	Shin Po Co., Ltd Representative: Tun-Jen Lin	17	17	0	100%	
Director	Shin Kong Wu Ho Su Culture and Education Foundation Representative: Olivia Wu	17	17	0	100%	
Director	Shin Kong Wu Ho Su Culture and Education Foundation Representative: Tseng-Chang Lee	17	16	1	94%	
Director	Shin Kong Mitsukoshi Department Store Co., Ltd Representative: Hui-Min Lai	17	15	1	88%	
Director	Tung Shing Investment Co., Ltd Representative: Hsin-Ta Wu	17	16	1	94%	
Director	Wu Chia Lu Insurance Culture and Education Foundation Representative: Benson Wu	17	17	0	100%	
Director	Hwai-Chou Chen	17	17	0	100%	
Director	Chun-Hong Chen	17	12	5	71%	
Director	Shih-Mei Lin	17	17	0	100%	
Independent Director	Min-Chiu Chien	17	16	1	64%	
Independent Director	Edgar Y. Chen	17	17	0	100%	
Independent Director	Yung-Ming Shiu	17	17	0	100%	

The attendance of independent Directors of the Board in 2023

◎: attended in person ☆ proxy attendance *: absent

Sequence Independent Director	8-11	8-12	8-13	8-14	8-15	8-16	8-17	8-18	8-19
Min-Chiu Chien	◎	◎	◎	◎	◎	◎	◎	meeting cancelled	◎
Edgar Y. Chen	◎	◎	◎	◎	◎	◎	◎		◎
Yung-Ming Shiu	◎	◎	◎	◎	◎	◎	◎		◎
Sequence Independent Director	8-20	8-21	8-22	8-23	8-24	8-25	8-26	8-27	8-28
Min-Chiu Chien	☆	◎	◎	◎	◎	◎	◎	◎	◎
Edgar Y. Chen	◎	◎	◎	◎	◎	◎	◎	◎	◎
Yung-Ming Shiu	◎	◎	◎	◎	◎	◎	◎	◎	◎

Other matters that shall be recorded:

1. Where the proceedings of the board meeting include one of the following circumstances, then describe the date, session, topic discussed, opinions of every Independent Director, and their handling by the Company:
 - (1) Matters set forth in Article 14-3 of Securities and Exchange Act: The Company establishes an Audit Committee, which is subject to the provisions set forth in Article 14-5 of the Securities and Exchange Act. As such, Article 14-3 of the same Act is not applicable. Please refer to the operation status of the Audit Committee for the matters set forth in Article 14-5 of the Securities and Exchange Act.
 - (2) In addition to the aforementioned matters, any other resolutions from the Board meetings where an Independent Director expressed a dissenting or qualified opinion that have been recorded or stated in writing:
 - a. On February 19, 2024, at the 12th meeting of the 8th Board of Directors, discussion was held on "Regarding Shin Kong Life's "RBC Improvement Plan for the end of June 2024", SKFH has proposed a capital injection plan and schedule for Shin Kong Life in the first half of 2024 for review." Independent Director Mr. Shiu's opinions are as follow: I agree with SKFH's capital injection in its subsidiary, Shin Kong Life. However, except for Shin Kong Life's subordinated bonds issuance, I hold reserved opinions for the current capital raising plans proposed by the Company, such as earnings upstream by the banking and securities subsidiaries. For details, see the material information on February 19, 2024 "Subject: SKFH announces that Independent Director holds reserved opinion on the 2nd proposal discussed at Board meeting of the 12th meeting of the 8th term". Director Olivia Wu and Director Tseng-Chang Lee expressed concurrence with the opinions of Independent Director Yung-Ming

- Shiu, and the 12 remaining directors expressed support to the motion. The proposal was approved by the majority of all directors present after consultation with the Chairman.(Company's response: An announcement of material information was made given that an independent director had expressed reservation during board of directors meeting.)
- b. On April 26, 2024, at the 16th meeting of the 8th Board of Directors, discussion was held on "The proposal to continue the study of mergers was submitted for review due to the reasons: (1) Solve SKL's low RBC ratio issue. (2) Harmonize operations with ICS to turn around business operation difficulties. (3) Protect the right of policyholders, employees, shareholders and the Company. (4) Expand the company scale. (5) Lay the foundation for Taiwan's financial industry development ". Independent Director Mr. Shiu's opinions are as follow: Bringing up the continuation of the study of mergers now will hinder the execution of capital raising through the issuance of common shares, which is now under process. The Board's decision on this proposal might violate the Business Judgement Rule and common business sense. For details, see the material information on April 26 " Subject: SKFH announces that the Independent Director Shiu Yung-Ming holds reserved opinion on the 10th proposal discussed at Board meeting of the 16th meeting, 8th term". Director Olivia Wu ,Director Tseng-Chang Lee and Director Hui-Min Lai expressed reservation, and the 11 remaining directors expressed support to the motion. The proposal was approved by the majority of all directors present after consultation with the Chairman.(Company's response: An announcement of material information was made given that an independent director had expressed reservation during board of directors meeting.)
- c. On August 22, 2024, at the 22th meeting of the 8th Board of Directors, discussion was held on "The Company plans to merge with Taishin Financial Holdings Co., Ltd. (hereinafter referred to as Taishin FHC), with Taishin FHC as the surviving company, and SKFH as the dissolved comapany. The Company will apply for securities delisting on the merger base date.",and "Convene the first Extroinary General Meeting of 2024 (including common shares and preferred shares)." Independent Director Mr. Shiu's opinions are as follow: I have never been opposed to mergers. However, any merger must prioritize the interests of the company and its shareholders; otherwise, it may violate the directors' duties of loyalty and care to the company. For details, see the material information on August 22 " Subject: SKFH announces Independent Director Shiu Yung-Ming holds reserved opinion on the 1st and 2nd proposal at the 22nd meeting, 8th term of the Board Meeting". In the 1st proposal: Director Olivia Wu and Director Tseng-Chang Lee expressed objection, Director Hui-Min Lai expressed to abstain, and the 11 remaining directors expressed support to the motion. In the 2nd proposal: Director Olivia Wu and Director Tseng-Chang Lee expressed objection, Director Hui-Min Lai expressed to abstain, and the 11 remaining directors expressed support to the motion. The proposal was approved by the majority of all directors present after consultation with the Chairman.(Company's response: An announcement of material information was made given that an independent director had expressed reservation during board of directors meeting.)
- d. On September 11, 2024, at the 24th meeting of the 8th Board of Directors, discussion was held on "The Company adjust the price and condition of mergering with Taishin Financial Holdings Co., Ltd. (hereinafter referred to as Taishin FHC), the adjusted merger plan and the fairness of this transaction are submitted for review." Independent Director Mr. Shiu's opinions are as follow: I am happy to see an increase in the share exchange ratio. However, this motion only gives members of the Special Committee on Mergers and Acquisitions only 40 minutes to review the motion. For such an important merger, the review time is simply not enough. Furthermore, the control premium used in this share exchange ratio remains at 17% and has not been increased. Considering the transaction scale of this case, it is indeed low. Also, this share exchange includes preferred shares, However, for the shareholders of the original Shin Kong FHC in the new company after the merger, the preferred shares are, to some extent, just getting back the money they would have gotten back in the future, which is different from cash. Based on the above reasons I am against this case. For details, see the

material information on September 11, 2024” Subject: SKFH announces Independent Director Shiu Yung-Ming holds reserved opinion on the 1st proposal at the 24th meeting, 4th term of the Board Meeting”. Director Olivia Wu and Director Tseng-Chang Lee expressed objection, Director Hui-Min Lai expressed reservation, and the 11 remaining directors expressed support to the motion. The proposal was approved by the majority of all directors present after consultation with the Chairman.(Company's response: An announcement of material information was made given that an independent director had expressed reservation during board of directors meeting.)

2.The execution of recusal of Directors on proposals featuring conflicts of interests shall specify the names of Directors, proposal content, reason of recusal, and status of voting participation:

Board of Directors Date / Sequence	Name of Director	Proposal Content	Reason for Recusal	Participation in Voting
January 26, 2024 The 11th meeting of the 8th Board	Chairman, Hwai-Chou Chen Vice Chairman, Tung-Ming Wu	2023 performance bonus proposal for the Company's Chairman , Vice Chairman and President	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
January 26, 2024 The 11th meeting of the 8th Board	Vice Chairman, Tung-Ming Wu Director, Olivia Wu Director, Tseng-Chang Lee Director, Hui-Min Lai Director, Tun-Jen Lin Director, Michael Hung Director, Hsin-Ta Wu Director, Mark Wei Director, Benson Wu Director, Shih-Mei Lin	Spring festival bonus for Directors (excluding Independent Directors) of the Company for 2024	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
February 29, 2024 The 13th meeting of the 8th Board	Vice Chairman, Tung-Ming Wu Director, Olivia Wu Director, Michael Hung Director, Hsin-Ta Wu Director, Tun-Jen Lin	Proposal to submit a letter of intent for lease to interested party Wang Tien Woolen Textile Co., Ltd. for the construction of a new computer server room	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
March 29, 2024 The 15th meeting of the 8th Board	Chairman, Hwai-Chou Chen Vice Chairman, Tung-Ming Wu Director, Olivia Wu Director, Tseng-Chang Lee Director, Hui-Min Lai Director, Tun-Jen Lin Director, Michael Hung Director, Hsin-Ta Wu Director, Mark Wei Director, Benson Wu	Distribution of director remuneration for 2023	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting

Board of Directors Date / Sequence	Name of Director	Proposal Content	Reason for Recusal	Participation in Voting
	Director, Shih-Mei Lin Director, Chun-Hong Chen			
March 29, 2024 The 15th meeting of the 8th Board	Director, Olivia Wu	Proposal to renew the property lease agreement for the 7th Floor of the Network Technology Building with The Great Taipei Gas Corporation	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
May 28, 2024 The 17th meeting of the 8th Board	Vice Chairman, Tung-Ming Wu Director, Olivia Wu Director, Michael Hung Director, Hsin-Ta Wu Director, Tun-Jen Lin	Proposal to re-submit a letter of intent for lease to related party Wang Tien Woolen Textile Co., Ltd. in response to regulatory sanctions imposed on the subsidiary Taiwan Life	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
July 26, 2024 The 21th meeting of the 8th Board	Vice Chairman, Tung-Ming Wu Director, Olivia Wu Director, Michael Hung Director, Hsin-Ta Wu Director, Tun-Jen Lin Director, Benson Wu Director, Hui-Min Lai	Proposal on the list of specific individuals with interested party status participating in the subscription of common shares issued through cash capital increase, pursuant to Article 45 of the Financial Holding Company Act	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
July 26, 2024 The 21th meeting of the 8th Board	Chairman, Mark Wei	Compensation for Chairman of the Company	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting
November 28, 2024 The 27th meeting of the 8th Board	Director, Hsin-Ta Wu	The Company renews business credit card of its subsidiary Shin Kong Bank Co., Ltd	Being a party concerned, or a stakeholder with the proposals.	Not participated in discussions and voting

3. A listed financial holding company should disclose information such as the evaluation interval, period, scope, method, and content of the Board's self (or peer) assessment. Please refer to

the following table for the assessment of the Board:

Type	Interval	Period	Scope	Method	Content
Internal Evaluation on the Performance of the Board and the Functional Committees	Performed once a year	January 1 to December 31, 2024	Including performance evaluation of the Board, individual Directors, and functional committees	The internal self-evaluation of the Board, the self-evaluation of Directors, and the self-evaluation of functional committees were all conducted in the form of questionnaires. Qualitative indicators are filled out by Directors or members of functional committees and all quantitative indicators are filled out by related meeting organization units.	(1) The performance evaluation of the Board includes 5 major aspects (18 qualitative indicators, 18 quantitative indicators, a total of 36 indicators, 2 of which are bonus / minus questions): Degree of participation in the Company's operations; Improvement in the decision quality of board; Composition and structure of the Board of Directors; Election and continuing education of Directors; Internal controls. (2) The performance evaluation items of Directors include 6 aspects (19 qualitative indicators, 6 quantitative indicators, and a total of 25 indicators): Grasp of the goals and missions of the Company; Recognition of the duties of Directors; Degree of participation in the Company's operations; Management of internal relations and communication; Professional and continuing education of Directors; Internal controls. (3) The performance evaluation of the functional committee includes five major aspects (11 qualitative indicators, 10 quantitative indicators, a total of 21 indicators): Degree of participation in the Company's operations; Recognition of the duties of the functional committee; Improvement in decision quality of the functional committee; Composition and election of the functional committee members; Internal controls.
External Evaluation on the Performance of the Board	Performs every three years	January 1 to December 31, 2023	Including performance evaluation of the Board, and individual Directors.	The evaluation work was entrusted to Taiwan Institute of Ethical Business and Forensics, who conducted their work by asking Directors to fill out a questionnaire and interview	The evaluation work comprises four dimensions (24 indicators): Board function, Board decision-making efficiency, Board's valuation and supervision of internal control, and the Board's attitude to sustainable management and corporate social responsibility.

Type	Interval	Period	Scope	Method	Content
				them.	

Description:

To implement corporate governance and improve the operation efficiency of the Board, the Board of the Company approved the "Regulations Governing Performance Assessment for the Board" on September 28, 2018 in accordance with Article 37 of Corporate Governance Best Practice Principles for TWSE / TPEX Listed Companies and template stipulated by the TWSE. External evaluation will be conducted at least once every three years. The Regulations was later amended on November 26, 2019 and renamed "Regulations on Board and Functional Committee Performance Evaluation", which not only includes functional committees in the evaluation, but also separates assessment items into qualitative and quantitative indicators. The former is to be filled in by Directors or committee members. The latter is uniformly filled in by the relevant meeting units; in addition, the evaluation levels have also been unified to five levels, namely "strongly agree", "agree", "neutral", "disagree", and "strongly disagree", so that the performance evaluation of the Board and functional committees is more specific and quantitative. The performance evaluation results of individual directors will serve as a reference for the Company's Board of Directors in selecting or nominating independent directors and in determining directors' remuneration.

4.Results of the Evaluation on the Performance of the Board and the Various Functional Committees

- (1) Period: January 1 to December 31, 2024.
- (2) Evaluation method: The internal self-evaluation of the Board, the self-evaluation of Directors, and the self-evaluation of functional committees were all conducted in the form of questionnaires. Qualitative indicators are filled out by Directors or members of functional committees and all quantitative indicators are filled out by related meeting organization units.
- (3) Execution unit:
 - A.Internal Evaluation on the Performance of the Board: Board of Directors meeting unit (secretary of the Board).
 - B.Internal performance evaluation of functional committees: The agenda working group of each functional committee (Audit Committee - Secretarial Department; Remuneration Committee - Human Resources Department; Corporate Sustainability Committee - Sustainable Development Department)

(4) Evaluation result:

Results of internal evaluation on the performance of the Board and various functional committees: The self-evaluation of the performance of the Board is rated 5.0 points; self-evaluation of the performance of individual Directors is rated 4.8 points, and self-evaluation of the average performance of functional committees is 5.0 points. Those grades fall into the "Excellent" category (5 to 4.6 points) as defined by the Company's Regulations on Board and Functional Committee Performance Evaluation.

A. Board internal performance self-evaluation:

Evaluation category (indicator quantity as a percentage) (Note)	Score	Rating
A. Degree of participation in the Company's operations (26.5%)	4.8 points	Excellent
B. Improvement in the decision quality of board (32.4%)	4.9 points	Excellent
C. Composition and structure of the Board of Directors (8.8%)	5.0 points	Excellent
D. Election and continuing education of Directors (14.7%)	4.9 points	Excellent
E. Internal controls (17.6%)	5.0 points	Excellent
Comprehensive performance score (sum of scores for each item/number of items)	5.0 points	Excellent

Note: Excluding 2 bonus/minus questions.

B. Self-evaluation of the performance of individual Directors:

Evaluation category (indicator quantity as a percentage)	Score	Rating
A. Grasp of the goals and missions of the Company (12%)	4.9 points	Excellent
B. Recognition of the duties of Directors (16%)	5.0 points	Excellent
C. Degree of participation in the Company's operations (32%)	4.5 points	Good
D. Management of internal relations and communication (8%)	4.9 points	Excellent
E. Professional and continuing education of Directors (20%)	4.9 points	Excellent
F. Internal controls (12%)	5.0 points	Excellent
Comprehensive performance score (sum of scores for each item/number of items)	4.8 points	Excellent

C. Self-evaluation of the performance of functional committees:

Evaluation category (indicator quantity as a percentage)	Audit Committee	Remuneration Committee	Corporate Social Responsibility Committee	Average Score	Rating
A. Degree of participation in the Company's operations (19.0%)	5.0 points	5.0 points	4.9 points	8.0points	Excellent
B. Recognition of the duties of the functional committee (33.3%)	4.9 points	4.9 points	4.9 points	4.9 points	Excellent
C. Improvement in decision quality of the functional committee (23.8%)	5.0 points	5.0 points	5.0 points	5.0 points	Excellent
D. Composition and election of the functional committee members (9.5%)	5.0 points	5.0 points	5.0points	5.0points	Excellent
E. Internal controls (14.3%)	5.0 points	N/A	N/A	5.0points	Excellent
Comprehensive performance score (sum of scores for each	5.0 points	5.0 points	5.0 points	5.0 points	Excellent

Evaluation category (indicator quantity as a percentage)	Audit Committee	Remuneration Committee	Corporate Social Responsibility Committee	Average Score	Rating
item/number of items)					

5. Overall review: In 2024, Evaluation on the Performance of the Board and the Various Functional Committees concluded an “Excellence” rating and the overall functioning of the Board and functional committees remains good. Below is an explanation to the low-scoring aspects, including the causes and improvements or suggested actions/solutions:

(1) Board internal performance assessment:

Average score for various aspects was between 4.8 and 5.0, with no dimension receiving particularly low marks. The directors generally expressed strong agreement with the performance of each assessment criterion.

(2) Performance assessment of individual directors:

Individual directors scored an average of 4.5-5.0 points across various aspects. Score for the aspect - “Degree of participation in the Company's operations” was relatively low due to one particular quantitative indicator, namely “The Director does not serve concurrently as Director or Supervisor of multiple companies,” which averaged a score of only 2.8 points. Nonetheless, the number of companies in which the Company's directors had served concurrent duties still complied with the limits specified in Corporate Governance Best Practice Principles for Financial Holding Companies and Regulations Governing Qualification Requirements for the Founder or Responsible Persons of Financial Holding Companies and Concurrent Serving Restrictions and Matters for Compliance by the Responsible Persons of a Financial Holding Company. In addition, the board held a total of 17 meetings during the year, which was 425% the frequency stipulated by laws, and the directors averaged a 96% attendance rate. Given the level of directors' participation in the Company's operations, the board was deemed able to function properly.

(3) Assessment of functional committee performance:

Scores averaged 4.9-5.0 across various aspects, and there was no aspect that scored particularly low. The Company's functional committee comprises the Audit Committee, Remuneration Committee, and Corporate Sustainability Committee, which separately scores 5.0 points, 5.0 points, and 5.0 points, suggesting an “Excellent” level of evaluation, as well as good functioning.

6. The results of the performance evaluation of the Board and functional committees of the Company in 2023 were completed at the end of December 2023, and the report was submitted to the Board in January 2024.

7. Board external performance assessment:

External evaluation on the performance of the Board for year 2023 was entrusted to "Taiwan Institute of Ethical Business." This institute and its experts have no business relationship with the Company and are independent. The institution conducted evaluations by means of questionnaire and on-site interviews. The evaluation covered four main aspects: Board function, Board decision-making efficiency, Board's valuation and supervision of internal control, and the Board's attitude to sustainability management. Based on its observations, the institute offered a conclusion along with optimization advices and a formal evaluation report. The questionnaire was designed using assessment indicators for the four main aspects mentioned above, and was distributed to each director to gather opinions on how the board had functioned. The institute also interviewed directors using a series of open-ended questions to learn their thoughts and expectations about how the board should function, given the Company's distinctive characteristics. Based on the above assessments, the institute has provided the board of directors with objective recommendations on ways to optimize, for which the Company will explore and execute improvement measures

accordingly to further enhance board function and strengthen corporate governance. The aforementioned external performance evaluation report was presented to the Board in January 2024. Recommendations for optimization:

Item No.	Recommendations of the evaluation report	The Company's Anticipated Improvement Measures
1	Enhance diversity of board members.	The Company will follow the institute's recommendations and take gender equality into consideration when nominating director candidates, so that diverse perspectives can be gathered from directors of different backgrounds to address financial inclusion, gender equality, and other sustainability-related issues.
2	Suggestion to increase the percentage of independent directors and evaluate suitable independent director candidates ahead of time.	The Company will follow the institute's recommendations and proceed in alignment with the timeline of FSC's "Corporate Governance 3.0 - Sustainable Development Roadmap" and in accordance with Paragraph 3, Article 4 of "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" by increasing the percentage of independent directors on board and evaluating suitable candidates ahead of time, and thereby enhance the board's supervisory function.
3	Suggestion to assemble a Nomination Committee and establish director nomination system for the entire group to help build up a talent base for potential directors.	The Company will follow the institute's recommendations and set up a Nomination Committee in alignment with the timeline of FSC's "Corporate Governance 3.0 - Sustainable Development Roadmap" to support election of company directors.
4	Encouragement for managers' accountability and enhancement of communication between the management team and directors beforehand.	The Company will follow the institute's recommendations and require managers and department heads to evaluate whether it is necessary to communicate with board members prior to a board meeting about the motions they are responsible for, so that motions can be discussed during board meetings with better focus.
5	Survey directors' needs for ongoing education and introduce a broader variety of courses.	The Company will follow the institute's recommendations and survey directors' needs for ongoing education while at the same time introduce a broader variety of courses that cover business activities of the financial holding company and subsidiaries as well as future industry trends, and thereby improve directors' understanding of the various industries the Company is involved in.

8. The goal of enhancing functions of the Board of current year and previous year (i.e. establish Audit Committee and improve information transparency) and the description of implementation:

- (1) The Company has 3 independent Directors in accordance with Article 14-2 of Securities and Exchange Act
- (2) The Company has established an Audit Committee, which is composed of all independent Directors. The purpose of this Committee is to assist the Board in improving

the performance of corporate governance. The members of the Committee have expertise in finance, risk management, accounting and financial management, and the exercise of their responsibilities has been well displayed.

- (3) In order to improve corporate governance and strengthen the functions of the Board of Directors, the Company has set up the Remuneration Committee, composed of three Independent Directors of the Company to assist the Board of Directors in formulating and regularly reviewing the performance evaluation of Directors and managers, as well as the remuneration policies, systems, standards and structure. Also, the Company has set up own Corporate Sustainability Committee, composed of at least three Directors, more than half of whom are Independent Directors, to supervise and manage the overall corporate sustainability operations of the Company and its subsidiaries, and regularly report implementation results and advocacy results to the Board of Directors.
- (4) Since June 1, 2009, the Company has insured “Liability Insurance for Director, Supervisors, and Important Employees” for liabilities when performing duties in the terms as Directors, supervisors and important employees of the Company and its subsidiaries. The Company also reviews the policy on a regular basis in order to lower the risks of Directors, supervisors, important employees and the Company and to establish optimized corporate governance mechanism.

(II) Operations of the Audit Committee:

The term of the 4th Audit Committee: June 9, 2023 to June 8, 2026. In the most recent year (January 1, 2024 to December 31, 2024) the Audit Committee met 18 times (A), and the attendance of independent directors is as follows:

Title	Name	Number of actual attendance (B)	Attendance by Proxy	Percentage of actual attendance (B/A)(Note)	Remarks
Independent Director (Convener)	Yung-Ming Shiu	18	0	100%	-
Independent Director	Mei-Hwa Lin	18	0	100%	-
Independent Director	Chi-Ming Wu	18	0	100%	-

The Audit Committee of the Company is composed of 3 Independent Directors. The purpose of this Committee is to assist the Board of the Company in performing the supervision on the quality and integrity in accounting, auditing, financial statement procedure and financial control. 18 meetings were held in 2024, and the issues considered by the Audit Committee mainly include:

1. Amend the internal control system of the Company in accordance with Article 14-1 of the Securities and Exchange Act.
2. Evaluation on the effectiveness of internal control system.
3. Formulate or amend the action procedure for the material financial business behaviors involving the acquisition or disposal of assets and engagement in derivative trading in accordance with Article 36-1 of the Securities and Exchange Act.
4. Affair involving personal interests of directors.
5. Major asset or derivative transactions.
6. Offering, issuance or private placement of negotiable securities featuring equity.
7. Appointment, dismissal or remuneration to certifying CPA.
8. Annual financial statement and semiannual financial statement.
9. Other affairs specified by the Company or regulators.

● Review of financial statements

The Board prepared 2024 Business Report, Consolidated Financial Statements and Earnings Distribution Proposal of the Company. The Consolidated Financial Statements have been audited by CPA Chen-Hsiu Yang and CPA Yi-Chun Wu of Deloitte & Touche Tohmatsu Limited, who issued an audit report. The Audit Committee reviewed the submitted Business Report, Consolidated Financial Statements, and earnings distributions proposal and believed them to be proper. The Audit Committee then approved the said documents and, as required, issued the Audit Committee Report on February 19, 2025 and submitted the same to the 2025 Shareholders' Meeting.

- Evaluate the effectiveness of internal control system

The Audit Committee assessed that the Bank had established internal control policies and exercised risk management in accordance with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries." These policies and practices were also inspected by an independent Audit Division, reported regularly to the board of directors and supervisors, and an internal control system report for the current year has been issued. Except for the matters listed in the table attached to the internal control system statement, the various units were able to effectively implement internal control and legal compliance this year.

- Appointment of CPA

The Audit Committee is held responsible for supervising the independence of the accounting firm of CPAs to ensure the integrity of financial statement. CPAs shall be granted the approval by the Audit Committee before providing audit service.

To ensure the independence of accounting firm of CPAs, the Audit Committee carefully examines matters, including financial interests, financing and guarantee, close business relationship with the Company, hired by or serving positions of the Company, non-audit business, and other matters that may affect the independence of CPAs, in order to assess the independence of CPAs and their professional and competence based on their audit experience and seniority. The 26st session of the 4th Audit Committee meeting dated April 26, 2024 and the 16st session of the 8th board of directors meeting dated April 26, 2024 have reviewed and found that both CPA Chen-Hsiu Yang and CPA Yi-Chun Wu of Deloitte & Touche meet the independence and competency assessment standards, and are professionally competent to serve as the Company's financial and tax CPAs.

*Other matters that shall be recorded:

- I. With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, contents of dissenting opinions, qualified opinions or material suggestions of the Independent Directors, the Audit Committee's resolutions, and the Company's handling of such resolutions shall be specified:

- (I) Affairs listed in Article 14-5 of the Securities and Exchange Act

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
January 25, 2024 The 10th meeting of the 4th term	Proposal to amend the Company's "Internal Control System"	Approved as proposed	None	Submitted to the Board of Directors for review on January 26, 2024, and approved as proposed
February 27, 2024 The 11th meeting of the 4th term	Proposal to submit a letter of intent for lease to interested party Wang Tien Woolen Textile Co., Ltd. for the construction of a new computer server room	Approved as proposed	None	Submitted to the Board of Directors for review on February 29, 2024, and approved as proposed
February 27, 2024 The 11th meeting of the 4th term	Proposal on the Company's 2023 Consolidated Financial Report	Approved as proposed	None	Submitted to the Board of Directors for review on February 29, 2024, and approved as proposed
February 29, 2024 The 12th meeting of the 4th term	Proposal on the Company's investment in ordinary shares of subsidiary Shin Kong Life Insurance Co., Ltd., with a cap of NT\$7 billion	Approved as proposed	None	Submitted to the Board of Directors for review on February 29, 2024, and approved as proposed
February 29, 2024 The 12th meeting of the 4th term	Proposal on the Company's 2023 "Statement of Internal Control System"	Approved as proposed	None	Submitted to the Board of Directors for review on March 29, 2024, and approved as

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
				proposed
March 28, 2024 The 13th meeting of the 4th term	Proposal on the Company's 2023 Loss Offset and Business Report	Approved as proposed	None	Submitted to the Board of Directors for review on March 29, 2024, and approved as proposed
March 28, 2024 The 13th meeting of the 4th term	Proposal on the appointment and remuneration of the certifying CPAs for the Company's financial reports	Independent Director Edgar Y.Chen declared a conflict of interest and recused himself; the proposal was withdrawn with approval from two Independent Directors	The proposal content requires further refinement	Submitted to the Board of Directors for review on March 29, 2024, and the withdrawal was approved
March 28, 2024 The 13th meeting of the 4th term	Proposal on the Company's cash capital increase and issuance of ordinary shares	Approved as proposed	None	Submitted to the Board of Directors for review on March 29, 2024, and approved as proposed
March 28, 2024 The 13th meeting of	Proposal to renew the property lease agreement for the 7th Floor of the Network Technology Building with The Great Taipei Gas Corporation	Approved as proposed	None	Submitted to the Board of Directors for review on March 29,

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
the 4th term				2024, and approved as proposed
April 26, 2024 The 14th meeting of the 4th term	Proposal to amend the Company's Audit Committee Organization Regulations	Approved as proposed	None	Submitted to the Board of Directors for review on April 26, 2024, and approved as proposed
April 26, 2024 The 14th meeting of the 4th term	Proposal on the appointment and remuneration of the certifying CPAs for the Company's financial reports	Independent Director Edgar Y.Chen voluntarily recused himself after declaring a conflict of interest; the proposal was approved as proposed with agreement from two Independent Directors.	None	Submitted to the Board of Directors for review on April 26, 2024, and approved as proposed
April 26, 2024 The 14th meeting of the 4th term	Proposal on the Company's long-term capital fund-raising plan to align with strategic development and operational growth	Approved as proposed	None	Submitted to the Board of Directors for review on April 26, 2024, and approved as proposed
May 27, 2024 The 15th meeting of	Proposal to renew the liability insurance for directors, supervisors, and key personnel of the Company	Approved as proposed	None	Submitted to the Board of Directors for review on May

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
the 4th term				28, 2024, and approved as proposed
May 27, 2024 The 15th meeting of the 4th term	Proposal to re-submit a letter of intent for lease to related party Wang Tien Woolen Textile Co., Ltd. in response to regulatory sanctions imposed on the subsidiary Taiwan Life	Approved as proposed	None	Submitted to the Board of Directors for review on May 28, 2024, and approved as proposed
May 27, 2024 The 15th meeting of the 4th term	Proposal on the Company's Q1 2024 Consolidated Financial Report	Approved as proposed	None	Submitted to the Board of Directors for review on May 28, 2024, and approved as proposed
June 20, 2024 The 17th meeting of the 4th term	Proposal to amend the "Risk Management Policy (Draft) of Shin Kong Financial Holding Co., Ltd."	Approved as proposed	None	Submitted to the Board of Directors for review on June 21, 2024, and approved as proposed
July 25, 2024 The 18th meeting of the 4th term	Proposal on the Company's investment in ordinary shares of subsidiary Shin Kong Life Insurance Co., Ltd., with a cap of NT\$13.861 billion	Approved as proposed	None	Submitted to the Board of Directors for review on July 26, 2024, and approved as proposed
July 26, 2024 The 19th meeting of the 4th term	Proposal on the list of specific individuals with interested party status participating in the subscription of common shares issued through cash capital increase, pursuant to Article 45 of the Financial	Approved as proposed	None	Submitted to the Board of Directors for review on July 26, 2024, and approved as proposed

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
	Holding Company Act			
July 26, 2024 The 20th meeting of the 4th term	Proposal to appoint an independent expert to provide opinions on the fairness and reasonableness of the transaction, following the resolution of the 16th meeting of the 8th Board of Directors to prioritize the feasibility study on merging with Taishin Financial Holding Co., Ltd.	Approved as proposed	None	N/A
August 22, 2024 The 21st meeting of the 4th term	Proposal to review the fairness and reasonableness of the merger plan and transaction, wherein the Company (to be dissolved) merges with Taishin Financial Holding Co., Ltd. (hereinafter "Taishin Financial"), the surviving entity	Independent Director Yung-Ming Shiu objected; the proposal was approved as proposed with agreement from two Independent Directors	Independent Director Yung-Ming Shiu: "I do not oppose mergers in principle. However, a merger must prioritize the Company's interests and shareholder rights; otherwise, it risks violating directors' fiduciary duties of loyalty and care." Detailed reasoning is provided in Shin Kong Financials' announcement dated August 22, 2024, titled: "Subject: Announcement of Independent Director Yung-Ming Shiu's Objection to Agenda Item 1 at the 21st Audit Committee Meeting of the 4th Term"	The Independent Director's objection at the Audit Committee meeting was disclosed as a material information announcement per regulations. Submitted to the Board of Directors for review on August 22, 2024, and approved as proposed

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
August 28, 2024 The 22nd meeting of the 4th term	Proposal to amend the Company's "Internal Control System"	Approved as proposed	None	Submitted to the Board of Directors for review on August 29, 2024, and approved as proposed
August 28, 2024 The 22nd meeting of the 4th term	Proposal on the Company's Q2 2024 Consolidated Financial Report	Approved as proposed	None	Submitted to the Board of Directors for review on August 29, 2024, and approved as proposed
September 11, 2024 The 23rd meeting of the 4th term	Proposal to reappoint the original independent expert to assess the fairness and reasonableness of the merger transaction with Taishin Financial Holding Co., Ltd. (hereinafter "Taishin Financial") following potential adjustments to the share exchange ratio	Approved as proposed	None	N/A
September 11, 2024 The 24th meeting of the 4th term	Proposal to review the adjusted merger consideration and the fairness/reasonableness of the revised merger plan with Taishin Financial Holding Co., Ltd.	Independent Director Yung-Ming Shiu objected; the proposal was approved as proposed with agreement from two Independent Directors	Independent Director Yung-Ming Shiu: "The review time for this proposal was insufficient. The control premium in the share exchange ratio remains at 17%, which is disproportionately low given the transaction's scale. Additionally, the	The Independent Director's objection at the Audit Committee meeting was disclosed as a material information announcement per regulations. Submitted to the Board of

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
			inclusion of preferred shares in the exchange ratio essentially allows Shin Kong's original shareholders to reclaim funds they would have received in the future, differing from cash compensation." Detailed reasoning is provided in Shin Kong Financials' announcement dated September 11, 2024, titled: "Subject: Announcement of Independent Director Yung-Ming Shiu's Objection to Agenda Item 1 at the 24th Audit Committee Meeting of the 4th Term"	Directors for review on September 11, 2024, and approved as proposed
October 23, 2024 The 26th meeting of the 4th term	Proposal on the issuance of new shares through the conversion of the Company's 2023 Sixth Domestic Unsecured Convertible Bonds	Approved as proposed	None	Submitted to the Board of Directors for review on October 24, 2024, and approved as proposed
November 26, 2024 The 27th meeting of the	Proposal to amend the "Internal Audit System" of Shin Kong Financial Holding Co., Ltd.	Approved with amendments	Recommended amendments to specific clauses	Submitted to the Board of Directors for review on November 27,

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
4th term				2024, and approved as amended
November 26, 2024 The 27th meeting of the 4th term	Proposal to amend the "Guidelines for Managing Insurance-Related Investments" of Shin Kong Life Insurance Co., Ltd.	Approved with amendments	Recommended amendments to specific clauses	Submitted to the Board of Directors for review on November 27, 2024, and approved as amended
November 26, 2024 The 27th meeting of the 4th term	Proposal on the Company's Q3 2024 Consolidated Financial Report	Approved as proposed	None	Submitted to the Board of Directors for review on November 27, 2024, and approved as proposed
November 26, 2024 The 27th meeting of the 4th term	The Company renews business credit card of its subsidiary Taiwan Shin Kong Commercial Bank Co., Ltd.	Approved as proposed	None	Submitted to the Board of Directors for review on November 27, 2024, and approved as proposed
December 27, 2024 The 28th meeting of the 4th term	Proposal to establish the Company's 2025 internal audit plan	Approved as proposed	None	Submitted to the Board of Directors for review on December 30, 2024, and approved as proposed
December 27, 2024 The 28th meeting of the 4th term	Proposal to amend the Company's "Internal Control System"	Approved as proposed	None	Submitted to the Board of Directors for review on

Date and term of the Audit Committee meeting	Proposal content reviewed by the Audit Committee	Resolution outcomes of the Audit Committee	Dissenting opinions, reservations, or major recommendations from independent directors	The Company's handling of the Audit Committee's opinions
4th term				December 30, 2024, and approved as proposed
December 27, 2024 The 28th meeting of the 4th term	Proposal on the Company's 2025 budget and business plan	Approved as proposed	None	Submitted to the Board of Directors for review on December 30, 2024, and approved as proposed
December 27, 2024 The 28th meeting of the 4th term	Proposal to set the capital increase record date for the issuance of new shares via conversion of the Company's 2023 Sixth Domestic Unsecured Convertible Bonds	Approved as proposed	None	Submitted to the Board of Directors for review on December 30, 2024, and approved as proposed

(II) Except for the previous matters, other resolutions not passed by the Audit Committee but approved by at least two-thirds of all directors: None.

II. The execution of recusal of independent Directors on proposals featuring conflict of interests shall specify the names of independent Directors, proposal content, reason of recusal, and status of voting participation:

Date/term of the Audit Committee meeting	Name of Director	Proposal Content	Reason for Recusal	Participation in Voting
March 28, 2024 The 13th meeting of the 4th term	Independent Director Edgar Y.Chen	Proposal on the appointment and remuneration of the certifying CPAs for the Company's financial reports	The Independent Director declared a conflict of interest	Not participated in discussions and voting

Date/term of the Audit Committee meeting	Name of Director	Proposal Content	Reason for Recusal	Participation in Voting
April 26, 2024 The 14th meeting of the 4th term	Independent Director Edgar Y.Chen	Proposal on the appointment and remuneration of the certifying CPAs for the Company's financial reports	Independent Director Edgar Y.Chen	Not participated in discussions and voting

III. Communication among Independent Director, internal audit officer and certified public accountants (i.e. communication, method and result on financial and business status of the Company):

Date	Communication method	Communication object	Communication matters	Results of communication
January 25, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the second half of 2023 special project audit of subsidiary Shin Kong Life Insurance	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			Administrative penalty case by the financial supervisory commission on subsidiary Shin Kong Bank	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
February 27, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the second half of 2023 special project audits of subsidiaries Shin Kong Leasing, Shin Kong Venture Capital and Shin Kong Insurance Agent	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			2023 Q4 internal audit business report	Approved for filing and reported to the Board of Directors.
			Improvement status on items 2(1) and 2(2) from the 2023 FSC general business inspection	Approved and submitted to the Board for deliberation after incorporating the Audit Committee's recommendations.
February	Audit	Certifying	Governance matters	Independent directors

Date	Communication method	Communication object	Communication matters	Results of communication
27, 2024	Committee	CPAs	identified during the 2023 financial statement audit communicated to the Audit Committee	acknowledged the matters after the CPAs' explanation.
March 28, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the second half of 2023 special project audit of subsidiary MasterLink Securities	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			Penalty case by the Financial Supervisory Commission on subsidiary MasterLink Securities	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
			Improvement status on 2023 FSC general business inspection findings	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
			2023 "Internal Control System Statement"	Approved and submitted to the Board for deliberation after incorporating the Audit Committee's recommendations.
April 26, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the first half of 2024 special project audit of subsidiary Shin Kong Bank	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			Follow-up improvement status on items 2(1) and 2(2) from the 2023 FSC general business inspection findings	Approved and submitted to the Board for deliberation after incorporating the Audit Committee's recommendations.
May 27, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the first half of 2024 special project audit of Shin Kong Financial Holding	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			2024 Q1 internal audit	Approved for filing and

Date	Communication method	Communication object	Communication matters	Results of communication
			business report	reported to the Board of Directors.
			Administrative penalty cases by the FSC on the Company and subsidiaries Shin Kong Life Insurance and MasterLink Securities	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
May 27, 2024	Audit Committee	Certifying CPAs	Communication on audit procedures for the 2024 financial statements	Independent directors acknowledged the matters after the CPAs' explanation.
June 20, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the first half of 2024 special project audits of subsidiaries Shin Kong Investment Trust and Shin Kong Venture Capital	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			Regulatory downgrade of subsidiary Shin Kong Bank's inspection rating	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
July 25, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the first half of 2024 special project audit of subsidiary Shin Kong Life Insurance Co., Ltd.	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			Penalty case by the FSC on subsidiary MasterLink Securities for violations of securities regulations	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
August 28, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the first half of 2024 special project audit of subsidiary Master Link Securities Corp.	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			2024 Q2 internal audit business report	Approved for filing and reported to the Board of Directors.

Date	Communication method	Communication object	Communication matters	Results of communication
			Submission of regulatory authority's evaluation results on the Company's audit operations	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
August 28, 2024	Audit Committee	Certifying CPAs	Communication between CPAs and the Audit Committee on governance matters identified during the Q2 2024 financial statement audit	Independent directors acknowledged the matters after the CPAs' explanation.
September 13, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the first half of 2024 special project audits of subsidiaries Shin Kong Leasing and Shin Kong Insurance Agent	Approved for filing.
			Follow-up improvement status on items 2(1)1 and 2(1)3 from the 2023 FSC general business inspection findings	Approved and submitted to the Board for deliberation after incorporating the Audit Committee's recommendations.
October 23, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the second half of 2024 special project audit of subsidiary Shin Kong Bank	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			Follow-up improvement status on item 2(2)2 from the 2023 FSC general business inspection findings	Approved and submitted to the Board for deliberation.
November 26, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the second half of 2024 general business audit of Shin Kong Financial Holding	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			2024 Q3 internal audit business report	Approved for filing and reported to the Board of Directors after incorporating the Audit

Date	Communication method	Communication object	Communication matters	Results of communication
				Committee's recommendations.
			Proposal to amend the Company's internal audit system	Approved and submitted to the Board for deliberation after incorporating the Audit Committee's recommendations.
November 26, 2024	Audit Symposium	Chief auditor and all audit team members of the Company	1. Follow-up on previous resolutions 2. Evaluation results of subsidiary audit operations for 2024 3. Handling status of independent directors' reporting channel 4. Progress report on audit efficiency enhancement 5. Key summary of the regulatory authority's chief auditor symposium 6. Introduction to risk-oriented internal audit framework 7. 2025 internal audit plan	Approved for filing and meeting minutes reported to the Board of Directors after incorporating independent directors' recommendations.
December 27, 2024	Audit Committee	Chief auditor and auditing colleagues of the Company	Report on audit opinions for the second half of 2024 special project audits of subsidiaries Shin Kong Investment Trust and Shin Kong Venture Capital	Approved for filing after incorporating the Audit Committee's recommendations for relevant units to address.
			2024 meeting minutes of discussions between independent directors and audit personnel	Approved for filing and reported to the Board of Directors.
			Penalty case by the FSC on subsidiary MasterLink Securities for violations of securities regulations	Approved for filing and reported to the Board of Directors after incorporating the Audit Committee's recommendations.
			Proposal for the Company's 2025 internal audit plan	Approved and submitted to the Board for deliberation after incorporating the Audit Committee's

Date	Communication method	Communication object	Communication matters	Results of communication
				recommendations.

Note:

1. When (an) Independent Director(s) resign(s) before the end of the year, specify the date of resignation in the "Remarks" column. The actual attendance rate (%) shall be calculated using the number of the Audit Committee meetings held during his or her tenure and number of such meetings attended.
2. When election of Independent Directors is held before the end of the year, list the names of both the incoming and outgoing independent supervisors in the remark column with annotations specifying whether the Independent Directors are outgoing, incoming or re-elected, as well as the date of the election. The actual attendance rate (%) shall be calculated based on the number of meetings held during the member's term in the compensation committee and the number of actual attendance of this member.

IV. Disclosures required under Corporate Governance Best-Practice Principles for Financial Holding Companies:

URL as follows : <https://www.skfh.com.tw>

(IV) The state of the company's implementation of corporate governance, any variance from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the reason for any such variance:

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
I. Shareholding structure and shareholders' equity of financial holding companies				
(I) Does the financial holding company establish internal operating procedures to handle shareholders' suggestions, doubts, and disputes and litigation matters with shareholders, and implement them accordingly?	V		(I) The Company keeps in place the spokesperson, the investor relations service window and the share agent and discloses the contact information on the Company's website. The shareholders can express opinions on the phone or by email. The Company also requires the corresponding responsible unit to properly deal with the suggestions, doubts, disputes, litigations and other affairs related to the shareholders.	No significant deviation was found.
(II) Does the financial holding company have a list of the major shareholders who actually control the financial holding company, as well as the list of the ultimate controllers of said major shareholders?	V		(II) The Company reports the major shareholders' shareholding changes every month, as required by the law, and checks whether the shareholding information is consistent with the information in the Shareholder Register at the book closure date, so as to keep track of the shareholding percentage of major shareholders all the time.	No significant deviation was found.
(III) Does the financial holding company establish a risk control mechanism and a firewall mechanism between herself and her affiliated companies, and implement them accordingly?	V		(III) 1. The Company has put in place the Risk Management Policy of Shin Kong Financial Holdings and the Regulations Governing Risk Management of Shin Kong Financial Holdings, two integrated documents by which subsidiaries are abided for consistency purposes, and in accordance with which relevant personnel implement risk control in the investment business and the loan business. 2. The Company focuses on integrated and strategic risk	No significant deviation was found.

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			management. For instance, in order to grasp the risk management status and risk exposure, the Company has formulated regulations on controlling the compliance matters, separately taking care of departmental business needs and the various risk categories (such as credit risk, market risk, liquidity risk, large exposure, etc.). 3. Currently, transactions between the parent and its subsidiaries, which are considered transactions with stakeholders, are declared on the website of the competent authority at the stipulated time by consolidating the transaction details sent to the Company by the subsidiaries each quarter. Further, after having consolidated the said transaction details, the Company also examines whether there were any abnormal transactions so as to reduce the risks arising from transaction with stakeholders. At present, the Company and its subsidiaries have established an integrated stakeholder database; in addition, according to the "Self-Regulations Governing Transactions between Quasi-Stakeholders and Shin Kong Financial Holdings and its Subsidiaries", information about new quasi-stakeholders have been incorporated into the database for control purposes. Doing so also allows the various departments of the Company and its subsidiaries to inquire the information of stakeholders and quasi-stakeholders before conducting transactions with them, thereby achieving the goal of proper management. 4. To fully control the impact of emergency incidents that the Group will be facing, SKFH has established an emergency incidents reporting mechanism. Where an emergency incident occurs, subsidiaries will be immediately activated to summarize the total exposure position, which will then be submitted to the management for decision-making for the purpose of a swift response. 5. To fully achieve the function of a firewall, the Company has	

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			established various internal documents, e.g. Firewall Policy for Shin Kong Financial Holdings and its Subsidiaries, Common Declaration of Shin Kong Financial Holding Co., Ltd. and Subsidiaries on Confidentiality Measures for Customer Information, Regulations Governing Management of Joint Marketing by Shin Kong Financial Holdings and Its Subsidiaries, Joint Statement of Confidentiality Measures of Shin Kong Financial Holdings and Its Subsidiaries, Internal Operating Procedure for Transactions between Departments of Shin Kong Financial Holdings and Stakeholders, and Regulations Governing Transaction of Loans and Transactions Other than Loans between Departments of Shin Kong Financial Holdings and Stakeholders, among others.	
II. The composition and responsibilities of the Board (I) Does the board of directors have a diversity policy and specific management goals?	V		II. (I) The Company's Board of Directors members are diverse in areas such as age, industry experience, professional knowledge, and abilities. To strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, Article 31 Item 2 of the Company's "Corporate Governance Best Practice Principles" provides that diversity must be considered when formulating the composition of the board of directors, and an appropriate diversity policy must be formulated according to the Company's operations, operation types, and development needs such as: Basic conditions and values (such as gender, age, nationality, culture, etc.), professional knowledge and skills (professional background: law, accounting, industry, finance, marketing, or technology), professional skills, industrial experience, etc. Shin Kong Financial Holding also implements the diversity of the Board members, who are excellent candidates elected in consideration of different professional backgrounds, international foresight, leadership, industrial trend and different genders. Moreover, they are also capable of reviewing the proposals related	No significant deviation was found

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			to Environmental, Social and Governance. The current (8th) Board of Directors of the Company consists of 15 directors, including 12 directors (all of whom are the non-executive directors, accounting for 80% of the total seats) and 3 Independent Directors (accounting for 20% of the total seats). The members of the Board of Directors come from various fields such as finance, commerce, accounting, insurance, economy, risk management and law. With their rich financial experience and various industrial operation expertise, they can implement operation supervision and management, improve the enterprise operation system and protect the rights and interests of investors. In order to implement gender equality and diversification of Board members, female directors account for 26.6% of the Board members this year. The Company will continue to increase the number of female directors in the future. The Board of Directors consists of members with a range of ages, with the average age at 65 years. Among them, 5 directors are above 70 years old, 9 directors are between 50 to 70 years old, and 1 directors are under 50 years old. The company emphasizes the diversity of industry experience among its Board of Directors members. The goal is for each session of the Board to include at least one director with expertise in each of the major subsidiaries' sectors—insurance, banking, and securities. The current Board of Directors meets this diversity objective.	
(II) In addition to setting up a Remuneration Committee and an Audit Committee in accordance with law, does the financial holding company voluntarily establish other types of functional committees?	V		(II) In addition to the establishment of functional committees such as the Remuneration Committee and the Audit Committee as required by law, the Company also set up a Board-level Corporate Sustainability Committee to strengthen the spirit of sustainable development and corporate governance.	No significant deviation was found
(III) Does the financial holding company listed on TWSE or TPEx formulate evaluation	V		(III) To fulfill corporate governance and improve the Board's functions, the Company has, by reference to the template provided by TWSE	No significant deviation was

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
regulations and methods to evaluate the Board's performance? Is the performance evaluation conducted annually and regularly? Are the results of the performance evaluation reported to the Board, and used as a reference for Directors' salary and remuneration, and nomination for reelection? (Note 2)			and Article 37 of the Corporate Governance Best Practice Principles, formulated her "Regulations on Board and Functional Committee Performance Evaluation", which not only includes functional committees in the evaluation, but also separates assessment items into qualitative and quantitative indicators. The former is to be filled in by the Board members or committee members. The latter is uniformly filled in by the relevant meeting units; in addition, the evaluation levels have also been unified to five levels, namely "strongly agree", "agree", "neutral", "disagree", and "strongly disagree", so that the performance evaluation of the Board and functional committees is more specific and quantitative. Evaluation items are stated as follows: (1) The performance evaluation of the Board includes 5 major aspects : Participation level in the operation of the Company; Improving the decision-making quality of the Board; Composition and structure of the Board; Selection and continuous training of Directors and internal control; (2) The performance evaluation items of Directors include 6 aspects: mastery of company goals and tasks, awareness of Directors' duties, participation level in company operations, and management and communication of internal relationships, professional and continuous education of Directors, and internal control; and (3) The performance evaluation of the functional committee includes five major aspects: the degree of participation in the Company's operations, the cognition of the responsibilities of the functional committee, the improvement of the quality of the functional committee's decision-making, composition of functional committees and selection of members, and internal control. Additionally, from 2018 onwards, the Company entrusts the performance evaluation work to a third party at least once every three years. In 2023, the Taiwan Institute of Ethical Business and Forensics was entrusted with the performance evaluation of the Board in order to optimize the corporate governance system.	found

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
(IV) Does the financial holding company regularly assess the independence of its CPAs?	V		The results of the performance evaluation of the Board of the Company are reported to the Board Meetings, and are used as a reference for individual director's remuneration and nomination for reelection. The results of the self-evaluation of the Board and functional committees of the Company in 2024 were completed at the end of December 2024 and the report was submitted to the Board Meeting in January 2025. Internal performance evaluation for 2024: The self-evaluation of the performance of the Board is rated 5.0 points; self-evaluation of the performance of individual Directors is rated 4.8 points, and self-evaluation of the average performance of functional committees is 5.0 points. Those grades fall into the "Excellent" category (between 5 and 4.6 points) as defined by the Company's Regulations on Board and Functional Committee Performance Evaluation; External performance evaluation: By adhering to the advice prescribed on the report of Taiwan Institute of Ethical Business and Forensics so as to improve the Board efficiency. Relevant evaluation methods, implementation process and evaluation results be disclosed on the Company's website and the annual report. (IV) The company, adhering to the Corporate Governance Best Practice Principles for Financial Holding Companies and referencing Audit Quality Indicators (AQIs), conducts regular annual assessments of the independence and suitability of its appointed certifying accountants. Following a review and approval by the Audit Committee on April 26 of 2024, the decision was subsequently ratified by the Board of Directors on April 26 of the same year. Items Assessed Include: 1. Independence Practice Statement presented by CPAs 2. Review CPA resumes 3. Confirm CPAs have not been disciplined or penalized by the regulatory authorities in the past five years.	No significant deviation was found

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			4. Has no direct or significant indirect financial interest in the Company. 5. Has no financing or guarantee transactions with the Company. 6. Has no close commercial relationships with the Company. 7. CPAs and audit team members do not serve as directors, supervisors, managers, or employees with significant influence on the preparation of the financial statements of the Company. 8. The Company has not engaged the CPAs, their firm, or any affiliated entities to provide short-term staffing services. 9. Has not received gifts or special favors from the Company. 10. Has not provided non-assurance services that could affect independence. 11. Has not appointed the same certifying CPAs for a continuous period of seven years.	
III. Does the financial holding company set up qualified and appropriate number of personnel responsible for corporate governance matters, from whom an executive is designated (those matters include but not limited to providing Directors and Supervisors with the necessary information to perform their duties, assisting Directors and supervisors in regulatory compliance, handling matters concerning Board Meetings and Shareholders' Meetings in accordance with law, and producing minutes thereof)?	V		III. . (I) The Company's Board of Directors approved the establishment of a Corporate Governance Executive position, effective from May 1, 2019. Subsequently, at the 8th session of the Board of Directors on July 7, 2023, it was approved that from July 8 of the same year, the position would be assumed by Chief Legal Officer Shiou-Yu Chang, who has over three years of experience in corporate governance-related affairs. (II) The main responsibilities of the Company's corporate governance executive include the follows: planning and promoting corporate governance matters; handling matters related to the Board Meetings and Shareholders' Meetings according to law, and producing the minutes thereof; assisting Directors in inauguration and continuing trainings; providing Directors with information regarding corporate operations; assisting directors in complying with laws and regulations; reporting to the Board of Directors on	No significant deviation was found

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			whether the qualifications of independent directors meet legal requirements; handling matters related to changes in directorship, among others. (III) Business highlights for 2022 performed by the corporate governance officer 1.Handle previous change registrations of the Company. 2.Continuously provided materials deemed necessary for the continuous education of members of Board, and hired external lectures to assist them to compete the courses. 3.Called for the convening of a communication meeting participated by CPAs, Independent Directors, and heads of the audit/finance/accounting departments, so as to implement the internal-audit and internal-control system. For meeting minutes, please refer to the Company's website. 4.Formulated the Board Meetings' agenda, and communicated them to Directors seven days prior to the convening of the meetings; convened meeting and provided meeting materials; reminded Directors of the issues that require their recusal due to conflict of interest; and, completed and transmitted Board Meetings minutes within 20 days after the meetings. 5.Handled the relevant matters of the Shareholders' Meeting according to law, and, in the case that the Articles of Association had been mended or Directors replaced, made the modification. 6.Conducted performance evaluation of the Board and the various functional committees in accordance with Article 37 of the Corporate Governance Best Practice Principles and the Company's Regulations on Board and Functional Committee Performance Evaluation. 7.Handed Directors' requests; and, assisted Directors to perform their duties and thus enhanced the effectiveness of the Board. (IV) The 2024 training program for the Company's corporate	

Items Assessed	Implementation Status (Note 1)					Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor		
	Yes	No	Summary Description					
			governance officers					
			Sequence	Organizer	Course Title		Date	Hours (hr)
			1	Taiwan Corporate Governance Association	The Roles and Responsibilities of the Board of Directors and Senior Management in ESG Governance		2024.06.04	3
			2	Taiwan Academy of Banking and Finance	Corporate Sustainability, Information Security, and Gender Equality		2024.07.26	3
			3	Taiwan Academy of Banking and Finance	Principle of Fair Treatment and Implementation of the Ethical Corporate Management Principle		2024.08.08	3
			4	Taiwan Academy of Banking and Finance	Implementation of Integrity in Management, Fair Treatment, and Trends in AML/CFT Supervision		2024.10.30	3

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			Total hours 12	
IV. Does the financial holding company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, etc.)? Does it have a stockholder zone on its website? Does it properly respond to the CSR issues that concern stakeholders?	V		IV. The Company and its subsidiaries are committed to providing sufficient information to customers, shareholders and relevant stakeholders, in that we have set up a "stakeholder" page on the website, providing an effective communication channel with customers, shareholders and relevant stakeholders. The responses of stakeholders have always been handled properly.	No significant deviation was found.
V. Information disclosure (I) Does the financial holding company set up a website to disclose information regarding finance, business and corporate governance?	V		V. (I) The Company has established an official website and disclosed related information in accordance with laws and regulations: The webpage of "About SKFH" discloses company profile and SKFH members; and "Investor Relations" provides information regarding investor activities, and business and financial information of the Company and its subsidiaries is uploaded to this webpage on a regular basis; "Corporate Governance" discloses the Company's implementation of corporate governance, as well as the Company's rules and regulations; what's more, published the sustainability report in the "Corporate Sustainability" feature.	No significant deviation was found.
(II) Does the financial holding company adopt other disclosure methods (such as setting up an English-language website, designating a person to be exclusively responsible for the collection and disclosure of information about the financial holding	V		(II) The Company has websites, both in the Chinese language and in the English language. By separation of powers and functions, a dedicated person is designated to collect and disclose information, and the Investor Relations team is responsible for responding to investors' feedbacks.	No significant deviation was found.

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
company, implementing the spokesperson system, displaying the website of the financial holding company during the investor conference, etc.)? (III) Does the financial holding company announce and declare the annual financial statements within the stipulated deadline in accordance with the relevant provisions of the Financial Holding Company Act and the Securities and Exchange Act? and, does it announce and declare the 1Q, 2Q, 3Q financial statements and operating results of each month prior to the stipulated deadline according to the same?	V		(III) The Company announces and reports the annual financial statements within two months after the end of the fiscal year; the 1Q, 2Q, 3Q financial statements prior to the required date; and operating results of each month on the required date; all are disclosed on the “Market Observation Post System”.	No significant deviation was found.
VI. Does the financial holding company provide other significant information that is beneficial for understanding the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, rights and interests of stakeholders, training status of Directors and supervisors, implementation of risk management policy and risk measurement standards, implementation of customer policy, liability insurance for Directors and supervisors insured by the Company, donations to political parties, stakeholders, and charity groups, etc.)?	V		VI. (I) Employee rights and staff care: Please refer to “Chapter. V, IX, (I) Employee Benefits, Retirement System and Implementation, and the Agreements between Employer and Employees and Protection Measures for Employees’ Rights and Interests” in this annual report. (II) Investor relationship: Please refer to “I, (I) Has the financial holding company established internal operating procedures to handle shareholders’ suggestions, doubts, and disputes and litigation matters with shareholders, and implement them accordingly?” in this table. (III) Stakeholders: Please refer to “IV, Has the financial holding company established communication channels with stakeholders (including, but not limited to, shareholders, employees, customers, etc.)? Does it	No significant deviation was found.

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			have a stockholder zone on its website? Has it properly responded to the CSR issues that concern stakeholders?" in this table. (IV) Director and supervisor in-service training status: Please refer to "Chapter 2, III, (IV) "Training courses attended by the Directors of the Company in 2023" in this annual report. (V) Implementation of risk management policy and risk measurement standards: When engaging in all businesses, the Company and its subsidiaries shall effectively identify measure, monitor and control all risks and shall control the possible risks within the acceptable level to reach the goal of reasonableness of risks and rewards. (VI) Purchase of liability insurance by the Company for Directors and supervisors: To optimize the corporate governance mechanism, consider the importance of Directors, supervisors and important employees when they perform duties, and lower risks born by the Directors, supervisors and the Company, the Company, after regular review and assessment, has insured proper "liability insurance for Directors, supervisors and important employees" for Directors, supervisors and important employees of the Company and all subsidiaries since June, 2009 annually. (VII) Implementation status of the Company's ethical management: Please refer to "Chapter 2, III, (VII) Implementation of Ethical Management; Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor" in this annual report. (VIII) Company supervision on the Principle of Treating Clients Fairly: The Company's life, banking, securities and other subsidiaries have established fair customer treatment policies, strategies and codes for compliance, and each subsidiary has established a cross-unit committee to regularly discuss and supervise customer rights and services. The Company regularly reviews the results of	

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
			each subsidiary's fair customer treatment and convenes cross-subsidiary meetings to provide a communication platform for improving service. (IX) Intellectual property rights management: The intellectual property achievements of the company and its subsidiaries are protected by trademark rights, patent rights, copyrights, and trade secrets according to their categories. They are also reflected in the labor contract, code of ethics, and other internal provisions, as well as business contracts with cooperative suppliers to stipulate the ownership of rights, non-infringement guarantee, confidentiality, and related liabilities for damage compensation in order to protect the Company's rights and interests. The Company has established an intangible asset management policy and continues to strengthen intellectual property rights protection by means of access control management, confidentiality preservation, and information security control mechanisms. In 2020, the Company introduced the Taiwan Intellectual Property Management System (TIPS) to integrate and optimize the Company's existing norms, formulate intellectual property management plans linked to operational goals, and disclose on the official website, we periodically reported the implementation status to the Board of Directors, passed the TIPS (Level A) certification in succession and complied with the corporate governance supervision indicators. (X) In order to implement the company's corporate governance and corporate social responsibility, the company has formulated "Regulations of Governing Donation". "No donations" were made to political parties or stakeholders in the most recent year. Please refer to the company's official website and sustainability report for information on donations to charity groups.	
VII. Please explain the improvements made in	V		The table below provides an explanation for the results of the Corporate	No significant

Items Assessed	Implementation Status (Note 1)			Deviation from the Corporate Governance Best-Practice Principles for Financial Holding Companies, and the Reasons Therefor
	Yes	No	Summary Description	
accordance with the Corporate Governance Evaluation results for the most recent year released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.			Governance Evaluation for the most recent year, as well as improvement measures:	deviation was found.

The 11th Corporate Governance Evaluation for 2024 – Matters Improved, Matters To Be Improved and Improvement Measures

No.	Evaluation Indicator	Matters Improved	Matters To Be Improved and Improvement Measures
3.6	Does the Company disclose interim financial reports in English within two months after the Chinese version filing deadline?		Strengthen financial reporting disclosure timelines on the Market Observation Post System (MOPS) to meet evaluation criteria.
2.14	Has the company established any functional committees beyond the statutory requirements, such as a nomination committee, risk management committee, or sustainability committee, with no fewer than three members, more than half of whom are independent directors, and at least one member possessing the professional abilities required by the committee, and does it disclose their composition, responsibilities, and operational status?	The Company has established a Corporate Sustainability Committee comprising three members, all independent directors, with at least one member possessing requisite professional competencies. Committee composition, responsibilities, and operational details are disclosed on the Company's website, annual reports, and MOPS.	

Note 1: Whether selecting "Yes" or "No" for the Current Implementation, a description shall be filled in the summary description column

Note 2: Please explain the deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

Training courses attended by the Directors of the Company in 2024

Title	Name	Organizer	Course Title	Hours (hr)
Chairman	Mark Wei	Taiwan Corporate Governance Association	How the Audit Committee interprets and utilizes Audit Quality Indicators (AQI)	3
Chairman	Mark Wei	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Chairman	Mark Wei	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Chairman	Mark Wei	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Chairman	Mark Wei	Shin Kong Life Insurance Co., Ltd	Financial sector SBTi target setting/achievement actions & key concepts of IFRS S1/S2 standards	1
Vice Chairman	Tung-Ming Wu	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Vice Chairman	Tung-Ming Wu	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Hwai-Chou Chen	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Hwai-Chou Chen	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Olivia Wu	Taiwan Corporate Governance Association	Code of ethical conduct and avoiding director/supervisor liability redlines	3
Director	Olivia Wu	Corporate Operating and Sustainable Development Association	Latest developments and impacts of CFC regulations	3
Director	Olivia Wu	Taipei Foundation Of Finance	Sustainable finance	3
Director	Michael Hung	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Michael Hung	Shin Kong Life Insurance Co., Ltd	Financial sector SBTi target setting/achievement actions & key concepts of IFRS S1/S2 standards	1
Director	Michael Hung	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3

Title	Name	Organizer	Course Title	Hours (hr)
Director	Michael Hung	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Director	Tseng-Chang Lee	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Tseng-Chang Lee	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Hsin-Ta Wu	Taiwan Corporate Governance Association	Tax governance of intellectual property from corporate governance perspectives	3
Director	Hsin-Ta Wu	Taiwan Corporate Governance Association	Global trends and case studies in corporate integrity & executive accountability	3
Director	Hsin-Ta Wu	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Hsin-Ta Wu	Shin Kong Life Insurance Co., Ltd	Financial sector SBTi target setting/achievement actions & key concepts of IFRS S1/S2 standards	1
Director	Hsin-Ta Wu	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Hsin-Ta Wu	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Director	Hui-Min Lai	Taiwan Corporate Governance Association	Latest corporate governance regulations and trends	3
Director	Hui-Min Lai	Taiwan Corporate Governance Association	Integrity management and anti-corruption through sustainable governance lenses	3
Director	Hui-Min Lai	Taiwan Corporate Governance Association	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Hui-Min Lai	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Hui-Min Lai	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Director	Chun-Hong Chen	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Chun-Hong Chen	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Chun-Hong Chen	Taiwan Securities Association	Generative AI applications and future trends	3

Title	Name	Organizer	Course Title	Hours (hr)
Director	Chun-Hong Chen	Taiwan Securities Association	ESG-driven long-term value creation: understanding low-carbon transition trends	3
Director	Benson Wu	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Benson Wu	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Benson Wu	Shin Kong Life Insurance Co., Ltd	Financial sector SBTi target setting/achievement actions & key concepts of IFRS S1/S2 standards	1
Director	Benson Wu	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Director	Shih-Mei Lin	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Shih-Mei Lin	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Director	Shih-Mei Lin	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Director	Tun-Jen Lin	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Director	Tun-Jen Lin	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Independent Director	Edgar Y. Chen	Corporate Operating and Sustainable Development Association	Corporate sustainability and net-zero strategies in the climate change era	3
Independent Director	Edgar Y. Chen	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Independent Director	Edgar Y. Chen	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Independent Director	Edgar Y. Chen	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	1
Independent Director	Min-Chiu Chien	Taiwan Academy of Banking and Finance	Corporate sustainability, information security, gender equality	3
Independent Director	Min-Chiu Chien	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Independent	Min-Chiu Chien	Shin Kong Life Insurance	Financial sector SBTi target setting/achievement actions & key	1

Title	Name	Organizer	Course Title	Hours (hr)
Director		Co., Ltd	concepts of IFRS S1/S2 standards	
Independent Director	Min-Chiu Chien	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Independent Director	Yung-Ming Shiu	Independent Director Association Taiwan	ESG ratings analysis in capital markets & commercial implications of sustainability assessments	3
Independent Director	Yung-Ming Shiu	Taiwan Academy of Banking and Finance	Financial stability and national security	3
Independent Director	Yung-Ming Shiu	Taiwan Academy of Banking and Finance	Critical cybersecurity standards and compliance	3
Independent Director	Yung-Ming Shiu	Taiwan Corporate Governance Association	Renewable energy certificate system and green electricity trading analysis	3
Independent Director	Yung-Ming Shiu	Taiwan Corporate Governance Association	Board oversight strategies for cybersecurity governance	3
Independent Director	Yung-Ming Shiu	Taiwan Corporate Governance Association	Value of non-financial performance and climate-related disclosures	3
Independent Director	Yung-Ming Shiu	Taiwan Corporate Governance Association	Evolving corporate governance trends through evaluation metrics	3
Independent Director	Yung-Ming Shiu	Taiwan Academy of Banking and Finance	Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends	3
Independent Director	Yung-Ming Shiu	Taiwan Insurance Institute	Capital supervision & impact analysis of IFRS 17 on life insurance sector	3
Independent Director	Yung-Ming Shiu	Shin Kong Life Insurance Co., Ltd	Financial sector SBTi target setting/achievement actions & key concepts of IFRS S1/S2 standards	1
Independent Director	Yung-Ming Shiu	Securities & Futures Institute	Director/supervisor oversight of enterprise risk management framework implementation	3

(V) Establishment of a Remuneration Committee:

1.Information About Members of the Remuneration Committee

February 28,2025

Title (Note 1)	Criteria Name	Professional Qualification and Experience (Note 2)	Independence Status (Note 3)	Number of Other Taiwan's Public Companies in Which the Individual Concurrently Serves as an Independent Director
Independent Director (Convener)	Min-Chiu Chien	1. Career Experience: Lead Accountant of Action & Co., CPA, Independent Director of Hey Song Corp., Independent Director of Redwood Group Ltd., and Independent Director of Lian Fa International Dining Business Corporation). 2. Professional Qualifications: An instructor or higher professional qualification in accounting and other academic fields related to the business needs of the company in a public or private junior college, college, or university; possess a professional public accountant qualification; have experience in business, accounting or any other professional field necessary for the business of the company. 3. No condition defined in Article 30 of the Company Act has appeared.	1. A natural-person, and his/her spouse, any relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. natural-person, and his/her spouse, or relatives within the second degree of kinship (or held by the person under other's name) do not hold more than 1% of the total issued shares of the Company or rank among the top ten natural person shareholders in shareholding. 3. Not a director, supervisor, or employee of a company that has a specific relationship with this Company. 4. Received no remuneration for providing business, legal, financial, accounting, and other services to this Company or its affiliates in the last two years.	3
Independent Director	Yung-Ming Shiu	1. Career Experience: Independent Director of Shin Kong Life Insurance Co., Ltd., Professor at NCCU Department of Risk Management and Insurance, Independent Director of Taiwan Financial Holdings, Independent Director of Bank of Taiwan, and Independent Director of BankTaiwan LIFE INSURANCE. 2. Professional Qualifications: An instructor or higher professional qualification in finance, business, insurance and other academic fields related to the business needs of the company in a public or private junior college, college, or university; have experience in finance, business, insurance and or any other professional field necessary for the business of the	1. A natural-person, and his/her spouse, any relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. natural-person, and his/her spouse, or relatives within the second degree of kinship (or held by the person under other's name) do not hold more than 1% of the total issued shares of the Company or rank among the top ten natural person shareholders in shareholding. 3. Not a director, supervisor, or employee of a company that has a specific relationship with this Company. 4. Received no remuneration for providing business, legal, financial, accounting, and other services to this Company or its affiliates in the last two years.	0

Title (Note 1)	Criteria Name	Professional Qualification and Experience (Note 2)	Independence Status (Note 3)	Number of Other Taiwan's Public Companies in Which the Individual Concurrently Serves as an Independent Director
		company. 3. No condition defined in Article 30 of the Company Act has appeared.		
Independent Director	Yen-Hsi Chen	1. Career Experience: Partner of Tsar & Tsai Law Firm, Chairperson of Taipei Bar Association, Judge at Taiwan Taipei District Court, and Prosecutor at Taiwan Taipei District Prosecutors Office. 2. Professional Qualifications: An instructor or higher professional qualification in legal and other academic fields related to the business needs of the company in a public or private junior college, college, or university; possess a professional public lawyer qualification; have experience in legal or any other professional field necessary for the business of the company. 3. No condition defined in Article 30 of the Company Act has appeared.	1. A natural-person, and his/her spouse, any relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliates. 2. natural-person, and his/her spouse, or relatives within the second degree of kinship (or held by the person under other's name) do not hold more than 1% of the total issued shares of the Company or rank among the top ten natural person shareholders in shareholding. 3. Not a director, supervisor, or employee of a company that has a specific relationship with this Company. 4. Received no remuneration for providing business, legal, financial, accounting, and other services to this Company or its affiliates in the last two years.	0

2. Current Operation of the Remuneration Committee (January 1, 2024 to December 31, 2024)

- (1) To perfect corporate governance and beef up the Board's functions, the Company established her Remuneration Committee on August 26, 2011. The committee is responsible for formulating the remuneration policy, system, standards and structure, regularly conducting the performance evaluation of Directors and managers, and regularly assessing and setting the remuneration therefor. The Remuneration Committee convenes meetings at least twice a year; in addition, provisional meetings may be convened at any time as necessary; what's more, the content of the committee's resolutions is submitted to the Board for discussion.
- (2) The Company's Remuneration Committee comprises three members.
- (3) The term of the 5th Remuneration Committee: From June 21, 2023 to June 8, 2026. The Remuneration Committee held 6 meetings in the most recent year (January 1, 2024 to December 31, 2024), members' eligibility and their attendance status are as follows:

Title	Name	Expected times of attendance (A)	Number of actual attendance (B)	Attendance by Proxy	Percentage of actual attendance (%) (B/A)	Remarks
Convener	Min-Chiu Chien	6	6	0	100%	
Member	Yen-Hsi Chen	6	6	0	100%	
Member	Yung-Ming Shiu	6	6	0	100%	
Other matters that shall be recorded:						
I. Where the proceedings of the Board meeting include one of the following circumstances, then describe the date, session, topic discussed, opinions of every Independent Director, and their handling by the Company (in the case that the remuneration approved by the Board is greater than that approved by the Remuneration Committee, such a disparity shall be reasoned): None.						
II. If a member has a dissenting or qualified opinion, either recorded or expressed in written statement, on the resolutions of the Remuneration Committee, the date, session, content of proposal, opinion of all members and the handling of their opinions shall be stated: None.						

Note:

- i. When a member of Remuneration Committee resign (s) before the end of the year, specify the date of resignation in the remark column. The actual attendance rate (%) of such a member shall be calculated using the number of the Remuneration Committee meetings and the numbers of actual attendance during the term of service.
- II. When election of members of the Remuneration Committee is held before the end of the year, list the names of both the incoming and outgoing members in the remark column with annotations specifying whether the they are outgoing, incoming or re-elected, as well as the date of the election. The actual attendance rate (%) shall be calculated based on the number of meetings held during the member's term in the Remuneration Committee and the number of actual attendance of this member.

(4) Implementation Results of the Remuneration Committee

A total of 6 meetings were held in 2024 by the Remuneration Committee. Stated below are the important proposals and implementation results:

Remuneration Committee	Content of Motion and Follow-up Actions	Resolution Result	The Company's Reaction to the Opinions of Members of the Remuneration Committee
The 7th meeting of the 5th term dated January 25, 2024	1. Compensation for managers of the Company 2. Spring Festival bonus for Directors (excluding Independent Directors) of the Company for 2024 3. The 2023 performance bonus proposal for the Company's Chairman, Vice Chairman and President 4. The 2023 performance bonus proposal for the Company's 1st Level Supervisor and	Passed with unanimous approval by all members	1. Submitted for review at the Board meeting dated January 26, 2024 2. Passed with unanimous approval by all attending Directors

Remuneration Committee	Content of Motion and Follow-up Actions	Resolution Result	The Company's Reaction to the Opinions of Members of the Remuneration Committee
	Department Supervisor		
The 8th meeting of the 5th term dated February 27, 2024	1. Compensation for managers of the Company 2. Distribution of employee compensation for 2023 3. Distribution of director remuneration for 2023	1. Passed with unanimous approval by all members	1. Proposal on the remuneration for managers submitted to the Board of Directors for review on February 29, 2024; Remaining two proposals submitted to the Board of Directors for review on March 29, 2024 2. Passed with unanimous approval by all attending Directors
The 9th meeting of the 5th term dated April 26, 2024	1. To enhance corporate governance, establish a sound remuneration system for the Company's directors and managers, and enable transparent, rational and institutionalized remuneration, the "Guidelines for Remuneration of Directors and Managers (Draft)" is proposed for compliance 2. Compensation for managers of the Company	Passed with unanimous approval by all members	1. Submitted for review at the Board meeting dated April 26, 2024 2. Passed with unanimous approval by all attending Directors
The 10th meeting of the 5th term dated May 27, 2024	1. To facilitate the Company's proposal on the 2024 cash capital increase, the "Employee Stock Purchase Plan for Cash Capital Increase of Shin Kong Financial Holding Co., Ltd. (Draft)" is proposed for compliance	Passed with unanimous approval by all members	1. Submitted for review at the Board meeting dated May 28, 2024 2. Passed with unanimous approval by all attending Directors
The 11th meeting of the 5th term dated May 27, 2024	1. Compensation for Chairman of the Company	Passed with unanimous approval by all members	1. Submitted for review at the Board meeting dated July 26, 2024 2. Passed with unanimous approval by all attending

Remuneration Committee	Content of Motion and Follow-up Actions	Resolution Result	The Company's Reaction to the Opinions of Members of the Remuneration Committee
			Directors
The 12th meeting of the 5th term dated December 27, 2024	1. Compensation for managers of the Company	Passed with unanimous approval by all members	- Submitted for review at the Board meeting dated December 30, 2024 - Passed with unanimous approval by all attending Directors

(VI) Implementation of Sustainable Development; Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

1. Implementation of Sustainable Development

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
I. Does the Company formulate exclusively (or concurrently) dedicated units to implement sustainable development governance structure, and does the Board appoint executive-level positions with responsibility for sustainable development governance, and status of the Board's supervision?	V		I. In order to strengthen the sustainable development of ESG, the Company established the Corporate Social Responsibility Committee (CSR Committee) in 2017, and promoted it to be a Board-level functional committee in 2018. In December 2020, the CSR Committee was renamed "Corporate Sustainability Committee (CS Committee), which is responsible for supervision and management of the sustainable operation of the Company and its subsidiaries, and for reporting the implementation and performance of sustainable operation to the Board on a regular basis. Besides, to fully implement sustainable development and operation, the Company established the dedicated unit "Sustainable Development Department" in 2021. The Company's third CS Committee consists of three members whose terms of service are from June 21, 2023 to June 8, 2026. All three members are Independent Directors of the Company, namely Independent Director Edgar Y.Chen, Independent Director Min-Chiu Chien, and Independent Director Yung-Ming Shiu, with Independent Director Edgar Y.Chen serving as the chairperson. Edgar Y.Chen, a practicing lawyer in Taiwan, once served as a judge at the Taipei District Court and as a prosecutor at the Prosecutors Office. With his excellent legal literacy and practical experience, Edgar Y.Chen integrates legal professionalism into sustainability issues related to public interest and incorporates social responsibility into legal or self-regulatory frameworks, thereby enhancing the Company's corporate governance and sustainable development practices. On the other hand, Independent Director Min-Chiu Chien is a practicing Certified Public Accountant in Taiwan. In addition to providing risk assessment based on her accounting expertise to help enterprises predict and respond to economic uncertainties, Director Min-Chiu Chien assists enterprises in evaluating opportunities for sustainable investments, and ensures that Company's investments align with its values and long-term goals. In addition, Commissioner Yung-Ming Shiu is not only a distinguished professor at the Department of Risk Management and Insurance at National Chengchi University, but also serves as the deputy	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies						
	Yes	No	Summary Description							
			chairperson and the executive director of the “Higher Education Sprout Project” Climate-Related Financial Disclosure Assessment Group at the Center for Business Sustainability, National Chengchi University. With extensive experience in risk management and the impacts of climate change on corporations, Hsu can undoubtedly provide comprehensive advice on climate-related disclosures to the Company. The responsibilities of the Company’s CS Committee include “formulating, promoting, and refining the Company’s sustainable development policies, annual plans, and strategies,” “reviewing, monitoring, and revising the execution and effectiveness of sustainable development initiatives,” “overseeing the disclosure of sustainability information and reviewing sustainability reports,” and “supervising compliance with the Company’s Sustainable Development Best Practice Principles and other Board-mandated sustainability tasks.” The Company's CS Committee has a management committee in charge of planning and promoting corporate sustainability related matters under its command. The convener of the management committee is the President of the Company, and the members of the management committee are the presidents of subsidiaries. The management committee has 7 executive groups: "Executive Secretariat," and "Sustainable Finance Group," "Corporate Governance Group," "Customer Care Group," "Employee Relations Group," "Environmental Protection Group," "Social Participation Group." They are responsible for the planning, coordination, and execution of all sustainable operation aspects for the Company. In 2024, the third CS Committee held 2 meetings, with the following operational details: The Committee achieved a 100% attendance rate and submitted relevant proposals to the Board of Directors on July 26, 2024, and December 30, 2024, respectively. The Board’s oversight of sustainable development initiatives is outlined below. <table><tr><th>Sustainable aspect</th><th>Important Topics</th><th>Supervisory content</th></tr><tr><td>Overall</td><td>Review of Sustainability</td><td>● The 2023 Sustainability Report was reviewed to ensure</td></tr></table>	Sustainable aspect	Important Topics	Supervisory content	Overall	Review of Sustainability	● The 2023 Sustainability Report was reviewed to ensure	
Sustainable aspect	Important Topics	Supervisory content								
Overall	Review of Sustainability	● The 2023 Sustainability Report was reviewed to ensure								

Promotion Item	Current Implementation (Note 1)						Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description				
					Report	alignment with internationally recognized frameworks such as GRI and SASB. Report contents and data underwent third-party verification and assurance.	
				Environment	● SBTi Reduction Targets ● TCFD and TNFD Reports	● Monitored the Company for progress in achieving SBTi-approved science-based carbon reduction targets. ● To enhance the Company’s resilience to climate and natural capital challenges, reports aligned with the Task Force on Climate-Related Financial Disclosure (TCFD) and Task Force on Nature-Related Financial Disclosure (TNFD) frameworks were issued. These reports assess and disclose the Company’s dependencies, impacts, risks, and opportunities related to climate change and	

Promotion Item	Current Implementation (Note 1)						Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No	Summary Description					
						natural capital, aiming to mitigate potential operational impacts.		
				Society	● Talent retention and development ● Equality and diversity ● Inclusive finance	● Employee welfare and professional development were promoted through sustainable training programs, long-term incentives, and performance management systems to enhance engagement and retention. ● Gender equality initiatives were advanced by increasing the proportion of female senior executives. ● The performance of inclusive finance initiatives was supervised to provide diverse, innovative, equitable, affordable, and accessible financial products and services, enhancing the accessibility of financial services and fostering a financially		

Promotion Item	Current Implementation (Note 1)			Summary Description			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No					
				Governance	• Sustainable finance • Implementation of ethical practices • Communication between stakeholders	inclusive environment. • The Sustainable Finance Policy was revised to integrate ESG issues into investment and financing decisions, while accelerating the divestment from high-carbon industries such as coal and unconventional oil/gas sectors. • The Company adheres to the "Integrity Management Policy and Code," "Integrity Management Procedures and Behavioral Guidelines," and "Code of Ethical Conduct" to strengthen corporate governance and Board functions; implement legal compliance and internal audit/control systems; practice the Company's integrity principles; and conduct research on domestic corporate	

Promotion Item	Current Implementation (Note 1)						Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No	Summary Description					
						governance regulations and policies. The Company and its subsidiaries review the communication channels, frequency, key concerns, and outcomes of engagement with stakeholders potentially affected or impacted by their business operations.		
II. Does the Company conduct risk assessments on the environmental, social and corporate governance issues associated with the Company's operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)	V		II. The Company has conducted risk assessments on environmental, social, and corporate governance issues related to the Company's operations according to the reporting principle of materiality, and taking into consideration of sustainability context, stakeholder inclusiveness and completeness under GRI. The scope of assessment covers SKFH and all of its subsidiaries. The Company references international sustainability trends, latest regulations, and standards to collect and identify material issues, evaluates and prioritizes the risk impact levels of these issues, and submits them to the Board of Directors after confirmation by senior management. The assessment results identified risks associated with 13 material issues, including "Corporate Governance and Ethical Corporate Management," "Climate Change Action," "Innovation and Digital Finance," and "Talent Cultivation and Career Development." Related significant risk management policies or strategies are formulated for all the important ESG issues.				No significant deviation was found	

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
III. Environmental issues (I) Does the Company establish an environmental management system deemed proper to its industry's characteristics?	V		III. (I) 1. The Company has long focused on and invested in environmental sustainability initiatives. In 2018, it established the "Environmental Protection Management Policy", which was updated to the "Environmental Protection Commitment" in 2022 to reaffirm its dedication to environmental conservation. This commitment is publicly disclosed and serves as the foundation for implementing suitable environmental management measures, including the use of renewable materials with low environmental impact, reducing the environmental footprint of operations, and continuously communicating with stakeholders to promote corporate responsibility in addressing climate change. 2. In 2024, the Company passed the SBT (Science-Based Targets) review, setting net-zero emissions and financial decarbonization goals: using 2022 as the baseline year, it aims to reduce Scope 1 and 2 carbon emissions by 42% by 2030. 3. Based on our industry characteristics, the Company and its subsidiaries have introduced environmental management systems such as: ISO 50001 Energy Management System, ISO 14001 Environmental Management System, ISO 14064-1 Greenhouse Gas Inventory, ISO 14046 Water Footprint Verification, ISO 14067 Carbon Footprint Verification, and PAS 2060 Carbon Neutrality. Among them, the Company and its subsidiaries have all completed the third party verification of new version 14064-1:2018 Greenhouse Gas (GHG) across its all operational sites. By such an overall monitoring measure, the Company continues to improve the environmental performance. 4. With the objective of implementing the "Green Workplace," we take spontaneous actions, measured and improved plans to increase the energy efficiency, reduce the consumption of energies and resources, and practice the environment-friendly responsibility hands in hands with customers and suppliers. 5. The Company and its subsidiaries conduct greenhouse gas checks annually, track the results of emission reduction, and disclose them to the public in a sustainability report and on the Company's website.	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
(II) Is the Company committed to improving utilization efficiency of energy and using recycled materials with low environmental impact?	V		(II) Devoted to increasing the environmental efficiency, the Company and subsidiaries keep in place sound environmental management measures and mechanisms to reduce the consumption of energies and resources in daily operation and are keen to implement various improvement plans. For example, we replace and first use energy-saving lights, eliminate energy-consuming devices and old air-conditioning facilities, set the air-conditioner temperature above 26 degrees Celsius, maintain business vehicles on a regular basis and eliminate fuel vehicles year by year. - Measures of energy conservation The Company and its subsidiaries have executed energy conservation projects such as lighting fixture replacements, energy efficiency improvements for air conditioning systems, and branch-level energy conservation competitions. In 2024, total power consumption amounted to 46,444,533.63 kWh, reflecting a 16.2% reduction compared to the baseline year. - Use of Renewable Energy In response to the Company's participation in the SBTi, the Company signed a green power transfer contract with renewable energy providers to increase the use of renewable energy. It purchases 1,690,000 kWh of green electricity in total based on the "all-in-one electricity certificate," which is equivalent to reducing 834.86 metric tons of Co2, thereby substantially reducing carbon emissions. In order to cooperate with Shin Kong Financial Holdings' "ESG Net Zero Carbon Reduction" plan, each subsidiary has actively invested in solar roof construction projects at various locations. In 2022, Shin Kong Bank first promoted solar branches, and in 2024 it generated a total of 13,000 kWh of self-generated green electricity for its own use. In addition, in 2024, it also expanded self-generated solar roofs at Shin Kong Life Insurance and MasterLink Securities locations. - Building a Green Office (1) In 2021, the Company joined the Taiwan Net-Zero Action Alliance and promoted the "Taiwan Net-Zero 2050 Initiative". In 2024, it obtained the "Green-Level Certification" from the Taiwan Net-Zero Emissions Association, aiming to achieve 100% net-zero emissions at headquarters offices by 2030. (2) To reduce vehicle fuel consumption, the Company has taken action by gradually phasing	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			out outdated, high-fuel-consumption vehicles and selecting more energy-efficient models to minimize greenhouse gas emissions caused by fuel usage. In 2024, the Company and its subsidiaries cumulatively replaced 18 company vehicles with hybrid models, achieving an approximate carbon reduction benefit of 90 metric tons. (3) Through innovation and digitalization of workflows, administrative efficiency has been significantly enhanced. By implementing electronic administrative processes and services, the Company reduced paper usage by 50.56 million sheets and decreased carbon emissions by 356.06 metric tons in 2024. (4) In 2024, Shin Kong Life Insurance was awarded the "Outstanding Green Procurement Organization for Private Enterprises and Groups" by the Ministry of Environment and the Taipei City Government's Environmental Protection Bureau for the 9th consecutive year. Additionally, subsidiaries Shin Kong Life Insurance, Shin Kong Bank, and MasterLink Securities were recognized with multiple awards under the "Buying Power Social Innovation Product and Service Procurement Awards" from the Ministry of Economic Affairs.	
(III) Does the Company assess the potential risks and opportunities brought by climate changes, both for now and in the future, and take response measures to cope with?	V		(III) Following the framework of the Task Force on Climate-Related Financial Disclosure (TCFD), the Company has established the climate governance architecture at the Board level, identified the physical and transitional risks related to the climate in the short, middle and long terms, and applied the scenario analysis to measure the potential financial impacts of the climate on the operating locations, upper reach and lower reach of the Company. Moreover, the Company has actively responded to the climate change, and identified the climate investment trend and market opportunity. The Company has also reinforced the transparency and stakeholder engagement and stayed dedicated to low carbon transition.	No significant deviation was found
(IV) Does the Company conduct statistics on the greenhouse gas	V		(IV) The Company's statistics on energy and electricity usage, greenhouse gas emissions, water consumption and total weight of waste in the past 2 years are listed below, which have been verified by a third-party verification company. The certificate is listed in the appendix of SKFH's	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies																																												
	Yes	No	Summary Description																																													
emissions, water consumption, and total weight of waste for the past two years, and correspondingly formulate policies for greenhouse gas reduction, water use reduction, or other waste management?			sustainability report: <table><tr><th colspan="2">Item</th><th>2023</th><th>2024</th></tr><tr><td colspan="2">Non-renewable electricity consumption (kWh)</td><td>50,901,271.58</td><td>46,444,533.63</td></tr><tr><td rowspan="3">Use of renewable energy (kWh)</td><td>On-site renewable energy</td><td>12,520</td><td>13,000</td></tr><tr><td>Outsourcing green electricity</td><td>940,953</td><td>1,690,002</td></tr><tr><td>Total</td><td>953,473</td><td>1,703,002</td></tr><tr><td rowspan="5">GHG emissions (t-CO₂e)</td><td>Scope 1</td><td>3,479.89</td><td>3,395.52</td></tr><tr><td>Scope 2</td><td>25,183.23</td><td>22,521.82</td></tr><tr><td>Scope 1 + Scope 2</td><td>28,663.11</td><td>25,917.34</td></tr><tr><td>GHG emissions per capita</td><td>1.90</td><td>1.64</td></tr><tr><td>Scope 3 (Exclude category 15)</td><td>5,809.19</td><td>5,753.21</td></tr><tr><td rowspan="3">Carbon Intensity (metric tons CO₂e/NT\$ million)</td><td>Scope 1</td><td>0.14</td><td>0.08</td></tr><tr><td>Scope 2</td><td>0.99</td><td>0.55</td></tr><tr><td>Scope 3(excluded</td><td>0.23</td><td>0.14</td></tr></table>	Item		2023	2024	Non-renewable electricity consumption (kWh)		50,901,271.58	46,444,533.63	Use of renewable energy (kWh)	On-site renewable energy	12,520	13,000	Outsourcing green electricity	940,953	1,690,002	Total	953,473	1,703,002	GHG emissions (t-CO ₂ e)	Scope 1	3,479.89	3,395.52	Scope 2	25,183.23	22,521.82	Scope 1 + Scope 2	28,663.11	25,917.34	GHG emissions per capita	1.90	1.64	Scope 3 (Exclude category 15)	5,809.19	5,753.21	Carbon Intensity (metric tons CO ₂ e/NT\$ million)	Scope 1	0.14	0.08	Scope 2	0.99	0.55	Scope 3(excluded	0.23	0.14	
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Promotion Item	Current Implementation (Note 1)				Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies		
	Yes	No	Summary Description				
				Category 15)			
			Water usage (m³)	Total annual water intake	410,734	331,330	
				water consumption per capita	27.28	20.92	
			Total waste volume (MT)	Volume of resources recycled	415.86	464.49	
				Volume of general waste processed	1,373.41	1,375.27	
				Total annual waste	1,789.27	1,839.75	
				Waste per capita	0.09	0.09	
			1. The Company and its subsidiaries have been conducting GHG verification since 2016. Since 2019, we have been performing the GHG verification across our operating locations (including overseas sites of each subsidiary), and conducting Scope 3 GHG inventory. 2. The Company and its subsidiaries passed the Science-Based Targets initiative (SBTi) review in 2024, setting 2022 as the baseline year for carbon reduction targets. The goal is to achieve a 42% reduction in combined Scope 1 and 2 carbon emissions by 2030. In 2024, the company and its subsidiaries reduced total greenhouse gas emissions by 17.70% compared to 2022. 3. The Company and its subsidiaries have set a target to reduce total water consumption and per capita waste generation by 12% in 2025 compared to the 2019 baseline year. In 2024, per capita waste generation and water consumption decreased by 58.61% and 12.1%,				

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			respectively, compared to the baseline year. 4. The Company has long implemented green actions, through systematic management and equipment replacement, the Company has promoted energy conservation and carbon reduction, reduced water consumption and waste reduction to improve the efficiency of various energy sources and resources in the office building. In 2023, the strategies implemented are as follows: (1) Replace energy-saving lighting fixtures (2) Eliminate old and traditional air-conditioners (3) Implementing elevator energy regeneration programs (4) Build renewable energy facilities and use green power (5) Promote energy conservation at server rooms (6) Organized energy conservation competitions (7) Gradually replace water-saving devices (8) Implement resource recycling and reusing 5. To enhance employee awareness of energy conservation, improve energy efficiency, and effectively manage carbon emission risks, Shin Kong Financial Holding introduced an Internal Carbon Pricing (ICP) mechanism in 2021. This mechanism adopts a shadow pricing model to set internal carbon prices and established the "Greenhouse Gas Emission Reduction and Carbon Pricing Management Guidelines" to actively internalize external environmental costs. The Guidelines primarily target Scope 1 and 2 greenhouse gas emissions as the key evaluation objectives, encouraging subsidiaries to identify emission hotspots, implement energy conservation and carbon reduction projects, and transition toward becoming low-carbon enterprises through the adoption of green energy and other measures. Based on internal carbon pricing within the financial industry and trends in domestic and international carbon pricing, the carbon pricing cost is set at NT\$1,500 per metric ton, with rolling adjustments guided by science-based reduction methodologies to align with international net-	

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			zero emission standards.	
IV. Social issues (I) Does the Company set up management policy and procedures according to related laws and regulation and the International Bill of Human Rights?	V		IV. (I) Dedicated to protecting the basic human rights of employees, the Company follows the International Bill of Human Rights of the United Nations, strictly observes local laws of Taiwan, and creates a workplace that values personal dignity and value. The Company has formulated "Shin Kong Financial Holding Co., Ltd. Human Rights Commitment" to protect the basic human rights of all colleagues, customers, suppliers, and stakeholders, and announced that the Company and its subsidiaries will jointly abide by it. The Company has established a set of human rights due diligence procedures to collect potential and possible human rights issues from all aspects of the operations, and to identify groups and stakeholders in the Company's value chain that may be impacted. The Company has also worked with relevant units to assess each issue's "possibility of occurrence" and "severity of impact on the value chain." For issues with higher probability of occurrence and more severe impact on the organization, SKFH shall assign related units to conduct regular risk assessments remediation and mitigation plans to manage and reduce the identified risks. Current human rights commitments and strategies are regularly reviewed and revised to conform to law and generally accepted moral standards.	No significant deviation was found
(II) Does the Company formulate and implement reasonable employee welfare measures (including compensation, days-off, and other benefits), and appropriately mirror	V		(II) The Company and its subsidiaries are committed to creating a happy workplace for employees, and our various employee welfare measures are superior to those stipulated by the current decree, including employee preferential interest rate on deposit and loan, leave allowance system, insurance discount, health care, on-demand learning, convenient services for daily-life, promotion of employee relationship, marriage and childbirth subsidies, and employee stock ownership trust plan. Attentive to the career diversity, the Company has set up the Gender Equality Committee to assume the exclusive responsibility of establishing a diversified, equal and inclusive (DE&I) working environment, and pursued the objective to increase the proportion of female executives year by year. In 2024, female employees of the Company and subsidiaries	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
the operating performance or results in employee compensation?			accounted for 71.6% of total employees, and female senior executives accounted for 26.2%. At the same time, the Company has devised a sound and competitive compensation system, which lays emphasis to salary differentiation according to duties assumed, performance and capabilities of different levels. The Company has established "Regulations on Employee Performance Management" and "Regulations on Granting of Employee Performance Bonus" to connect performance to reward. Moreover, we annually review employee's salaries according to their performance, and appropriately reflect the operating performance or results in employee compensation. Meanwhile, we have established a employee subscription plan for shares issued by cash capital increase and let participating employees share the result of the performance of Company's operation, so as to enable a mutual growth of employees and the Company.	
(III) Does the Company provide a safe and healthy workplace for employees and regularly provide safety and health education for employees?	V		(III) The Company and subsidiaries carry out the "Healthy Workplace" concept, reinforce the healthy atmosphere and safeguard all employees with a safe and healthy working environment. Every year, we regularly test offices for carbon dioxide concentration, lighting, drinking water quality, and presence of Legionellae in cooling tower. We also set up a health center and nursery room, provide health examination for internal employees, hire professional and qualified registered nurse to serve as health management specialists in the building, and deliver such services as regular professional physician residence, pharmaceutical consulting, psychological consulting, physical/functional therapist and visually impaired massager. In addition, enhance employees' attention to and awareness of occupational safety and health through the occupational safety & health education, training and communication, including fire safety officers, safety & health, disaster prevention drill in the building, hazardous substance management in the building, and environmental safety management. Shin Kong Life Insurance first adopted ISO 45001 - Occupational Health and Safety Management System in 2018; its certification was renewed in 2024, at which time the subsidiary also attained certification for Taiwan Occupational Safety and Health Management System (TOSHMS). The scope of the above systems has been expanded to cover the entire workplace and contractors so that employees and contractors may have a safe and reliable place to work in, and thereby	No significant deviation was found

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	Yes	No	Summary Description	
			minimize the chances of accident in illness. In 2024, the Company and subsidiaries incurred 27 occupational disaster events, involving a total of 27 employees and representing 0.17% of total employees. Occupational disasters of the Company mainly include commutation disaster and traffic accidents that happen during business travels. To alleviate the related risk, the Company has strengthened the communication of traffic safety precautions among employees to reduce the incidence of traffic accidents. The Company and its subsidiaries value fire safety and have established a fire management group. We hold fire drills, building evacuation drills and relevant training annually to enhance fire safety awareness and strengthen fire and disaster prevention capabilities. Moreover, we regularly carry out operations related to the Certification and Declaration of Public Safety Inspection for Buildings and the Maintenance and Declaration of Fire Safety Equipment, and make repairs and adjustments according to the corresponding deficiencies found in the inspections to prevent fires and to maintain public safety. In 2024, the Company and its subsidiaries had no fire incidents. The number of fire accidents, the number of deaths/injuries, and the percentage of casualties among total employees were all 0 in that year.	
(IV) Does the Company establish an effective career development training program for employees?	V		(IV) The Company views employees as our important assets. We use "Comprehensive Training for New Employees," "Improvement on Professional Function," "Digital Talent Cultivation," "Encourage Self-Learning," and "Passing Successful Experience" as the 5 main axes of training. We implement the internal rotation, leadership echelon development and other functional training projects to reinforce the professional core capabilities of employees. The Company also keeps in place a sound training plan for new employees to help them integrate into the new environment. With respect to professional training, we have implemented the "SPARK Heroes" digital technology talent academy for the 3rd consecutive year, and focused the talent cultivation platform of the Company on digital AI technology, data and other financial technology fields so that the members will become key talents of the Group with both practical experience and technological know-how. SKFH has implemented SPARK Heroes, a digital talent training program, as a means to enforce "Driving transition through digital roots." In an attempt to	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			encourage department Heroes for taking part in digital transformation, improving operational efficiency, contributing innovative ideas to the digital transformation and empowerment of their respective departments, and building a culture of transformation, SKFH organized "Shin Kong Financial Holding SPARK Heroes Digital Competition" and introduced a number of digital optimization/transformation projects that aimed to improve and optimize operational efficiency across departments during the year. The Company also encourages all employees to take part in training courses organized by external professional institutions, and introduces learning incentives and subsidies to support talents who seek to outgrow their limits and engage in diversified learning. With regards to the key issues concerning business operation, we organize workshops, provide an online learning platform, and introduce self-learning projects among other study plans while at the same time inspire employees to reach their growth potentials by learning independently and thinking creatively .	
(V) For customer health and safety, customer privacy, marketing and labeling and other issues in relation to products and services provided, does the Company comply with relevant regulations and international standards, and devise relevant consumer or customer protection policies and complaint procedures?	V		(V) The Company formulates fair customer-treating policies and principles in accordance with the FSC's "Principles for Financial Service Industries to Treat Clients Fairly" so as to fulfill the principles of fairness, reasonableness, equality, reciprocity, good faith, due care and fiduciary duty; the Company and subsidiaries also value and protect customers' interests. The content of marketing and labeling information of goods and services complies with required disclosures. We have explicitly established the Group's <i>Personal Data Management Policy</i> , which applies to all employees and suppliers. Additionally, they have established personal data protection regulations such as <i>Shin Kong Financial Holding Co., Ltd. Data Sharing Policy</i> , <i>Shin Kong Financial Holding Co., Ltd. Subsidiaries Joint Marketing Management Measures</i> , and <i>Shin Kong Financial Holding and Subsidiaries Privacy Rights Protection Statement Reference Guidelines</i> . Furthermore, Shin Kong Financial Holding and its subsidiaries have signed <i>Shin Kong Financial Holding Co., Ltd. and Subsidiaries Customer Data Confidentiality Measures Joint Declaration</i> and <i>Data Sharing and Customer Data Utilization Agreement</i> , along with other usage and management regulations for product sales promotional materials, to strive for the authenticity and clarity of product information and content, thereby avoiding risks of unfairness or consumer	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			misguidance in financial product sales. Our subsidiary has also obtained ISO 27001 information security management system certification and BS 10012 personal information management system certification to ensure the protection of customer privacy. The Company's subsidiaries have multiple channels such as 0800 customer service hotline and complaint mailbox, and a grievance mechanism, so as to protect customers' rights. The subsidiary Shin Kong Life Insurance introduced ISO 10002 Customer Satisfaction and Complaints Handling in 2017, and further obtained the new verification of ISO 10002:2018 Quality Management - Customer Satisfaction - Guidelines for Complaints Handling in Organizations in 2020, becoming the first certified financial company in Taiwan.	
(VI) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health, or labor rights? If yes, how well are they implemented?	V		(VI) The Company and its subsidiaries have established "Supplier Management Regulations," which have been implemented since 2015. Such regulations require that suppliers work together with the Company on business ethics, care of employee health and safety, human rights, and environmental protection to jointly fulfill corporate responsibilities. 1. In 2024, Shin Kong Financial Holding and its subsidiaries engaged 137 key suppliers. 100% of new suppliers signed the Supplier Commitment Letter, and risk assessments were conducted through risk evaluation questionnaires and internal audits. The results identified 2 high-risk suppliers, 8 medium-risk suppliers, and 81 low-risk suppliers. On-site audits were performed for high-risk suppliers, while risk assessments for non-responsive suppliers were completed through internal review processes. 2. In 2023, Shin Kong Life Insurance expanded its Occupational Safety and Health Management System certification to cover all operational sites, obtaining dual certifications for ISO 45001 and the Taiwan Occupational Safety and Health Management System (TOSHMS). The Company also revised its Supplier Management Policy and updated the Supplier Commitment Letter to include clauses related to occupational safety and health.	No significant deviation was found

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
V. Does the Company refer to the internationally accepted guidelines for the preparation of sustainability reports that disclose the Company's non-financial information? Does the said report obtain the assurance or guarantee opinion of the third-party verification unit?	V		V. The Company's "2024 SKFH Sustainability Report" (Shin Kong Financial Holding Sustainability Report) was prepared in accordance with the GRI (Global Reporting Initiatives) Standards, GRI G4 Financial Services Sector Disclosures, United Nation's Sustainable Development Goals (SDGs), standards of the Sustainability Accounting Standards Board (SASB) (for insurance and commercial bank industries), and the United Nations Global Compact. Our Sustainability Report clearly discloses our sustainability implementation and results, and is backed by AA1000AS v3 Type 2 Moderate Assurance Opinion Statement from SGS Taiwan Ltd. At the same time, the Company assigns accounting firm to perform independent limited assurance of its sustainability performance in accordance with Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and the Assurance Standards Circular No. 3000 - "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation.	No significant deviation was found
VI. If the Company has established the sustainable development principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe any discrepancy between the principles and their implementation: No significant deviation was found. To promote corporate sustainability, the Company has referenced the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" to formulate the "Sustainable Development Standard." The goal is to fulfill the principles for corporate governance, develop a sustainable environment, maintain social welfare, and enhance the disclosure of corporate social responsibility in order to incorporate the concept of sustainable management into the Company's daily operations. Our implementation does not have a significant deviation from the principles.				
VII. Other information useful to the understanding of sustainable practice: To achieve corporate sustainability, Shin Kong Financial Holding has responded to the United Nations Sustainable Development Goals (SDGs), designated care for life as the starting point and provided financial products that are friendly to the world's environment, all corners of the society and all stages of life. We promote sustainable financing practices together with stakeholders and exert sustainability influence as a corporation with the vision of "becoming the trusted financial partner" to the public.				
Key performances in 2024: ●Shin Kong Financial Holding 's (SKFH) sustainability efforts have been well-recognized throughout the world. In addition to being selected a composition of				

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	Yes	No	Summary Description	
			Dow Jones Sustainability Index (DJSI World) for 4 consecutive years, the Company also claimed the 1st place worldwide in the Insurance Division, and was selected as a composition of "DJSI Emerging Markets" for the second time during the year. ●SKFH received the highest "AAA" rating in the "MSCI ESG Rating" ●SKFH was included as a constituent of the FTSE Russell "Socially Responsible Emerging Markets Index" ●SKFH was included as a constituent of the "Taiwan Sustainability Index" by the Taiwan Index Company ●SKFH was awarded the "National Sustainable Development Award" ●SKFH received the "Bronze Medal" in the National Corporate Environmental Protection Awards ●SKFH published the Climate and Nature-Related Financial Disclosure Report, disclosing the potential financial impacts of climate change, natural capital depletion, and biodiversity risks, aiming to enhance corporate resilience to extreme weather and natural resource shortages and mitigate operational risks from disasters ●SKFH was rated "B" by the international nonprofit organization Carbon Disclosure Project. ●SKFH won "Top 100 Sustainable Taiwanese Companies Award" and platinum award for "Corporate Sustainability Reports Awards - Finance & Insurance" during the Taiwan Corporate Sustainability Awards. And won the "Silver Award - SDG 8 (Decent Work and Economic Growth)" and "Bronze Award - SDG 13 (Climate Action)" at the Taiwan Sustainability Action Awards ●SKFH won "Best Practice - Honorable Mention" and "Sustainability Reporting - Bronze" during the Global Corporate Sustainability Awards. And won the "Silver Award - SDG 8 (Decent Work and Economic Growth)" and "Bronze Award - SDG 4 (Quality Education)" at the Asia-Pacific Sustainability Action Awards ●SKFH received the "Bronze Certification" in the Taipei City Gender-Equal Workplace Certification ●SKFH was awarded the "Silver Award - Financial Sector" in <i>CommonWealth Magazine's</i> Healthy Corporate Citizen Awards ●SKFH received the "Best ESG Green Technology Solution Award" from <i>World Economic Magazine</i> ●SKFH received the "Taiwan Financial Holding Company Excellence in Innovation Award" and "Taiwan Best Sustainable Development Company Award" from <i>Global Banking & Finance Review</i> ●SKFH won the "Future Workforce Innovation Award" at the IDC Future Enterprise Awards ●SKFH won the "Green Label" granted by the Taiwan Alliance for Net Zero Emission. ●Shin Kong Life Insurance (SKL) received the "Financial Education Contribution Award - Outstanding Performance" from the Financial Supervisory Commission (FSC)	

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	Yes	No	Summary Description	
●SKL won the "National Best Product Award", "Best Brand Popularity Award", and "Best Product Award" at the National Brand Yushan Awards ●SKL participated in the 1st Task Force on Climate-Related Financial Disclosure (TCFD) Report Assessment and received the "TCFD Report Excellence Award" ●SKL was honored with the "Outstanding Corporate Management Award" at the Asia-Pacific Enterprise Awards organized by the Enterprise Asia ●SKL received the "Service & Solutions Innovation Award" at the International Innovation Awards by Enterprise Asia ●SKL participated in the "2024 CSEA Excellence in Customer Service Awards" and won seven major awards, the most among life insurance companies, including "Best Customer Experience Enterprise" and "Best Service Innovation Enterprise" in the Corporate Category; "Best AI System Application Team" in the Group Category; as well as "Best Customer Service System Supervisor," "Best Customer Service System Star," "Best AI Trainer," and "Best On-site Management Supervisor" in the Individual Category ●SKL participated in Excellent Magazine's 2024 Excellence Insurance Evaluation, and won "Excellence in Digital Banking," "Excellence in Claims Services," and "Excellence in Social Charity." ●SKL was honored with multiple accolades at the Taiwan Corporate Sustainability Awards, including the "Taiwan Sustainability Enterprise Performance Excellence Award," "Taiwan Corporate Sustainability Report Award - Gold Prize in Financial and Insurance Industries," "Climate Leadership Award," "Social Inclusion Leadership Award," "Talent Development Leadership Award," and the Global Corporate Sustainability Award's "Sustainability Report - Bronze Award" ●SKL earned the "Silver Award - SDG 4 (Quality Education)" and "Silver Award - SDG 13 (Climate Action)" at the Taiwan Sustainability Action Awards ●SKL's "Clean Oceans Initiative" was awarded the "Corporate Sustainability Finalist Award" at the 8th PwC Sustainability Impact Awards ●SKL was highly acknowledged in terms of four indicators, including "Best Awareness," "Best Salespeople," "Best Claim Settlement Service," and "Most Recommended" at the Insurance Quality Awards. ●SKL was awarded the "Most Desired Life Insurance Company by Graduates" and received "First Class Honors in Internal Operations Category" and "First Class Honors in External Operations Category" at the Insurance Dragon and Phoenix Awards ●SKL won the "Annual Innovative Design Award" and "Excellent Customer Satisfaction Award" at the Golden Torch Awards ●SKL won "3rd Place in the Insurance Division," the "Good Performance Award," and the "Mental & Physical Disorder Care Award" for micro insurance during the insurance competition organized by the FSC. ●SKL received two awards from the Ministry of Economic Affairs' Small and Medium Enterprise Administration's Buying Power Social Innovation Products				

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
			and Services program: the "Procurement Award - First Prize" and the "Special Social Innovation Award for Sustainable Development" ●SKL participated in the China Times Financial Services Awards and won the "Corporate Social Responsibility Award." ●SKL participated in "The Reader's Digest Trusted Brand Survey" and won the "Trusted Brand Award - Gold" for 9 consecutive years. ●SKL received 12 awards at the Insurance Faith, Hope & Love Awards, including the "Best Social Responsibility Award" ●Shin Kong Bank(SKB) was honored with the "Asia's Best Employer Award" and "Diversity, Equity & Inclusion Award" by HR Asia ●SKB received the "Taiwan Sustainability Action Award - SDG10 Reduced Inequality Silver Award" ●SKB won "Corporate Sustainability Reports Awards - Finance and Insurance - Gold" during Taiwan Corporate Sustainability Award. ●SKB won the "Procurement Award - First Prize" in the Ministry of Economic Affairs' Small and Medium Enterprise Administration's Buying Power Social Innovation Products and Services program ●SKB was selected for the "Seeds of Hope" award in the Corporate Sustainability Category at the 8th PwC Sustainability Impact Awards ●SKB received the "Best Social Inclusion Award" and "Best Wealth Management Team Award" at the Excellence in Banking Awards ●SKB won "Best Customer Recommendation Award" and "Best Printed Marketing Award" in Wealth Magazine's Wealth Management Award. ●SKB received the "Best Employer Brand Award" from 104 Job Bank ●SKB was awarded the "Taipei City Workplace Gender Equality Certification - Finalist Award" ●SKB received the "Digital Trust - Elite Award" from the British Standards Institution (BSI) ●MasterLink Securities(MLS) was honored with the "Case Impact - Sustainable Bonds Bronze Award" and "Case Impact - ESG Innovation Bronze Award" at the Taiwan Sustainable Investment Awards ●MLS won the "National Brand Yushan Award - Outstanding Enterprise Award" and "Best Product Award" ●MLS received the "Taiwan Sustainability Action Award - SDG4 Quality Education Gold Award" ●MLS was awarded the "Gold Award" and "Creativity Award" in the Taipei City Workplace Gender Equality Certification, and received the "Taipei City Middle-Aged and Elderly Friendly Enterprise Certification" for two consecutive years ●MLS secured the "Best Technological Innovation Award" and "Best ESG Sustainability Award" at the Excellence in Securities Awards ●MLS won the "Best Public Welfare Promotion Award," "Best Print Marketing Award," and "Best Customer Recommendation Award" at the Wealth Magazine's Wealth Management Awards ●MLS ranked first in the "Best Research Report - Earnings Forecast Accuracy Award" at the Golden Eagle Awards for four consecutive years	

Promotion Item	Current Implementation (Note 1)			Deviation and Causes of Deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary Description	
●MLS was honored with the "2024 DEI Diversity & Inclusion Vision Award - Best DEI Enterprise Gold Award," "Best Women Empowerment Enterprise Award," and "Best Rainbow-Friendly Enterprise Award," becoming the first and only securities firm in Taiwan to receive these accolades ●MLS received the "Procurement Award - Third Prize" in the Ministry of Economic Affairs' Small and Medium Enterprise Administration's Buying Power Social Innovation Products and Services program ●MLS was awarded the "Outstanding Anti-Fraud Performance Award" in the Securities Firms Anti-Fraud Evaluation by the Taiwan Stock Exchange ●MLS was listed in the "Better-Performing List" for Institutional Investor Stewardship Information Disclosure by the Taiwan Stock Exchange ●MLS won the "Best Intelligent Wealth Management Award," "Best Product Award," "Best Customer Satisfaction Award," and "Best Silver-Friendly Service Award" at the Wealth Management Bank & Securities Evaluation Awards by Business Today ●MLS received the "Digital Innovation Award" at the Digital Finance Awards by the Commercial Times ●MLS was honored with the "Family-Friendly Workplace Award" by Taipei City Government in 2024 In the future, the Company will, guided by the sustainable values of "Low Carbon, Innovation and Mutual Benefit," reinforce the corporate governance and honest operation and continuously optimize products and digital platforms to provide more friendly financial services to a broad customer base. At the same time, the Company will utilize the core capabilities of subsidiaries to practice the sustainable finance concept, implant the strategies and thoughts of environment, society and governance into investment, financing, loan, insurance, asset management and other financial operation activities, and exert the influences of the financial industry. We will join forces with stakeholders to develop new-generation talents, uphold the spirit of "Our Light and Heart Are Always with You," create the best values for all stakeholders and realize the vision of corporate sustainability.				

Note 1: If current implementation is specified "Yes," please explain the major policies, strategies, and measures adopted and the status of their implementation. If Current implementation is specified "No," please explain the deviations and the reasons in the "Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," and explain any policy, strategy, and measure planned for the future. However, for items 1 and 2, TWSE/TPEX listed companies are required to provide detailed descriptions of their governance and supervisory framework on sustainable development including but not limited to management policies, strategies, goals, and review systems. In addition, companies shall describe their risk management policies or strategies for operations-related environmental, social, and corporate governance issue, and their assessment status.

Note 2: Financial Holding Companies that are not listed in the TWSE/GTSM do not have to fill in "Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons."

Note 3: Materiality principle refers to environmental, social, and corporate governance issues that are of material impact to the Company's investors and

stakeholders.

Note 4: Regarding the method of disclosure, please refer to the best practice examples presented on the website of Taiwan Stock Exchange Corporate Governance Center.

2. Climate-related actions

Item	Current progress		
I. Describe how the board of directors and the management exercise supervision and governance over climate-related risks and opportunities.	SKFH has developed a comprehensive climate governance framework. The board of directors is the ultimate decision maker for issues concerning climate risk governance; and a functional committee (the Corporate Sustainability Committee) has been assembled under the board to oversee strategy execution, risks, and opportunities associated with climate issues. The Corporate Sustainability Committee is consisted entirely of directors. For sound execution of climate risk governance, the Corporate Sustainability Committee has assembled a Corporate Sustainability Management Sub-committee that works with the Risk Management Committee to manage climate-related risks and opportunities and devise climate risk management strategies for the entire company. The President of SKFH serves as convener for both committees, whereas committee members are taken up by presidents of various subsidiaries. The Sustainable Development Department and the Risk Management Department work together to carry out various tasks, set goals for climate change risks and opportunities, and regularly examine the progress of climate goals. By having subsidiaries actively involved in the issue, SKFH hopes to effectively control climate risks that its business activities may be prone to, and thereby minimize the potential impact of climate risks for the protection of shareholder value and strengthening of climate resilience.		
II. Describe how the climate risks and opportunities identified affect the entity's businesses, strategies, and financial position (short-term, medium-term, and long-term).	To formulate and periodically review corporate climate strategies, SKFH and its subsidiaries have reached full consensus on the timelines of short-, medium-, and long-term impacts. Annually, the Group conducts assessments to identify climate-related risks and opportunities by compiling domestic and international climate-related literature and reports, and establishes a climate issue database aligned with SKFH's business model. The risk framework encompasses transition risks (policies and regulations [current policies, emerging policies, regulatory risks], technological innovation, market shifts, and reputational impacts) and physical risks (immediate and long-term), totaling 15 climate risk items; the opportunity framework includes products and services, market opportunities, resource efficiency, resilience, and energy sources, comprising 9 climate opportunity items. SKFH has developed climate-related risk and opportunity questionnaires, utilizing an internal expert methodology to survey opinions from relevant departments including sustainability development, risk management, energy and resource management, investment, and customer relations across the financial holding company and its subsidiaries. Based on the survey results, quantitative analysis and prioritization were conducted according to "probability of occurrence" and "degree of financial impact," identifying ten key climate risk issues (six transition risks and four physical risks) and five climate opportunity issues for the Company. We then systematically link each major topic to business activities, identify the impact levels and degrees of influence of various climate factors on the company's operations, and develop response strategies. The qualitative/quantitative analyses and corresponding measures are described below: ● Disclosure of climate-related risks - transition risks <table data-bbox="660 1385 2130 1471"> <tr> <th data-bbox="660 1385 810 1471">Risk ranking</th><th data-bbox="810 1385 2130 1471">Risk issues</th></tr> </table>	Risk ranking	Risk issues
Risk ranking	Risk issues		

- 122 -

						financing strategies. ● SKFH establishes investment limits for high-carbon-emitting industries and progressively reduces exposure to such sectors. ● The Company engages in proactive dialogue with high-emission suppliers and investees to facilitate their low-carbon transition; for entities demonstrating no improvement, SKFH will adjust supplier procurement preferences and implement capital reduction/divestment decisions toward non-compliant investees.
		TR3	Technology risk	Short-term	Increase in operational costs Rise in capital expenditures	● The Company has installed Uninterruptible Power Supply (UPS) systems in computer rooms to ensure uninterrupted operation of critical information systems and data center archives. ● The Company has deployed rooftop solar panels at business locations to enhance the proportion of self-generated and self-consumed electricity. ● The Company conducts regular reviews of high energy-consuming assets across operational sites for replacement, including the adoption of energy-efficient LED lighting and improvements in air conditioning equipment power efficiency.
		TR4	Policy & regulatory risk - current policies	Short-term	Increase in operational costs	● The Company has fully implemented the "ISO 14064:2018" greenhouse gas verification standard and obtained certification, enabling in-depth analysis of GHG emissions across its operations and supply chain, while establishing Science-Based Targets (SBT) for carbon reduction. ● Subsidiaries Shin Kong Life Insurance, Shin Kong Bank, and MasterLink Securities have implemented the "ISO 50001 Energy Management System" and obtained certification. Additionally, Shin Kong Life Insurance, Shin Kong Bank, and MasterLink Securities have adopted the "ISO 14001 Environmental Management System," with the bank and securities subsidiaries obtaining certification, thereby improving energy and resource utilization

					efficiency. ● The Company actively invests in renewable energy power plants and purchases green electricity and renewable energy certificates to support renewable energy development.						
	TR5	Reputational risk & market risk	Short-term	Reduced capital inflows Decline in revenue and profitability	● The Group has established key performance indicators and conducts regular monitoring, urging subsidiary investment and financing departments to engage in low-carbon transition dialogues with clients and set Science-Based Targets (SBT) for carbon reduction. ● A monitoring mechanism for high-carbon-emitting industries has been implemented to control the Group's exposure. ● The Group applies parameter models published by the Network for Greening the Financial System (NGFS) to conduct regular transition risk scenario analyses, identifying potential risk exposures.						
	TR6	Market risk	Short-term	Decline in revenue and profitability	● Subsidiaries have formulated ESG investment and financing guidelines in accordance with SKFH's "Sustainable Finance Policy." ● Industry-specific guidelines have been developed, requiring rigorous ESG due diligence assessments for controversial industries and high-carbon-emitting sectors, with timely adjustments to asset allocation.						
● Disclosure of climate-related risks - physical risks											
<table><tr><th>Risk ranking</th><th>Risk issues</th></tr><tr><td>PR1</td><td>SKFH faces increased frequency and severity of typhoons, torrential rains, and flooding due to extreme weather events, potentially causing operational disruptions or asset impairments among investment/financing clients, thereby indirectly exposing SKFH to investment losses</td></tr><tr><td>PR2</td><td>SKFH is exposed to increased frequency and severity of typhoons, torrential rains, and flooding due to extreme weather events, heightening the probability of casualties among insurance clients and</td></tr></table>						Risk ranking	Risk issues	PR1	SKFH faces increased frequency and severity of typhoons, torrential rains, and flooding due to extreme weather events, potentially causing operational disruptions or asset impairments among investment/financing clients, thereby indirectly exposing SKFH to investment losses	PR2	SKFH is exposed to increased frequency and severity of typhoons, torrential rains, and flooding due to extreme weather events, heightening the probability of casualties among insurance clients and
Risk ranking	Risk issues										
PR1	SKFH faces increased frequency and severity of typhoons, torrential rains, and flooding due to extreme weather events, potentially causing operational disruptions or asset impairments among investment/financing clients, thereby indirectly exposing SKFH to investment losses										
PR2	SKFH is exposed to increased frequency and severity of typhoons, torrential rains, and flooding due to extreme weather events, heightening the probability of casualties among insurance clients and										

		resulting in elevated claim payouts for related insurance products, directly impacting the company's profitability			
	PR3	Rising global temperatures increase the likelihood of heat-related injuries or heatstroke, driving higher power consumption for cooling systems across SKFH and society, causing operational disruptions from power outages; concurrently, increased mortality or morbidity rates escalate life insurance claim expenditures			
	PR4	SKFH faces operational interruptions at business locations and employee injuries caused by intensified typhoons, torrential rains, and flooding due to climate extremes, indirectly subjecting the company to financial losses and asset impairments			

					for personal insurance products. ● To mitigate weather-induced volatility in claim payouts, Shin Kong Life Insurance has initiated a claims research project to evaluate the development of innovative financial instruments. ● Rooftop solar panel systems have been installed at operational sites, with progressive expansion of self-generated and self-consumed electricity sources.
	PR4	Immediate risk	Medium-term	Increase in operational costs	● Subsidiaries Shin Kong Life Insurance and MasterLink Securities have implemented the "ISO 22301 Business Continuity Management System," with the life insurance subsidiary obtaining certification, thereby strengthening operational resilience. ● For equipment vulnerable to extreme climate event damage, leasing models have been adopted to transfer financial loss risks.
	● Disclosure of climate-related opportunity				
		Opportunity ranking	Opportunity issues		
		O1	SKFH actively develops digital financial services, continuously promoting electronic account openings, e-transactions, and paperless billing services to reduce paper and energy consumption, effectively lowering operational costs		
		O2	SKFH has established sustainable investment and financing policies aligned with global sustainability trends, actively channeling capital into sustainable enterprises. Its sustainability performance has garnered positive recognition from media and sustainability rating agencies, thereby enhancing corporate image and attracting investor/client interest		
		O3	SKFH capitalizes on emerging investment opportunities within the growing domestic and international sustainable investment markets by evaluating potential investment targets, while implementing risk mitigation measures in asset allocation		
		O4	Increasing client demand for climate-related and green financial products drives SKFH to continuously develop offerings addressing environmental protection, climate change, green finance, and sustainability, thereby boosting revenue and profitability		
		O5	SKFH increases green building certifications across operational sites to reduce power/water consumption, achieve energy conservation and carbon reduction, and enhance fixed asset value		

		with environmental externalities		
Opportunity ranking	Opportunity type	Time of occurrence	Financial impact	Development strategies
O1	Products and services	Short-term	Decrease in operational costs	- Proactively advancing digital finance integration through "mobile solutions, cloud computing, process digitalization, and data analytics" to minimize energy and resource consumption. - Upgrading equipment at owned operational sites to enhance energy and resource utilization efficiency.
O2	Market opportunities	Short-term	Increase in revenue/profitability and capital inflows	- Actively aligning investment activities with the United Nations Sustainable Development Goals (UN SDGs), continuously identifying sustainable investment targets to capitalize on ESG-driven opportunities, and investing in sustainable development industries. - Continuing to actively participate in internal and external organizational initiatives to enhance the company's image.
O3	Market opportunities & resilience	Short-term	Increase in revenue/profitability and decrease in operational costs	- Continuously monitoring industry trends to increase investment allocations in green finance and renewable energy sectors. - Implementing management protocols for high-carbon-emitting industries while dynamically adjusting trading strategies to achieve sustainable finance decarbonization objectives and enhance market resilience.
O4	Products and services	Short-term	Increase in revenue/profitability	- Subsidiary Shin Kong Life Insurance has launched "air pollution-specific insurance policies" targeting respiratory and circulatory system diseases, and plans to continue developing related products to capture market niches. - Subsidiary Shin Kong Bank promotes sustainability-linked loans and green credit

					facilities, incentivizing borrowing clients to pursue low-carbon transitions by offering preferential interest rates. ● Subsidiary MasterLink Securities actively underwrites and advises green enterprises, facilitating capital flows into sustainable businesses.										
	O5	Resource efficiency	Short-term	Increase in asset value & decrease in operational costs	● All lighting fixtures across Taiwan-based operational sites will be replaced with LED alternatives by 2030, while progressively enhancing electricity efficiency of air conditioning systems. ● Employee training programs on environmental sustainability are implemented to modify energy/resource consumption behaviors. ● Subsidiary Shin Kong Life Insurance aims to obtain at least Silver-level green building certifications for all new construction projects, enhancing building sustainability performance. ● Ongoing revitalization of legacy buildings and equipment through energy-saving retrofits improves existing structures' energy efficiency.										
III. State the financial impacts of extreme weather events and transition actions.	●	Physical risk - extreme weather event After taking into consideration the impacts of various types of climate change risks and associated disasters, such as surface water flood, land subsidence, river flood, coastal flood, wildfire, extreme high temperature, extreme gust etc. the Company developed its own climate model and used it to analyze how the different forms of disaster may affect physical assets in the future. <table><tr><th>Subsidiary</th><th>Climate scenario</th><th>Asset category</th><th>Financial impact of climate scenario</th></tr><tr><td rowspan="2">Shin Kong Life Insurance (SKL)</td><td>RCP 2.6</td><td rowspan="2">Business premises and investment properties</td><td>With a 0.43% maximum climate value-at-risk in 2100, the financial impact is approximately NT\$370 million and is not considered significant. Land subsidence caused by drought is deemed to be the most impactful physical risk on asset value.</td></tr><tr><td>RCP 8.5</td><td>With a 0.56% maximum climate value-at-risk in 2100, the</td></tr></table>				Subsidiary	Climate scenario	Asset category	Financial impact of climate scenario	Shin Kong Life Insurance (SKL)	RCP 2.6	Business premises and investment properties	With a 0.43% maximum climate value-at-risk in 2100, the financial impact is approximately NT\$370 million and is not considered significant. Land subsidence caused by drought is deemed to be the most impactful physical risk on asset value.	RCP 8.5	With a 0.56% maximum climate value-at-risk in 2100, the
Subsidiary	Climate scenario	Asset category	Financial impact of climate scenario												
Shin Kong Life Insurance (SKL)	RCP 2.6	Business premises and investment properties	With a 0.43% maximum climate value-at-risk in 2100, the financial impact is approximately NT\$370 million and is not considered significant. Land subsidence caused by drought is deemed to be the most impactful physical risk on asset value.												
	RCP 8.5		With a 0.56% maximum climate value-at-risk in 2100, the												

				Delayed transition	● Average 3-4 notch downgrade in credit ratings by 2050. ● Expected credit losses increased by 0.86% compared to 2024.
				Net Zero 2050	● Average 3-notch downgrade in credit ratings by 2050. - Expected credit losses increased by 2.27% compared to 2024.
			Corporate finance	Current Policies	An average 1-notch downgrade compared to 2024.
				NDCs	An average 1-notch downgrade compared to 2024.
				Delayed transition	An average 1-notch downgrade compared to 2024.
				Net Zero 2050	An average 1-notch downgrade compared to 2024.
			Stock investment	Current Policies	Loss accounted for 5.50% of the stock position at the end of 2024
				NDCs	Loss accounted for 5.47% of the stock position at the end of 2024
				Delayed transition	Loss accounted for 5.50% of the stock position at the end of 2024
				Net Zero 2050	Loss accounted for 5.82% of the stock position at the end of 2024
		Shin Kong Bank (SKB)	Credit •High carbon emission industry	Current Policies	Assuming that 7 of the high carbon emission borrowers monitored by the local Environmental Protection Administration is downgraded by 1 notch and 2 of the borrowers is downgraded by 3 notches in 2050, expected losses from additional credit risk exposure would increase by approximately NT\$4,310 thousand.
				Net Zero 2050	Assuming that 9 of the high carbon emission borrowers monitored by the local Environmental Protection Administration is downgraded by 1 notch, 2 of the borrowers is downgraded by 3 notches and 1 of the borrowers is downgraded by 4 notches in 2050, expected losses from additional credit risk exposure would increase by approximately NT\$6,158 thousand.
			Domestic credit	Delayed transition	Expected losses account for 55.4% of pre-tax profit and 6.4% of net worth in 2030
					Expected losses account for 52.0% of pre-tax profit and 6.0% of net worth in 2050
				Net Zero 2050	Expected losses account for 41.4% of pre-tax profit and 5.1% of net worth in 2030
					Expected losses account for 47.5% of pre-tax profit and 5.5% of net worth in 2050

				Current Policies	Potential expected losses in 2030 account for approximately 5.04% of the Company's 2024 year-end net worth
					Potential expected losses in 2050 account for approximately 5.95% of the Company's 2024 year-end net worth
				Delayed transition	Potential expected losses in 2030 account for approximately 4.64% of the Company's 2024 year-end net worth
					Potential expected losses in 2050 account for approximately 5.63% of the Company's 2024 year-end net worth
				Net Zero 2050	Potential expected losses in 2030 account for approximately 8.97% of the Company's 2024 year-end net worth
					Potential expected losses in 2050 account for approximately 8.04% of the Company's 2024 year-end net worth
IV. Describe the procedures undertaken to identify, evaluate, and manage climate risks, and how they are integrated into the risk management system.	SKFH has incorporated climate risk management and execution guidelines into the group's "sustainable finance policy" and "risk management policy." Continue to improve the interaction between various risk management aspects of the financial industry and climate change risks, update and revise the group's sustainable financial policies and various risk management measures; accountable units have been designated, whereas risk identification, risk measurement, and supervision/control systems have been implemented to strengthen management of climate-related risks. Based on the nature of the group's businesses, SKFH has created a climate risk and opportunity questionnaire and taken the internal expert approach to identify climate-related risks and opportunities that are relevant to the group. For areas of significant concern, the Company evaluates the scope and extent of impact that each climate risk factor has on the group's businesses. A set of "High Carbon Emission Industry Management Guidelines" and "Low-carbon Investment Goals" have been established to help subsidiaries control climate risk for their investment or loan portfolios. Through monitoring of high carbon emission industries to effectively achieve financial decarbonization goals.				
V. Where scenario analysis is used to evaluate resilience to climate change risk, describe the underlying scenarios, parameters, assumptions, factors, and key financial impacts.	Below is a description of the scenarios used for evaluating physical risk and transition risk. The major financial impacts have been explained in section "3. State the financial impacts of extreme weather events and transition actions."				

and transition risks.	for transition risks, the Company adopts the SBTi approach to set carbon reduction goals and manage high carbon emission industries.												
	<table><tr><th>Strategic value</th><th>Indicator</th><th>Short-term</th><th>Medium/long-term goals</th></tr><tr><td>Carbon reduction at business premises</td><td>GHG emission (Scope 1, Scope 2)</td><td></td><td></td></tr><tr><td>Decarbonization of investment/loan portfolio</td><td>Investment/loan portfolios Carbon emission</td><td> • Complete survey of carbon emission (tCO₂e) and emission intensity (tCO₂e/TWDMM, Revenue) according to SKFH's SBT goals and using the PCAF methodology; measure the exposure and amount of high carbon emission assets within the investment/loan portfolio • Engage with investees and borrowers through questionnaires, telephone interviews, personal visits, participation in annual general meetings, and exercise of voting rights, etc., so that the engaged companies can understand the importance of setting carbon emission reduction target and take climate-related actions to achieve transitions </td><td> • Set carbon emission goals and devise reduction strategies according to SKFH's SBTi initiative • Establish a schedule for the phase-out of thermal coal and unconventional oil and gas-related industries to SKFH's sustainable finance policy </td></tr></table>	Strategic value	Indicator	Short-term	Medium/long-term goals	Carbon reduction at business premises	GHG emission (Scope 1, Scope 2)			Decarbonization of investment/loan portfolio	Investment/loan portfolios Carbon emission	• Complete survey of carbon emission (tCO₂e) and emission intensity (tCO₂e/TWDMM, Revenue) according to SKFH's SBT goals and using the PCAF methodology; measure the exposure and amount of high carbon emission assets within the investment/loan portfolio • Engage with investees and borrowers through questionnaires, telephone interviews, personal visits, participation in annual general meetings, and exercise of voting rights, etc., so that the engaged companies can understand the importance of setting carbon emission reduction target and take climate-related actions to achieve transitions	• Set carbon emission goals and devise reduction strategies according to SKFH's SBTi initiative • Establish a schedule for the phase-out of thermal coal and unconventional oil and gas-related industries to SKFH's sustainable finance policy
Strategic value	Indicator	Short-term	Medium/long-term goals										
Carbon reduction at business premises	GHG emission (Scope 1, Scope 2)												
Decarbonization of investment/loan portfolio	Investment/loan portfolios Carbon emission	• Complete survey of carbon emission (tCO₂e) and emission intensity (tCO₂e/TWDMM, Revenue) according to SKFH's SBT goals and using the PCAF methodology; measure the exposure and amount of high carbon emission assets within the investment/loan portfolio • Engage with investees and borrowers through questionnaires, telephone interviews, personal visits, participation in annual general meetings, and exercise of voting rights, etc., so that the engaged companies can understand the importance of setting carbon emission reduction target and take climate-related actions to achieve transitions	• Set carbon emission goals and devise reduction strategies according to SKFH's SBTi initiative • Establish a schedule for the phase-out of thermal coal and unconventional oil and gas-related industries to SKFH's sustainable finance policy										
VII. Where internal carbon pricing is used as planning tool, explain the pricing basis.	SKFH introduced "Internal Carbon Pricing (ICP)" in 2021 as a way to raise employees' energy conservation awareness, increase energy efficiency, and more effectively manage emission risks through "internalization of external costs." The ICP mainly targets Scope 1 and Scope 2 GHG emission. Using the internal fee model, the Company helps subsidiaries evaluate the effectiveness of energy conservation and carbon reduction plans. The Company identifies emission hotspots, and takes actions such as energy conservation, use of green energy sources, or purchase of renewable energy certificates to transform into a low-carbon business. In the future, SKFH will continue to analyze ICP of financial peers, keep track of carbon price movements locally and abroad, apply science-based reduction method, and make rolling adjustments to meet												

	the world's net zero emission standards.
VIII.If climate-related targets have been implemented, explain the activities covered, the scope of greenhouse gas emission, any timeline planned, and the progress made each year. Where carbon offset or renewable energy certificate (REC) is used to accomplish the above targets, explain the source and quantity of carbon credit or the quantity of REC.	● Climate-related targets and timelines The Company and its subsidiaries applied to join SBTi in 2023, at which time they designated 2022 as the base year and set targets to reduce carbon emission by 42% across Scope 1 and Scope 2 by 2030. ● GHG emission scope and coverage Greenhouse gas emission covers Scope 1, Scope 2, and Scope 3 (including purchase of products/services, fuel and energy-related activities, treatment of waste produced from operations, business travel, downstream transportation and delivery etc.) and applies to SKFH, SKL, SKB, MLS, SKIT, SKPIA and SKVC. ● Progress of greenhouse gas reduction – 2024 The GHG emissions in 2024 decreased by 17.7% compared to the SBT reduction base year of 2022. ● Use of renewable energy and carbon credit 1. The Company and its subsidiaries purchased 1,690,000 kWh of renewable energy and generated and utilized 13,000 kWh of self-generated energy in 2024. 2. SKB purchased 48 tons of carbon credit from the carbon trading platform - Gold Standard to offset carbon emission, and obtained PAS2060:2014 carbon neutrality statement that made zero-carbon credit card a reality.
IX. GHG survey and assurance, reduction targets, strategies, and actions (explained in Charts 1-1 and 1-2).	See the following chart.

1-1 GHG survey and assurance in the last two years

1-1-1 GHG survey information

Explain GHG emission (metric tons CO ₂ e) and intensity (metric tons CO ₂ e/NT\$ million) and data coverage.					
GHG emission (metric tons CO ₂ e) and intensity (metric tons CO ₂ e/NT\$ million) for the Company and subsidiaries in the last two years and data coverage:					
Item	2023		2024 (Note1)		Data coverage
	Emission (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million)	Emission (metric tons CO ₂ e)	Intensity (metric tons CO ₂ e/NT\$ million)	
Scope 1	3,479.89	0.14	3,395.52	0.08	SKFH, SKL, SKB, MLS, SKIT, SKPIA, and SKVC
Scope 2	25,183.23	0.99	22,521.82	0.55	SKFH, SKL, SKB, MLS, SKIT, SKPIA, and SKVC
Scope 3 (excluded Category 15)	5,809.19	0.23	5,753.21	0.14	SKFH, SKL, SKB, MLS, SKIT, SKPIA, and SKVC
Note 1: As the complete GHG assurance information has not yet been obtained, the GHG emissions and intensity in 2024 are currently estimated. Relevant					

data will be disclosed in the Sustainability Report once assured.

Note 2: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 3: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 4: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 5: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$1 million) shall be disclosed.

1-1-2 Greenhouse gas assurance

Explain any assurance obtained in the two years preceding the publication date of annual report, including the scope of assurance, the assurer, assurance standards, and assurance opinions.

Below is an explanation of greenhouse gas assurance obtained by the Company and subsidiaries in the last two years:

Item	2023		2024 (Note 1)	
	Scope of assurance and assurer	Assurance standard and opinion	Scope of assurance and assurer	Assurance standard and opinion
Scope 1	● SKFH, MLS, SKIT, SKPIA, and SKVC : Bureau Veritas Certification (Taiwan) Co., Ltd. (BV) ● SKL : DNV Business Assurance Co., Ltd. (DNV) ● SKB : SGS Taiwan	BV, DNV, and SGS were engaged to conduct reasonable assurance in accordance with ISO 14064-3:2019	● SKFH, SKL, MLS, SKIT, SKPIA, and SKVC : DNV Business Assurance Co., Ltd. (DNV) ● SKB : SGS Taiwan	DNV and SGS were engaged to conduct reasonable assurance in accordance with ISO 14064-3:2019
Scope 2				
Scope 3				

Note 1: As the complete GHG assurance information has not yet been obtained, the complete assurance information for 2024 will be disclosed in the Sustainability Report.

Note 2: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall note that "Complete assurance information will be disclosed on the Market Observation Post System (MOPS)," and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 3: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEx.

Note 4: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

1-2 GHG reduction targets, strategies, and action plans

Explain the base year for GHG reduction, the relevant data, reduction targets, strategies, action plans, and the attainment progress.

The Company and subsidiaries have designated 2022 as the base year and set targets to reduce carbon emission by 42% across Scope 1 and Scope 2 by 2030.

Item	Base year (2022) Emission volume (metric tons CO ₂ e)	Reduction target	Strategies and action plans	2023 Reduction target Progress (Note 1)
Scope 1	3,279.60	To reduce carbon emission by 42% across Scope 1 and Scope 2 by 2030.	Company vehicles for senior managers were switched from gasoline cars to hybrid cars for reduction in the use of fossil fuel	- Total GHG emissions of the Company and subsidiaries were 17.7% lower compared to 2022 1,690,000 kWh of green power was purchased in 2024
Scope 2	28,211.66		- Administrative practices and competitions were introduced to encourage voluntary energy conservation among employees and reduce power consumption of the office environment - Replaced outdated lighting equipment with LED alternatives; increased energy efficiency of air conditioning equipment and optimized the energy management system - Made plans to construct self-utilized renewable energy plant - Purchase green power positively	

Note 1: As the complete GHG assurance information has not yet been obtained, the completion status of the reduction targets in 2024 is currently estimated. Relevant information will be disclosed in the Sustainability Report.

Note 2: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 3: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 4: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(VII)Implementation of Ethical Management; Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor

Items Assessed	Current Implementation (Note 1)			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the Reasons Therefor (Note 2)
	Yes	No	Summary Description	
I. Formulate policies and plans for ethical corporate management				
(I) Does the Company declare its ethical corporate management policies and procedures in its guidelines and external documents, and do the Board of Directors and senior management work proactively to implement their commitment to those management policies?	V		(I) To establish a corporate culture of ethical management and sound development, the Company referred to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and through a Board resolution dated January 21, 2022, the Company amended the "Ethical Corporate Management Policy and Best Practice Principles " and the "Procedures for Ethical Management and Guidelines for Conduct ", reported to Shareholders' Meeting, and disclosed on the Company's website and the Market Observation Post System, stating the commitment of the Board of Directors and senior management to implementation. The Company also signed the Statement of Compliance to Ethical Management as a commitment to comply with relevant regulations. Promise to abide by the provisions related to the honest business policy and implement the honest supervision	No significant deviation was found.
(II) Does the Company establish an assessment mechanism for the risk of unethical conducts, and regularly analyze and assess business activities with high risks of unethical conducts, and formulates a plan accordingly to curb such occurrence, and such a plan contains countermeasures for all the circumstances described in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX	V		(II) According to the Company's "Ethical Corporate Management Policy and Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", the Company establishes a risk assessment mechanism on unethical conducts, and regularly reviews, analyzes, and assesses the business activities that have higher unethical risks. Prevention measures against business activities that are possibly at a higher risk of being involved in unethical conducts within the business scope of the Company: The Company does not directly or indirectly offer , promise to offer, request or accept any improper benefits in whatever form; does not provide illegal political donations; does not conduct bribery in the form of charity donation or sponsorship; does not directly or indirectly offer or accept any unreasonable presents,	No significant deviation was found.

Listed Companies”?			or hospitality ,or other improper benefits; does not use, disclose dispose, damage or conduct other behaviors that infringe intellectual property rights. For donation behaviors, the Company stipulates “Regulations Governing Donation Management,” which provides that donations shall be conducted after approvals following stipulated procedures. In addition, the Company also stipulates “Regulations Governing Intangible Assets Management” to prevent the intellectual property rights, such as trademarks, of the Company from infringement.	
(III) Does the Company establish policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the company implement, review and adjust them accordingly?	V		(III) According to the Company's "Ethical Corporate Management Policy and Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," the Company's responsible person and employees are prohibited from conducting unethical conducts in the course of doing business. In addition, the Company has also established its "Code of Ethical Conduct" and "Supplier Management Regulations" and issued an "Anti-corruption and Anti-bribery Statement," which not only require employees to treat counterparties in a fair way and prohibit them from manipulating, concealing, or abusing exclusive information, or misstating material facts, or engaging in any conducts that are in violation against fair trade, but also require suppliers and their employees to do business in an ethical manner and abstain themselves from inappropriate conflict of interests, such as giving bribes, taking bribes, or conducting fraudulence. All relevant rules are examined on a regular basis. The Company also regularly amends related provisions. In addition, the Company encourages employees to report any unethical or unlawful conducts; the responsible units will exercise due diligence in protecting the whistleblower's identity and keeping the inquiry secrete, less he or she be intimidated; and, if the reporting of violation is affirmed, it is handled in accordance with the Company's work rules, and linked it with employees' performances.	No significant deviation was found.
II. Implementation of ethical corporate management (I) Does the Company evaluate the integrity records of counterparties and stipulate ethical conduct clauses in contracts signed with counterparties?	V		(I) In accordance with the “Ethical Corporate Management Policy and Best Practice Principles” of the Company, the Company shall engage in business activities with fair and ethical methods. Prior to having any business corresponding, the Company shall take the legitimacy of the counterparties and whether they are involved in	No significant deviation was found.

(II) Does the Company establish a Responsible ethical corporate management unit under the Board of Directors that reports the execution of the ethical corporate management policy and safeguard measures against unethical conduct to the Board of Directors on a regular basis (at least annually)?	V	unethical conducts into consideration. The Company shall avoid transactions with counterparties involving in unethical conducts. When signing contracts with counter parties, the content of the contracts shall include clauses that the Company may terminate or cancel the contracts where the counter parties are involved in unethical conducts. (II) 1. The Corporate Sustainability Committee under the Board of Directors is responsible for promoting corporate ethical management policy. Aside from holding regular meetings, the Committee reports to the Board of Directors annually on ethical management policy, precautionary measures, and supervision of implementation. The latest report date was December 30, 2024. 2. Implementation: The responsible unit for promoting corporate ethical management strives to protect shareholder equity and implement compliance, risk management, internal control system, and investor communication. In addition, a set of "Regulations on Board and Functional Committee Performance Evaluation" has been established to improve performance of the Board of Directors and various functional committees, thereby facilitating a good rating in the TWSE Corporate Governance Evaluation. In addition to obtaining an "Excellent" rating in this year's internal performance evaluation, the Company also engaged Taiwan Institute of Ethical Business and Forensics to conduct Board external performance evaluation, which happens once every 3 years. In addition to organizing integrity-related training courses such as "Integrity management (including anti-corruption) & fair customer treatment, AML/CFT regulatory trends", "Corporate sustainability, information security, gender equality", and "Capital supervision & impact analysis of IFRS 17 on life insurance sector", the Company also promotes awareness on regulations and rules that are relevant to employees. 3. Future work plan: The Company actively protects shareholders' equity and treats shareholders equally, strengthens structure and operation of Board, improve information transparency, and implements CSR, and optimize the Company's grades in the TWSE Corporate Governance Evaluation. Also, the Company will continue to hold internal and external courses to improve	No significant deviation was found.

			the implementation of ethical management.	
(III) Does the Company stipulate conflict-of-interest prevention policy, provide proper complaint channels and firmly implement the policy?	V		(III) The Company's "Corporate Governance Best Practice Principles" strictly prohibit inappropriate interest exchange among stakeholders; the "Ethical Corporate Management Policy and Principles" and "Corporate Governance Best Practice Principles" also provide that Directors of the Company shall specify the important content of their interest relations for the issues to be discussed in the Board' meeting where the Directors or the corporation they represent have conflict of interests. Where the interest relations will damage the interest of the Company, these Directors shall not participate in the discussion and voting and shall recuse themselves from discussion and voting and shall not exercise voting rights on behalf of other Directors. Directors shall maintain self-discipline and shall not improperly support each other. Personnel of the Company shall not acquire improper benefits for himself/herself, spouse, children or other person through his/her position or influence in the Company. The Company also establishes complaint/report email as the complaint channel.	No significant deviation was found.
(IV) Does the Company establish effective accounting and internal control system for the implementation of ethical corporate management? Does the internal audit unit devise an audit plan based on the results of risk assessment of unethical conduct, and audit the implementation of safeguard measures against unethical conduct? Or does it entrust CPAs to perform audits?	V		(IV) The Company has established an effective accounting system and an effective internal control system. The internal audit units under the Board have formulated audit plans for the assessed risks of unethical conducts, checked their compliance, and complied an audit report based on the audit findings, and may assign CPAs to conduct the audit work; once deficiency is found, it is immediately reported to the senior management and the Responsible unit for ethical corporate management, and then reported to the Board of Directors.	No significant deviation was found.
(V) Does the Company hold internal and external educational trainings on ethical			(V) The Company hosted a number of workshops to reinforce awareness and execution of corporate governance and business integrity-related issues among the board of directors and senior executives in 2024, including: "Corporate sustainability, information security, gender equality" on July 26, "Integrity management (including anti-corruption) & fair customer treatment,	No significant deviation was found.

corporate management on a regular basis?	V		AML/CFT regulatory trends” on October 30, “Capital supervision & impact analysis of IFRS 17 on life insurance sector” on November 22, which were organized in joint effort with Taiwan Academy of Banking and Finance, Taiwan Insurance Institute, and subsidiary - Shin Kong Life Insurance Co., Ltd. Through these courses, SKFH hopes to develop strong awareness and culture on corporate governance, sustainable management, risk control, business integrity, gender equality, AML/CFT, compliance, fair customer treatment, and financial inclusion among its subsidiaries. At the same time, to implement the integrity policy, the Company organized internal and external education and training events related to business integrity in 2024 (including integrity awareness on: important categories of dishonest behaviors, ethical conducts and reporting by insiders/outside, anti-money laundering, anti-terrorist financing, anti-corruption, interaction with controlling shareholders, compliance of stakeholder transactions and personal data protection, handling of material information, insider trading prevention, equity transaction by insiders, compliance with intellectual property rights laws, cybersecurity awareness, fair customer treatment, inclusive financial services, human rights commitment, prohibition against workplace discrimination, (sexual) harassment, and violation, CPRD, workplace diversity and gender equality, sustainable management, and ESG-related issues). These events received 2,462 enrollments and delivered 1,660 man-hours of training in total.	
III. Operation of reporting system of the Company (I) Does the Company stipulate solid reporting and reward system, establish convenient reporting channels and assign associated personnel for the reported personnel?	V		(I) The Company has stipulated “Regulations Governing Reporting Disposition for Internal and External Personnel” on November 14, 2016. Such regulations were amended for several times, and the latest amendment was made on November 22, 2022 by resolution of the Board. The Company’s current whistleblowing regulations specifies the whistleblowing channels (Article 4), the whistleblowing responsible unit (Article 2), and the reward system (Article 13). The whistleblowing regulations have been disclosed on the Company’s website.	No significant deviation was found.
(II) Does the Company stipulate standard operation procedures for investigations of reporting cases and related confidentiality mechanism?	V		(II) The company’s whistleblowing regulations specify the standard operating procedures for acceptance of whistleblowing (Articles 7-9), measures to be taken after the investigation (Article 10), and confidentiality mechanisms (Article 11).	No significant deviation was found.

(III) Does the Company adopt protection measures that protect whistle blowers from mistreatments resulted from reporting?	V		(III) Subparagraph 2, Paragraph 1, Article 11 of “Regulations Governing Reporting Disposition for Internal and External Personnel” of the Company provides that the Company shall not dismiss, discharge, downgrade, cut pays, damage rights and interests granted by laws and regulations, contracts, or customs or impose other unfavorable disciplines upon whistle blowers for cases reported.	No significant deviation was found.
IV. Enhancing Information Disclosure Does the Company disclose the content of Ethical Management Best Practice Principles and promotion performance on its website and MOPS?	V		(I) Ethical corporate management information is disclosed on the website of the Company and MOPS (II) Designated personnel are responsible for collecting, disclosing and updating website information on a regular basis.	No significant deviation was found. No significant deviation was found.
V. Where the Company stipulates its own Ethical Corporate Management Best Practice Principles in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please describe deviations between its operation and its Principles: No significant deviation.				
VI. Other material information that is beneficial for understanding the operation of ethical corporate management of the Company (such as the amendment of its Ethical Corporate Management Best Practice Principles): The Company also stipulates “Ethical Guidelines,” “Anti-corruption Policy” and “Guidelines for Supplier Management” to implement the corporate culture of ethical corporate management and sound development of the Company.				

Note 1: Whether selecting “Yes” or “No” for the Current Implementation, a description shall be filled in the summary description column

Note 2: A non-TWSE/TPEX listed financial holding company is not required to fill in the column of “Deviations from “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and the Reasons Therefor”.

(VIII) Any other material information that would afford a better understanding of the status of the company's implementation of corporate governance:

1. Training for managers of the Company:

Title	Name	Training courses	Training Hours
President	Stephen Chen	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Taiwan Stock Exchange - Strengthening Taiwan's Capital Market Summit	3
		Digital Lecture Series: AIGC Trends and Industrial Application Cases	2
Chief Audit Officer (Vice President)	Kuei-Hung Tsai	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		2024 The 28th National Symposium on Technology and Law	14
		2024 Financial and Insurance Internal Audit, Control, and Compliance Workshop: AI-Driven Fraud and Preventive Measures for the Financial Sector	3
		New Anti-Fraud Strategies for Financial Institutions in the Digital Era	3
		Internal Audit Association 2024 Annual Conference	8
		Application of Digital Forensics by Internal Auditors in Trade Secret Protection and Investigations	6
		New Challenges for Internal Auditors - Analysis of Sustainability Information Disclosure, Management Policies, and Audit Key Points	3
		Analysis of Key Focus Areas and Common Deficiencies in Financial Examinations for the Insurance Industry	2
		Understanding Cybersecurity Threats to Enterprises Through Case Studies	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
		Advanced Seminar on Financial Examination and Auditing - Sustainable Development & Financial Crime Prevention	6
		Advanced Seminar on Financial Examination and Auditing - Information Security & Digitalization Strategies for	6

Title	Name	Training courses	Training Hours
		Internal Audit	
		Pre-employment study for compliance personnel	30
		Professional Training Program for Auditors (Session 708)	15
		Professional Training Program for Auditors (Session 709)	15
		Audit Supervisor Workshop	13
		Prevention of Workplace Sexual Harassment, Illegal Infringement, and Bullying	6
Chief Legal Officer (Vice President)	Hsiu-Yu Chang	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
Chief Compliance Officer of the Head Office (Vice President)	Chi-Yao Lu	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
		Digital Lecture Series: AIGC Trends and Industrial Application Cases	2
		Pre-Service Training Program for AML/CFT Personnel	24
		Pre-employment study for compliance personnel	30
		On-the-job study for compliance personnel	3
Vice President	Judy Lin	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23

Title	Name	Training courses	Training Hours
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
Chief Information Security Officer and Chief Information Officer (Vice President)	Kuo-Pin Lin	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
		On-the-job study for compliance personnel	3
Vice President	Wei-Hsiung Chang	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Pre-Service Training Program for AML/CFT Personnel	2
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
Senior Assistant Vice President	I-Tsui Hsu	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Cybersecurity strategy thinking and practice, sustainable development goals and information disclosure framework, gender equality in creating inclusive workplaces	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6

Title	Name	Training courses	Training Hours
		ESG Lecture Series - Goodness, Truth, Beauty: Public Welfare, Doing Right, Doing Well, Being Good Business	3
		Sustainability Empowerment Workshop - Material Issues Workshop	3.5
		On-the-job study for compliance personnel	3
Senior Assistant Vice President	Vicky Lu	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Taiwan Stock Exchange (TWSE) Continuing Education Program for Accounting Executives	12
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
Senior Assistant Vice President	Min-Chi Wu	Shin Kong Group's annual compliance training (legal compliance, anti-money laundering and counter-terrorism financing (AML/CFT), anti-corruption, related-party transactions, insider trading/dealing, business continuity management (BCM), fair customer treatment, corporate governance, information security, personal data protection, sexual harassment/gender equality, etc.)	12.23
		Taiwan Academy of Banking and Finance's Governance Forums - Integrity management (including anti-corruption), implementation of fair customer treatment and financial inclusion, and AML/CFT regulatory trends	3
		Shin Kong Group's Sustainable Talent Development Training Program	3.6
		Shin Kong Trends Forum: Dragon Soaring and Phoenix Dancing - 2024 Global and Taiwan Economic Outlook	2

2. Procedure for the operation of internal material information of the Company:

- (1) In order to establish a good internal material information processing and disclosure mechanism of the company, avoid improper information leakage, ensure the consistency and correctness of information published to the outside world, and strengthen the prevention of internal trading, the "Taiwan Stock Exchange Co., LTD. 's Verification and Disclosure of Material Information of listed Companies" is hereby referred to. Set up "Management procedures for Major Information processing and internal transaction Prevention of Shin Kong Financial Holding Co., Ltd.", and reveal the former disclosure methods on the company website rules and regulations section for all employees to follow.
- (2) The Company stipulates "SKFH Crisis Reporting Regulations," and its subsidiaries also stipulate these regulations. Where material information occurs internally in the Company, each designated contact windows shall report the information within the provided time limit in accordance with the operation procedure of these regulations, and the emergency response team shall actively convene meetings and produce solid response plan for decision-makers as reference. The operation process of the above Reporting Regulations are disclosed on the internal website and in the annual report of the Company.

(IX) Implementation of Internal Control System:

1. Statement of Internal Control System

Statement of Internal Control System

Date: March 2/ , 2025

To: Financial Supervisory Commission

On behalf of Shin Kong Financial Holding Co., Ltd. (the "Company"), we hereby declare that from January 1 to December 31, 2024, the Company has duly complied with the "Implementation Rules of Internal Audit and Internal Control System of Financial Holding Companies and Banking Industries" in the establishment of a system of internal control and the implementation of risk management procedures. The Company was audited by an independent auditing department, and the auditing reports had been submitted to the Company's Board of Directors and the Audit Committee periodically by the independent auditing department.

Upon prudent evaluation, the Company hereby confirms that, other than the items in the enclosed chart, each of the Company's units has effectively performed its internal control and legal compliance duties. This statement will become one of the major parts of the Company's Annual Report and prospectus to be disclosed to the public. If the above publicly disclosed statement constitutes any falsehood, omission or other illegality, it will incur legal responsibility under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

Sincerely yours,

Chairman

President

Chief Auditor

Head Office Compliance Officer

Shin Kong Financial Holding Co., Ltd.
The Enhancement Items and Improvement Plan for Internal Control System
(Base date: December 31, 2024)

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
I. Shin Kong Financial Holding Co., Ltd.		
1. The Company has failed to fulfill its responsibilities in maintaining the sound operation of its subsidiary, Shin Kong Life Insurance Co., Ltd., resulting in the impacts on the overall soundness of finances and business operations of the financial holding company, therefore raising concerns on obstacles to its sound operation. Additionally, Mr. Chen, the Chairman, has failed to fulfill his duties as the Chairman by not taking proactive and effective actions. Note: 1. The matter above was subjected to correction by the competent authority on April 23, 2024. 2. Reduction on the Chairman's total remuneration for the year 2024 by 50% for a period of one year.	1. (1) The capital adequacy ratio of the subsidiary, Shin Kong Life Insurance Co., Ltd. in the first half of 2024 was 201.02%, reaching the capital adequacy grade. (2) According to the "Remediation Actions for Shin Kong Life Insurance Co., Ltd. to Raise to Capital Adequacy Grade for the Year 2024" submitted by the subsidiary to the competent authority, such Company has indeed carried out a cash capital increment and completed bond issuance in accordance with the reported remediation actions. (3) Regarding the matter of reducing the Chairman's total remuneration for the year 2024 by 50% for a period of one year, it has been reported to the Remuneration Committee in May 2024.	Improved.
2. The Company has not proactively arranged matters pertaining to the capital increment for the subsidiary, which is Shin Kong Life Insurance Co., Ltd., and has failed to report relevant matters of the capital increment to the Board of Directors in a timely manner, nor did the Company put in practice the division	2. (1) The Company has reinvested in Shin Kong Life Insurance Co., Ltd. in 2023 and March 2024 using its own funds and the amount of surplus profit remitted by the subsidiary	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
of business operation responsibilities and corporate governance according to the internal control system.	respectively and has also conducted a cash capital increment through common stock issuance in the second half of 2024. The Company also has completed the reinvestment in Shin Kong Life Insurance Co., Ltd. on August 22 of the same year. Additionally, the capital adequacy ratio of the subsidiary, which is Shin Kong Life Insurance Co., Ltd., has reached the capital adequacy grade in the first half of 2024. (2) The Company has revised relevant internal regulations and implemented them accordingly.	
3. The Director simultaneously served as a paid consultant for another bank and sent confidential information of the Board to such bank's email address. However, there were no controlling mechanisms being established regarding non-competition and trade secrets that were involved.	The Company has established a data leakage prevention mechanism. Relevant sensitive data has been included in the scope of control, and outbound email data is monitored and controlled by the system if it meets filtering criteria.	Improved.
Subsidiary II. Shin Kong Life Insurance Co., Ltd.		
1. The company's equity capital to risk-based capital ratio has failed to meet the capital adequacy level required by the Insurance Act for two consecutive periods in 2023, resulting in the proposal of increase in capital, financial or business remediation actions to achieve the "capital adequacy grade" has failed to raise the capital adequacy ratio to the statutory standard, thereby violating relevant regulations under	In the first half of 2024, the Company's capital adequacy ratio has reached the statutory standard, and it has executed accordingly the remediation actions submitted to the competent authority, achieving the planned cash capital increment quota for each year from 2023 to 2025 (totaling NT\$21 billion).	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
the Insurance Act. Note: The matter above was subjected to sanction by the competent authority on April 23, 2024. 1. No new credit shall be extended to or other transactions with related parties shall be allowed until the capital adequacy ratio reaches the statutory standard and is approved by the Financial Supervisory Commission before resumption. 2. Submit capital increment, financial, or business remediation actions within one month. 3. Reduction of the Chairman's total remuneration for the year 2024 by 30%.	Additionally, on December 3, 2024, the Company has obtained approval from the competent authority to lift the restriction of "no extension of new credits or other transactions with related parties."	
2. On September 16, 2020, the Company was sanctioned by the Financial Supervisory Commission, of which the upper limit of its foreign investment ratio was lowered to 39% of its capital. The Company's financial report as of December 31, 2022, was certified by a certified public accountant on February 24, 2023. By the end of February 2023, the total amount of foreign investment as a percentage of capital had exceeded 39%, which was not due to the factor of increasing investment. However, the Company calculated its funds and foreign investment limits based on the audited financial statements as of September 30, 2022 (not the most recent period), which resulted in the Company actively purchasing foreign investment targets during the period from March 1 to March 9, 2023, despite exceeding the limits. Note: The Company was sanctioned by the competent authorities with a total fine of NT\$1 million on December 30, 2024	The Company has implemented a foreign investment quota control mechanism in the order placing system (now in operation) to prevent exceeding limits through real-time management and has revised the standard operating procedures.	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
Subsidiary III. Taiwan Shin Kong Commercial Bank Co., Ltd.		
1. There was misconduct involving the embezzlement of clients' funds and improper financial dealings with clients by the former wealth management supervisor of the branch. Note: The above matter was subjected to sanction by the competent authority with a fine of NT\$8 million on January 12, 2024.	1. (1) The case has been comprehensively reviewed and improved regarding the deficiencies involved, and improvement measures have been reported to the Board of Directors. (2) The bank has imposed disciplinary action on the relevant personnel who were negligent.	Improved.
2. Deficiencies involved in the bank's credit card acquiring services. Note: The matter was subjected to correction by the competent authority on March 22, 2024.	The case has been comprehensively reviewed and improved regarding the deficiencies involved, and improvement measures have been reported to the Board of Directors.	Improved.
3. Regarding branch wealth management staff handling online banking password changes for clients, investment risk assessment (KYC, know your clients), and transactions on behalf of clients, there were deficiencies in the form of violation against the "Policy on Fair Treatment of Clients" and "Employee Restrictions" stipulated by the bank.	The bank has incorporated into its internal education and training programs, strengthening education and training, as well as imposing disciplinary actions on the personnel responsible for misconduct.	Improved.
4. Regarding branch staff using their personal accounts for others, it was a deficiency in the form of violation against "Employee Restrictions" stipulated by the bank.	The bank has incorporated into its internal education and training programs, strengthening education and training, as well as imposing disciplinary actions on the personnel responsible for	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
	misconduct.	
5. Personnel handling consumer finance businesses at the branch have committed deficiencies including false credit investigations, failure to report known issues, and providing clients with information to unrelated third parties, which is in violation of our bank's 'Integrity and Ethical Conduct Code' and 'Employee Restrictions.	The bank has incorporated into its internal education and training programs, strengthening education and training, as well as imposing disciplinary actions on the personnel responsible for misconduct.	Improved.
6. The bank has discovered on its own that a branch teller was involved in misappropriating the teller's own cash inventory.	A comprehensive review of the deficiencies involved has been conducted. The improvement measures will be reported to the Board of Directors, which will also be included in internal education and training programs, while education and training will be strengthened, and disciplinary actions will be imposed on personnel responsible for misconduct.	Improved.
7. The branch's handling of inquiries of information regarding credit-related products for the guarantors of derivative financial products have deficiencies in the form of violations against the member regulations stipulated by the "Joint Credit Information Center".	The bank has incorporated into its internal education and training programs, strengthening education and training	Improved.
8. Regarding clients who have previously reported being suspected of money-laundering transactions and continued to raise alerts multiple times, with transfer amounts significantly higher than those previously reported and counterparties with low additional capital, a thorough review of the transaction content and assessment of the need for re-reporting have not been conducted.	8. (1) For frequent initiators of suspicious transactions, correct examples and analysis methods have been added to internal regulations. If, during the initiation period, a client has counterparties with low additional capital or disproportionate business	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
	volume, or if transaction amounts are excessively large, supporting documents should be requested from such client to accurately assess the reasonableness of the transactions and enhance the effectiveness of reviewing warning cases. (2) To clearly stipulate that clients with reported suspicious transactions who are repeatedly initiated in the system can be reported again if a specific period has elapsed since the previous report, to enhance the continuous reporting mechanism.	
Subsidiary IV. MasterLink Securities Corp.		
1. On September 5 and 6, 2023, the Taiwan Futures Exchange Corporation dispatched staff to audit the Lin Yuan Branch and discovered that salesperson (whose last name is Wu) has provided clients with futures trading recommendations via a Line group on February 24, August 18, and August 19, 2023. Note: The above matter was subjected to	1. (1) Strengthened the review process for practitioners engaging in advertising, business solicitation, and promotional activities. (2) Strengthened the management of salespeople and reiterated to all colleagues that they must apply for and receive the Company's approval before engaging in the release of company advertisements and promotional materials. They are also prohibited from providing trading recommendations, and any violations will be addressed	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
sanction and correction by the competent authority on January 5, 2024.	in accordance with the Company's employee reward and punishment management regulations.	
2. On August 4, 2023, the Taiwan Stock Exchange Corporation conducted an audit on the Banqiao Branch and discovered the following deficiencies: (1) The branch manager and, during the period under investigation, the head of the branch's business operation department, (whose last name was Yu), were involved in lending funds to clients, acting as intermediaries for loan transactions, and keeping clients' seals or passbooks on their behalf between April 2022 and March 2023. (2) A salesperson (whose last name is Lee) was involved in lending funds to clients, storing clients' seals or passbooks, and accepting transactions of securities by agents without power of attorney from the clients between April 2022 and May 2023. Note: The above matter was subjected to sanction and correction by the competent authority with a fine of NT\$480,000 on February 26, 2024.	2. (1) The Company has strengthened regulatory education and awareness for employees and has included internal control and compliance deficiencies as items for performance evaluation and penalty, as well as enhancing the transaction review mechanism to facilitate early detection of any violations. (2) Strengthened the verification of entrusted buying and selling operations for orders placed online using the same IP address and phone, ensuring the authenticity of the clients' orders. If proxy orders are discovered without obtaining the necessary "Authorization for Entrusted Buying and Selling and Consent for IPO Securities," trading will be restricted or suspended.	Improved.
3. The Taiwan Stock Exchange Corporation has audited the Company's report from September 7 to 8, 2023, on the errors in clients' accounts involving block trading and discovered the following deficiencies: (1) The reason for reporting an error in accounts to the Taiwan Stock Exchange Corporation on September 5, 2023, was stated as an	3. (1) Reported the reason for account errors accurately in accordance with regulations. (2) Controlled the connections used by outsourced vendors and separated the connection of test environment from the	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
incorrect security name. However, the actual cause of the error was that personnel of the outsourced vendors conducted system maintenance testing without separating the test environment from the production environment, resulting in order data being entered into the production environment. This did not match the reported cause of the error. (2) The system provided for outsourced vendors did not separate the test environment from the production environment, resulting in the vendor switching from the test environment to the live order placement system. (3) The outsourced vendors logged into the system using a remote connection method that did not have a multi-factor authentication mechanism. (4) After the outsourced vendors completed the system maintenance via remote connection, there was no request to disconnect the IP and revoke the authorized access of the account. Note: the matter above was sanctioned and corrected by the competent authority with a fine of NT\$900,000 on April 24, 2024.	production environment. (3) Modified the outsourced vendors' remote connection operation by first notifying the Company's system responsible person via OTP SMS and e-mail, who will then inform the vendors about the authorization to log in. (4) Limited the remote login connection time for outsourced vendors, and if there is no operation or logout, disconnect and revoke the usage permissions.	
4. On April 22 and 23, 2024, the Taiwan Stock Exchange Corporation conducted an audit on the Company and discovered the following deficiencies: (1) Failure to regularly or timely patch security vulnerabilities in "application software or program libraries." (2) The computer system's workflow design did not take error handling procedures into account.	4. (1) Adjusted the timeout settings of the middleware to reduce the probability of timeout anomalies. Improved the current order submission control mechanism to prevent a single routing failure from affecting order status determination. (2) Adjusted the system so that when the frontend receives an	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
	anomaly report, it does not resend the order automatically but instead waits for manual review before processing.	
5. From January 30 to 31, 2024, the Taiwan Stock Exchange Corporation conducted an audit on the Company and discovered that the former wealth management and financial consultant (whose last name is Liao), from November 2019 to October 2021, accepted clients' investment funds and transferred them into the personal account of the above consultant. These funds were managed by the above consultant, who used them to purchase stocks and other financial products at his own discretion. This constituted the holding of client funds and accepting full discretionary orders from clients regarding the type, quantity, price, and the decision to buy or sell securities. Note: The above matter was sanctioned and corrected by the competent authority with a fine of NT\$240,000 on July 10, 2024.	5. (1) Strengthened the management of salespeople and prevent business disputes. The Company has reiterated to all colleagues that they are prohibited from providing trading recommendations, holding funds on behalf of clients, and accepting full discretionary orders from clients. Any violations will be addressed in accordance with the Company's employee reward and punishment management regulations. (2) Incorporated personal background and ethical traits into the background checks for new staff to understand their circumstances.	Improved.
6. On February 21 and 22, 2024, the Taiwan Stock Exchange Corporation conducted an audit on the Hsinchu Branch and discovered that during the period from January to June 2023, branch staff members (whose last name is Wen) failed to execute securities transactions according to clients' instructions and conditions. Additionally, during the suspension of business operations from April 10 to August 9, 2024, there were instances of soliciting ETF-related business.	6. (1) The personnel involved in the misconduct, (whose last name is Wen), has resigned and their registration has been canceled. (2) The Company regularly conducted educational training for salespeople to strengthen their understanding of regulatory compliance. (3) For elderly clients who do not use electronic trading, a	Improved.

Matters for Improvements	Improvement Measures	Scheduled Completion Time for Improvement
Note: The above matter was sanctioned and corrected by the competent authority with a fine of NT\$540,000 on December 4, 2024.	verification report has been established to be provided to the business unit supervisors and audit personnel for on-site checks. This is to urge and require the salespeople to execute entrusted operations in accordance with regulations. (4) For personnel whose business execution is suspended, in addition to being transferred from their current position starting from the date of suspension, they may also be placed on unpaid leave depending on the specifics of the case.	
7. From November 28 to 29, 2024, the Taipei Exchange conducted an audit on the Company and discovered that some high-privilege administrator accounts of the co-located host servers did not comply with the regulation to change passwords every three months.	7. The passwords for the co-located host servers have been changed, and password expiration dates have been set to ensure that passwords are changed at least every three months.	Improved.
8. From November 1 and 6 to 10, 2023, the Taiwan Stock Exchange Corporation conducted an audit on the Company and discovered operational deficiencies: (1) Network equipment that the original manufacturer has discontinued support (EOS) for was used, without assessing its impact or considering countermeasures. (2) The official website system (including WEB online ordering), APP, and AP system have not yet established a mechanism to detect webpage and program changes.	8. (1) Assessed the impact of the mentioned EOS equipment and implemented countermeasures and regularly reviewed the support status of network equipment. (2) The Company has established a program to detect changes in the official website (including WEB online ordering), APP, and AP system.	Improved.

2. Where a company is required to entrust CPAs to carry out a special audit of the internal control system by competent authority, the CPA audit report shall be disclosed: None.

(X) Important resolutions of the shareholders' meeting and Board' meeting in the most recent year:

1. Important resolutions of Board in the most recent year, up to the publication date of this annual report

Date of Meeting	Summary of Important Proposals	Resolution Result	Current implementation
2024.5.28	The Company plans to renew the liability insurance for directors' and officers' liability insurance	All attending Directors agreed to approve the proposal with unanimous consent	Abode by the resolution to renew the liability insurance for Directors, supervisors and important employees
2023.7.1	The voting of the Company's chairman	On this matter, with the attendance of more than two-thirds of the directors, the majority of the attending directors consented	The resolution has been followed and the changes have been registered
2024.7.26	The Company's investment limit for the common shares of its subsidiary - Shin Kong Life Insurance Co., Ltd. would be set at NT\$138.61 billion	All attending Directors agreed to approve the proposal with unanimous consent	Enforced as resolved
2024.8.22	Proposal to merge with Taishin Financial Holding Co., Ltd. ("Taishin FHC"), designating Taishin FHC as the surviving entity and the Company as the dissolved entity (the "Merger"), and to delist the Company's securities on the Merger Effective Date (as defined in the explanatory notes)	Approved by a majority of all attending directors with amendments	Enforced as resolved
2024.8.22	Proposal to convene the Company's first extraordinary shareholders' meeting of 2024 (including common and preferred shares)	Approved by a majority of all attending directors with amendments	Abode by the resolution and announced the convening of the Interim Shareholders' Meeting (common shares and preferred shares) on October 9, 2024
2024.9.11	Proposal on adjustments to merger consideration terms for	Approved by a majority of all attending directors	Enforced as resolved

Date of Meeting	Summary of Important Proposals	Resolution Result	Current implementation
	the merger with Taishin Financial Holding Co., Ltd.		
2024.9.13	Proposal to supplement the Company's 2024 expense budget to accommodate operational needs and ensure budgetary flexibility	Approved by a majority of all attending directors with amendments	Enforced as resolved
2024.12.30	Proposal on the Company's 2025 annual budget and business plan	All attending Directors agreed to approve the proposal with unanimous consent	Enforced as resolved
2025.2.20	Final account of the Company's consolidated financial statements for the year 2024	All attending Directors agreed to approve the proposal with unanimous consent	Submitted to the 2025 Shareholders' Meeting for approval
2025.4.1	Convened the Company's 2025 Shareholders Meeting	All attending Directors agreed to approve the proposal with unanimous consent	Abode by the resolution and announced the convening of Shareholders' Meeting on June 23, 2025
2025.4.7	Proposal for the Company's 2024 surplus distribution and business report submission for review	All attending Directors agreed to approve the proposal with unanimous consent	Submitted to the 2025 Shareholders' Meeting for approval
2025.4.29	Amendment to the Company's Articles of Association	All attending Directors agreed to approve the proposal with unanimous consent	Submitted to the 2025 Shareholders' Meeting for discussion

2.Important resolutions of Shareholders' Meeting in the most recent year, up to the publication date of this annual report

Date of Meeting	Summary of Important Proposals	Resolution Result	Current implementation
2024.6.14	Acknowledgment of the Company's 2023 final account statements	Approved through voting	Abode by the resolution and made an announcement.
	Proposal to approve the Company's 2023 loss appropriation	Approved through voting	Abode by the resolution and made an announcement.
	Amendment to the Company's Articles of Association	Approved through voting	Implemented according to the resolution results.

	Proposal to amend the Company's director election procedures	Approved through voting	
	In response to strategic development and operational growth, the Company planned the case of raising long-term capital	Approved through voting	To strengthen subsidiary Shin Kong Life Insurance's qualifying capital, the Company executed an ordinary share capital increase in the second half of 2024.
2024.10.9	Proposal for the Company to merge with Taishin Financial Holding Co., Ltd. ("Taishin FHC"), designating Taishin FHC as the surviving entity and the Company as the dissolved entity, including delisting of securities, termination of public offering, and corporate dissolution on the merger effective date.	Approved through voting	Legally announced the merger on October 9, 2024, and jointly filed applications with Taishin FHC to regulatory authorities.

(XI) Important resolutions passed by the Board' meeting that Directors or supervisors have a dissenting or qualified opinion which is recorded or stated in a written statement in the most recent year, up to the publication date of this annual report:

1. At the 22nd Meeting of the 8th Board of Directors on August 23, 2024, the Company discussed two key proposals: (1) the proposal to merge with Taishin Financial Holding Co., Ltd. ("Taishin FHC"), designating Taishin FHC as the surviving entity and the Company as the dissolved entity, with delisting of the Company's securities on the merger effective date; and (2) the proposal on arrangements for convening the Company's first extraordinary shareholders' meeting of 2024 (including common and preferred shares). Following board deliberations, directors (including independent directors) who opposed, abstained, or reserved their votes are as follows:

(1) Independent Director Yung-Ming Shiu opposed both Proposal 1 and Proposal 2: "I do not oppose mergers in principle. However, a merger must prioritize the Company's interests and shareholder rights; otherwise, it risks violating directors' fiduciary duties of loyalty and care." Significant information: Detailed reasoning is provided in Shin Kong Financial's announcement dated August 22, 2024, titled: Announcement of Independent Director Yung-Ming Shiu's Objections to Proposals 1 and 2 at the 22nd Meeting of the 8th Board of Directors".

(2) Director Olivia Wu opposed Proposal 1: "This merger lacks sincerity and good faith,"

and opposed Proposal 2.

(3) Director Tseng-Chang Lee opposed Proposal 1: "The timing and valuation are inappropriate, with the exchange ratio based solely on market price while disregarding net asset value," and opposed Proposal 2.

(4) Director Hui-Min Lai reserved her position and abstained on Proposal 1: "The valuation and control premium are unfair to the Company. The exchange ratio should be improved to protect shareholder interests," while abstaining on Proposal 2.

The remaining 11 directors approved both proposals. The proposals were approved by a majority of all attending directors as confirmed by the chairperson.

2. At the 24th Meeting of the 8th Board of Directors on September 11, 2024, the Company discussed Proposal 1: "Proposal on adjustments to merger consideration terms for the merger with Taishin Financial Holding Co., Ltd." Following board deliberations, directors (including independent directors) who opposed or reserved their votes are as follows:

(1) Independent Director Yung-Ming Shiu reserved his position: "I welcome the increased exchange ratio. However, the 17% control premium remains unchanged despite insufficient review time for this proposal, which is disproportionately low given the transaction scale. Additionally, the inclusion of preferred shares in the exchange ratio essentially allows Shin Kong's original shareholders to reclaim funds they would have received in the future, differing from cash compensation. For these reasons, I reserve my position." Significant information: Detailed reasoning is provided in Shin Kong Financial's announcement dated September 11, 2024, titled: Announcement of Independent Director Yung-Ming Shiu's Reserved Position on Proposal 1 at the 24th Meeting of the 8th Board of Directors".

(2) Director Olivia Wu opposed the proposal: "This merger fails to ensure genuine parity, neglecting the interests of our shareholders, clients, and employees. The structure lacks consideration for future financial resilience and commercial prospects."

(3) Director Tseng-Chang Lee opposed the proposal: "The merger timing is inappropriate. Although the price has been adjusted, the exchange ratio should be calculated based on net asset value, which remains inadequately reflected in the current terms."

(4) Director Hui-Min Lai reserved her position: "Post-merger financial structure and capital adequacy ratios remain unaddressed. The reasonable exchange ratio ceiling should reach 0.73, yet the benefits of preferred shares to shareholders are unclear. Insufficient time to analyze the proposal prevents endorsement of the data."

The remaining 11 directors approved both proposals. The proposals were approved by a majority of all attending directors as confirmed by the chairperson.

IV. Professional Fees to the CPA Information

(I) Professional Fees to the CPA Information

Unit: NT\$ thousands

Name of accounting firm	CPA name	CPA Audit Period	Audit fee	Non-audit fee	Total	Remarks
Deloitte & Touche	Chen-Hsiu Yang	2024.01.01 ~ 2024.12.31	6,500	620	7,120	I. Non-audit fee details: Fees for tax attestation services in 2024: NT\$ 490 thousand Fees for issuance of common stocks in 2024: NT\$ 50 thousand Fees for capital verification report in 2024: NT\$ 40 thousand Fees for CB services in 2024: NT\$ 40 thousand
	Yi-Chun Wu	2024.01.01 ~ 2024.12.31				

Note: When the Company changed CPA or accounting firm, the audit period shall be listed, the reason for change shall be specified in the remark column, and the audit and non-audit public fee payment information shall be sequentially disclosed. Notes describing the content of services for non-audit public fees must be provided.

(II) When the Accounting Firm Is Changed and the Audit Fees Paid for the Financial Year in which the Change Took Place Are Lower than those Paid for the Financial Year Immediately Preceding the Change, the Amount of the Audit Fees Before and After the Change and the Reason Shall Be Disclosed: None.

(III) When the Audit Fees Paid for the Current Financial Year Are Lower than those Paid for the Immediately Preceding Financial Year by 10 Percent or More, Specify the Amount, Percentage and Reason for the Reduction in Audit Fees: None.

V. Replacement of CPAs:

(I) Regarding Former CPA

Date of change	2024.04.26 (Board of directors approval date)		
Describe reason for replacement	In cope with the internal work adjustment of Deloitte & Touche, the consolidated Quarter1 financial statement CPAs Wang-Seng Lin and Chih-Hsien Ke are changed to CPAs Chen-Hsiu Yang and Yi-Chun Wu starting 2024.		
Explain why the appointee or CPA is terminated or refuses to	Parties	CPA	Appointee
	Circumstance		

accept appointment	Voluntary termination of appointment		N/A	N/A
	No longer accept (continue) appointment		N/A	N/A
Review report opinions other than the unqualified opinions issued within the latest 2 years, and why they exist	None			
Is there any disagreement with the Company?	Yes	N/A	Accounting principles or practice	
		N/A	Disclosure of financial reports	
		N/A	Scope or steps of inspection	
		N/A	Others	
	None	√		
	Description	N/A		
Other disclosure matters (Items that must be disclosed according to Point IV, Item I, Subparagraph VI, Article X of this provision).	The Company has no such situation			

(II) Regarding successor CPA

Name of accounting firm	Deloitte & Touche
CPA name	Cheng-Hsiu Yang, Yi-Chun Wu
Date of appointment	2024.04.26 (Board of directors approval date)
Prior to appointment, accounting treatment methods for specific transactions or accounting principles as well as consultation matters and results for financial reports that may possibly be issued	None
Written opinion by the successor CPA on the dissenting opinion of the former CPA	None

VI. Company Chairmen, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or at an Affiliated Enterprise of Such Accounting Firm: None.

VII.Changes in Equity Transfer and Pledged Equity of Directors or Managerial Officers, and Those Required to Make a Declaration of Shareholding Changes by Article 11 of the “Regulations Governing A Same Person or A Same Related Party Having Held the Equity of A Same Financial Holding Corporation with Voting Power Exceeding the Specified Ratio”

(I) Changes in the equity of Directors and Managers

Unit: Shares

Title	Name	2024 (Note 1 、 2)		The year till April 25, 2025 (Note 1 、 2)	
		Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged
Chairman	Shin Po Co., Ltd	87,001	0	0	0
Director	Shin Kong Wu Ho Su Culture and Education Foundation	0	0	0	0
Director	Shin Kong Mitsukoshi Department Store Co., Ltd.	44,110,292	0	0	0
Director	Wu Chia Lu Insurance Culture and Education Foundation	0	0	0	0
Director	Tung Shing Investment Co., Ltd.	5,375,134	50,000,000	0	0
Director	Hwai-Chou Chen	0	0	0	0
Director	Shih-Mei Lin	0	0	0	0
Director	Chun-Hong Chen	109,798	0	0	0
Independent Director	Min-Chiu Chien	0	0	0	0
Independent Director	Edgar Y. Chen	0	0	0	0
Independent Director	Yung-Ming Shiu	0	0	0	0
President	Stephen Chen	156,000	0	0	0
Chief Auditor	Kuei-Houng Tsai	100,000	0	0	0
Chief Information Security Officer & Chief Information	Kuo-Ping Lin	176,366	0	0	0

Title	Name	2024 (Note 1 、 2)		The year till April 25, 2025 (Note 1 、 2)	
		Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged
Officer					
Chief Legal officer	Shiou-Yu Chang	200,000	0	0	0
Chief Compliance Officer	Chi-Yao Lu	120,357	0	0	0
Vice President	Judy Lin	306,259	0	0	0
Vice President	Wayne Chang	64,000	0	0	0
Senior Assistant Vice President	Yi-Tsuei Hsu	90,000	0	(30,000)	0
Senior Assistant Vice President	Vicky Lu	81,570	0	0	0
Senior Assistant Vice President	Min-Chi Wu	0	0	0	0
Senior Assistant Vice President	Cheng-Wei Fang	140,869	0	(120,000)	0
Assistant Vice President	Da-Hsiang Lo	47,831	0	(5,000)	0
Assistant Vice President	Chien-Cheng Ho	50,380	0	0	0
Assistant Vice President	Li-Jung Huang	0	0	0	0
Assistant Vice President	Chih- Wei Tsao	49,190	0	0	0
Assistant Vice President	Hsin- Nan Li	0	0	0	0
Assistant Vice President	Allen Li	51,199	0	0	0
Assistant Vice President	Kuang-Ti Sun	104,339	0	0	0
Assistant Vice President	Pei-Chun Lu	98,000	0	0	0
Assistant Vice President	Chun-Ying Lin	48,000	0	0	0
Assistant Vice President (Note 3)	Shu-Li Wei	0	0	0	0

Note 1: * denotes preferred shares.

Note 2: This table only states the changes in share transfer and share pledges on and after the elected

(inaugurated) date.

Note 3 : Shu-Li Wei was hired as the Company's Assistant Vice President on January 1, 2025.

(II) Shareholding Changes of Those Who Are Required to Declare Their Shareholdings By Article 11 of the “Regulations Governing A Same Person or A Same Related Party Having Held the Equity of A Same Financial Holding Corporation with Voting Power Exceeding the Specified Ratio”

Title	Name	2024		The year till April 25, 2025	
		Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged
A Same Person or A Same Related Party	Ju-Yueh Wu	231,128	0	0	0
A Same Person or A Same Related Party	Hsin-Tung Wu	19,439	0	0	0
A Same Person or A Same Related Party	Tung-Chin Wu	3,476,216	0	0	0
A Same Person or A Same Related Party	Hsien-Hsien Hsu	790	0	0	0
A Same Person or A Same Related Party	Hsin-Ying Wu	107	0	0	0
A Same Person or A Same Related Party	Olivia Wu	269,500	0	0	0
A Same Person or A Same Related Party	Kuei-Lan Wu	0	0	0	0
A Same Person or A Same Related Party	Tian-An Hsu	98	0	0	0
A Same Person or A Same Related Party	Ting-Yu Hsu	98	0	0	0
A Same Person or A Same Related Party	Ting-Hsuang Hsu	86	0	0	0
Major Shareholder and A Same Person or A Same Related Party	NER Victory Company Ltd.	37,705,576	96,700,000	0	(60,000,000)
	Shin Kong Hospital	18,053,056	0	(8,000,000)	0
	ShinKong Co., Ltd.	19,149,745	45,000,000	0	0
	Shin Kong Synthetic Fibers Corporation	13,691,748	0	0	0
A Same Person or A Same Related Party	Shin Kong Health Management Co., Ltd.	280,412	0	0	0
A Same Person or A Same Related Party	Hung Tai Investment Co., Ltd.	638,444	0	0	0
A Same Person or A Same Related Party	Tung Yin Investment Co., Ltd.	140,557	0	0	0
A Same Person or A Same Related Party	Shin Kong Wu Foundation	0	0	0	0
A Same Person or A Same Related Party	Shin Kong Ton Shin Yuan Health Sciences Foundation	0	0	0	0

Title	Name	2024		The year till April 25, 2025	
		Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged
A Same Person or A Same Related Party	Shin Kong Wu Tung Chin Foundation	0	0	0	0
A Same Person or A Same Related Party	Shin Kong Wu Ho Su Culture and Education Foundation	0	0	0	0
A Same Person or A Same Related Party	Chin Shan Investment Co., Ltd.	2,650,992	0	0	0
A Same Person or A Same Related Party	Hsien Ta Co., Ltd.	81,910	0	0	0
A Same Person or A Same Related Party	Shin Kong Recreation Co. Ltd.	3,432,848	0	0	0
A Same Person or A Same Related Party	Shin Kong Real Estate Development Co., Ltd.	6,383,192	0	0	0
A Same Person or A Same Related Party	Shin Kong Ocean Enterprise Co., Ltd.	8,969,976	0	0	0
A Same Person or A Same Related Party	Shin Kong Farm and Pasture Co., Ltd.	1,415	0	0	0
A Same Person or A Same Related Party	Shin Kong Shien Ya International CO.,LTD	45,144	0	0	0
A Same Person or A Same Related Party	Ruei Jin Co., Ltd.	162,798	0	0	0
A Same Person or A Same Related Party	Ruei Hsin Co., Ltd.	208,735	0	0	0
A Same Person or A Same Related Party	An Lung Co., Ltd.	117	0	0	0
A Same Person or A Same Related Party	Ying Ying Investment Co., Ltd.	274,607		0	0
A Same Person or A Same Related Party	Hong Hsin Construction Co., Ltd.	717,794	0	0	0
A Same Person or A Same Related Party	Ju Ying Co., Ltd.	530,560	0	0	0
A Same Person or A Same Related Party	Yung-Kwang Co., Ltd	4,347,259	21,500,000	0	0
A Same Person or A Same Related Party	Shing Kong LOHAS Co., Ltd.	200,968	0	4,228,000	(500,000)
A Same Person or A Same Related Party	Kai Hsien Co., Ltd.	36,829	0	0	0
A Same Person or A Same Related Party	Shin Cheng Investment Co., Ltd.	178,059	0	0	0
A Same Person or A Same Related Party	Chen Mao Co., Ltd.	2,223	0	0	0
A Same Person or A Same Related Party	Chen Sheng Co., Ltd.	18,165	0	0	0
A Same Person or A Same Related Party	Konig Foods Co., Ltd.	0	0	0	0
A Same Person or A Same Related Party	Mao Chen Co., Ltd.	18,165	0	0	0
A Same Person or A Same Related Party	Kai Da Co., Ltd.	19,054	0	0	0
A Same Person or A	Taiwan Shin Kong	9,240,772	0	0	0

Title	Name	2024		The year till April 25, 2025	
		Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in shares held	Increase (decrease) in the number of shares pledged
Same Related Party	Security Co., Ltd.				
A Same Person or A Same Related Party	The Great Taipei Gas Corporation	1,398,480	0	0	0
A Same Person or A Same Related Party	Yu Tsun Investment Co., Ltd.	88,913	0	0	0
A Same Person or A Same Related Party	He Ruei Co., Ltd	18,353,081	0	0	0
A Same Person or A Same Related Party	Hong Hsin Co., Ltd	15,000,000	0	0	0
A Same Person or A Same Related Party	Yun Teh Industrial Co., Ltd.	21,155,083	7,200,000	10,404.000	0
A Same Person or A Same Related Party	Taipei Solar Energy Industrial Co., Ltd.	614,526	0	0.000	0
A Same Person or A Same Related Party	Taishin Leasing & Financing Co., Ltd.	17,500,000	0	0.000	0
A Same Person or A Same Related Party	Yi Huan Co., Ltd.	121,008	0	0.000	0
A Same Person or A Same Related Party	Cheong Wo Co., Ltd.	21,851,083	7,400,000	10,900.000	0
A Same Person or A Same Related Party	Chi Yeh Chemical Co., Ltd.	3,242,329	0	0.000	0
A Same Person or A Same Related Party	Po Jui Co., Ltd.	2,120,000	0	0.000	0
A Same Person or A Same Related Party	Hsiang Chao Co., Ltd.	2,200,000	0	0.000	0
A Same Person or A Same Related Party	Chia Hao Co., Ltd.	2,400,000	0	0.000	0

(III) Information on equity transfer:

Market Observation Post System (MOPS) Query Paths:

Market Observation Post System (MOPS) > Single Company Search > Shareholding Changes/Securities Issuance > Share Transfer Inquiry > Post-Facto Filing of Insider Shareholding Changes

https://mops.twse.com.tw/mops/#/web/query6_1

(IV) Equity pledged:

Market Observation Post System (MOPS) Query Paths:

Market Observation Post System (MOPS) > Single Company Search > Shareholding Changes/Securities Issuance > Insider Pledge/Release of Pledges > Announcements of Insider Pledge/Release of Pledges

https://mopsov.twse.com.tw/mops/web/STAMAK03_1

VIII.Relationship Among the Company's Ten Largest Shareholders

Name (Note 1)	Shares Held by Themselves		Shares Held under Spouse or Minor Children		Shares Held in the Name of Other Persons		Name and Relationship Among the Company's Ten Largest Shareholders of Whom One Is A Related Party, A Spouse or A Relative Within the Second Degree of Kinship of Another(Note 3)		Remarks
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Name	Relationship	
Shin Kong Mitsukoshi Department Store Co., Ltd.	600,010	3.33%	0	0%	0	0%	Shin Kong Wu Ho Su Memorial Hospital	Chairmen of both companies are brothers.	
Representative: Tung-Sheng Wu	0	0.00%	7,499	0.06%	0	0%			
Hsing-Han Liu	584,641	3.25%	0	0%	0	0	None	None	
Shin Kong Wu Ho-Su Memorial Hospital	580,040	3.22%	0	0%	0	0%	Shin Kong Mitsukoshi Department Store Co., Ltd.	Chairmen of both companies are brothers.	
Representative: Tung-Chin Wu	47,285	0.26%	11	0%	0	0%			
NER Victory Company Ltd.	514,922	2.86%	0	0%	0	0%	Taiwan Shin Kong Co., Ltd.	Chairmen are the same person	
Representative: Hsueh-Fen Peng	4,379	0.02%	0	0%	0	0%			
HSBC Custody Account for Macquarie Bank Limited (Special Account)	460,452	2.56%	0	0%	0	0%	None	None	
Citibank Taiwan Custody Account for Nomura International PLC Investment (Investment Account)	356,363	1.98%	0	0%	0	0%	None	None	

Citibank (Taiwan) Ltd. Custody Account for Norges Bank Investment (Investment Account)	352,010	1.95%	0	0%	0	0%	None	None	
JPMorgan Chase Bank Custody Account for J.P. Morgan Securities Investment (Investment Account)	275,942	1.53%	0	0%	0	0%	None	None	
Taiwan Shin Kong Co., Ltd.	260,534	1.45%	0	0%	0	0%	NER Victory Company Ltd.	Chairmen are the same person	
Representative: Hsueh- Fen Peng	4,379	0.02%	0	0%	0	0%			
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund , a series of Vanguard Star Funds	235,305	1.31%	0	0%	0	0%	None	None	

Unit: Thousand shares

Note 1: Top 10 shareholders shall be listed. For juristic person shareholders, the name of the juristic person and representative shall be listed respectively.

Note 2: The calculation of shareholding ratio is based on the ratio of shares held in the name of the person, spouse, minor children or in other's names.

Note 3: The relations among the aforementioned shareholders, including juristic and natural person, shall be disclosed in accordance with Regulations Governing the Preparation of Financial Reports by Financial Holding Companies.

Note 4: The calculation of the number of shares held and the shareholding ratio includes common shares, preferred shares A, and preferred shares B.

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: thousand shares; %; USD/NTD thousand

Invested enterprises	Invested by the Company		Investment by directors, supervisors, managers and directly or indirectly controlled enterprise.		General investment	
	Number of Shares	Shareholding %	Number of Shares	Shareholding %	Number of Shares	Shareholding %
Shin Kong Life Insurance Co., Ltd.	8,276,890	100%	0	0%	8,276,890	100%
Taiwan Shin Kong Commercial Bank Co., Ltd.	4,981,533	100%	0	0%	4,981,533	100%
Shin Kong Investment Trust Co., Ltd.	40,000	100%	0	0%	40,000	100%
Shin Kong Venture Capital International Co., Ltd.	164,302	100%	0	0%	164,302	100%
Shin Kong Property Insurance Agency Co., Ltd.	1,000	100%	0	0%	1,000	100%
MasterLink Securities Crop.	1,609,610	100%	0	0%	1,609,610	100%
Shin Kong Life Real Estate Service Company	0	0%	36,007	72.01%	36,007	72.01%
Shin Kong Marketing Consultant Co., Ltd	0	0%	10,000	100%	10,000	100%
MasterLink Securities Investment Advisory Corp.	0	0%	30,000	100%	30,000	100%
MasterLink Futures Co., Ltd	0	0%	70,000	100%	70,000	100%
Masterlink Securities (B.V.I.) Corp.	0	0%	11	100%	11	100%
MasterLink Insurance Agency Co., Ltd	0	0%	500	100%	500	100%
MasterLink Venture Capital Corp., Ltd.	0	0%	82,900	100%	82,900	100%
MasterLink Venture Management Corp., Ltd.	0	0%	2,950	100%	2,950	100%
MasterLink (Hong Kong)	0	0%	6,960	100%	6,960	100%
MasterLink Investment Advisory Corp. (Tianjin)	0	0%	USD500 (Note 1)	100%	USD500 (Note 1)	100%
MasterLink Venture Management Corp.(Tianjin)	0	0%	50,450 (Note 1)	100%	50,450 (Note 1)	100%
MasterLink Venture Capital Corp. (Tianjin)	0	0%	504,500 (Note 1)	100%	504,500 (Note 1)	100%
Lion Investment (Samoa)Co., Ltd.	0	0%	USD30,010 (Note 1)	100%	USD30,010 (Note 1)	100%
Shin Kong Leasing (Suzhou) Co.,Ltd.	0	0%	USD30,000 (Note 1)	100%	USD30,000 (Note 1)	100%

Note 1: It is the paid-in capital.

Chapter 3 Capital Overview

I. Capital & Shares

(I) Share capital formation process

Year Month	Issue Price	Authorized Capital		Paid-in Capital		Notes		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Increased by Assets Other Than Cash	Others
2001.12	10	5,000,000,000	50,000,000,000	2,427,015,350	24,270,153,500	Share Conversion and Listed on TWSE		Note 1
2003.12	10	5,000,000,000	50,000,000,000	2,377,155,350	23,771,553,500	Treasury stock capital reduction		Note 2
2004.03	10	5,000,000,000	50,000,000,000	2,366,788,350	23,667,883,500	Treasury stock capital reduction		Note 3
2004.05	10	5,000,000,000	50,000,000,000	2,406,324,906	24,063,249,060	CB conversion in Q1 of 2004		Note 4
2004.06	10	5,000,000,000	50,000,000,000	2,525,168,688	25,251,686,880	CB conversion in Q2 of 2004		Note 5
2004.07	10	5,000,000,000	50,000,000,000	2,707,175,464	27,071,754,640	Capitalization of retained earnings in 2004		Note 5
2004.09	10	5,000,000,000	50,000,000,000	2,915,679,737	29,156,797,370	Merged Shin Kong Bank		Note 6
2004.09	10	5,000,000,000	50,000,000,000	2,948,016,342	29,480,163,420	CB conversion in Q3 of 2004		Note 7
2005.02	10	5,000,000,000	50,000,000,000	2,972,912,134	29,729,121,340	CB conversion in Q4 of 2004		Note 8
2005.03	10	5,000,000,000	50,000,000,000	3,181,245,467	31,812,454,670	Cash capital increase in 2004		Note 9
2005.04	10	5,000,000,000	50,000,000,000	3,204,202,272	32,042,022,720	CB conversion in Q1 of 2005		Note 10
2005.08	10	5,000,000,000	50,000,000,000	3,412,475,420	34,124,754,200	Capitalization of retained earnings in 2005		Note 11
2005.10	10	5,000,000,000	50,000,000,000	4,074,325,321	40,743,253,210	Merged Macoto Bank		Note 12
2005.11	10	5,000,000,000	50,000,000,000	4,074,373,901	40,743,739,010	ECB conversion in Q3 of 2005		Note 13
2006.08	10	5,000,000,000	50,000,000,000	4,110,642,351	41,106,423,510	ECB conversion in Q2 of 2006		Note 14
2006.08	10	5,000,000,000	50,000,000,000	4,374,826,654	43,748,266,540	Capitalization of retained earnings in 2006		Note 15
2006.10	10	8,000,000,000	80,000,000,000	4,613,490,138	46,134,901,380	Cash capital increase by private placement		Note 16
2006.11	10	8,000,000,000	80,000,000,000	4,689,578,183	46,895,781,830	ECB conversion in Q3 of 2006		Note 17
2007.02	10	8,000,000,000	80,000,000,000	4,699,641,861	46,996,418,610	ECB conversion in Q4 of 2006		Note 18
2007.06	10	8,000,000,000	80,000,000,000	4,729,548,692	47,295,486,920	ECB conversion in Q1 of 2007		Note 19
2007.08	10	8,000,000,000	80,000,000,000	4,759,901,866	47,599,018,660	ECB conversion in Q2 of 2007		Note 20
2007.09	10	8,000,000,000	80,000,000,000	4,901,788,326	49,017,883,260	Capitalization of retained earnings in 2007		Note 21
2007.11	10	8,000,000,000	80,000,000,000	5,025,372,512	50,253,725,120	ECB conversion in Q3 of 2007		Note 22
2008.04	10	8,000,000,000	80,000,000,000	5,393,793,564	53,937,935,640	Cash capital increase in 2007		Note 23
2008.05	10	8,000,000,000	80,000,000,000	5,393,863,605	53,938,636,050	ECB conversion in Q1 of 2008		Note 24
2008.08	10	8,000,000,000	80,000,000,000	5,661,619,283	56,616,192,830	Capitalization of retained earnings in 2008		Note 25
2008.11	10	8,000,000,000	80,000,000,000	6,254,186,644	62,541,866,440	Cash capital increase in 2008		Note 26
2009.01	10	8,000,000,000	80,000,000,000	6,246,906,644	62,469,066,440	4th treasury stock untransferred capital reduction		Note 27

Year Month	Issue Price	Authorized Capital		Paid-in Capital		Notes		
		Number of Shares	Amount	Number of Shares	Amount	Sources of Share Capital	Capital Increased by Assets Other Than Cash	Others
2009.08	10	8,000,000,000	80,000,000,000	7,367,787,644	73,677,876,440	The 1st Cash capital increase in 2009		Note 28
2009.12	10	10,000,000,000	100,000,000,000	7,867,787,644	78,677,876,440	The 2nd Cash capital increase in 2009		Note 29
2010.11	10	10,000,000,000	100,000,000,000	7,836,387,644	78,363,876,440	5th treasury stock untransferred capital reduction		Note 30
2010.12	10	10,000,000,000	100,000,000,000	8,436,387,644	84,363,876,440	Cash capital increase in 2010		Note 31
2013.07	10	10,000,000,000	100,000,000,000	9,086,387,644	90,863,876,440	Cash capital increase in 2013		Note 32
2013.09	10	10,000,000,000	100,000,000,000	9,324,820,978	93,248,209,780	Capitalization of retained earnings in 2013		Note 33
2014.03	10	10,000,000,000	100,000,000,000	9,328,817,040	93,288,170,400	CB conversion		Note 34
2014.09	10	10,000,000,000	100,000,000,000	9,834,753,924	98,347,539,240	Capitalization of retained earnings in 2014		Note 35
2015.09	10	12,000,000,000	120,000,000,000	10,228,144,081	102,281,440,810	Capitalization of retained earnings in 2015		Note 36
2018.03	10	12,000,000,000	120,000,000,000	10,241,030,326	102,410,303,260	CB conversion in Q4 of 2017		Note 37
2018.05	10	12,000,000,000	120,000,000,000	10,641,234,029	106,412,340,290	CB conversion in Q1 of 2018		Note 38
2018.08	10	12,000,000,000	120,000,000,000	10,887,260,846	108,872,608,460	CB conversion in Q2 of 2018		Note 39
2018.09	10	12,000,000,000	120,000,000,000	10,964,072,111	109,640,721,110	CB conversion in Q3 of 2018		Note 40
2018.10	10	13,500,000,000	135,000,000,000	12,027,815,940	120,278,159,400	Merged MasterLink Securities		Note 41
2018.10	10	13,500,000,000	135,000,000,000	12,185,505,712	121,855,057,120	Capitalization of retained earnings in 2018		Note 42
2019.02	10	13,500,000,000	135,000,000,000	12,260,394,063	122,603,940,630	CB conversion in Q4 of 2018		Note 43
2019.10	10	14,500,000,000	145,000,000,000	12,675,394,063	126,753,940,630	Cash capital increase in 2019		Note 44
2020.05	10	14,500,000,000	145,000,000,000	13,095,394,063	130,953,940,630	Cash capital increase in 2020		Note 45
2021.06	10	16,500,000,000	165,000,000,000	13,317,394,063	133,173,940,630	Cash capital increase in 2020		Note 46
2021.09	10	16,500,000,000	165,000,000,000	14,317,394,063	143,173,940,630	Cash capital increase in 2021		Note 47
2021.12	10	16,500,000,000	165,000,000,000	14,338,772,050	143,387,720,500	CB conversion in Q3 of 2021		Note 48
2022.02	10	16,500,000,000	165,000,000,000	14,442,964,885	144,429,648,850	CB conversion in Q4 of 2021		Note 49
2022.05	10	18,500,000,000	185,000,000,000	15,784,618,243	157,846,182,430	CB conversion in Q1 of 2022 GDR Cash capital increase		Note 50
2023.11	10	18,500,000,000	185,000,000,000	15,784,629,042	157,846,290,420	CB conversion in Q3 of 2023		Note 51
2024.09	10	33,000,000,000	330,000,000,000	17,454,629,042	174,546,290,420	Cash capital increase in 2024		Note 52
2024.11	10	33,000,000,000	330,000,000,000	17,833,530,151	178,335,301,510	CB conversion in Q3 of 2024		Note 53
2024.02	10	33,000,000,000	330,000,000,000	18,009,478,952	180,094,789,520	CB conversion in Q4 of 2024		Note 54

Note 1: In 2001, the Ministry of Finance approved to transfer share capital of Shin Kong Life and Shin Kong Securities to common shares of Shin Kong Financial Holdings by Letter No. Bao-Hsien-Shi-Tai-Tsai-Bao-Zhi-090072146.

Note 2: In 2003, the Ministry of Finance approved Shin Kong Financial Holdings to repurchase treasury stocks and reduced capital by NT\$498,600,000 by Letter No. Bao-Hsien-Shi-Tai-Tsai-Bao-Zhi-0920712559.

Note 3: In 2004, the Ministry of Finance approved Shin Kong Financial Holdings to repurchase treasury stocks and reduced capital by NT\$103,670,000 by Letter No. Bao-Hsien-Shi-Tai-Tsai-Bao-Zhi-0930701481.

Note 4: In 2004, the Ministry of Finance approved the Q1 CB conversion of NT\$395,365,560 by Letter No. Bao-Hsien-Shi-Tai-Tsai-Bao-Zhi-0930026801.

Note 5: In 2004, the FSC of Executive Yuan approved Q2 CB conversion of NT\$1,118,437,820 and capitalization of retained earnings of NT\$1,820,067,760 by Letter No. Jin-Guan-Yin (6)-Zhi-0938011646

Note 6: Department of Commerce of the Ministry of Economic Affairs approved the merge of Comerica Incorporated with NT\$2,085,042,730 by Letter No. Jing-Sho-Shang-Zhi-09301185990 dated September 30, 2004.

Note 7: Department of Commerce of the Ministry of Economic Affairs approved the Q3 CB conversion of NT\$323,366,050 by Letter No. Jing-Sho-Shang-Zhi-09301217850 dated 2004.11.22.

Note 8: Department of Commerce of the Ministry of Economic Affairs approved the Q4 CB conversion of NT\$248,957,920 by Letter No. Jing-Sho-Shang-Zhi-09401020800 dated 2005.02.05.

Note 9: Department of Commerce of the Ministry of Economic Affairs approved the capital increased by cash of NT\$2,083,333,330

by Jing-Sho-Shang-Zhi Letter No. 09401048680 dated 2005.03.25.

Note 10: Department of Commerce of the Ministry of Economic Affairs approved the Q1 CB conversion of NT\$229,568,050 by Letter No. Jing-Sho-Shang-Zhi-09401061270 dated 2005.04.19.

Note 11: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$2,082,731,480 in 2005 by Letter No. Jing-Sho-Shang-Zhi-09401169720 dated 2005.08.29.

Note 12: Department of Commerce of the Ministry of Economic Affairs approved the merge of Makoto Bank with NT\$6,618,499,010 by Letter No. Jing-Sho-Shang-Zhi-09401178350 dated 2005.10.03.

Note 13: Department of Commerce of the Ministry of Economic Affairs approved the Q3 ECB conversion of NT\$485,800 by Letter No. Jing-Sho-Shang-Zhi-09401221480 dated 2005.11.04.

Note 14: Department of Commerce of the Ministry of Economic Affairs approved the Q2 ECB conversion of NT\$362,684,500 by Letter No. Jing-Sho-Shang-Zhi-09501190920 dated 2006.08.25.

Note 15: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$2,641,843,030 in 2006 by Letter No. Jing-Sho-Shang-Zhi-09501190920 dated 2006.08.25.

Note 16: Department of Commerce of the Ministry of Economic Affairs approved the private placement for NT\$2,386,634,840 by Letter No. Jing-Sho-Shang-Zhi-09501246400 dated 2006.10.31.

Note 17: Department of Commerce of the Ministry of Economic Affairs approved the Q3 ECB conversion of NT\$760,880,450 by Letter No. Jing-Sho-Shang-Zhi-09501252760 dated 2006.11.09.

Note 18: Department of Commerce of the Ministry of Economic Affairs approved the Q4 ECB conversion of NT\$100,636,780 by Letter No. Jing-Sho-Shang-Zhi-09601035870 dated 2007.02.15.

Note 19: Department of Commerce of the Ministry of Economic Affairs approved the Q1 ECB conversion of NT\$299,068,310 by Letter No. Jing-Sho-Shang-Zhi-09601122300 dated 2007.06.04.

Note 20: Department of Commerce of the Ministry of Economic Affairs approved the Q2 ECB conversion of NT\$303,531,740 by Letter No. Jing-Sho-Shang-Zhi-09601188900 dated 2007.08.10.

Note 21: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$1,418,864,600 in 2007 by Letter No. Jing-Sho-Shang-Zhi-09601230000 dated 2007.09.19.

Note 22: Department of Commerce of the Ministry of Economic Affairs approved the Q3 ECB conversion of NT\$1,235,841,860 by Letter No. Jing-Sho-Shang-Zhi-09601267690 dated 2007.11.01.

Note 23: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$3,684,210,520 by Letter No. Jing-Sho-Shang-Zhi-09701099570 dated 2008.04.25.

Note 24: Department of Commerce of the Ministry of Economic Affairs approved the Q1 CB conversion of NT\$700,410 by Letter No. Jing-Sho-Shang-Zhi-09701103840 dated 2008.05.05.

Note 25: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$2,677,556,780 in 2008 by Letter No. Jing-Sho-Shang-Zhi-09701236750 dated 2008.09.22.

Note 26: Department of Commerce of the Ministry of Economic Affairs approved the private placement for NT\$5,925,673,610 by Letter No. Jing-Sho-Shang-Zhi-09801008380 dated 2009.01.17.

Note 27: Department of Commerce of the Ministry of Economic Affairs approved Shin Kong Financial Holdings to repurchase treasury stocks and reduce capital by NT\$72,800,000 by Letter No. Jing-Sho-Shang-Zhi-09801014670 dated 2009.01.22.

Note 28: Department of Commerce of the Ministry of Economic Affairs approved the issuance of GDR for NT\$11,208,810,000 by Letter No. Jing-Sho-Shang-Zhi-09801184860 dated 2009.08.18.

Note 29: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$5,000,000,000 by Letter No. Jing-Sho-Shang-Zhi-09801297290 dated 2009.12.29.

Note 30: Department of Commerce of the Ministry of Economic Affairs approved Shin Kong Financial Holdings to repurchase treasury stocks and reduce capital by NT\$314,000,000 by Letter No. Jing-Sho-Shang-Zhi-09901264420 dated 2010.11.25.

Note 31: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$6,000,000,000 by Letter No. Jing-Sho-Shang-Zhi-09901281010 dated 2010.12.21.

Note 32: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$6,500,000,000 by Letter No. Jing-Sho-Shang-Zhi-10201143700 dated 2013.07.18.

Note 33: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$2,384,333,340 by Letter No. Jing-Sho-Shang-Zhi Letter No. 10201196790 dated 2013.09.25.

Note 34: Department of Commerce of the Ministry of Economic Affairs approved the Q4 CB conversion of NT\$39,960,620 by Letter No. Jing-Sho-Shang-Zhi-10301021320 dated 2014.02.07.

Note 35: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$5,059,368,840 by Letter No. Jing-Sho-Shang-Zhi-10301211730 dated 2014.10.08.

Note 36: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$3,933,901,570 by Letter No. Jing-Sho-Shang-Zhi-10401187580 dated 2015.09.04.

Note 37: Department of Commerce of the Ministry of Economic Affairs approved the Q4 CB conversion of NT\$128,862,450 by Letter No. Jing-Sho-Shang-Zhi-10701019370 dated 2018.03.09.

Note 38: Department of Commerce of the Ministry of Economic Affairs approved the Q1 CB conversion of NT\$4,002,037,030 by Letter No. Jing-Sho-Shang-Zhi-10701051920 dated 2018.5.16.

Note 39: Department of Commerce of the Ministry of Economic Affairs approved the Q2 CB conversion of NT\$2,460,268,170 by Letter No. Jing-Sho-Shang-Zhi-10701100400 dated 2018.8.22.

Note 40: Department of Commerce of the Ministry of Economic Affairs approved the Q3 CB conversion of NT\$768,112,650 by Letter No. Jing-Sho-Shang-Zhi-10701116110 dated 2018.9.6.

Note 41: Department of Commerce of the Ministry of Economic Affairs approved the merge of MasterLink Securities with NT\$10,637,438,290 by Letter No. Jing-Sho-Shang-Zhi-10701117720 dated 2018.10.01.

Note 42: Department of Commerce of the Ministry of Economic Affairs approved the capitalization of retained earnings of NT\$1,576,897,720 by Letter No. Jing-Sho-Shang-Zhi-10701127510 dated 2018.10.11.

Note 43: Department of Commerce of the Ministry of Economic Affairs approved the Q4 CB conversion of NT\$748,883,510 by Letter No. Jing-Sho-Shang-Zhi-10801016450 dated 2019.2.21.

Note 44: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$4,150,000,000 by Letter No. Jing-Sho-Shang-Zhi-10801140280 dated 2019.10.09.

Note 45: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$4,200,000,000 by Letter No. Jing-Sho-Shang-Zhi-10901085700 dated 2020.5.28.

Note 46: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$2,220,000,000 by Letter No. Jing-Sho-Shang-Zhi-10901177350 dated 2021.6.24.

Note 47: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$10,000,000,000 by Letter No. Jing-Sho-Shang-Zhi-11001161570 dated 2021.9.11.

Note 48: Department of Commerce of the Ministry of Economic Affairs approved the Q3 CB conversion of NT\$213,779,870 by Letter No. Jing-Sho-Shang-Zhi-11001210690 dated 2021.12.1.

Note 49: Department of Commerce of the Ministry of Economic Affairs approved the Q4 CB conversion of NT\$1,041,928,350 by Letter No. Jing-Sho-Shang-Zhi-11101016560 dated 2022.2.7.

Note 50: Department of Commerce of the Ministry of Economic Affairs approved the Q1 CB conversion of NT\$ 646,143,580, and GDR capital increased by cash of NT\$12,770,390,000 by Letter No. Jing-Sho-Shang-Zhi-11101076990 dated 2022.5.26.

Note 51: Department of Commerce of the Ministry of Economic Affairs approved the Q3 CB conversion of NT\$107,990 by Letter No. Jing-Sho-Shang-Zhi-11230214750 dated 2023.11.15.

Note 52: Department of Commerce of the Ministry of Economic Affairs approved the issuance of common shares for NT\$16,700,000,000 by Letter No. Jing-Sho-Shang-Zhi-11330197600 dated 2024.9.12.

Note 53: Department of Commerce of the Ministry of Economic Affairs approved the Q3 CB conversion of NT\$3,789,011,090 by Letter No. Jing-Sho-Shang-Zhi-11330197600 dated 2024.11.14.

Note 54: Department of Commerce of the Ministry of Economic Affairs approved the Q4 CB conversion of NT\$1,759,488,010 by Letter No. Jing-Sho-Shang-Zhi-11430004760 dated 2025.02.03.

(II)Source of Share Capital:

April 25,2025

Share Type	Authorized Capital			Notes
	Outstanding Shares	Unissued Shares	Total	
Common Shares	17,712,478,952	14,990,521,048	33,000,000,000	Listed Company stock
Preferred shares A	75,000,000			
Preferred shares B	222,000,000			

(III)Shelf Registration: None.

(IV)List of Major Shareholders

Unit: Shares; April 25,2025

Name of Major Shareholder	Shares	Number of Shares Held	Shareholding (%)
Shin Kong Mitsukoshi Department Store Co., Ltd.		600,010,177	3.33%
Hsing-Han Liu		584,640,813	3.25%

Shin Kong Wu Ho-Su Memorial Hospital	580,040,050	3.22%
NER Victory Company Ltd.	514,922,032	2.86%
HSBC Custody Account for Macquarie Bank Limited (Special Account)	460,451,622	2.56%
Citibank Taiwan Custody Account for Nomura International PLC Investment (Investment Account)	356,362,780	1.98%
Citibank (Taiwan) Ltd. Custody Account for Norges Bank Investment (Investment Account)	352,009,560	1.95%
JPMorgan Chase Bank Custody Account for J.P. Morgan Securities Investment (Investment Account)	275,941,627	1.53%
Shinkong Co., Ltd.	260,534,379	1.45%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund , a series of Vanguard Star Funds	235,304,929	1.31%

Note 1: The top 10 shareholders listed in this Table refer to the 10 shareholders who are holding the largest number of shares.

Note 2: The calculation of the number of shares held and the shareholding ratio includes common shares, Class A preferred shares, and Class B preferred shares.

(V) Dividend Policy of the Company and Implementation:

1. The earnings posted on the Company's annual final accounts, if any, shall be used in the following order of priority: (1) pay tax obligations; (2) make up accumulated deficits; (3) set aside legal reserves until it reaches the Company's paid-in capital; (4) provide or reverse special reserves as required by law and may distribute dividends for preferred shares; and, (5) the remaining earnings, if any, plus accumulated undistributed earnings, shall be the distributable earnings, and used to pay bonus or dividends to shareholders after being proposed by the Board of Directors and resolved by the Shareholders' Meeting.

To continue to expand and profit, the Company has adopted a residual dividend policy in line with its capital needs and long-term financial planning. However, the dividend distribution for common shares shall not be less than 20% of the distributable earnings attributable to the current year, and the cash dividends shall not be less than 10% of the total dividend distribution for the year.

The distributable earnings attributable to the current year as stated in the preceding paragraph mean the distributable earnings stated in paragraph 1 less the undistributed earnings of the previous years and the reversed special reserve as required by law.

2. The proposal of dividend distribution in this Shareholders' Meeting:

The 2024 earnings distribution proposal was approved by the Board of Directors on April 7, 2025. It is planned to distribute Preferred Shares A dividends of NT\$128,250,000 and Preferred Shares A dividends of NT\$395,402,400 on 2025.

(VI) The Impact of Gratuitous Stock Distribution Proposed In This Shareholders' Meeting On the Business Performance And EPS Of The Company:

Not applicable, because there's no gratuitous stock distribution in 2025

(VII) Employee and Director Remuneration:

1. The percentage or range of employee and director remuneration stipulated in Articles of Association:

According to Article 32 of Articles of Association, If the Company recorded profit for the respective year, no less than 0.01% but no more than 0.05% of the Company's profit of such year shall be reserved for employees' compensation. Employees of affiliated companies who meet certain qualifications may also be included in the distribution. The company may reserve no more than 0.5% of the amount of the abovementioned profit of the Company for directors' remuneration by the resolution of the Board of Directors.

2. The accounting treatment for differences between the actual distributed amount and the basis for estimation of employee and directors' remuneration and for calculation of shares of stock bonus:

The estimation of employee and director remuneration payable is based on the

possible distribution amount in accordance with the Articles of Association and past experience, calculated based on the net profit before tax (i.e. the amount before deducting employee and directors' remuneration).

Where there is a significant change in the distribution amount resolved by the Board of Directors after the end of the fiscal year, such change is adjusted to the original recognized annual expenses. Where the amount is still in change until the resolution date of the Shareholders' Meeting, the change shall be handled in accordance with the Accounting Treatment for Changes in Accounting Estimates and the amount shall be entered into account as profit or loss in the year of resolution by the Shareholders' Meeting.

3. Information of proposed distribution of employee and director remuneration approved by the Board of Directors:
 - (1) The amount of remuneration for employees and directors: Distributed cash of NT\$7,100,000 for employees and NT60,000,000 for directors.
 - (2) The ratio of number of shares to be distributed as employee remuneration to the capitalization from retained earnings: None.
4. The actual distribution of remuneration for employees, directors, and supervisors of the previous year:
No employee and directors' remuneration were allotted in 2024.

(VIII) Share Buyback Status of the Financial Holding Company

1. Share buyback status of the financial holding company (completed)

Buyback batch	1st batch
Purpose of buyback	To acquire dissenting shareholders' shares
Period of buyback	December 2024
Interval of buyback price	Common shares: NT\$11.95 per share; Class B preferred shares: NT\$36.35 per share
Types and quantities of bought-back shares	Common shares: 18,647,230 shares; Class B preferred shares: 2,332,000 shares
Total buyback amount	NT\$307,602,591
Group capital adequacy ratio before buyback	Base date: June 30, 2024; Ratio: 105.69%
Group capital adequacy ratio after buyback	Base date: June 30, 2024; Ratio: 105.59%
Number of shares cancelled and transferred	Note 1
Ratio of number of accumulative shares to total issued shares (%)	-
Progress on transferring bought-back shares to employees	Not applicable (Note 2)
Failure to complete transfers within three years leading to regulatory restrictions	Not applicable (Note 2)

Note 1: It is expected to be registered with share cancellation in accordance with the law on the merger record date.

Note 2: The share buyback is not for the purpose of transfer to employees or equity conversion and therefore is not applicable.

2. Shares Under the Repurchase Process by the Financial Holding Company: None.

II. Corporate Bonds (Including Offshore Corporate Bonds):

Corporate Bonds

Type of Corporate Bond		The first issuance of unsecured corporate bond in 2020	The first issuance of unsecured corporate bond in 2022
Date of issuance (placement)		May 27, 2020	April 12, 2022
Face value		NT\$1 million	NT\$1 million
Place of issuance and transaction		Taiwan	Taiwan
Issue Price		At face value on the date of issuance	At face value on the date of issuance
Total amount		NT\$3 billion	NT\$5 billion
Interest Rate		Coupon rate: 0.82%	Coupon rate: 0.90%
Issue Period		5 years Maturity date: May 27, 2025	5 years Maturity date: April 12, 2027
Seniority		Senior	Senior
Guarantee Agency		None	None
Trustee		Yuanta Commercial Bank	Yuanta Commercial Bank
Underwriter		MasterLink Securities	MasterLink Securities
Certified Lawyer		Dragon Law Firm Wu-Jung Chou, Attorney	Dragon Law Firm Wu-Jung Chou, Attorney
Certifying accountant		Deloitte Touche Tohmatsu Limited Wang-Seng Lin, Kwan-Chung Lai	Deloitte Touche Tohmatsu Limited Wang-Seng Lin, Jr-Shian ke
Method of repayment		Bullet repayment at maturity	Bullet repayment at maturity
Outstanding Principal Balance		NT\$3 billion	NT\$5 billion
Terms and conditions for early redemption or repayment		None	None
Restrictive clauses		None	None
Whether regarded as eligible capital		No	No
Name of credit rating agency, rating date and corporate bond ratings		Rating agency: Taiwan Ratings Corp. Issuer rating: twA+ Date of rating: May 29, 2019	Rating agency: Taiwan Ratings Corp. Issuer rating: twA+ Date of rating: May 27, 2021
Other Rights	Amount of common shares, global depository receipts, or other securities converted (swaped or subscribed)	N/A	N/A
	Issuance and conversion (swap or subscription) methods	Note 1	Note 2
Issuance conditions, and regulations on issuance, conversion, swap, or subscription, and their impact on equity dilution and shareholders' equity		N/A	N/A
Depository Institution of the Underlying Shares		None	None

Note 1: For details, please refer to the issuance terms for the Company's 2020 the first unsecured ordinary corporate bond.

Note 2: For details, please check the issuance measures for the Company's first uncovered ordinary corporate bonds in 2022.

1. Corporate bonds maturing within one year: The first unsecured ordinary corporate bonds of the Company in 2020 will mature on May 27, 2025, and will be repaid at a bullet payment.
2. Issuance of corporate bonds that are convertible into common shares, global depository receipts or other securities: None.
3. Issuance of exchangeable corporate bonds: None.
4. Offering and issuance of ordinary corporate bonds via shelf registration: None.
5. Issuance of corporate bonds with warrants: None.
6. Private placement of corporate bonds: None.

III.Issuance of Preferred Shares:

Item		Date of issuance (placement)	September 27, 2019 SKFH Preferred Shares A
Face value		NT\$10	
Issue Price		NT\$45 per share	
Number of Shares		75,000 thousand shares	
Total amount		NT\$3,375,000 thousand	
Rights and Obligations	Distribution of dividends and bonuses	1. Preferred Shares A bears an annual interest rate at 3.80% (seven-year IRS interest rate 0.72% + 3.08%), calculated at the issue price per share. The seven-year IRS rate will be reset on the next business day after the seventh year from the issue date and every seven years thereafter. The record date for pricing is one business day prior to the pricing date and the record date for reset is two business days prior to the interest rate reset date. The IRS rate is the arithmetic mean of 7-year IRS rates appearing on Reuters pages "TAIFXIRS" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant record date. If such rate cannot be obtained, the Company will determine the rate based on reasonable market price with good faith. 2. Except for the circumstances stated in 4. below, cash dividends will be paid annually. Once the Company's audited financial statements have been recognized at the Shareholders' Meetings, the Board of Directors shall be authorized to set the record date for the distribution of the payable preferred share dividends for the previous year. Dividend distributions in issuance and redemption years shall be calculated based on the actual number of days the preferred shares remained outstanding in that year. 3. If the Company posts earnings in its final accounts, in accordance with applicable laws, it shall first be used for payment of tax obligations and making up of losses, then set aside as legal reserve	

Date of issuance (placement)		September 27, 2019 SKFH Preferred Shares A
Item		
		and allocated or reversed to the special reserve fund. The remaining earnings, if any, may first be used to distribute preferred share dividends of the year. 4. The Company has sole discretion on the distribution of preferred share A dividends. If no earnings are posted in the final accounts or earnings posted are insufficient to distribute preferred share A dividends, or if a preferred share A dividend distribution will cause the Company' s capital adequacy ratio to fall below the minimum requirement stipulated by the law or the competent authorities, or based on other necessary considerations, the Company may resolve not to distribute preferred share A dividends without it being deemed as an event of default. The undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the subsequent years where there are earnings. 5. Shareholders of preferred share A shall not participate in the distribution of cash and stock dividends of the common shares derived from earnings or capital reserve.
	Distribution of residual property	Holders of preferred share A have priority over common shareholders for distribution of the Company' s residual property. All holders of preferred share A rank pari passu for repayment, but such is capped at the issuance price.
	Exercise of voting rights	Holders of preferred share A have no right to vote or elect, but may be entitled to be elected as directors at Shareholders' Meeting. They have the right to vote at preferred shareholders' meeting and at shareholders' meeting where items on the agenda would affect rights and obligations of preferred shareholders.
	Others	1. Holders of preferred share A have the same pre-emptive right as common shareholders for newly issued shares. 2. Distributions of preferred share A dividends shall be in the order in which the preferred shares are issued.
Outstanding preferred shares	Number of shares redeemed or converted	0 share(s)
	Balance of shares not recovered or converted	NT\$3,375,000 thousand
	Provisions for redemption or conversion	1. Preferred shares A may not be converted to common shares. Holders of preferred share A have no right to request the Company to redeem the preferred shares they hold. 2. Preferred shares A have no maturity date, though the Company may redeem all or a part of the outstanding issued preferred shares A at any time after seventh anniversary of the preferred shares A issuance date. Unredeemed preferred shares A continue to carry rights and obligations of the issuance conditions set forth

Date of issuance (placement)		September 27, 2019 SKFH Preferred Shares A	
Item			
		under this article. In the year of a redemption of preferred shares A, if the Company resolves to distribute dividends, dividends to be distributed up to the redemption date shall be calculated by the actual number of outstanding days of the year.	
Market Price per Share	2024	Highest	NTD 38.40
		Lowest	NTD 25.75
		Average	NTD 31.22
	Year-to-date through February 28, 2025	Highest	NTD 38.30
		Lowest	NTD 35.45
		Average	NTD 37.25
Other rights	Amount converted and subscribed as of the date of publication of this Annual Report	N/A	
	Issuance and conversion or subscription method	Please refer to the Company's Articles of Association	
Impact of conditions of issuance on the rights and interests of preferred shareholders and possible dilution of shareholders' equity and impact on existing shareholders' equity		None	

With the reference date on September 27, 2019, the Company had a cash capital increase by means of preferred shares A, which were ready for issuing and listing on November 8, 2019.

Date of issuance (placement)		Balance at September 1, 2020 SKFH Preferred Shares B	
Item			
Face value		NT\$10	
Issued Price		NT\$45 per share	
Number of Shares		222,000 thousand shares	
Total amount		NT\$9,990,000 thousand	
Rights and Obligations	Distribution of dividends and bonuses	1. Preferred Shares B bears an annual interest rate at 4.00% (seven-year IRS interest rate 0.68% + 3.32%), calculated at the issue price per share. The seven-year IRS rate will be reset on the next business day after the seventh year from the issue date and every seven years thereafter. The record date for pricing is one business day prior to the pricing date and the record date for reset is two business days prior to the interest rate reset date. The IRS rate is the arithmetic mean of 7-year IRS rates appearing on Reuters pages "TAIFXIRS" and "COSMOS3" at 11:00 a.m. (Taipei time) on the relevant record date. If such rate cannot be obtained, the Company will determine the rate based	

Item	Date of issuance (placement)	Balance at September 1, 2020 SKFH Preferred Shares B
		on reasonable market price with good faith. 2. Except for the circumstances stated in 4. below, cash dividends will be paid annually. Once the Company's audited financial statements have been recognized at the Shareholders' Meetings, the Board of Directors shall be authorized to set the record date for the distribution of the payable preferred share dividends for the previous year. Dividend distributions in issuance and redemption years shall be calculated based on the actual number of days the preferred shares remained outstanding in that year. 3. If the Company posts earnings in its final accounts, in accordance with applicable laws, it shall first be used for payment of tax obligations and making up of losses, then set aside as legal reserve and allocated or reversed to the special reserve fund. The remaining earnings, if any, may first be used to distribute preferred share dividends of the year. 4. The Company has sole discretion on the distribution of preferred share B dividends. If no earnings are posted in the final accounts or earnings posted are insufficient to distribute preferred share B dividends, or if a preferred share A dividend distribution will cause the Company's capital adequacy ratio to fall below the minimum requirement stipulated by the law or the competent authorities, or based on other necessary considerations, the Company may resolve not to distribute preferred share B dividends without it being deemed as an event of default. The undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the subsequent years where there are earnings. 5. Shareholders of preferred share B shall not participate in the distribution of cash and stock dividends of the common shares derived from earnings or capital reserve.
	Distribution of residual property	Holders of preferred share B have priority over common shareholders for distribution of the Company's residual property. All holders of preferred share A rank pari passu for repayment, but such is capped at the issuance price.
	Exercise of voting rights	Holders of preferred share B have no right to vote or elect, but may be entitled to be elected as directors at Shareholders' Meeting. They have the right to vote at preferred shares B shareholders' meeting and at shareholders' meeting where items on the agenda would affect rights and obligations of preferred shares B shareholders.
	Others	1. Holders of preferred share B have the same pre-emptive right as common shareholders for newly issued shares.

Item	Date of issuance (placement)	Balance at September 1, 2020 SKFH Preferred Shares B	
		2. Distributions of preferred share B dividends shall be in the order in which the preferred shares are issued.	
Outstanding preferred shares	Number of shares redeemed or converted	2,332,000 share(s)	
	Balance of shares not recovered or converted	NT\$9,885,060 thousand	
	Provisions for redemption or conversion	1. Preferred shares B may not be converted to common shares. Holders of preferred share B have no right to request the Company to redeem the preferred shares they hold. 2. Preferred shares B have no maturity date, though the Company may redeem all or a part of the outstanding issued preferred shares B at any time after seventh anniversary of the preferred shares B issuance date. Unredeemed preferred shares B continue to carry rights and obligations of the issuance conditions set forth under this article. In the year of a redemption of preferred shares B, if the Company resolves to distribute dividends, dividends to be distributed up to the redemption date shall be calculated by the actual number of outstanding days of the year.	
Market Price per Share	2024	Highest	NTD 38.55
		Lowest	NTD 26.00
		Average	NTD 31.31
	Year-to-date through February 28, 2025	Highest	NTD 38.30
		Lowest	NTD 35.40
		Average	NTD 37.24
Other rights	Amount converted and subscribed as of the date of publication of this Annual Report	N/A	
	Issuance and conversion or subscription method	Please refer to the Company's Articles of Association	
Impact of conditions of issuance on the rights and interests of preferred shareholders and possible dilution of shareholders' equity and impact on existing shareholders' equity		None	

IV.Private Placement of Corporate Bonds: None.

V.Issuance of Global Depository Receipts:

Global Depository Receipts(GDR)

Date of issuance			July 27, 2009	April 22, 2022
Item			Initial issue	Additional issuance
Date of issuance (placement)			July 27, 2009	April 22, 2022
Place of issuance and transaction			Place of issuance: Europe, Asia, USA Place of trading: Luxembourg Stock Exchange	Place of issuance: Europe, Asia, USA Place of trading: Luxembourg Stock Exchange
Total Amount Issued			US\$375,004,080	US\$400,328,000
Issue Price Per Unit			US\$8.91 per share	US\$8.15 per share
Total Number of Units Issued			42,088,000 units	49,120,000 units
The source of securities represented			Issuing new common shares of the Company	Issuing new common shares of the Company
Number of securities represented			1,052,200,000 shares	1,228,000,000 shares
The rights and obligations of holders of depository receipts			Same as common shareholders	Same as common shareholders
Trustee			CitiBank	CitiBank
Depository institutions			CitiBank	CitiBank
Custodian			Citibank Taiwan	Citibank Taiwan
Unredeemed balance (Note 1)			11,558 units	
Allocation of expenses incurred at issuance and over the duration			Borne by the Company	Borne by the Company
Key covenants of the depository and custodian contracts			GDR holders are subject to comply with laws of the R.O.C and rights and obligations stated in the depository agreement. Rights and obligations between the depository and the custodian have been outlined in the custodian agreement	GDR holders are subject to comply with laws of the R.O.C and rights and obligations stated in the depository agreement. Rights and obligations between the depository and the custodian have been outlined in the custodian agreement
Market price per unit	2024 (Note 2)	Highest	US\$ 7.80	
		Lowest	US\$ 6.55	
		Average	US\$ 7.135	
	Year-to-date February 28, 2025 (Note 2)	Highest	US\$ 7.20	
		Lowest	US\$ 6.55	
		Average	US\$ 6.826	

Note 1: Unredeemed balances have been calculated up till February 28, 2025

Note 2: Information is sourced from Bloomberg.

VI.Employee Stock Warrants: None.

VII.Restricted Stock Awards: None.

VIII.M&A or Transfer of Shares of Other Financial Institutions:

1.CPA opinions on share swap ratios of financial institution M&A or transfer of shares in the last year:

The Company convened a board meeting on August 22, 2024, resolving to approve the merger with Taishin Financial Holding Co., Ltd. ("Taishin FH"). The merged entity will retain Taishin FH as the surviving company, renamed Taishin Shin Kong Financial Holding Co., Ltd. The Company and Taishin FH each held extraordinary shareholders' meetings on October 9, 2024, approving the merger agreement. The merger received official approval from the Financial Supervisory Commission (FSC) on March 31, 2025. As of now, Taishin FH continues to file the merger-related capital increase and new share issuance application with securities authorities in accordance with the prescribed timeline.

This transaction engaged BDO Taiwan, with CPA Shu-Cheng Chang issuing a "Fairness Opinion on the Share Exchange Ratio", stating:

"The management of Shin Kong Financial Holding Co., Ltd. (hereinafter 'SKFH') stated that SKFH and Taishin Financial Holding Co., Ltd. (hereinafter 'Taishin FH') possess complementary businesses, which will balance profit sources post-merger. The merger is expected to integrate resources, strengthen operational capabilities, achieve greater operational scale, enhance financial stability and capital adequacy, and improve resilience against future economic downturns or market volatility. Taishin FH will issue common shares and preferred shares as consideration for 100% of SKFH's common equity, resulting in SKFH's dissolution into Taishin FH." Pursuant to Article 18 of the Financial Holding Company Act, Article 12 of the Financial Institutions Merger Act, and Article 6 of the Business Mergers and Acquisitions Act, SKFH engaged this CPA to perform necessary valuation, analysis, and evaluation procedures regarding the value of the subject matter as of the valuation base date (September 6, 2024), and to opine on the reasonableness of the share exchange ratio (hereinafter referred to as "this Case"). This Case has been duly evaluated by this CPA. Formation and Conclusion of Value Reasonableness Opinion

This Case was conducted in accordance with the Valuation Standards Bulletins and valuation practices issued by the Financial Accounting Standards Foundation of the Republic of China. Relevant valuation information for this Case was obtained, and necessary analyses, calculations, and evaluations were performed regarding the valuation methods, parameters, fundamental assumptions, and value conclusions applied to the subject matter of this valuation.

This Case adhered to the Valuation Standards Bulletins, adopting market value as the valuation standard. Relevant financial information for this Case was acquired, and necessary analyses,

computations, and assessments were conducted on the valuation methods, parameters, fundamental assumptions, and value conclusions related to the subject matter's value and share exchange ratio.

After considering the operational status and per-share stock prices of SKFH and Taishin Financial Holding Co., Ltd. (TFH), and utilizing the value ranges derived from the aforementioned valuation techniques under the going concern premise, if TFH proposes to exchange each common share of SKFH for 0.175 preferred shares and 0.6270 to 0.6722 common shares of TFH, and given that this exchange ratio was formulated by SKFH to maximize shareholder interests, this CPA concludes that transactions within this exchange ratio range are reasonably justified based on the valuation results.

- 2.(1) Disclosure of information on the M&A or transfer of shares of other financial institutions in the most recent five fiscal years:

No such instances occurred between 2020 and 2023. For 2024, refer to the explanation in Section 8(1).

- (2) If the Company has issued new shares for the M&A or transfer of shares of another financial institution, the annual report shall include an evaluation opinion prepared by the managing underwriter: Not applicable.

3. Fundamental information of any financial institution that the board of directors had resolved to merge or acquire or transfer shares through new share issuance in the most recent financial year up till the publication date of this Annual Report, as well as the implementation status: None.

In addition, the implementation of undergoing M&A or transfer of shares of other financial institutions through issuance of common shares shall be disclosed, so is the impact on shareholders' equity: None.

IX. Capital Plan And Utilization

In 2022, issued new shares through cash capital increase to participate in the issuance of overseas depositary receipts and cash capital increase

1. Content of the plan:

(1) Approval date by the competent authority and approval documentation: Letter Jin-Guan-Zheng-Fa-Zi No. 1110335272 dated March 31, 2022.

(2) Total funds required for this plan: NT\$12,165,636 thousand.

(3) Sources of funds: In 2022, the Company handled the cash capital increase and issued new shares to participate in the issuance of overseas depositary receipts and cash capital increase, offered 1,277,039 thousand common shares at NT\$ 9.52 per share (the same below), and raised a total of NT\$12,165,636 thousand.

2. Current implementation:

(1) Scheduled plan progress:

Unit: NT\$ thousands

Plan items	Anticipated completion date	Total capital needed	Expected progress of capital utilization
			Second quarter of 2022
Reinvested in 100% owned subsidiary - Shin Kong Life Insurance	Second quarter of 2022	9,243,336	9,243,336
Reinvested in 100% owned subsidiary - Shin Kong Bank	Second quarter of 2022	2,922,300	2,922,300
Expected benefits of such capital utilization	1.Enrich the Company's eligible capital and increase the capital adequacy ratio (CAR) of the Financial Holding Group: If calculated on the basis of the group's capital adequacy ratio on December 31, 2021 and assuming other conditions remain unchanged, the CAR can increase by approximately 5.07%. 2.Reinvest in subsidiary Shin Kong Life Insurance to increase its Risk-Based Capital (RBC): If calculated on the basis of capital adequacy ratio on December 31, 2021 and assuming other conditions remain unchanged, the RBC of Shin Kong Life Insurance can increase by approximately 11.67 %. 3.Reinvest in the subsidiary Shin Kong Bank (SKB) to increase its Bank of International Settlement (BIS) capital adequacy ratio: If calculated on the basis of capital adequacy ratio on December 31, 2021 and assuming other conditions remain unchanged, the BIS of Shin Kong Bank can increase by approximately 0.45%. 4.SKL's pre-tax profits for 2022 will increase by NT\$85,501 thousand [(NT\$9,243,336 thousand * rate of return of 1.85%×0.5)], while that of SKB for 2022 will increase by NT\$13,150 thousand] NT\$2,922,300 thousand * rate of return of 0.90%×0.5].		

(2)Plan implementation status:

The Company completed its issuance of common shares through cash capital increase to participate in the issuance of depositary receipts and cash capital increase in 2022, completed the fund raising on April 22, 2022, raising NT\$12,165,636 thousand (the same below) in total, which was fully used to reinvest in the ordinary shares of the wholly owned subsidiary Shin Kong Life Insurance and Shin Kong Bank on June on June 27, 2022. Hence, the project was carried out well as scheduled. The implementation of the relevant capital utilization plan is as follows:

Plan items	Implementation status		Second quarter of 2022
Reinvested in 100% owned subsidiary -	Used amount (NT\$ thousands)	Expected	9,243,336
		Actual	9,243,336

Plan items	Implementation status		Second quarter of 2022
Shin Kong Life Insurance	Implementation Progress (%)	Expected	100
		Actual	100
Reinvested in 100% owned subsidiary - Shin Kong Bank	Used amount (NT\$ thousands)	Expected	2,922,300
		Actual	2,922,300
	Implementation Progress (%)	Expected	100
		Actual	100

(3)Evaluation of actual benefits generated

Item	Anticipated benefits	Actual benefits
Reinvested in 100% owned subsidiary - Shin Kong Life Insurance and Shin Kong Bank	1. Enrich the Company's eligible capital and increase the capital adequacy ratio (CAR) of the Financial Holding Group: If calculated on the basis of the group's capital adequacy ratio on December 31, 2021 and assuming other conditions remain unchanged, the CAR can increase by approximately 5.07%. 2. Reinvest in subsidiary Shin Kong Life Insurance to increase its Risk-Based Capital (RBC): If calculated on the basis of capital adequacy ratio on December 31, 2021 and assuming other conditions remain unchanged, the RBC of Shin Kong Life Insurance can increase by approximately 11.67 %. 3. Reinvest in the subsidiary Shin Kong Bank (SKB) to increase its Bank of International Settlement (BIS) capital adequacy ratio: If calculated on the basis of capital adequacy ratio on December 31, 2021 and assuming other conditions remain unchanged, the BIS of Shin Kong Bank can	1.SKFH's Capital Adequacy Ratio (CAR) on December 31, 2021 was 112.68%, and after the fund raising was completed, the indicator fell 5.14% to 107.54% on December 31, 2022. 2.The Risk-Based Capital (RBC) of the subsidiary Shin Kong Life Insurance on December 31, 2021 was 230.07%, and after the reinvestment was completed, the ratio fell 16.43% to 213.60% on December 31, 2022. 3.The Risk-Based Capital (BIS) of the subsidiary Shin Kong Bank on December 31, 2021 was 14.82%, and after the fundraising was completed, the BIS fell 0.44% to 14.38% on December 31, 2022. 4.The pre-tax net loss of Shin Kong Life Insurance fell by NT\$11,299,159 thousand from 2021 to NT\$4,139,359 thousand in 2022, while that of Shin Kong Bank grew by NT\$843,744 thousand from 2021 to NT\$8,292,830 thousand in 2022.

	increase by approximately 0.45%. 4. SKL's pre-tax profits for 2022 will increase by NT\$85,501 thousand [(NT\$9,243,336 thousand * rate of return of 1.85%×0.5)], while that of SKB for 2022 will increase by NT\$13,150 thousand [NT\$2,922,300 thousand * rate of return of 0.90%×0.5].	

(4) Reason for failing to achieve estimated profits, and impact on shareholders' equity

This reinvestment in Shin Kong Life Insurance is expected to increase its RBC by 11.67% but the indicator has actually decrease by 16.43% without considering the influence of market changes, laws and regulations. The main reason is that the interest rate increase in the United States and geopolitical influences such as the Russian-Ukrainian war have resulted in the great fluctuation of stock and bond markets, the decrease in capital gains and the increase in real estate evaluation losses. In addition, the expected credit loss reserves were accrued for the emerging markets and Russian debts, which has caused made Shin Kong Life Insurance to suffer a pre-tax net loss and resulted in a decrease in shareholders' equities. Moreover, the regulators specify that the C3 interest rate risk of the RBC should be increased year by year (0.6 in 2021 and 0.8 in 2022) to accelerate the compliance with the ICS, which has greatly increased the risk assets and reduced the RBC.

Shin Kong Life Insurance was formerly expected to increase the pre-tax profit by NT\$85,501 thousand in 2022 based on the annual rate of returns at 1.85%. However, Shin Kong Life Insurance presented a pre-tax net loss of NT\$4,139,359 thousand in 2022. The main reason is that the interest rate increase in the United States and geopolitical influences such as the Russian-Ukrainian war have resulted in the great fluctuation of stock and bond markets, the decrease in capital gains and the increase in real estate evaluation losses. In addition, the expected credit loss reserves were accrued for the emerging markets and Russian debts.

This reinvestment in Shin Kong Bank was originally expected to increase its BIS by 0.45%, but has actually reduced the indicator by 0.44%. This is principally attributable to the interest rate hikes in Taiwan and the United States, the increase in bond yields and the increase in the loss of debt instruments measured at fair value through other comprehensive gains and losses under the shareholders' equity, which has led to the decrease in shareholders' equity and the decrease in BIS.

Shin Kong Bank was originally expected to increase its pre-tax profit by NT\$13,150 thousand in 2022 based on the annual rate of return at 0.90%. In 2022, due to the interest

rate hikes by the central banks of the United States and Taiwan, the deposit spread rose. Moreover, Shin Kong Bank recorded good credit asset quality and reduced the bad debt reserve, so the pre-tax profit in 2022 rose by NT\$843,744 thousand.

Overall, the Company has completed the plan to conduct the cash capital increase, participate in the issuance of overseas depository receipts and cash capital increase by NT\$12,165,636, reinvest all the proceeds in the subsidiaries Shin Kong Life Insurance and Shin Kong Bank to increase the capital adequacy ratios of the Company and subsidiaries as scheduled. However, in 2022, the interest rate hikes by the national governments in response to the sharp inflation rise as a result of the Russia-Ukraine war and other geopolitical risk factors led to broader fluctuation of stock and bonds markets and reduced the capital gains. Moreover, the Company accrued the expected credit loss reserve against Russian bonds. As a result, the Company failed to achieve the overall expected pre-tax profit in 2022, and thus failed to meet the capital adequacy ratios of the Company and subsidiaries. However, the Company has completed the fund raising project as scheduled in order to enhance its own capital and strengthen its financial structure. The Company has failed to achieve the expected benefits due to the above factors, which has affected shareholders' equities, but the Company will pay more attention to the asset and liability risk control, pay close attention to the development of the global capital market and take necessary risk avoidance measures. It is reasonable to take measures after evaluation.

Issuance of the 6th domestic unsecured convertible corporate bond in 2023

1.Content of the plan:

- (1) Approval date by the competent authority and approval documentation: Letter Jin-Guan-Zheng-Fa-Zi No. 1120338941 dated April 26, 2023.
- (2) Total funds required for this plan: NT\$4,999,300 thousand.
- (3) Sources of funds: 49,993 lots of the 6th domestic unsecured convertible corporate bond, issued at a face value of NT\$100,000 each with 0% coupon rate over a period of 5 years for a sum of NT\$4,999,300 thousand. Any shortfall after the corporate bond issue will be met with bank loans or other means of financing.

2.Current implementation:

(1)Scheduled plan progress:

Unit: NT\$ thousands

Plan items	Anticipated completion date	Total capital needed	Expected progress of capital utilization
			Fourth quarter of 2023
Repaid the 5th domestic unsecured convertible corporate bond	Fourth quarter of 2023	4,999,300	4,999,300

Expected benefits of such capital utilization	1. The purpose for raising capital was to repay the 5th domestic unsecured convertible corporate bond issue upon maturity. 2. The 6th domestic unsecured corporate bond was issued with a coupon rate of 0%; using the current medium-term bank borrowing rate of 2%, this corporate bond issue was estimated to save NT\$3,835 thousand in interest expenses in 2023, and NT\$99,986 thousand yearly from 2024 onwards.

(2) Plan implementation status:

Issuance of the Company's 6th (2023) domestic unsecured convertible corporate bond was completed on May 12, 2023. The entirety of the NT\$4,999,300 thousand raised from bond issuance was used to repay the 5th domestic unsecured convertible corporate bond in 2023 Q4, hence the use of capital was considered to have been completed according to plan. Implementation of the capital plan is explained as follows:

Plan items	Implementation status		Fourth quarter of 2023
Repaid the 5th domestic unsecured convertible corporate bond	Used amount (NT\$ thousands)	Expected	4,999,300
		Actual	4,999,300
	Implementation Progress (%)	Expected	100
		Actual	100

(3) Evaluation of actual benefits generated

Item	Anticipated benefits	Actual benefits
Repaid the 5th domestic unsecured convertible corporate bond	1. The purpose for raising capital was to repay the 5th domestic unsecured convertible corporate bond issue upon maturity. 2. The 6th domestic unsecured corporate bond was issued with a coupon rate of 0%; using the current medium-term bank borrowing rate of 2%, this corporate bond issue was estimated to save NT\$3,835 thousand in interest expenses in 2023, and NT\$99,986 thousand yearly from 2024 onwards.	1. The Company repaid the 5th domestic unsecured convertible corporate bond using the newly raised capital as it matured in 2023 Q4. 2. Interest expenses totaled NT\$223,893 thousand in 2023, up NT\$70,285 thousand from 2022.

(4) Reason for failing to achieve the expected benefits, and impact on shareholders' equity

Capital raised from the 6th domestic unsecured convertible corporate bond issue in 2023 was used to repay the 5th domestic unsecured convertible corporate bond. Interest expenses for 2023 totaled NT\$223,893 thousand, which was NT\$70,285 thousand higher compared to 2022 and fell short of the NT\$3,835 thousand saving that the Company had initially expected; this was mainly due to the Central Bank having raised interest rate by 0.125% in 2023 Q1. Nevertheless, the convertible corporate bond still makes a favorable source of long-term capital considering its 0% coupon rate and immunity against future rate

hikes and funding risks.

Overall, this issue of convertible corporate bonds was used to repay the 5th domestic unsecured convertible corporate bond, and has been completed according to schedule without actual cash outlay. As per evaluation, this measure was deemed appropriate for the given purpose.

Chapter4.Business Overview

I. Business Overview

SKFH

(I) Scope of Business:

1. Main business:

The Company's businesses fall under H801011 Financial Holding Companies.

SKFH's business scope includes the following:

(1) Invest in businesses permitted by the Financial Holding Company Act.

(2) Management of the invested business in the preceding paragraph.

The Company specializes in investment. As such, the total amount of investment in other businesses is not subject to the limit of 40% of the paid-in capital stipulated in Article 13 of the Company Act.

2. Weight of business activities

Annual revenues		2024(Audited Amount)	
		Amount (NT\$ thousands)	Percentage (%)(Note)
Investment gains recognized using the equity method	Shin Kong Life Insurance Co., Ltd.	10,111,107	48.12%
	Taiwan Shin Kong Commercial Bank Co., Ltd.	7,204,225	34.28%
	Shin Kong Investment Trust Co., Ltd.	96,917	0.46%
	Shin Kong Venture Capital International Co., Ltd.	115,476	0.55%
	Shin Kong Property Insurance Agency Co., Ltd.	87,146	0.41%
	MasterLink Securities Corp.	3,398,985	16.17%
	Subtotal	21,013,856	100.00%
Other gains		229,943	
Other expenses and losses		-932,388	
Total		20,311,411	

3. New products and services planned for the future

The main business of the Company is investment and management of investees. For information of the development of new financial products and services, please refer to the following parts of the subsidiaries.

(II) Business Plans for the Current Year:

In 2025, Shin Kong Financial Holding adopts "Unite and Move Forward, Co-Create a New Chapter" as its annual strategic theme. Upholding prudent management principles, the Company aims to enhance operational performance across the financial holding group and subsidiaries, strengthen capital utilization efficiency and risk management mechanisms. The

following business plan outlines the operational strategies and expected goals:

1. Enhance High-Value and New Business Revenue Streams to Boost Profitability and Strengthen Capital Adequacy

- (1) Shin Kong Financial Holding's core business focuses on effectively managing and guiding subsidiaries' strategic development, improving operational performance and capital efficiency to increase overall profitability and strengthen capital adequacy. Simultaneously, the Company will assist subsidiaries in developing high-value and innovative revenue streams, expand the asset scale of banking and securities subsidiaries, and guide the life insurance subsidiary in aligning with IFRS17 and TW-ICS standards. This will broaden and deepen business scale while optimizing subsidiaries' asset structures.
- (2) Shin Kong Life Insurance will continue prioritizing value-driven products, promoting protection-type policies, foreign currency products, and investment-linked offerings to accumulate Contractual Service Margin (CSM) and reduce liability costs. It will strengthen risk controls and foreign exchange hedging cost management, optimize asset allocation, expand organizational scale to boost productivity, and enhance capital adequacy by increasing equity capital and reducing risk-weighted assets, ensuring alignment with international standards.
- (3) Shin Kong Bank will actively advance core businesses under improved capital efficiency, aiming for sustained loan portfolio growth to stabilize interest income. Concurrently, it will optimize deposit structures to lower funding costs while maintaining liquidity, enhance non-interest income through cross-selling synergies within the bank and group, dynamically adjust investment portfolios to boost financial market returns, and increase fee-based revenue.
- (4) MasterLink Securities will strengthen client service capabilities to build a "warm service" brand, diversify revenue streams to elevate service income, optimize digital engagement models to foster brand loyalty, refine portfolio strategies to ensure stable returns, enhance investment efficiency to expand profit contributions, and emphasize compliance and sustainable development opportunities.

2. Deepen Cross-Selling Synergies

- (1) Strengthen Bancassurance Sales Momentum to Drive Growth in Value-Driven Products
The Company will continue to enhance bancassurance sales momentum and increase the share of value-driven products. To meet customers' protection needs at different life stages, data mining will be utilized to segment clients and identify insurance demands. Tailored protection plans will be provided for key customer groups such as young

professionals, the sandwich generation (family breadwinners), pre-retirees, and elderly retirees, addressing their life-stage insurance requirements.

(2) Continuously Optimize Cross-Selling Processes with Digital Technology to Elevate Customer Financial Experience

Digital technology will be leveraged to continuously refine cross-selling product and service processes, improving customer experience, service efficiency, and satisfaction. This aims to enhance operational efficiency and scalability of shared customer bases across subsidiaries.

(3) Deepen Corporate Finance Operational Efficiency to Boost Client Engagement and Contribution

By consolidating subsidiaries' corporate products and channel resources, customized corporate financial products and services will be developed based on clients' financial planning, operational management, and funding needs. One-stop solutions will be offered to deepen corporate client engagement and strengthen the financial holding group's overall contribution.

3. Enhance Digital Revenue and Strengthen Digital Efficiency

(1) Customer-Centric Digital Transformation Strategy

Guided by a customer-centric philosophy, the group will actively integrate digital channel resources, leverage OMO (Online merge Offline/Offline merge Online) collaboration between physical and digital touchpoints, and enhance cross-company customer management and traffic synergies. The convenience of self-service platforms will be continuously improved, while AI (Artificial Intelligence) technologies will be integrated to build innovative business models, striving to become the most trusted digital financial brand for customers.

(2) Integrate Digital Technology to Build Innovative Operational Models

Guided by a customer-centric philosophy, the group will actively integrate digital channel resources, leverage OMO (Online merge Offline/Offline merge Online) collaboration between physical and digital touchpoints, and enhance cross-company customer management and traffic synergies. The convenience of self-service platforms will be continuously improved, while AI (Artificial Intelligence) technologies will be integrated to build innovative business models, striving to become the most trusted digital financial brand for customers.

(3) Empower Employees to Drive Group-Wide Transformation

By collaborating with industry, government, and academic ecosystem partners, the group will accelerate enterprise-wide transformation. It will deepen digital talent development programs through AI-focused educational training series and AI hands-on workshops,

cultivating employees as "AI Enablers" to enhance technical skills, promote AI literacy, and strengthen the group's overall digital resilience.

4. Strengthen Corporate Governance, Align with International Disclosure Standards, and Enhance ESG Risk Management and Transparency

- (1) Shin Kong Financial Holding will continue refining its corporate governance framework, aiming to improve its governance rankings. In addition to strengthening compliance, internal controls, and audit effectiveness, the company prioritizes fair customer treatment principles. Through policy formulation and execution, it will embed fair customer practices into operations, fostering a friendly financial environment to enhance brand trust and support sustainable business practices.
- (2) In 2025, Shin Kong Financial Holding aims to maintain its inclusion in the Dow Jones Sustainability Indices (DJSI) World Index. Aligned with the "Taiwan Roadmap for Adopting IFRS Sustainability Disclosure Standards" issued by regulators in 2023, the company has established a "Sustainability Disclosure Standards Implementation Task Force" and is progressively implementing IFRS Sustainability Disclosure Standards (S1&S2) based on regulatory guidelines. Furthermore, as governments and investors increasingly emphasize ESG risk disclosure and management, Shin Kong Financial Holding will continue advancing climate risk management while expanding its focus to sustainability issues such as biodiversity and human rights, analyzing their linkages to financial performance.

(III) Industry overview

At present, there are a total of 15 financial holding companies in Taiwan, and most of which are centered on banking, insurance and securities services. Over-crowding and homogeneity of financial institutions have significantly increased competition within the financial industry. In terms of profitability, the geopolitical risks persist, but the easing of inflation has led major countries worldwide to successively initiate interest rate cut cycles, which will help stabilize the financial market and achieve steady growth in profits. In addition, due to the stricter local and international regulations and standards regarding money-laundering prevention and control, counter terrorism financing, personal data protection, Foreign Account Tax Compliance Act (FATCA), and Common Reporting Standard (CRS), financial institutions need to continuously improve information security and compliance with laws and regulations.

Financial industry in Taiwan will face many challenges in the future, e.g., the insurance industry has to prepare to adopt international standards such as international accounting standards (IFRS17) and the new generation solvency regime (TW-ICS); the competent

authority emphasizes risk and behavior management, demands implementation of the principle of treating customers fairly, and strengthens its supervision efficiency to improve the resilience of the financial industry. In addition, requirements will continue to raise from the universal values of environmental, social, and governance (ESG), allowing the financial industry to put green transformation into action. The financial industry must integrate innovative and digital finance to provide customers with quality products and service experience, and implement risk management and ESG to create sustainable values.

(IV) Research and development:

SKFH and its subsidiaries are constantly committed to upgrading information systems and developing new financial products in order to adapt to the rapid changes in local and foreign financial markets, while at the same time enhance our market competitiveness, service quality and maximize shareholder value. In the future, SKFH will continue exploring new business plans under rigorous risk management and aim to improve performance of the financial group as a whole.

1. Research and Development Expenses and Results in the Past Two Years

(1) Research and Development Expenses in the Past Two Years

Unit: NTD thousands

Year	2023	2024	2025 (estimated)
Amount	697,653	298,130	232,510

(2) Research and Development Results in the Past Two Years

A. Shin Kong Life Insurance (SKL)

a. Shin Kong Life Insurance (hereinafter referred to as "the Company") has long taken "Digital-driven Transformation" as its core strategic goal:

- The Company actively implements digital insurance services. In 2024, the Company was the first to obtain approval from the Financial Supervisory Commission to pilot the "Group Batch Payment for Travel Insurance Policies" business. When customers intend to be insured with Travel Insurance, they only need to log in to the exclusive website "Shin Kong e-Travel" and pass the identity information verification and mobile identity recognition service (Mobile ID) authentication, which will be deemed as a personal signature, completing the insurance application. After the service launch in December 2024, it is expected to address the pain points of personal signatures for policy applications for many group tours, streamlining cumbersome processes and reducing paper waste. In

addition to practicing the concept of treating customers fairly, this service also contributes to environmental sustainability.

- The Company has long been committed to digital innovation, continuously enhancing user experience to meet customers' diverse service needs. Guided by the "Mobile First" concept, the Company has optimized the UI/UX user interface of the member area and became the first insurance company in the industry to adopt NFC (Near Field Communication) sensing technology, enabling customers to effortlessly complete identity verification and access multiple services via their smartphones, ensuring secure customer transactions. In addition, voice guidance for graphic verification codes has been added for the elderly. And to accommodate the keyboard operation habits of the visually impaired, the keyboard TAB key plus the ENTER key is used instead of manual clicks to log in. After the service launch, it is estimated to benefit over 600,000 users annually. Furthermore, it was awarded the "Excellence in Digital Banking" in the "Excellence Insurance Evaluation" in 2024, demonstrating that the Company has been highly recognized by the public, specialists and scholars in the development of digital finance, innovative services and social common goodness.
- The Company uses big data and artificial intelligence (AI) to continuously invest in data analysis, utilize AI strategy methods and data model architecture, and build risk assessment models. It has successively developed insurance policy claim risk systems, underwritten risk prediction model systems and intelligent customer service to improve service efficiency, protect policyholders' rights and interests, and implement the principle of treating customers fairly. In addition, in order to diversify the training for sales representatives, the Company has introduced several industry-first AI application scenarios as auxiliary training courses, such as creating a highly efficient immersive learning environment and developing an "AI Virtual Trainer" for intelligent practices. Through the in-house generative AI model, various customer profiles are randomly generated, and random insurance awareness is given to train sales representatives to deal with various customer needs and problems and enhance their professional capabilities.
- Policy Health Diagnosis is the most critical first step in insurance services. To enhance service efficiency, the Company has introduced the "Intelligent Policy Health Diagnosis System," which utilizes Optical Character Recognition (OCR) and Natural Language Processing (NLP) technologies to replace manual filing

operations. By leveraging artificial intelligence to analyze and consolidate coverage details of existing policies, the system is able to complete the policy health diagnosis within minutes, significantly boosting sales representatives' service efficiency. In addition, the system features a redesigned intuitive and user-friendly interface with seamless synchronization across smartphones, tablets, and computers, earning widespread customer acclaim. In 2024, the Company won "Service and Solution" in the IIA International Innovation Awards by the Asian Business Association, which further solidifies its industry recognition.

b. Shin Kong Life Insurance (hereinafter referred to as "the Company") implements the corporate vision of claims experience inheritance and technological innovation trends, and is committed to treating customers fairly and safeguarding customers' rights and interests:

- The Company has continuously optimized the claim settlement process. In 2020, the mobile e-claims application service was launched and by July 2023, its adoption rate had already exceeded 80%. In 2021, the Company joined the Life Insurance Association's Claims Alliance Chain and Insurance Claims Medical Pass, while providing mobile identity recognition service (Mobile ID) technology to streamline claims application procedures through online digital identity verification. In 2022, the Company became the first private institution in the industry to connect with the National Development Council's MyData platform. This allows customers applying for digital claims services directly online by operating MyData, further enhancing claims convenience. By 2024, the Company has fully introduced artificial intelligence (AI) technologies to speed up claim service node processing, including "ID OCR image recognition for mobile claims applications" and the introduction of the "Claims Business Process Management (BPM) System". And the Company has been honored with the "Excellence in Claims Services" in the "Excellence Insurance Evaluation" for two consecutive years, achieving remarkable results.
- In response to the Financial Supervisory Commission's "Fraud and Financial Crime Prevention" fintech themed promotion event, the Company jointly exhibited the "Life Insurance Claims Pattern Sharing Ecosystem" with its financial holding parent company at the "2024 Fintech Taipei" to share the empirical results. This achievement primarily introduced synthetic data technology from the National Institute of Cyber Security to implement the

"Application Promotion Program for the Privacy Enhancing Technologies". With the assistance of AWS and third-party cloud technologies, and through parameter weight exchange of claims patterns with the partner Taiwan Life Insurance, the Company aims to incorporate more life insurance fraud patterns. The effectiveness of AI application models in claims is expected to be enhanced, misjudgments and omissions in claims reduced by sharing claims patterns. In the future, the Company will invite peers in the life insurance industry to establish a joint risk prevention mechanism, working together to prevent insurance fraud and financial crimes, safeguard customers' rights and interests, and build a more comprehensive insurance ecosystem.

- Since the launch of the mobile claims service in 2019, the Company has continuously improved the claims service. In 2023, the Company further introduced the ID Optical Character Recognition (OCR) technology. By taking photos of (scanning) the IDs provided by policyholders themselves, the OCR image recognition technology will automatically populate the corresponding fields with the extracted text, replacing manual filing and significantly reducing the processing time. Notably, the ID files are not retained in the system, ensuring complete protection of policyholders' personal information.
- The Company has been continuously introducing the Business Process Management (BPM) construction projects. In 2020, the first stage of new contract introduction was completed, and in 2024, the second stage of the contract change and claims settlement introduction was completed. This not only shortened the automation time but also flexibly supported different departments to balance workloads, accurately, rapidly, and timely corrected procedures, and increased satisfaction from employees, organizations and customers involved in the process.

B. Shin Kong Bank (SKB)

- a. The first stage of the bank-wide agency platform (core separation from comprehensive collection operations): the comprehensive collection-related operations and clearing businesses were upgraded to automated processes to improve efficiency and data accuracy, and separate some functions from the core to maintain system stability.
- b. Taipei Agricultural Products Marketing Corporation Deposit Machine Project: the bank's standardized deposit machine module was established to assist business units in rapidly promoting deposit machine services, reducing customers' manual

cash-processing efforts.

- c. Hong Kong Branch Wealth Management System: the wealth management business functions and account control mechanisms for the Hong Kong Branch were enhanced, while internal controls and compliance management tailored to customer profiles were implemented, which enables real-time monitoring of customer asset status, improving service quality.
- d. The second stage of the financial transaction integration platform: the real-time position control of options was established to improve product information of the financial transaction integration platform. An Internal Deal system mechanism has been established, which has improved the current manual margin recording mechanism, completed the internal transaction function, and enhanced the performance management efficiency.
- e. Proprietary Bond Front Office Trading System: the trading volume was increased while the manual processing time and operational risks were reduced.
- f. Eagle Eye Fraud Detection Alliance Project: AI is used to build an Eagle Eye model with dozens of dynamic transaction risk parameters to enhance the efficiency and accuracy of identifying suspicious accounts, and the ability to identify and prevent fraud is improved, and interception results are increased.
- g. Migration of ATMP system to R6 platform: database was upgraded simultaneously, shortening transaction time and improving inter-bank system performance.
- h. A new mobile banking function "Wealth Investment Account Opening" added for MasterLink Securities: Customers can bind securities delivery accounts through the mobile banking, and the securities order placement rate is increased, and the number of common customers of the group and the number of group products held are effectively expanded.
- i. Credit card related systems:
 - Mobile banking and credit card APP integration project: the mobile banking added a dedicated "Credit Card" area to solve the problem of scattered APP resources, reduce APP operating costs, provide a one-stop service, and optimize customer experience.
 - Real-time recommendation engine: providing a friendly and intuitive interface to facilitate credit card product personnel to conduct customer analysis independently, quickly understand customer status, adjust marketing strategies or reduce card maintenance costs.
- j. The second stage of the branch network architecture upgrade project: solving the

information security issues arising from the outdated version of the branch network equipment that cannot be updated, and complying with the requirements of the financial inspection. The backup architecture for branch network equipment has been completed, strengthening the resilience of the branch network, reducing the risk of failure of a single branch network equipment, and enhancing the service quality of the branch. Network management operations and human resource utilization have been effectively simplified through centralized management, standardized policy settings, and automated branch network policy deployment.

- k. Three-year Firewall Replacement Plan: complying with the requirements of the financial inspection and improving the firewall's ability to handle connections and bandwidth.
- l. Core Application System Version Control Tool Replacement Project: establishing source code version control and monitoring mechanisms for core systems, version change approval procedures, and online delivery procedures and monitoring mechanism for version change programs, to improve the reliability of system maintenance and operation.
- m. Account Lifecycle Management System, Password Management System, and Source Code Scanning System Upgrade Project: Establishing a complete information governance and control mechanism as well as standardized operation procedures, to enhance regulatory compliance and reduce information operation risks.

C. MasterLink Securities

- a. MasterLink Securities - Wealth Investment APP added new products and services
 - In order to expand the APP's trading products and customer base, a new UI/UX was used to design the "domestic futures and options" trading order and accounting functions, providing a one-stop shopping for full-commodity trading platform, improving the mobile trading experience, and increasing customer stickiness and trading volume.
 - Launching the "Depositing Makes Wealth Platform" with special stock deposit functions: the auto-investment adjustment, Shareholders' Meeting souvenirs, ESG evaluation of stock deposit targets and personalized stock selection, etc. provide customers with more diverse stock deposit setting functions and target screening tools, so as to attract more stock deposit customers to join, create market topics and attract attention, and facilitate the petty bourgeoisie to plan and place orders for stock deposits.

b. MasterLink Securities - Online Account Opening - Business services and paperless account opening contracts added

- The online account opening function has been continuously expanded and the account opening processes for multiple businesses have been integrated. Accounts for securities, re-entrustment, wealth management, and futures (domestic and international) can be simultaneously opened, facilitating customers to complete the application for multiple business account openings at the same time. The Shin Kong Bank foreign currency account for delivery has been added as a choice when customers open accounts for the re-entrustment business. An optional sub-account has also been added to enhance the convenience of online account expansion.
- In response to corporate sustainability ESG, a paperless archiving process for online account opening contracts has been established, which not only reduced paper printing costs, but also saved space for storing paper materials.

c. MasterLink Securities OTC CBAS Online Trading Service

Digital services for OTC customers to expand the target customer base for CBAS business, providing CBAS products and services to young customers who prefer electronic transactions and the petty bourgeoisie. The demand for manpower due to new services is reduced with the help of the system to automate the transaction process, and the commission income and interest income of the CBAS business are increased.

d. MasterLink Securities - Rapid trading system platform expansion service

- K WAY 3.0 trading system: In order to enhance competitiveness in high-frequency trading markets and improve transaction speed, the latest generation of intel i9-14 overclocked host has been introduced, and the service capacity and reporting system dual-host backup are expanded to reduce the risk of reporting interruption. The overall benefit is that the processing time within the host is improved by 12%, a 10:3 ratio is achieved in terms of the number of price-triggered orders, and the customers are satisfied with the actual results compared with peers.
- Construction of rapid trading network in Banqiao District by Chunghwa Telecom: Establishing a dual-backup host and network architecture design to create a fast and secure trading server room environment.

e. The RPA project completed 11 process automation operations

- 8 settlement services: developed in conjunction with paperless operations,

including the consolidation of foreign exchange declaration information for European and American stocks, the consolidation of foreign exchange declaration information for Asian stocks, the summary and verification of proprietary account statements, the verification of emerging market funds, basic information verification of call warrants, the verification of delivery funds, the verification of ex-rights and ex-dividends, and the verification of subscription and auction funds.

- 3 investment and consulting services: preparation of notices on the disposal of custodian bank's stocks and securities for discretionary accounts, mailing of notices on the disposal of custodian bank's stocks and securities for discretionary accounts, and automated verification of discretionary account inventory transactions.

f. Information infrastructure construction

- To build off-site backup for core systems and meet the standards for continuous operation and management of information security, MasterLink Securities has invested in two server rooms in Banqiao and The Great Taipei Gas Corporation to complete the construction of off-site backup services for core systems such as the electronic trading platform core system, mobile expert system, re-entrustment system, and Solace system, ensuring the continuous operation of the Company's system and safeguarding the rights and interests of customers in stable and secure transactions.
- Expanding the VM host group equipment at the Banqiao server room and replacing the VM equipment at Dunnan can save room space and improve the resource utilization rate. In addition, the STORGE equipment in Banqiao and The Great Taipei Gas Corporation server rooms can be flexibly set to meet new or temporary needs, and the complete snapshot of the virtual machine is helpful to quickly restore the system when it is abnormal.
- Replacing old transaction accounting systems and network hardware equipment with new ones
- Due to the EOS status of the hardware equipment and operating systems, the replacement has been gradually completed this year; trading and accounting hosts for the securities proprietary trading Tandem Non-Stop, the AS400 host of the service agency, the wealth management APP host, the mobile expert APP host, TWCA certificate host, the wealth management operations host, the brokerage operations host, the bond and financial operations host, the DMZ

zone switches at The Great Taipei Gas Corporation server room, Banqiao VIP trading firewall, and the testing zone firewall at The Great Taipei Gas Corporation remained stable during the system replacement and provided smooth service transfer. After completion, it not only meets the information and communication security management requirements, but also greatly improves system performance and improves customer service satisfaction.

● Information Security Management

- In order to prevent unauthorized access and corporate data leakage, and to protect data assets and ensure the continuity of business operations, MasterLink Securities has introduced a complete Web page and program change detection mechanism. It strengthened the defense capabilities against Advanced Persistent Threat (APT), expanded external service DDoS protection, and used the security information and event management (SIEM) system to conduct real-time monitoring and detect potential security threats, which provides information security personnel with detailed event records and analysis reports to maintain full control over information security. At the same time, the ISO22301 international business continuity management mechanism has been introduced to enable the organization to quickly restore key business operations when faced with disasters or emergencies, reduce the impact of business interruptions, and enhance the trust of customers and partners.

D. Shin Kong Investment Trust (SKIT)

- a. SKIT completed the technology transfer of core system manufacturers.
- b. SKIT - Account opening ID verification and authorization
- c. SKIT completed the introduction of Solarwinds information environmental monitoring system.
- d. SKIT completed the import of PAM privilege management system.
- e. SKIT completed the construction of electronic order placement system for overseas stocks traded through the Bloomberg FIX network.
- f. SKIT established an official account of Line@ to provide real-time investment information for Line users.
- g. SKIT completed the import of web application firewall (WAF).
- h. SKIT completed the introduction of endpoint detection and response (EDR) for PC terminals.
- i. SKIT completed the construction of investment/trade assistance system.
- j. SKIT created an FB fan club to share investment information and interact with users.
- k. SKIT completed the introduction of the Web page anti-tampering system.

I. SKIT launched dual-interest cycle trading products.

2. Future R&D Plans and Progress

Unit: NTD thousands

Future Research and Development Plans and Progress	Current progress	Estimated expense	Estimated completion time	Key factors affecting the success of future R&D
SKL-Reconstruction of off-site backup center	Ongoing	91,090	July 2025	Outline of system functionality and project goals.
SKL - Renewal of conventional product recommendation form	Ongoing	1,350	September 2025	Clear requirements, business support, and complete and accurate tests.
SKL - E Insurance Identity Identification and Remote Insurance Project	Internal assessment	9,130	November 2025	Selection of technology and assessing users' adaptability towards new technologies and applications
SKL- Data middleware construction project	Internal assessment	7,800	December 2025	Clear requirements, sales support, and clear project objectives.
SKL- APIM management platform construction project	Internal assessment	4,900	December 2025	Clear requirements, sales support, and clear project objectives.
SKL- Speech recognition model for the elderly	Internal assessment	3,000	April 2026	Clear requirements, business support, and complete and accurate tests.
SKL - IFRS 17 adjustment	Ongoing	49,250 Entire project	April 2026	Outline of system functionality, clarity of project goal, and change of project members. Note: The expected completion time will be adjusted in a rolling manner in line with the transition schedule of the

Future Research and Development Plans and Progress	Current progress	Estimated expense	Estimated completion time	Key factors affecting the success of future R&D
				Insurance Bureau.
SKL- Data warehouse and independent analysis area construction project	Internal assessment	8,598	April 2026	Clear requirements, sales support, and clear project objectives.
SKL- Replacement of core BOE reporting system	Internal assessment	27,200	April 2026	Clear requirements, business support, and complete and accurate tests.
SKL - Establishment of a marketing and sales reform system	Ongoing	homemade	Continue	Clear requirements, sales support, and clear project objectives.
SKL - Robotic Administrative Process Automation (RPA related applications)	Ongoing	homemade	Continue	Process transformation and optimal utilization of resources.
SKB - Core system upgrade	Ongoing	179,000	December 2028	Clear requirements, business support, and complete and accurate tests.
SKB- Branch system improvement project	Planning in progress	22,300	December 2027	Clear requirements, business support, and complete and accurate tests.
SKB- Enhancements for wealth management business marketing related systems	Planning in progress	9,500	December 2025	Clear requirements, business support, and complete and accurate tests.
SKB- Acquiring system upgrade project	Planning in progress	7,844	December 2025	Clear requirements, business support, and complete and accurate

Future Research and Development Plans and Progress	Current progress	Estimated expense	Estimated completion time	Key factors affecting the success of future R&D
				tests.
SKB- Enhancements for image service platform systems	Planning in progress	7,300	December 2026	Clear requirements, business support, and complete and accurate tests.
SKB- Enhancements for credit card systems	Planning in progress	6,650	December 2025	Clear requirements, business support, and complete and accurate tests.
SKB- Enhancements for the GEB system	Planning in progress	5,000	December 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Online Account Opening - Establishment of account expansion functions	Internal assessment	5,500	December 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Cloud Accounting Center - Non-transactional function expansion	Internal assessment	1,800	May 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Advanced Persistent Threat (APT) defense establishment at The Great Taipei Gas Corporation server room	Internal assessment	3,200	June 2025	Replacement and construction of information infrastructure equipment
MasterLink Securities - EOS upgrade project for	Internal assessment	1500	June 2025	Clear requirements, business support, and

Future Research and Development Plans and Progress	Current progress	Estimated expense	Estimated completion time	Key factors affecting the success of future R&D
Certificate e-Steward				complete and accurate tests.
MasterLink Securities - Introduction of Multi-Factor Authentication Servers	Internal assessment	1,188	July 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Establishment of external DDoS defense equipment at The Great Taipei Gas Corporation server room	Internal assessment	2,400	August 2025	Replacement and construction of information infrastructure equipment
MasterLink Securities - EOS upgrade project for the Microsoft operating system Windows 10 (securities budget)	Internal assessment	18,332	August 2025	Replacement and construction of information infrastructure equipment
MasterLink Securities - Upgrade implementation project for the online account opening system "OCR image recognition"	Internal assessment	5,000	September 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Addition of new technical indicator settings for the auto-	Internal assessment	1,500	September 2025	Clear requirements, business support, and complete and accurate tests.

Future Research and Development Plans and Progress	Current progress	Estimated expense	Estimated completion time	Key factors affecting the success of future R&D
investment adjustment in the "Depositing Makes Wealth Platform"				
MasterLink Securities - Replacement of 5 hosts for the mobile expert APP	Internal assessment	1,490	October 2025	Replacement and construction of information infrastructure equipment
MasterLink Securities - Introduction of paperless process for "e-Counter" online signing of documents	Internal assessment	1,500	November 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Replacement of network equipment and EoS equipment	Internal assessment	7,334	November 2025	Replacement and construction of information infrastructure equipment
MasterLink Securities - Host replacement for "Fast Winner"	Internal assessment	7,200	December 2025	Replacement and construction of information infrastructure equipment
MasterLink Securities - Function expansion for MasterLink Securities' Wealth Investment APP	Internal assessment	1,900	December 2025	Clear requirements, business support, and complete and accurate tests.
MasterLink Securities - Function expansion for New Global Tycoon real-time position stop-	Internal assessment	1,000	December 2025	Clear requirements, business support, and complete and accurate tests.

Future Research and Development Plans and Progress	Current progress	Estimated expense	Estimated completion time	Key factors affecting the success of future R&D
loss/take-profit & flash order				
MasterLink Securities - Expansion procurement for the security information and event management (SIEM)	Internal assessment	3,000	February 2026	Replacement and construction of information infrastructure equipment
SKIT - Introduction of the information asset management system	Ongoing	625	June 2025	Strengthening of information asset management.
SKIT - Mobile device management system	Ongoing	900	June 2025	Strengthening of the mobile workforce management mechanism.
SKIT - Construction of an electronic form system	Ongoing	600	December 2024	A clear users' need for procedure planning and improvement.

(V)Long and short-term business plans

1. Short-term plan

Outlined its strategic focus on “unity and progress to create a new situation”, SKFH will uphold the principle of robust operation to improve the operating performance of SKFH and its subsidiaries, enhance capital utilization efficiency and the risk management mechanism, and devise the plans shown below as operation guidelines:

- (1) Explore high value-adding and new profit sources for improved profitability and capital adequacy
- (2) Maximize cross-selling synergy
- (3) Increase revenues from digital services with enhanced digital capacity
- (4) Implement corporate governance, respond to international disclosure standards, and continuously improve ESG risk management and information disclosure

2. Long-term Plan

Besides pursuing profit stability, creating synergies, and developing innovative products, SKFH will also aim to develop digital banking solutions and exert sustainable influence in a way that aligns with its sustainability philosophy in the future. Medium to long-term development strategy will remain focused on progress in the following six directions. At the same time, it will develop specific operational plans to build up a foundation for sustainable operations:

- (1) Explore high value-adding and new profit sources
- (2) Expand business size and optimize asset structure across subsidiaries
- (3) Increase profits and enhance capital adequacy
- (4) Maximize cross-selling synergy
- (5) Increase revenues from digital services with enhanced digital capacity
- (6) Implement corporate governance and promote sustainability

In addition, for the long-term sustainable growth of SKFH, the Company's M&A strategy is to target financial holding companies that are complementary and can leverage their synergy and expand the profits and scale of banking or securities subsidiaries. SKFH approved the merger with Taishin Holdings at an extraordinary shareholders meeting on October 9, 2024, approved a resolution on January 8, 2025 that the merger between SKFH and Taishin Holdings would not be prohibited after review by the FTC, and obtained approval from the FSC for the merger with Taishin Holdings on March 31, 2025 and would handle the merger matters in the future.

SKFH is mainly engaged in life insurance, while Taishin Holdings is mainly engaged in banking. The two financial holding companies are highly complementary and have collaborative benefits in terms of business and finance. After the merger, their total assets will exceed NT\$ 8 trillion, making them the fourth largest financial holding company in Taiwan. The market positions of the three engines, namely banking, insurance, and securities, are all expected to rank among the top six. Among them, the market share of life insurance premiums is expected to remain stable at the fourth place, the scale of bank deposits and loans will jump to the sixth place, the market share of securities brokerage will rise to the fourth place, and the underwriting scale will move towards the second place. Through economic scale and joint marketing among subsidiaries, the overall operating synergy can be better exerted through referrals of customers and business, such as business cooperation between life insurance and banking and between banking and securities; in addition, based on the complementary balance of the combined asset portfolio and profit structure, a larger operating scale and a more robust financial structure and capital adequacy can be achieved, which can enhance the Company's ability to withstand future economic recessions or market

fluctuations.

Shin Kong Life Insurance (SKL)

(I) Scope of Business:

1. Main business:

Shin Kong Life (SKL) is a life insurance service provider. It offers the following products and services:

(1) General life insurance and health insurance: The types of products offered include life insurance, endowment insurance, long-term care insurance, health insurance, mortgage life insurance, online insurance products, and policy insurance products, such as small amount whole life insurance, spillover-effect health insurance, in-kind payment insurance, and online insurance products that are exclusive to the FundRich Good Retirement Preparation Platform. The names of best-selling products are as follows

General life insurance	
Product Type	Product Name
Life Insurance	Shin Kong Life Hao-Shih-Kuang Term Life Shin Kong Life Ping Chun Term Life SKL Go Pu-Hui new term insurance SKL Yi-Chia-Pao Term Life SKL Cheng-Hsin-Cheng-Yi Whole Life Insurance.
Endowment insurance	SKL Wu-Li-Fu-Tsu Whole Life Endowment SKL Feng-Li-Wang Whole Life Endowment
Mortgage life insurance	Shin Kong Life Hsin-Hao-Chia-Tai Term Life
Long-term care insurance	Shin Kong Life Chang-Jau-Jeou-Jeou A type Long Term Care Whole Life Insurance. Shin Kong Life Chang-Jau-Jeou-Jeou B type Long Term Care Whole Life Health Insurance. Shin Kong Life Chang-Jau-Hsin-An Long Term Care Whole Life Health Insurance. SKL Chang-Chao-Tseng-An Long-term Care Whole Life SKL Chang-Chao-Tseng-An Type B Long-term Care Whole Life Health Insurance SKL Hao-Shih-Kuang Long-term Care Term Health Insurance
Health Insurance	SKL Yi-Chi-Yuan-Chi Whole Life Medical Health

	Insurance Shin Kong Life Jhen-Ai-Sing-Fu Critical Illness and Specific Injury Health Insurance. SKL Chen-Ai-Chien-Kang Cancer Protection Whole Life SKL Hao-Shih-Kuang Hospitalization Term Health Insurance SKL Huo-Li-Chien-Kang Hospitalization Whole Life Health Insurance (New) SKL Huo-Li-An-Hsin- Surgery Whole Life Health Insurance (New) SKL An-Hsin-Shou-Hu Surgery Whole Life Health Insurance SKL An-Hsin-Ka Critical Illness Term Insurance SKL Shih-Chuan-Shih-Mei Whole Life Medical Health Insurance
Online insurance	Shin Kong Life My Way Term Life SKL My New Way Term Life SKL New Health Insurance SKL Shiny Health Hospitalization Term Health Insurance
Small Amount Whole Life Insurance	Shin Kong Life Song-Ai-Sin Small Amount Whole Life Insurance
Spillover mechanism	Shin Kong Life Chang-Chao-Hsin-An Long Term Care Health Promotion and Reward Add-on Clause SKL Go Pu-Hui new Health Promotion and Reward Add-on Shin Kong Life Hao-Shih-Kuang Term Life Health Promotion and Reward Add-on Clause SKL Hao-Shih-Kuang Long-term Care Health Promotion and Reward Add-on
FundRich Good Retirement Preparation Platform exclusive online insurance product	SKL My Light 5 Term Life Insurance SKL My Light 20 Term Life Insurance SKL My Love Micro Term Life SKL Health PLUS+ One Year Critical Illness Health Insurance (Type A) Shin Kong Life Health PLUS+20 Periodic Health Insurance for Major Diseases (Type A)

(2)Group insurance: The types of products offered include group term life insurance, group AD&D, group accident microinsurance, group health insurance, and group LTC insurance. The best-selling products are as follows

Group insurance	
Product Type	Product Name
Group Term Life	Shin Kong Life New Group Term Life
Group AD&D	Shin Kong Life Group AD&D
Group Accident Microinsurance	Shin Kong Life Group Accident Microinsurance
Group Health Insurance	Shin Kong Life Group Medical Shin Kong Life Fun-Shin Group Medical
Group LTC Insurance	Shin Kong Life Guan-Huai-Jeou-Jeou Long Term Care Group Medical Insurance

(3)Accident insurance: The types of products offered include accident insurance, accident microinsurance, online accident insurance, and online travel insurance. The best-selling products are as follows:

Accident Insurance	
Product Type	Product Name
Accident Insurance	SKL Huo-Li Go Accident Insurance Shin Kong Life Accident Microinsurance Shin Kong Life Surgery Accident Insurance Shin Kong Life Pao-Pei-Ping-An Accident Insurance Shin Kong Life joy Ping-An Accident Term Insurance
Accident Microinsurance	Shin Kong Life Ji-Ti-Tou-Bao-Xing Accident Microinsurance Shin Kong Life Accident Microinsurance
Online Accident Insurance	Shin Kong Life i-Ping-An Accident Insurance Shin Kong Life i-well Accident Insurance
Online Travel Insurance	Shin Kong Life Enjoy Life Travel Insurance
FundRich Good Retirement Preparation Platform exclusive online	SKL My Love Accident Microinsurance

Accident Insurance	
Product Type	Product Name
insurance product	

(4) Variable-interest Life Insurance and Universal Insurance: the types of products offered include protection type, increment type, and endowment type life insurance, denominated mainly in USD and NTD. There is also NTD variable-interest annuity, and products that are exclusive for special channels such as online insurance and OIU. The best-selling products are as follows:

Variable-interest insurance	
Product Type	Product Name
Whole Life Insurance (NTD)	SKL Yong-Kang-Chuan-Chia Variable-interest Whole Life (Regular benefits) SKL Chin-Hao-Chia Variable-interest Whole Life (Regular benefits) SKL Hsin-Chia-Pei Variable-interest Whole Life (Regular benefits) SKL Chin-Hao-Wang Variable-interest Whole Life (Regular benefits) SKL Hsin-Hao-Chuan-Chia Variable-interest Whole Life (Regular benefits) SKL Hsin-Tien-Chuan-Chia Variable-interest Whole Life (Regular benefits) SKL Chin-Fu-Pao Variable-interest Whole Life (Regular benefits)
Whole Life Insurance (USD)	SKL Mei-Tien-Hao-Yun Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Hsin-Fu-Chuan-Chia Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Tien-Chuan-Chia Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Tien-Chih-Fu Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Hsin-Chuan-Fu Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Fu-Jen-Sheng Foreign Currency Variable-interest Whole Life (Regular benefits)

	SKL Mei-Tsuan-Chuan-Chia Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Chuan-Chia Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Tsuan-Chuan-Fu Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Shang-Mei-Te Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Chih-Tsu-Chang-Le Foreign Currency Variable-interest Whole Life (Regular benefits)
Increment Whole Life Insurance (NTD)	SKL Shang-Hao-Chia Variable-interest Whole Life (Regular benefits) SKL Chin-Chia-Tsuan Variable-interest Whole Life (Regular benefits) SKL Shang-Hao-Li Variable-interest Whole Life (Regular benefits) SKL Tien Tien-Fu-Kuei Variable-interest Whole Life (Regular benefits) SKL Shang-Yu-Li Variable-interest Whole Life (Regular benefits)
Foreign currency increment type	SKL Mei-Fu-Chang-Hung Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Ao-Fu-Tuo-Hsi Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Ao-Fu-Li Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Shang-Mei Foreign Currency Variable-interest Whole Life (Regular benefits) SKL Mei-Chuang-Fu Foreign Currency Variable-interest Whole Life (Regular benefits)
Endowment (NTD)	Shin Kong Life Shin-Li- Hsiang-Tui Interest Sensitive Endowment Shin Kong Life Le-Tao-Nien-Nien Variable-interest Endowment
Endowment (USD)	SKL Mei-Li-Hsiang-Tui Foreign Currency Variable-interest Whole Life Endowment SKL Tseng-Mei-Nian-Nian Foreign Currency Variable-interest Whole Life Endowment
Taiwan dollar interest sensitive	SKL Hsin-Hsiang-Nien-Nien Interest Sensitive Annuity (Type B)

annuity	
Online insurance	Shin Kong Life Up Cash Interest Sensitive Annuity (Type B) Shin Kong Life EZ Cash Interest Sensitive Annuity (Type B)
Universal insurance	
Product Type	Product Name
OIU Insurance	Shin Kong Life USD All-Purpose Universal Life (OIU) SKL Chih-Fu-Chuan-Chia Foreign Currency Variable-interest Whole Life (Regular benefits) (OIU)

(5)Investment-linked insurance: the types of products offered include life insurance and annuity. The linked investments include investment management accounts, mutual funds, and target date funds. The special sales channel includes online insurance application. The best-selling products are as follows:

Investment-linked insurance	
Product Type	Product Name
Discretionary Investment-oriented	SKL New Wan-Mei-Ying-Chia Foreign Currency Variable Coverage Annuity/Universal Life SKL New Wei-Li-Ying-Chia Foreign Currency Variable Coverage Annuity/Universal Life SKL New Ta-Ying-Chia Foreign Currency Variable Coverage Annuity/Universal Life SKL Hsin-Li-Chih-Hsuan Foreign Currency Variable Coverage Annuity SKL Hsin-Hsin-Chih-Hsuan Foreign Currency Variable Coverage Annuity
Linking mutual funds and investment managers	SKL Feng-Li-Ying-Chia Foreign Currency Variable Coverage Annuity/Universal Life
Target Date Fund linked	Shin Kong Life Retirement Variable Annuity Insurance
Linked Fund (Online Insurance Application)	Shin Kong Life In Cash Variable Annuity Insurance

(6)Riders, add-on clause and endorsement clause: The types of products cover health insurance (waiver of premiums, long-term care, hospitalization, surgery,

reimbursement, critical illness, critical injury, cancer, etc.), accident insurance (accident reimbursement, accident hospitalization, accident disability, online insurance, etc.), travel insurance, investment targets, rider extension and other remarks. The best-selling products are as follows:

Riders, add-on clause and endorsement clause		
Product Type		Product Name
Health Insurance	Waiver of Premium	SKL Hsin-An Waiver of Premium Rider SKL USD Policy Applicant Premium Waiver Rider SKL Hao-Mei USD Applicant Premium Waiver Rider SKL New Applicant Waiver of Premium Rider (New Def.) SKL Huo-Mian-Tuo-Tuo Health Insurance Premium Waiver Rider (new definition)
	Long-Term Care	SKL One-time Hsi-An Long-term Care Lifetime Health Insurance Rider
	Hospitalization	SKL Hospitalization Insurance Rider (type A)(new edition) SKL Hao-An-Hsin Term Health Insurance Rider SKL Hao-Fang-His 1-year Health Insurance Rider
	Surgical	SKL An-Sin-Pei Specific Disposal Whole Life Health Insurance Rider SKL 1-year Surgery Health Insurance Rider SKL 1-year Specific Surgery Health Insurance Rider SKL Hao-Shih-Kuang Surgery Term Health Insurance Rider SKL Chao-An-Hsin 1-year Surgery Health Insurance Rider
	Reimbursement	Shin Kong Life New Ho-Hu-An-Hsin Reimbursement Benefits Rider
	Critical Illness	Shin Kong Life Hsiang-Fu-An-Kang Critical Illness Whole Life Insurance Rider (Type B)
	Critical Injury	SKL Yi-Ka-Shun-Hsin 1-year Critical

Riders, add-on clause and endorsement clause		
Product Type		Product Name
		Injury/Illness Health Insurance Rider
	Cancer	Shin Kong Life 1-year Cancer Protection Rider - New SKL Chen-Ai-Yu-Shou Whole Life Cancer Protection Rider
	Medical Device	SKL Yi-Tsai-Pao 1-year Surgery Health Insurance Rider
Accident Insurance	Accident Reimbursement	SKL New Hao-Ping-An Accident and Medical Rider SKL My Love Accident Microinsurance Rider(FundRich Good Retirement Preparation Platform exclusive online insurance product)
	Accident Hospitalization	SKL Accident Hospitalization Rider (New Def.)
	Accident Disability	SKL Yi-Pao-Hsin-An One-year Accident Insurance Rider SKL Ta-An-An Accident Insurance Rider SKL Shih-Ke-Shou-Hu 1-year Accident Insurance Rider SKL Ku-Li-Ying Accident and children accidental fracture Insurance Rider SKL Accidental Loss of Work Capacity Insurance Rider
Travel insurance		Shin Kong Life Enjoy Life MR Shin Kong Life Enjoy Life OHS SKL Ho-Hu-Nin Accident Medical Insurance Add-on
Investment Targets		SKL Investment Management Account Investable Assets Remark [Type F] SKL Investment Management Account Investable Assets Remark [Type G] SKL Mutual Fund Investable Assets Remark [Type E] Shin Kong Life Monetary Funds Investment Targets Endorsement Shin Kong Life Target Date Funds Investment Targets Endorsement

Riders, add-on clause and endorsement clause	
Product Type	Product Name
Rider Renewal Endorsement	Shin Kong Life Rider Renewal Endorsement
	Shin Kong Life Long Term Rider Renewal Endorsement
Endorsement	Shin Kong Life Insurance Loan Interest Rate Endorsement
	Shin Kong Life Insurance Loan Interest Rate Endorsement(OIU)
	SKL Debt Beneficiary Designation and Debt Disposal Remark

Time of record: January 1, 2025

2. Weight of business activities

Unit: NT\$ thousands; %

Item	2024 premium revenues	Percentage
Personal life insurance	140,528,986	73.80%
Personal health insurance	33,888,203	17.80%
Personal accident insurance	7,201,618	3.78%
Annuity insurance	5,733,300	3.01%
Group insurance	3,056,161	1.61%
Total premium revenues	190,408,268	100.00%

Note: The discrepancy is caused by rounding error.

3. New Financial Products and Services Planned for the Future

Looking ahead to 2025, SKL will continue to respond to customer needs, market developments and legal changes, optimize the product structure, and increase the protection to build up the contract value. It is expected to regularly launch new products to comprehensively optimize and upgrade the protection product line, effectively improving the protection of the people and filling the protection gap.

- (1) Continue to operate in the variable-interest life insurance market to boost original premiums, and build up the contract value. Closely monitor market trends and global economic development, respond to market changes, develop existing product lines, and continue to launch competitive products to enhance customer protection, improve retirement planning, and achieve asset inheritance to meet the needs of all customers.
- (2) Continue to review the gap in health and accident insurance products and the competitiveness of existing products, and optimize the dual focuses to drive the sales momentum of health and accident insurance. In addition, further launch appropriate products for target customer groups to encourage existing customers to repurchase, while developing new customers, boosting the sales momentum of health and accident

insurance products, and selling high-value products to build up the contract value.

(3)Launch structured-bond investment products based on market environment and topic relevance to increase commission income. The long-term goal is to promote the cumulative target scale of discretionary and fund-type investment products, and to enhance brand value and increase stable returns through professional entrustment institutions. In addition, investment products should continue to comply with ESG and sustainable development product strategies and follow the Company's sustainable development spirit.

(4)LINE official account management:

In the post-epidemic era, the way of communication and cooperation between enterprises has been completely changed, and "zero contact" has become the core concept of new financial life. In response to the changes in the era and the communication way, SKL was the first in the life insurance industry to transform its LINE official account into a "pocket service center" for consumers. By simply binding their membership information, policyholders can access up to 32 personalized services, which greatly improves service efficiency. It is not only favored by young people, but also provides a friendly and easy-to-use digital experience for the elderly. The usage increased by 1.6 times in the same period, exceeding 60%. Through digital creative point collection, lucky draw and other marketing activities, SKL strengthened interaction and brand recognition and successfully built a loyal fan base. It ranked first in the industry in terms of the number of friends which exceeded 5.06 million in 5 years. It has not only received a 5-star rating (a full score) from over 86% of bound customers by virtue of the digital fan attraction, but also demonstrated the brilliant achievements and value of digital transformation through digital brand innovation and popularization of services for diverse groups.

(5)Provide customers with digital self-services:

A.In the face of the severe epidemic in 2021, SKL made early preparations to enhance the digital epidemic prevention capability of policyholders with insurance technology and provide reassuring insurance services available at any time. It was the first to launch the "LINE notification message" and online policy repayment function, which allows customers to check the repayment accounts and complete the repayment in real time, greatly improving the convenience of repayment. In 2022, it launched medical claim calculation and termination fee calculation services, further improving the "pocket service center". In 2023, it introduced the identity verification technology of international standard FIDO to replace passwords with biometric identification. Customers can quickly log in and conduct transactions through fingerprints or faces, achieving a higher level of security. In 2024, it was the first to apply NFC sensing technology, enabling customers to use their mobile phones to sense chip-based financial cards for identity verification, which simplifies the process and reduces the equipment requirements. This allows for quick handling of policy loans, partial redemption and other services, fully providing a secure and convenient digital financial experience.

B.The online membership service platform provides a variety of self-service functions,

enabling policyholders to easily manage their personal insurance needs. Members can modify contact information, change policy contracts, apply for policy loans and claims at any time to enjoy comprehensive digital insurance services. In addition, the platform has specially launched a personal protection review function, enabling policyholders to clearly learn about their protection content. It also provided a peer comparison tool to assist policyholders in evaluating their protection needs as a basis for planning and improving insurance protection, thereby enhancing the convenience and value of the customer experience. Through these self-services, SKL further strengthened the practicality of its digital platform, met the diverse needs of policyholders, and created a customer-centric insurance service ecosystem.

C. In 2024, it launched the "my e-ticket" service to replace paper tickets with digital ones for carbon emission reduction and ESG and DJSI sustainable concepts. Customers can redeem e-tickets instantly on the point collection platform by simply clicking on a link. This streamlines complicated steps and improves convenience and efficiency. The platform also provides redemption record query and facilitates management, reducing paper waste and simplifying operations. In addition, electronic notifications replace traditional text messages and paper-based methods, which not only lowers fraud risks, but also further reduces carbon footprint, supports physical redemption in multiple scenarios, and provides secure and convenient digital services, with due care to environmental protection and customer experience.

D. Online insurance: Since the launch of online insurance services in 2015, the product line has been diversified, including five types, namely travel insurance, medical insurance, accident insurance, term life insurance, and annuity insurance, without time limit. With just three steps, namely login, calculation, and insurance taking out, the protection gap can be made up for at any time. In January 2023, SKL cooperated with e-Insure on online term life insurance sales, making e-Insure the first non-bank insurance broker in Taiwan to launch online life insurance products. In November 2023, it launched the "Shiny Health Hospitalization Term Health Insurance", a medical insurance product, which was the first in the industry to cover the five major hospitalization reimbursement benefits. For example, the lowest annual premium for a man aged 18 or above is only NT\$ 620, so people with limited budgets can easily prepare for their basic protection needs! In 2024, it initiated a website redesign project to optimize UI/UX for consumer experience improvement, which significantly reduced maintenance manpower and working hours with responsive web design (RWD) and aimed to provide accessible services, effectively implementing the principle of fairness in treating customers. In the future, it will continue to develop cross-industry cooperation to expand the customer base, optimize digital services, and build an online insurance ecosystem.

(6) Insurance technology development platform:

A. Claims/preservation alliance chain: To improve the convenience of insurance services, SKL introduced the secure and convenient blockchain technology, so that policyholders who apply for contract changes/claims only need to submit an application to any insurance company and give a consent to the company to send notifications to other insurance companies where they took out insurance via the "Insurance Blockchain Alliance Technology Application Sharing Platform" about such application, eliminating the inconvenience of having to apply for contract

changes/claims to different companies. In 2023, the claim alliance chain moved towards 2.0, added with a digital identity verification mechanism. Policyholders can complete the claim application and transfer authorization consent through the claim alliance chain with just one-step authorization, reducing the use of paper to achieve energy conservation, carbon reduction and corporate ESG goals.

B. Policy preservation: In addition to the existing "electronic policy" and "electronic policy terms" that have been authenticated and preserved through the platform of a third-party certification agency, SKL has implemented the authentication and preservation of the "paper policy" since December 21, 2022, having all its policies (no matter in an electronic form or a paper form) authenticated and preserved. It will regard the protection of customer rights and interests as the primary objective in promoting digital services and truly implement the principle of fairness in treating customers.

C. Medical Pass: Starting from 2021, to apply for claims, policyholders only need to submit a claim application to an insurance company where they took out insurance and consent to send notifications to other insurance companies engaging in the claim alliance chain via the "Insurance Blockchain Alliance Technology Application Sharing Platform" about such application, that is, policyholders can use the "Medical Pass" application method to authorize hospitals to send the medical documents and information to designated insurance companies via the platform for one-stop claim application.

(7) Mobile e-Service: Create a digital policy service process and enable salespeople to assist customers with insurance application, policy information change, claim application, and payment processing using an iPad. The goal is to meet the customers' needs, reduce incoming costs, and simplify processes. Enable digital mobile services to become an indispensable and powerful support for the business marketing force.

(8) NPS and Customer Experience Project: Integrate customer responses and data collection into the customer experience so that customers do not feel out of place, quantify and analyze intangible satisfaction, track changes in customer loyalty and make corresponding improvements to improve customer experience and increase stickiness. The project won the "Taiwan Corporate Sustainability Awards (TCSA) - Creative Communication" in 2019 and was highly recognized by internal and external customers.

(9) Customer Information System (CIS):

From the customer's perspective and with the aim of improving the customer service experience, the Company has collected and collated relevant internal system data since 2019, and launched the CIS in 2021 to provide customers with a single view and history data query service, so as to improve the efficiency of counter and customer service center (0800) service personnel in solving customer problems and further improve the customer service experience; in 2023, in line with the FSC's "Friendly Financial Innovation" policy, it used internal big data to develop labels for identifying vulnerable customers, enabling front-line service personnel to anticipate the care that customers need through a "full customer view". In 2024, SKL established the "Fraud Prevention Cycle Operation" with "fraud prevention" as the main focus. First, internal personnel held regular expert meetings to discuss the use of systems for fraud

prevention. Second, they created "susceptible-to-fraud labels" for the elderly over 65 years old to remind front-line personnel to pay special attention to such customers. Third, they held meetings with front-line personnel to share experiences in fraud prevention, and finally used "fraud prevention messages" for joint prevention throughout the province.

(II) Business Plans for the Current Year:

1. Develop high-value products, develop investment product lines, and launch strategic products based on channel needs to increase sales momentum, and strengthen organizational development, with due care to premium quality development, thereby getting aligned with IFRS 17 and TW-ICS to reserve a solid contractual service margin:
 - (1) Focus on high-value products and optimize and upgrade health insurance and accident insurance:
 - A. Continue to develop variable-interest (NTD and foreign currency) insurance products that include protection and asset inheritance planning.
 - B. Continue to review the gaps in health insurance and accident insurance protection in the market, and regularly launch new products to fill the gaps or upgrade existing products to boost sales momentum.
 - C. Continue to launch strategic products to enhance business momentum, with due care to organizational development, and provide customized products for external channels to achieve channel cooperation.
 - D. Continue to develop all kinds of health insurance and accident insurance products, including multiple payments for major injuries, various hospitalization, medical treatment, disposal or accidental injuries.
 - E. Continue to develop distinctive investment products that meet channel needs or other new investment targets.
 - (2) Give full play to corporate social responsibility, and continuously assist the public to pay attention to retirement planning and improve health care:
 - A. Continue to focus on ESG issues, actively respond to the green finance action plan promoted by the competent authorities, pay attention to social needs and environmental development, and launch more diversified ESG concept insurance products to meet the insurance needs of the people who give due care to protection, investment and retirement planning.
 - B. Continue to pay attention to the protection gaps arising from issues in an extremely aging society, such as elderly medical care and elderly accidents, as well as to long-term care issues, post-cancer care, etc. SKL has planned to launch corresponding products for post-cancer care to meet the needs of customers with advanced diseases.
 - C. Continue to respond to the competent authorities in developing exclusive online insurance products for the FRS - retirement preparation platform.
2. Continue to Optimize Organizational Structure:

SKL continues to expand its organizational scale, cooperates with recruitment activity planning and recruitment incentives, and strengthens the recruitment awareness of personnel at all levels to accelerate the organizational development

momentum. In 2024, the number of regional managers and on-the-job salespeople reached 7,363, an increase of 765 compared to the same period in 2023.

In terms of business recruitment, due to aging and low birth rate of the population structure, where the average life expectancy is becoming longer, the number of young people is decreasing, the retirement age is relatively early, and the working age population is significantly reduced, revitalizing the labor force of middle-aged and elderly people has become an important issue. The government has made assisting middle-aged and older persons in finding employment a policy priority and has actively promoted various assistance measures. The Middle-aged and Elderly Employment Promotion Act came into effect on December 4, 2020, along with related subsidy measures.

To implement dignified labor, increase labor participation of middle-aged and elderly people, and promote re-employment of the elderly, the Company re-employed 1,002 retired persons in 2024, accounting for approximately 15.6% of the total number of salespeople, including 535 super salespeople.

From 2025, SKL will organize and promote the strategic policy of "expanding organization scale and improving performance-oriented manpower" and continuously promote the strategy in four major aspects: system, management, product, and organization:

- (1) System: reallocate resources, and pursue high productivity and high returns
- (2) Management: enhance business functions, and attract and recruit talents
- (3) Product: focus on value products, and align with international systems
- (4) Organization: drive business capacity, and strive for organizational scale growth

To achieve all organizational development objectives and effectively promote the marketing business system, SKL has integrated the promotion experience of the "Elite Project" and the "Super Salespeople Mentor-Apprentice Pearl Project", and initiated new project plans including the "New Guest Project" and the "Recruitment Project", combined with planning of various organizational promotion methods and stage organizational objective reviews, as well as recruitment and training resources and diversified recruitment, to promote organizational development in multiple aspects, thereby enhancing the overall recruitment momentum, and continuously developing and expanding the scale of the organization.

3.Enhance Capital Utilization Efficiency:

According to the IMF's forecast, global trade volume growth this year will be slightly weaker than last year, but Taiwan's exports to the United States account for 30% and, benefiting from the demand for AI business opportunities to support electronic products and information and communication products, will still support the momentum of domestic private investment; the domestic labor market remains stable, conducive to continuing the momentum of private consumption, so Taiwan's economy is expected to grow moderately in 2025. Currently, major domestic and foreign institutions predict that Taiwan's economic growth rate in 2025 will remain at 3%; due

to the possible increase in electricity prices, the annual inflation rate may fall above 2% which is the central bank's target, but it will still decline quarter by quarter throughout the year.

Looking ahead to 2025, since Trump was elected President of the United States, his policies will reduce illegal immigration, extend the tax cut bill, and possibly impose tariffs on China, the European Union, and even all goods exported to the United States to subsidize the financial revenue of the United States. The policy shift has brought upside risks to inflation. In addition, the economy of the United States is stable. The IMF estimates that the economy will grow by 2.1% and the probability of recession is not high, so the Federal Reserve's monetary policy has become more conservative.

- (1) Manage the position of risk-weighted assets in a flexible manner to earn capital gains:

Inflation continues to slow down, and interest rates are expected to stop rising and instead be lowered to prevent recession. As central banks around the world turn to easing monetary policy, overall stock market profits are expected to continue to rise, so high-weight stocks and large-cap ETFs are the main investments. In terms of foreign exchange hedging, the foreign exchange hedging ratio will be flexibly adjusted depending on market conditions, with the goal of reducing long-term hedging costs.

- (2) Purchase domestic and foreign fixed income assets for consistent fixed income: Annual asset allocation will be done and adjusted in accordance with the annual asset allocation plan, with due care to investment gains and risk control. With new foreign currency policies sold in the future, SKL will allocate capital to domestic and foreign fixed income assets for maximum efficiency.

- (3) Purchase low-volatility and high-yield stocks to stabilize cash dividend income: Purchase low-volatility and high-yield stocks with good fundamentals not only entitles stable cash dividends, but also makes stable capital gains in the medium to long term.

- (4) The Fed's interest rate hike cycle has ended. Facing the expectation of interest rate cuts, the Company will adopt the following strategies:

A. Purchase high-quality bonds to maintain long-term, stable, and fixed income.

B. Earn capital gains and stable recurring income by allocating to growth blue chip stocks with good industry prospects, and high-yield and low-volatility stocks and ETFs.

C. Adjust foreign equity position flexibly and shift towards U.S. blue chips, index ETFs and industrial ETFs.

- (5) Optimize existing real estate investments, increase asset returns, and continuously evaluate and acquire commercial real estates which are located at prime location or in the emerging market and exhibit high revenue or value potentials:

A. In 2024, the Company's rental income was NT\$ [4.967] billion, the fair value for real estate investment assets was NT\$ [214.932] billion.

B. There are currently 6 development-oriented real estate buildings under construction across Taiwan, which are expected to be completed one by one in 2025 for immediate use and profit generation.

- C.Re-review existing development projects, reduce development costs, simultaneously consolidate existing assets, and adjust disposal strategies on a rolling basis. Also review the status and quality of real estate across Taiwan, manage and optimize property management in a graded and phased manner, and renovate and repair the software and hardware facilities of old buildings to increase asset value for better investment returns.
- D.Prioritize improving assets that are not suitable for immediate use, evaluate product positioning, future use or leasing plans in advance, and complete them as scheduled in plans to reduce investment risks.
- E.Steadily align with IFRS17 and TW-ICS, review asset allocation and estimated rate of return, and adjust mid- and long-term investment targets based on market trends. Establish long-term strategic partnerships with retailers, hotel operators, etc. through cross-industry alliances to combine their respective strengths, while strengthening diversified investment modules, expanding business models, and increasing investment returns.
- F.Through real estate investment and layout, focus on local connectivity, foresight, future trends, and a friendly environment to enhance Shin Kong's brand image and deeply root it throughout Taiwan. Assume social responsibility for environmental sustainability, create comprehensive value outcomes, and become a driving force for promoting local prosperity.

4. Enhance Risk Management Mechanism:

(1) Risk culture:

- A.To further enhance risk management, SKL will have its Risk Management Committee brief the Board of Directors on risk overviews on a quarterly basis, and take initiative towards improving various risk indicators so that the Directors may have more complete control over the Company's risk exposures and management practices.
- B.To ensure full-scale implementation of risk management culture and make each department responsible for managing risks arising from their day-to-day business activities, SKL will be assigning dedicated personnel in all business units to oversee risk management affairs, so as to involve everyone in risk management from the Board of Directors to front-line business units.

(2) System enhancement:

The Company had applied IFRS 9 and completed the development of an expected credit loss system which calculates expected credit losses on a monthly basis in accordance with the new accounting standards.

(3) Control mechanism:

The Company made amendments to many of its risk management guidelines and policies in 2024 to accommodate market changes and regulatory amendments. The following is a list of major amendments made and control mechanism:

- A.Strengthened risk control over fixed-income assets and amend the risk control measures for domestic and foreign bonds and many other measures, including the amendments made to the *Risk Control Measures for Convertible and Exchangeable Corporate Bonds of Shin Kong Life Insurance* in line with the Company's practical operations and in light of the actual investment situation of

convertible corporate bonds, strengthening of the mechanism for handling investment excesses, and strictly controlling of the credit ratings of investment targets; in response to the increasing international conflicts and rising political and economic risks in recent years, the Company strengthened risk control over overseas regions, amended the *Shin Kong Life Insurance Concentration Risk and Country Risk Control Measures*, adjusted the investment quotas for some overseas regions and countries, and added warning thresholds to strengthen limit management. In addition, it included a regular review mechanism for exceptional quotas to strictly control the use of quotas.

- B. Strengthen the control over equity assets and foreign exchange risks, amend three measures including the domestic and foreign stock and foreign exchange control measures (for example, the Company's risk appetite is mainly considered for the domestic stock risk control mechanism), and adjust the detection mechanism standards; amend the foreign stock risk control measures to strengthen differential control over investment classification; and in conjunction with the amendments made to the *Matters to be Noted for Foreign Exchange Price Change Reserves in the Life Insurance Industry*, add the control methods (new systems) for the balance of foreign exchange price change reserves, and continue to improve the quota-related controls.
- C. Main risk categories in the risk management policy: In line with the Company's practical operations, review the Company's overall risk profile, amend the Company's *Risk Management Policy*, and include new nature-related risks in the "Other Risk Categories" to reflect the Company's emphasis on emerging risks.
- D. Improve climate change risk assessment mechanism: Use scenario analysis to perform assessments and add new climate scenarios to mitigate the impact of transition risks in climate risks on the Company's finances. In addition, SKL's actions and efforts related to climate change have also been recognized in evaluations and competitions. In 2024, it won the Taiwan Sustainability Action Awards (TSAA) - "SDG13 SBTi Practical Climate Action - Silver Level", the Taiwan Corporate Sustainability Awards (TCSA) - Individual Performance Award - "Climate Leadership Award", and the Task Force on Climate-Related Financial Disclosure (TCFD) Report Evaluation - "TCFD Report Evaluation Performance Excellence" award of the Center for Business Sustainability, NCCU.
- E. Strengthen the mechanism of continuous operation management: The Company has established the mechanism of continuous operation management, and obtained the international standard of "ISO 22301 Business Continuity Management System (BCMS)" from British Standards Institute (BSI). Continuously improve the mechanism and strengthen its effectiveness through drills. In 2024, the identification of "employee restaurant fire" threat was added and included in the annual drill scenario.
- F. To strengthen the management of transactions between the Company and substantive interested parties, a new control mechanism for the identification of interested parties by the ultimate beneficiary has been added. If the ultimate beneficiary is identified to be a (quasi) interested party of the Company, the transaction shall be handled in accordance with the relevant stakeholder transaction regulations. In addition, the *Control Measures for the Identification of*

Interested Parties by the Ultimate Beneficiary in Transactions with Legal Persons or Organizations of the Company is formulated.

(4) Performance assessment:

SKL established performance assessment and reward policies for all product categories as part of its goal towards Risk-adjusted Performance Measure (RAPM). This new performance assessment encourages employees to aim for balanced risk and return in their business activities.

(III) Industry Overview:

Taiwan Life Insurance and Central Trust of China were the only state-owned enterprises that provided life insurance service in Taiwan after the Second World War. In 1962, the government permitted the establishment of private insurance companies as a means to provide social security, given the nation's prospering economy, increased income and stable price levels. A total of 7 private life insurance companies have been founded since then, but Kuo Kuang Life Insurance was ordered to shut down in April 1970 due to poor management, and its remaining long-term obligations were assumed by other participants. In 1987, the government opened the local insurance market to U.S. service providers and permitted U.S. property insurance and life insurance companies to establish branches in Taiwan. In 1993, the government permitted local residents to open insurance companies and later allowed all foreign insurance service providers to set up branches in Taiwan since 1994. As of January 2025, there were a total of 21 life insurance companies operating in Taiwan, of which 19 were local companies and 2 were Taiwanese branches of foreign companies. Names of life insurance companies:

Member life insurance companies

Company name			
Bank Taiwan Life Insurance	Shin Kong Life Insurance (SKL)	Chunghwa Post	Chubb Life Insurance
Taiwan Life Insurance	Fubon Life Insurance	Taishin Life Insurance	AIA
PCA Life Assurance	Mercuries Life Insurance	TransGlobe Life Insurance	BNP Paribas Cardif
Cathay Life Insurance	Farglory Life Insurance	Yuanta Life	
KGI Life	Hontai Life Insurance	First-Life Insurance	
Nanshan Life Insurance	Allianz Taiwan Life Insurance	TCB Life	

Source: Life Insurance Association (website: www.lia-roc.org.tw), inquiry as of January 2025.

(IV) Research and Development:

1. Research Results in the Past Two Years

(1) Leverage Technology to Improve Service Efficiency

- A. Mobile e-Service: Essentially referring to the use of tablet PCs to provide timely insurance and preservation service for customers. Salespeople may load customers' data from the mobile tablet and into the policies and preservation documents, saving customers the time taken to complete application forms. Combined with an online real-time checking system, SKL has been able to improve the efficiency of insurance underwriting. The utilization of Mobile e-Insurance reached 96.6% in 2024.
- B. Mobile e-Modification: This system enables service personnel to modify and reinstate policies using tablet PC. Customers simply need to confirm policy changes with a service personnel using tablet PC to have the modified details transmitted back to the service center for review. Once the modifications have been approved, a notice of policy change will be mailed to the policyholder. The proportion of overall digital contract change service reached 78% in 2024.
- C. Mobile e-Claims: This system enables sales representatives to process customers' claim requests over tablet PC instead of printed application. The ability to input data and transmit images and files directly into system shortens the time taken to approve and pay claims, which improves the convenience and quality of services offered to customers. The proportion of digital claims reached 93% in 2024.
- D. e-Agent: SKL has launched "e-Agent" digital salespeople to promote and focus on digital service transaction indicators in the long term, encourage sales colleagues to provide policy services through digital tools, recommend customers to choose online digital services, and provide dedicated personnel to conduct unit publicity, education and training, so that sales colleagues can make good use of digital tools to shorten service time and improve administrative efficiency.
- E. Digital policies and digitalized terms and conditions: For the purpose of providing customers with more choices in the policy types of life insurance, accidental insurance and travel safety insurance. The policy terms have been developed electronically in 2020. Proposers can read the policy terms by scanning the QR Code. Through a variety of methods, a total of 270,000 e-policies were issued in 2024, truly achieving the benefits of being fast, secure, convenient and environmentally friendly.
- F. Electronic documents: In actively responding to the United Nations Sustainable Development Goal SDGs 12 to reduce natural resource consumption and enable policyholders to receive policy notifications immediately, SKL replaced notification in a paper form with electronic form. Under the promotion of all SKL employees, a total of 2.36 million electronic documents (emails and text messages) were sent by the end of 2024, which accounted for 81.4% of all valid contracts.
- G. Mobile Payment (LINE): As a support for the government's efforts toward a cashless society, SKL created a "Members Online Pay Zone" and LINE Official Account as a convenient, secure, and premium means of payment for customers. Customers can pay through the nation-wide payment network, by swiping credit card online, or by opening the Family Mart payment code; all of which improve the customer service quality. Looking at the figures, the proportion of payment through

official accounts has exceeded half. It is obvious that in the era of one mobile phone, mobile payment has changed from a technological trend to a real daily life.

In response to the trend of digital services, SKL keeps pace with the times. In addition to the original official accounts of SKL, APP, Line and intelligent payment machines, in order to improve the service quality and payment convenience, and further enhance the customer's digital service experience, in 2022, SKL established the "SKL eFCS Payment Platform" together with Taiwan Clearing House and Shin Kong Bank, and launched eFCS scanning code payment and eFCS instant payment service.

After receiving the notice of self-payment, the insured can open the mobile bank or electronic payment APP and scan the three-stage barcode on the notice to complete the payment; customers can also log in to the clearing house's electricity branch APP anytime and anywhere, check and pay the premium payable in real time, and complete the payment on the mobile device.

Since the launch of these new services at the end of December, 2022, nearly 500 proposers have experienced and completed the payment. In the future, Shin Kong and Taiwan Clearing House will continue to explore and invite various electronic payment providers and financial institutions to join the service, and gradually expand the service channels, increase the utilization rate, and improve the more convenient and better payment methods for all policyholders.

H.Promote customer self-service and enhance customer stickiness: SKL has launched a new original digital character "Hsi Kua", inspired by the homophonic "watermelon" of Shin Kong, to symbolize Shin Kong's diversified services that meet various needs and bring users closer. With the free download of animated stickers of Hsi Kua, the number of friends exceeded 5.06 million by the end of 2024, further enhancing brand recognition and user stickiness. The official account not only regularly holds lucky draws, interactive questionnaires and in-depth exchanges, but also launches creative point collection activities every quarter to continuously attract consumer attention and participation. Such innovative marketing contents not only won SKL multiple honors, but also successfully enhanced user favorability and brand preference, demonstrating the brilliant performance of digital marketing.

I.SKLINE official account's diversified services: With the development of financial innovation and technology, providing diversified, convenient and low-cost financial services to customers, implementing all-channel financial friendliness, achieving substantive fairness and improving fairness in treating customers, the official account of LINE plays a key role in this plan, not only to achieve "marketing communication" but also to provide "transaction services". The official account of SKLINE not only has practical services, such as policy inquiry, policy data change, policy borrowing/repayment, claim settlement, payment, etc., but also through the "LINE notification message", customers can receive notification of transaction results through the official account, such as insurance payment, policy loan remittance and new contract underwriting notification, so that the insured can grasp the progress of the application case in real time, and the intimate user experience also greatly increases the trust of the insured, which is attracted by PNP diversion spillover. Because of making full use of the popularity and adhesion of LINE to improve the accessibility and usability of financial services, this

innovative service was awarded a new design by the Intellectual Property Bureau of the Ministry of Economic Affairs.

J. Intelligent address correction engine: In view of the fact that in practice, when the new contract is submitted and the contract is changed, the address does not exist or the relevant notice cannot be delivered reliably because of the error in filling/filing; In order to ensure the customer's right to improve the accuracy of the insured address data and strengthen the data quality of communication data management for subsequent application or analysis, an "intelligent address correction" mechanism was established.

The project is divided into two stages: development of the intelligent address correction engine and business import application. The correction engine was completed on June 30, 2022, and the business import application was launched on July 4, 2022. It can check whether the input address exists in the household registration number of the Ministry of the Interior and whether it is the latest address, and provide the suggested address tip so that customers can check the address at the first time and use the correct address to build the file when underwriting new contracts and changing the policy contract.

At the same time, it also applies for a new patent for the application of "intelligent address correction project system" in insurance operation.

K. My data: SKL attaches great importance to fairness in treating customers and refined customer service. In order to reduce the burden of preparing various supporting documents for people to apply for insurance claims service, SKL is the first life insurance claims service to connect with the platform of My Data of National Development Council. When future policyholders apply for digital claims service in official website member area, they can operate My Data on the application page, provide proof of kinship or household data, etc., and get convenient financial services without applying for paper supporting documents.

L. Policy review: To strengthen customer protection gaps, Shin Kong took the lead in its peers and redesigned the "Smart Policy Health Check System" in July 2022, which, combined with such new technologies as optical character recognition (OCR) and natural language processing (NLP), replaced manual input and file creation. By taking a photo of the inner page of any company's policy and using AI to analyze a dedicated protection radar chart, customers can clearly see their protection, quickly understand protection gaps and possible insurance needs. It not only brings customers a different insurance service experience, but also reduces paper waste and gives due care to personal data protection, responding to Shin Kong's efforts in environmental protection.

M. Fast Identity Online (FIDO) service: In recent years, with the popularity of digital financial services, many transactions have moved online. SKL is the first life insurance company to introduce the international standard FIDO, which replaces passwords with biometric identification, without obtaining user personal information, effectively enhancing privacy protection. By binding the device and enabling the password-free FIDO function, users can quickly log in or complete transactions only by verification of their fingerprints or faces, eliminating the trouble of remembering passwords. Besides, the information security level is much higher than that of traditional passwords. This service responds to the financial action

identity standardization mechanism promoted by the FSC and aligns with Taiwan's digital financial development policy. SKL focuses on providing secure and convenient online insurance services to customers of all ages, and actively practices inclusive finance. To further improve the efficiency of identity verification and customer experience, at the end of 2024, SKL, as the pilot institution in the FIDO Alliance, participated in a large joint pilot project in the financial sector organized by the competent authority, jointly promoted the "Financial Fast-ID Verification Transfer Center", and became the only institution in the insurance industry that has both the qualifications of an identity service relying party (RP) and an identity service provider (IDP). The center is expected to be officially launched in Q2 of 2025.

N.NFC-based identity verification service: SKL was the first in the industry to introduce NFC sensing technology, enabling customers to easily complete identity verification through their mobile phones, improving transaction security and convenience. This technology not only simplifies the digital identity verification process, but also lowers the hardware threshold, enabling customers to quickly and securely use a variety of digital services such as policy loan applications, partial redemption of investment policies, and policy content changes by sensing chip-based financial cards on their mobile phones.

(2) Expand diversified marketing channels:

SKL actively focuses on promoting strategic products, mainly building up CSM and enhancing channel value. In addition, SKL continues to strengthen strategic alliances. Bank and traditional insurance brokerage channels find friendly partners through strategic alliances to stabilize original premium production capacity and maintain market share. Furthermore, it deepens digital marketing and service applications, introduces digital applications, and simultaneously improves service quality to form a virtuous cycle of cooperation.

In 2024, the new contract premium of bank insurance channel was NT\$ 11.65 billion, and that of traditional insurance brokerage channel was NT\$ 2.96 billion. SKL continues to deepen channel cooperation and actively develops strategic alliances.

(3) New product sales:

In an aging society where more than one-fifth of the population is over 65 years old and medical care expenses continue to grow with inflation, to address the gap in medical and accidental protection for the elderly, SKL has launched the "Shi-Quan-Shi-Mei Lifelong Medical Health Insurance" and "Joy Ping-An Term Accident Insurance" to fill the gap in accidental protection covering falls, fractures, car accidents, etc. caused by physical strength, vision and hearing deterioration with age, as well as the need for longer recovery time and higher medical expenses for the elderly.

In 2024, SKL launched the first ESG-linked overseas structured product "Wen-Wan-li Foreign Currency Investment Linked Annuity Insurance", and won the Best

Product Award at the 21st "National Brand Yushan Award", which shows that SKL has made success in promoting ESG. This product is issued in the form of green bonds and cooperates with BNP Paribas on the "Investment in Tree Planting Program" to offset excess carbon dioxide emissions. Through the tree planting program, SKL planted a total of 6,590 new seedlings, which also echoed the government's net zero greenhouse gas emission target by 2050.

2. Future Research and Development Plans

(1) Enhance risk management mechanism:

SKL will continue refinement and promotion of the 4 pillars of risk management, and further enhance and enforce the Company's risk management system.

A. Advocate risk management culture:

To establish a proper risk management culture, SKL will escalate risk management issues to a strategic level and enforcing risk management practices at all levels by assigning risk management officers. The board of directors and senior managers will brief regularly on the importance of risk management to establish accountability, while employees will be subjected to enhanced training to develop the proper risk awareness.

B. Improve risk management mechanism:

- (a) In addition to regular review and revision of risk management policies, SKL will continually refine the calculation of VaR and optimize the methodology adopted for determining the risk limits, so as to better implement risk management. SKL will improve risk appetite warning and other related control mechanisms, distinguish the degree of risk limit exceeding, and set up separate processing mechanisms to continuously strengthen risk appetite and limit control.
- (b) In the face of emerging risk issues related to climate change, it will continuously improve the TCFD mechanism (covering governance, strategy, risk management, indicators and targets), and include the management of climate-related risks and opportunities in the Company's sustainability report and TCFD report. The TCFD report will be regularly submitted to the Corporate Social Responsibility Committee and the Board of Directors.
- (c) In the face of threats to the Company's operation, and in order to protect the interests of customers and all interested parties on the Company's sustainable operation, the Company has established a business continuity management (BCM) system, which has been verified by international standard ISO 22301, and will continuously improve the system to resist the crisis of business interruption and improve its ability to respond to major events and recover quickly.
- (d) Regarding risk management in honest business, SKL will continuously improve the assessment mechanism for dishonest behavior risks and, in response to recent concerns of the competent authorities or legal changes (for example:

financial inspection opinions, listed companies' integrity management codes, etc.), regularly review whether the types of dishonest behavior risks need to be adjusted, regularly assess business activities with high dishonest behavior risks, formulate relevant mitigation plans, and track implementation results.

C. Create risk assessment tools

SKL will make constant improvements to the techniques it adopts to value financial products of high complexity or are without open market quotations, thereby ensuring compliance with requirements of IAS and IFRS. It will conduct ongoing research and analysis on all models for ALGO-based calculation of value-at-risk (VaR), and complete the ALGO system upgrade, as well as improve internal models and strengthen personnel training to facilitate better control of market risk.

D. Establish a risk-adjusted performance system

SKL will progressively adopt risk-adjusted performance system with risk-adjusted performance measurement (RAPM) as basis for rewarding employees' long-term performance, following the latest amendments to the *Risk Management Practice for Insurance Businesses*.

(2) New product R&D:

A. Focus on high-value products and optimize and upgrade health insurance and accident insurance

In 2026, SKL will be aligned with IFRS 17 and TW-ICS. Health insurance and accident insurance products will become a battleground in the market. Continuing the product strategy of 2024, SKL will launch a cancer term insurance product in Q1 of 2025. The product features a combination of one-time cancer payment, post-cancer care insurance and targeted therapy insurance, providing lifelong protection for people up to 85 years old while giving due care to cost performance. It targets young people with insufficient insurance budgets and customers who have basic medical insurance and want to supplement advanced medical insurance, with the aim of enhancing the sales momentum of the cancer insurance product line. In 2025, SKL will continue to focus on high-value products and is expected to regularly launch new products and comprehensively optimize and upgrade the health insurance and accident insurance product lines.

B. Carry forward the ESG spirit and innovate investment products

SKL will attach great importance to ESG issues, and actively respond to the green finance action plan promoted by the competent authorities. Continuing the popularity in 2024, it will launch social bonds and link new investment products of sustainable funds in Q1 of 2025, and actively strive to implement the tree planting program in Taiwan, bringing about a positive cycle among individuals, society and enterprises. SKL will continue to integrate ESG concepts into its product development, pay attention to social needs and environmental development, and launch more diversified ESG concept insurance products to meet the insurance needs of the people who give due care to protection, investment and retirement planning.

(3) Digital service development:

To empower salespeople and strengthen their practical capabilities, the Digital Service Development Department launched the first "AI Super Partner • Product Assistant" in the industry in 2024, which perfectly integrates generative AI and RAG technology to accurately analyze policy terms and resolve the trouble that salespeople used to spend an average of more than 15 minutes to digest product terms, while now salespeople can immediately query product information, answer questions and instantly obtain answers, and sort out key points only by interaction with a natural language. The "AI Super Partner • Product Assistant" provides 24-hour uninterrupted service, which not only enables salespeople to quickly grasp product terms, but also traces the source of information content to assist in understanding; with "AI Super Partner • Product Assistant", salespeople find their self-learning about products is more efficient and each of their interaction with customers is responded to immediately and properly, which immediately enhances their professionalism and trust and makes them experts in the insurance field; in 2025, SKL will continue to expand the business-related knowledge of "AI Product Assistant", and cooperate with SKFH to introduce the "Big Language Service Model Platform", upgrade the "AI Product Assistant" to version 2.0, and rename it "AI Business Assistant". In addition to improving more knowledge, SKL will develop more content that is suitable for salespeople's sales assistance, such as product acceptance regulations, rate tables, sales scripts, etc., so that salespeople can explain to customers at any time and place in the first instance, and thus achieve the state of "business confidence and customer trust".

SKL will continuously promote various digital tools and services of SKL through digital promotion pioneers in the long term, and go deep into the regional sales offices across Taiwan to conduct promotion and hands-on education and training in the language and methods familiar to business colleagues, so that digital promotion is not just a slogan, but actually helps business colleagues shorten service time and improve administrative efficiency. In line with the Company's product strategy, SKL will strengthen the functions of the Smart Policy Health Check System and add new protection items to assist salespeople in sales and improve customer protection.

In addition, in the future, SKL will also focus on deepening the development of the digital self-service platform for customers, continuously optimizing member experience, process design and marketing activities, enhancing the depth of customer links and digital interaction, accurately understanding customer needs, and developing personalized services and experiences. At the same time, it will strengthen the UI / UX of the SKL APP, expand the friendliness and applicability of digital services, and actively promote cross-industry cooperation in online insurance to explore new business opportunities for cross-industry integration, and comprehensively enhance customer experience and brand value.

(4) Maximize cross-marketing synergy:

SKL will deepen the concept of "big financial management" and fully utilize the advantages of SKFH group to achieve the goal of one-stop all-round financial services covering life/property insurance, banking and securities. It will provide diversified products and one-stop financial services through digital tools to enhance customer

experience, while enhancing the brand's professional image and creating more added value.

A.SKB - credit card promotion

SKL has been assisting SKB in the promotion of credit card service since 2004. By 2024, it had referred approximately 514,000 SKB credit cards.

B.SKB - OU digital account

Since 2021, SKL has been assisting SKB in the promotion of OU digital accounts, providing customers with a convenient account opening channel through digital transformation. When customers take out life insurance, they can use electronic authorization instead of traditional paper-based verification and printing, greatly shortening the underwriting process. By 2024, SKL has recommended and successfully opened a total of 36,704 OU digital accounts.

C.SKIT - discretionary investment-oriented accounts

In 2024, the total assets of SKIT's discretionary accounts amounted to NT\$ 2.6 billion. To continuously improve the overall synergy of the group and increase the familiarity of business channels with investment insurance and investment targets, SKL will continue to hold investment insurance education and training to help increase the size of SKIT's accounts.

D.SKPIA - property insurance sales

Since 2014, SKL has cooperated with SKPIA to provide both property insurance and life insurance, comprehensively developing the insurance market and accumulating a large customer bases. In 2024, its property insurance premium income reached NT\$ 2.53 billion.

(V) Short- and Long-term Business Development Plans

In 2026, Taiwan's life insurance industry will be aligned with IFRS 17 and TW-ICS. The cumulative contractual service margin (CSM) will become an important objective of the life insurance industry. Therefore, the development of high-value and high-security product lines has become the focus of the life insurance industry's business development plan. In addition, driven by the new digital wave, SKL will fully digitalize its services, keep optimizing system functions, innovate on digital services, implement data governance, provide friendly finance, and promote a deep-rooted business culture of treating customers fairly. Also, through listing of target customers, it will gain an insight into customer needs, and strengthen customer base development, thereby activating its own customer base, forming close customer relationships, interacting with customers in a stable and continuous manner, driving customer base capacity, expanding digital business, and improving customer satisfaction. SKL will upscale recruitment to strengthen organizational development, improve organization capability, and innovate on application of digital services, so as to steadily grow the volume and productivity of its business activities.

The short-term business development strategy is "focusing on business strategy and building up contract value" and "expanding organization scale and improving performance-oriented manpower".

1. Performance Development Plan:

- (1) Promote value products
- (2) Expand original premiums
- (3) Continue investment-oriented sales

By selling high CSM, variable-interest (NTD and foreign currency) and investment products, combined with the target customer list, SKL will gain an insight into customer needs, strengthen digital tool stickiness, drive active customer base development, maintain close customer relationships, and continue to take root in digital services.

2. Organizational Development Plan:

- (1) Strengthen business organization
- (2) Boost recruitment momentum
- (3) Strengthen newcomer retention

In the marketing system, SKL will set the positions of regional director and department director, encourage internal business startup and team formation, and provide various supporting measures. It will hold various recruitment project activities to boost recruitment momentum, and combine the innovative digital services to ensure that the activity volume and production capacity continue to grow steadily and strengthen salespeople retention. The long-term business development plan is to stabilize profit growth, continue to build up product CSM, smoothly align with IFRS 17 and TW-ICS, and seize opportunities to expand overseas markets and expand the business territory, striving to develop a reputation as a highly trusted life insurance brand.

Shin Kong Bank (SKB)

(I) Scope of Business:

1. Main Business

- Deposits and transfers
Accept all kinds of deposits, including: check deposits, demand deposits, time deposits and savings deposits; provide domestic remittance; handle agency services approved by the competent authority.
- Corporate Finance
Provide short-, medium- and long-term lending such as business loans, secured loans, account receivable financing and import and export trade financing, and handle domestic and foreign guarantee services.
- Consumer banking
Provide consumer-financing services: including unsecured loans, auto loans, mortgage loan, and other related short-, medium- and long-term loan services.
- Wealth Management
Provide domestic and foreign financial services, such as mutual funds, bonds, ETFs, insurance, and derivatives; and wealth management business approved by the central competent authority.
- Digital Banking
Process planning, innovation, research and development, operation and marketing

of personal digital financial products, including: personal online banking, mobile banking, mobile payment, and third-party payment. Operation, maintenance, promotion horizontal alliance and strategic alliance of digital financial products for institutions, including: corporate online banking, collection and payment of corporate financial products on behalf of corporations, and cross-border payment business.

- Credit Card

Handle credit card business, card issuance, authorized transactions and clearing, acquiring services for contracted stores, and other credit card related services.

- Trust

The trust business of the Trust department of the Head Office approved by the competent authority includes: money, money obligations and their collateral rights, securities, movable property, real estate, and superficies, etc.

- Financial market

Proprietary trading and securities investment include: government bonds, short-term bills, corporate bonds, financial bonds, and company stocks.

- Offshore banking units

Handle foreign currency cash, traveler's checks, import and export foreign exchange, general remittances, foreign currency deposits, foreign currency loans, and foreign currency payment guarantees.

2.Weight of business activities

Weight of business activities of SKB in the latest three years

Unit: NT\$ thousands; %

Item/Year	2022		2023		2024	
	Net income	Percentage	Net income	Percentage	Net income	Percentage
Net interest revenue	13,711,580	72.41	12,966,925	64.83	14,031,948	65.44
Net commission revenue	3,215,758	16.98	3,539,465	17.69	4,575,826	21.34
Net gain on investment of financial instruments	480,389	2.53	2,291,975	11.46	3,483,188	16.24
Other net revenue	1,529,223	8.08	1,204,504	6.02	(647,317)	(3.02)
Total	18,936,950	100.00	20,002,869	100.00	21,443,645	100.00

3. New Financial Products and Services Planned for the Future

(1) Optimize digital service experience and business efficiency

SKB will continue to focus on customer experience and combine front-line feedback collection to optimize the user experience in digital services. It will meet customers' all-round financial needs in inquiry, payment, wealth management and life discounts with the newly upgraded mobile banking APP, while improving business efficiency..

(2) Expand the acquiring system with diversified payment functions

It will continuously expand the card swiping field with cash flow as the main part, and combine the designated electronic payments in the field to assist merchants in ushering

in a new era of emerging diversified cashless payments. Through acquiring, it will expand corporate cash flow and strengthen the transactions with SKB.

(3) Integrate group resources to refine digital service scenarios

With OMNI-U digital deposit account as the core, SKB will connect the products of subsidiaries under SKFH, create multi-functional accounts, expand the scope of digital financial services, and refine customer digital service application scenarios.

(II) Business Plan for the Current Year

1.Strategic Goals

- (1) Enhance lending returns to steadily boost profitability.
- (2) Optimize deposit structure to elevate overall funding levels.
- (3) Refine earnings composition by expanding contributions from non-interest income.
- (4) Advance digital development and leverage group cross-selling synergies.
- (5) Cultivate professional talent to strengthen human capital reserves.
- (6) Uphold regulatory compliance and risk controls while promoting fair customer treatment.
- (7) Drive net-zero transformation and pioneer a new era of sustainable growth.

2.Business Plan for the Current Year

(1) Deposit business

- A.Integrate localized branch operations to deepen SME client relationships, improve market competitiveness and share, optimize the deposit structure, and continuously reduce deposit costs.
- B.Strengthen customer engagement by deepening ties with existing clients to promote stable development of deposit business.
- C.Continue promoting OMNI-U digital deposit accounts to attract younger customers; encourage new clients to increase their product holdings to enhance engagement; expand new account openings and deposit acquisition to generate fresh capital inflow for wealth management and create opportunities for reinvestment.
- D.Continue optimizing and developing foreign currency exchange and deposit modules, offering clients diversified exchange and deposit services; plan deposit and exchange promotional campaigns in line with market exchange and interest rate trends to balance cost control and competitiveness. Offer NT\$/foreign currency time and demand deposit promotions, based on cash flow and liquidity needs, to simultaneously grow deposit volumes and demand deposit ratios.
- E.Provide customized product packages for premium payroll clients based on employer characteristics, strengthening client relations; cultivate high-income payroll clients using account upgrade perks or preferential deposit plans to retain and increase asset engagement, ultimately upgrading them to high-net-worth clients.
- F.Promote the OU [Haofutou] digital securities account through user-friendly online account opening tools to accelerate the growth of demand deposits in securities accounts, rapidly expand the customer base, and increase the overall level of securities demand deposits.

(2) Corporate Banking

- A. Considering the characteristics of localized operations, enhance service efficiency and quality for existing clients through proximity-based service and deepened client engagement. The number of corporate banking branches has steadily increased to 58, with ongoing efforts to further expand the corporate banking business.
 - B. Make effective use of SME Credit Guarantee Fund loan programs to mitigate credit risk and reduce capital consumption. At the same time, continue cultivating and developing geographically connected SMEs through branch networks, or expand the client base by targeting upstream and downstream industry chains. These efforts aim to steadily grow the SME portfolio, enhance customer stickiness, and broaden the range of products and services offered.
 - C. Establish a comprehensive corporate banking product line and provide customized services to diversify business interactions. By identifying clients' capital and self-financing or transaction-based repayment sources, aim to reduce credit risk while enhancing profitability.
 - D. Enhance customer experience via optimized cash management and treasury flow platform functionalities to strengthen treasury services. Ongoing efforts include targeting cash flow-driven clients, designing transaction-based credit facilities to attract fund flows, and replicating successful client segments to expand the customer base.
 - E. Focus on lead-arranging syndicated loan deals with strong returns and high credit-rated clients. Maintain refinancing opportunities for existing mandates by identifying clients' debt consolidation needs, repackaging credit facilities from other banks into syndicated loans, and seizing refinancing windows of current participation deals to secure lead arranger roles. The aim is to deepen relationships with high-quality domestic and international self-arranged clients through syndicated loan mandates, thereby expanding opportunities in accounts receivable financing, trade finance, and related businesses, and increasing credit and fee-based income.
 - F. Support corporate sustainability by promoting green lending to help clients fund environmentally friendly projects. Encourage industries to pursue sustainability and meet carbon reduction goals, fulfilling the financial system's role in promoting sustainable development across society.
- (3) Consumer banking
- A. Process Optimization and Reengineering to Enhance Staff Productivity and Service Quality: Leverage technology to optimize processes and data utilization, continuously promoting a one-stop service model for online applications, contract signing, and automated disbursement. Replace manual operations with automation to improve salesforce effectiveness; Utilize big data analytics to build predictive models and generate marketing leads, increasing the number of products held by customers. Integrate physical branches with digital services to deepen customer engagement and expand the scale of consumer finance through premium service delivery.
 - B. Customer-Centric Approach to Build a Seamless Digital Experience: Place customer experience at the center by continuously optimizing critical business processes and expanding the use of digital lending platforms. Integrate product

design, marketing, and process improvements through the rebranding of consumer finance offerings. Leverage digital platforms to enhance service efficiency and respond to rapid developments in fintech. Actively explore new business models, embed financial services into everyday consumption scenarios, fulfill real-time funding needs, and broaden the coverage of consumer lending products to deliver high-quality, convenient, and demand-driven financial services.

- C. Prudent Management of Auto Loan Business and Expansion of Dealer-Based Channels: Continue expanding dealer-based loan sources by strengthening used and imported car loan portfolios to steadily expand the business base, followed by active development of the new car loan market. At the same time, strictly manage business costs and reduce delinquency, adopting a balanced approach of revenue expansion and cost efficiency to maximize profitability.
 - D. Using Mortgage Products as an Entry Point to Expand Product Engagement: Allocate limited resources to priority clients to drive cross-selling revenue. Use mortgage products as an entry point to connect and promote other banking products.
 - E. Tailored Loan-to-Value Ratios for Non-Owner-Occupied Properties: Offer preferential LTV ratios for purchases of non-owner-occupied residential properties. Adjust credit policies in a timely manner in response to regulatory changes, internal guidelines, and real estate market conditions to balance capital adequacy and credit quality.
 - F. Enhancing Risk Control and Portfolio Quality Through Rigorous Credit Review: Evaluate borrowers the condition of the real estate prioritize high-quality clients, and reduce delinquencies. Standardize risk management via credit scoring systems to improve business quality and enhance overall loan portfolio soundness.
- (4) Wealth management service
- A. Flexible Product Strategy: Dynamically adjust product offerings with investment solutions focused on mutual funds, model-based fund allocation, and barbell strategies. Structure insurance products to balance premiums and commission income, with an emphasis on wealth succession planning.
 - B. Segmented Client Engagement to Deepen Relationship Value: Segment clients based on asset levels, contribution, and engagement to design tailored benefits and marketing incentives. Leverage diverse rewards and client events to increase contribution and stickiness. Enhance benefits for high-net-worth clients and provide differentiated appreciation programs to strengthen loyalty. Utilize point-based wealth management rewards system to meet varying customer needs and foster loyalty.
 - C. Enhanced Business Management Mechanisms: Strengthen internal controls and oversight of high-risk financial advisors; Optimize stop-loss and take-profit alert systems for investment products. Implement robust post-investment monitoring mechanisms; Establish regional manager oversight structure; Improve branch-level sales support content and techniques; Enhance managerial capabilities of wealth supervisors and adjust management scale for optimal performance.
 - D. Operational Process Optimization: Streamline branch operations by assigning dedicated customer service staff to handle recorded product confirmations; Refine KYC/KYP suitability assessments to better control investment product offerings for

youth clients, novice investors, and seniors; Expand mandatory recorded confirmations for non-principal-protected structured products to ensure proper transaction acknowledgment. Enhance the Touzi Kuaiyi GO platform by adding features for overseas bonds and model-based fund allocation to streamline client transactions and shorten processing time, offering more convenient investment services.

(5) Digital Banking

- A. Enhanced Digital Product Design to Empower Frontline Sales: Centering on customer experience and leveraging technology as an accelerator, continuously optimize digital product offerings under a mobile-first strategy to enhance the mobile banking experience. Meet customer needs in inquiries, payments, wealth management, and lifestyle offers anytime, anywhere—creating a precise and empathetic digital finance journey. Data analytics applied to streamline processes and elevate user satisfaction, driving up application and transaction volumes. Frontline branch feedback actively incorporated to ensure bi-directional communication and product alignment with client usage scenarios. Digital tools and services leveraged to support branches in meeting performance KPIs.
- B. Deepening Customer Engagement and Driving Efficiency through Digital Innovation: Customer-centric approach balancing acquisition and relationship deepening. Integration of physical and digital channels through task-based marketing to attract new clients and stimulate digital transactions. Strategy focused on encouraging platform usage to foster digital stickiness and loyalty. Continued iteration of digital products to enhance operational efficiency and user experience. Mobile banking and credit card apps integrated to boost usage and reduce maintenance costs this year. Touzi Kuaiyi GO system developed to streamline advisory workflow and optimize order placement, ultimately driving transaction growth.
- C. Expanding and Deepening Cross-Industry Collaboration: In response to the surge in digital payments, strategic partnerships with e-payment institutions established to deliver integrated digital payment services. Marketing campaigns launched to align with customer lifestyles and fulfill financial needs across diverse consumption scenarios.
- D. Integrating Group Resources to Maximize Synergies: Position OMNI-U digital deposit accounts as the central hub connecting affiliate products. Enable multi-functional account setups through one-time onboarding to increase product holdings across business lines. Offer bundled marketing incentives to enhance acquisition momentum and raise product penetration across financial group subsidiaries. For instance, integration of Shin Kong Life insurance asset data into the Shin Kong Mobile Banking App, along with the introduction of inter-subsidiary features such as bank-securities account linkage, streamlines asset management and facilitates seamless account opening. Launch of gamified, task-based campaigns combined with cross-company promotional offers encourages customer engagement and drives transactions through the bankPosition OMNI-U digit
- E. Accelerating Digital Transformation through Talent Development: Key talent in product management, digital marketing, experience design, data analytics, and

digital technology actively cultivated to enhance both the quality and scale of the digital workforce.

(6) Credit card service

- A. Cross-Selling Partnerships to Unlock Win-Win Value: Leverage existing deposit customer base to identify high-potential segments. Use in-house media channels for precise communication and targeted promotions to deepen engagement and increase new card applications. Reinforce brand affinity and stimulate card usage through enhanced customer interaction. Expand acquisition efforts via multiple physical channels, including bank branches and life insurance affiliates.
- B. Enhanced Product Differentiation to Boost Market Competitiveness: Define product positioning based on market trends and execute segmented marketing strategies to develop differentiated offerings. Deepen engagement with premium clients by providing top-tier cardholders with luxury hotel privileges, airport lounge access, and international airport transfers. Elevate customer stickiness and strengthen market competitiveness through distinctive high-end service strategies. For general users, focus on daily-use scenarios to create convenient payment options and boost transaction volume and usage efficiency.
- C. Tailored Campaigns and Reward Programs by Segment: Launch customized campaigns for different customer segments the existing credit card customer based strategies to develop differentiated offerings. Deepen engagement with premium clients overall customer engagement value.

(7) Trusts

- A. Real Estate Trust Business: Combine project-based real estate development financing with trust arrangements to reduce credit risk and strengthen protection for related parties—addressing evolving market demands. Actively pursue urban renewal and reconstruction trust opportunities in response to government policy on aging buildings, driving growth in trust fee income, loan interest revenue, and deposit performance. Position trust as the optimal protection platform while maximizing overall bank profitability.
- B. Prepaid Trust Services: Support merchants in issuing gift vouchers, including e-vouchers and stored-value cards. Manage prepaid funds through regulatory-compliant trust mechanisms to protect consumers purchasing deferred-use products while generating stable trust fee income.
- C. Real Estate Transaction Security Trusts: Address strong market demand in a mature and competitive segment by independently developing a information systems to handle application intake, price negotiation, and case review. Leverage superior system functionality to boost branch-level efficiency and accelerate business development in real estate transaction trusts.
- D. Elder Care and Insurance Proceeds Trusts: In line with the regulator, and competitive service elder care trust services, encompassing both long-term care and insurance proceeds trust offerings. Designed to meet the practical long-term care needs of elderly and disabled clients, the project establishes standardized procedures, integrated IT systems, and unified contract templates to support seamless branch-level promotion and enhance the bank's public welfare image.
- E. Employee Stock Ownership Trust: In line with the regulator elderly or the disabled, anemone employee stock ownership trust programs for subsidiaries across the

financial holding group, with plans to expand this line of trust business to align with regulatory goals on employee retirement planning and the broader development of the trust sector.

F.Principal-for-Self, Income-for-Others Trust: Develops new multi-functional monetary trust solutions tailored for high-net-worth clients seeking asset succession, investment, and tax efficiency—aligning with the diverse needs of the financial market while generating additional revenue streams for the bank.

G.Custody Services: Leverages the financial holding grouped multi-functional monetary trust solutions tailored Ong Life redongust solutions tailored solutions tailoredailoredunctional monetary trust solutions tailored tailorednk worth clients seeking asset succession, investment, and tax efficiency will irement planning and the broader MasterLink Securities Investment Advisory and Shin Kong Investment Trust, as well as foreign investor custody services referred by MasterLink Securities. Actively collaborates with external distribution channels to secure mandates for discretionary investment custody and bond custody and settlement services via Central Securities Depository (CSD), aiming to expand revenue sources.

(III) Industry overview

In 2024, the global economy faces a range of challenges and opportunities. The Russia-Ukraine war shows no sign of de-escalation, and armed conflict in the Middle East continues to intensify. Additionally, the escalation of U.S.-China chip export restrictions further heightens geopolitical risks. Fortunately, global economic growth remained resilient. Supported by robust household consumption and export growth, the United States recorded a 3.1% quarter-on-quarter increase in GDP for Q3. The quarter-over-quarter increase in the Personal Consumption Expenditures (PCE) price index falls from 2.5% to 1.5%, indicating easing core inflationary pressure. The Federal Reserve cuts interest rates by a total of 100 basis points during the year, bringing the federal funds rate down to 4.25%–4.50%. In Taiwan, according to the Directorate-General of Budget, Accounting and Statistics (DGBAS), the annual inflation rate for 2024 stood at 2.1%, lower than 2.5% in 2023, indicating a gradual easing of inflation. Nevertheless, Taiwan's central bank, considering both domestic and global economic and financial conditions, raised policy rates by 12.5 basis points over the year. The discount rate was adjusted from 1.875% to 2.000%, and the reserve requirement ratio was increased to curb real estate speculation and property hoarding behaviors. In light of the numerous uncertainties surrounding global economic growth, Taiwan's economic expansion is expected to slow in 2025. According to the Directorate-General of Budget, Accounting and Statistics (DGBAS), Taiwan recorded a GDP growth rate of 4.59% in 2024, with a projected growth rate of 3.14% for 2025.

Looking ahead to 2025, global economic uncertainties are expected to persist. The interplay of two key risks—the "gray rhino" of inflation driven by potential tariff policies under the new U.S. administration, and the "black swan" of fewer-than-expected rate cuts by the Federal Reserve—may gradually erode the resilience of the global economy. The Federal Reserve is expected to adopt a more cautious pace of rate reductions. According to the latest dot plot projections, only two rate cuts are anticipated for the entire year, with the year-end median interest rate forecast at 3.875%. In Taiwan, economic performance is likely to continue benefiting from robust growth in the AI

sector, which helps delay the cooling of exports. The overall outlook is one of stable domestic demand and softening external demand. However, continued attention is required regarding future U.S. tariff policies.

(IV) Research and development

1. R&D Expenditures in the Past Two Years

- (1) Hong Kong Branch Launches st Two Years tightening of monetary policy in the last two years and ongoing geopolitical conflicts will still have lasting impacts on the growth of the global economy next year. In Taiwan, economic drivers are expected to shiftta and bond trading functions. It enables the agile generation of management reports through a systematized process, reducing manual effort on repetitive tasks and allowing personnel to focus on analyzing profit and loss fluctuations. Benefit: The platform includes a feature for viewing historical trend charts of existing positions, assisting management in gaining timely insights. The project was initiated in Q1 of 2024 and completed in October 2024.
- (2) New Market Risk Capital Calculation System: Capital Provisioning: In response to the revised standardized approach for market risk capital requirements under Basel III effective in 2025, the bank collaborated with its IT division to develop an in-house calculation model. The project, launched in 2023, successfully went live in December 2024.
- (3) Touzi Kuaiyi GO dication to providing more friendly financing for domestic micro ecluded features for fund subscription, switching, and redemption; Phase 2: Launched at the end of January 2024, added support for overseas bond subscription and redemption; Phase 3: Launched in mid-October 2024, introduced features for model-based fund allocation and subscription and top-up of master funds. This expansion broadened the range of online investment products and enhanced customer experience by enabling faster order placement, streamlining transaction processes, and shortening execution times.
- (4) Two-Phase for the Task-Oriented System: Phase 1: The task-oriented management mechanism went live at the end of November 2023; Phase 2: Introduced a financial advisory management mechanism that allows for flexible workflow configuration and team-based client engagement strategies. This upgrade enhanced client relationship management processes and went live at the end of March 2024.

2.R&D results and newly launched businesses in the last two years

(1) Credit card service

2023

- A.Repackaged and relaunched the Bankinesses in the last two new technologies including multi-factor authentication to bring customers improved experience, security, and uninterruptard. The card was exclusively available via digital channels, promoting e-statements, designated e-payment, and green consumption rewards through in-depth collaboration. It was also integrated with the OMNI-U digital deposit account to attract digitally savvy and ESG-conscious customers, enhancing the Bank's brand image in sustainable finance and digital competitiveness.
- B.Deepened strategic cooperation with Shin Kong Mitsukoshi Department Store by integrating promotional events with themes around omers improved experience,

security, and uninterrupted. The card was exclusively available to active female clients. This strategy successfully attracted both existing deposit customers and new external applicants, boosting the application and activation rates of Shin Kong Mitsukoshi co-branded cards.

- C. Used data to label customers based on contribution, applying this insight to activation and retention strategies. By accurately identifying customer profiles, spending capacity, and behavior patterns, the bank implemented segment-based differentiation strategies to improve activation, retention, and ultimately revenue conversion.

2024

- A. Upgraded digital services to enhance the convenience of cardholder experience. Optimized the credit card application process to shorten approval time and improve review efficiency, enhancing the overall application journey. Enhanced the mobile banking credit card interface with smart and personalized features, including dynamic limit adjustment, online limit requests, and simplified account management, thereby increasing digital service penetration and delivering a seamless, user-friendly experience for cardholders.
- B. Created value through cross-selling collaboration, leveraging the bank's credit card. It is also the only credit card that is applied through digital or precise communication and engagement, expanded credit card invitations, and strengthened product holdings and brand loyalty. New customer acquisition was supported by multiple physical channels, including bank branches and life insurance affiliates, and securities.
- C. Enhanced product differentiation to increase competitiveness. Defined product positioning based on market trends, and executed targeted segmentation strategies to develop differentiated offerings. Deepened engagement with premium clientele by offering top-tier cardholders access to luxury hotel privileges, airport lounges, and international airport transfers. Strengthened customer stickiness and overall market competitiveness through a distinctive high-end service strategy. For general cardholders, focused on everyday payment scenarios to enhance card utility and transaction volume.

(2) Digital Banking

2023

- A. Conducted third-party market research through focus groups and surveys to track digital development trends. Benchmarked key digital metrics including platform experience, customer engagement, and marketing strategy—against leading financial institutions, while gathering insights on customer needs and perceptions.
- B. Revamped the official website and mobile banking app. The app was fully self-designed and developed, featuring a new visual interface for asset information, integrated with user-friendly functions such as FIDO biometric authentication and device-bound login verification. Combined deep linking and single sign-on (SSO) enabled secure, seamless access across platforms, enhancing user experience and service continuity.
- C. Received the Asia Design Award (WINNER) for the OMNI-U digital brand. The new website and app also won the MUSE Design Award Gold, London Design Award Gold, and New York Design Award Silver, showcasing a commitment to customer-

centric digital product innovation.

- D. Launched OU Haofutou APP in collaboration with MasterLink Securities to offer a integrated bank and securities account opening service, streamlining the onboarding process and enhancing user experience.
- E. Introduced instant insurance claims and policy loan disbursement through eACH in cooperation with Shin Kong Life, improving service efficiency and reducing operating costs.
- F. Developed embedded AI tools to support front-line sales staff and improve sales productivity, such as implementing intelligent OCR to reduce manual review time during online product applications and improve approval efficiency.

2024

- A. Strengthened collaboration between digital financial services and physical branches by leveraging digital tools to support branch operations and jointly serve customers. Used customer-centric principles to guide digital platform enhancements and feature evaluations, optimizing digital products and services to drive business growth and digital revenue.
- B. Continued product iteration to innovate experiences and improve efficiency. This year, mobile banking and credit card apps were integrated to boost user engagement and reduce maintenance costs. New features such as the Touzi Kuaiyi GO investment tool were developed to improve order execution and transaction efficiency.
- C. Collaborated with Shin Kong Securities to expand the pool of partner brokerages for integrated bank–securities services, enhancing user experience and accelerating account opening through one-stop financial services.
- D. Integrated Shin Kong LifeU was named WINNER of Asia Design Prize, whereas the new website and APP received a number of international awards including MUSE Design Awards - Gold, L
- E. Developed a cardless ATM withdrawal feature embedded in the Shin Kong mobile banking app, allowing customers to withdraw funds from the bank's or other banks' ATMs, improving financial service flexibility and convenience.
- F. Won the 2024 UX Design Awards another subsidiary of SKFH, the Bank introduced instant payment of policy claims and policy loans via eACH for improved service efficiency and lower operating costs edibility and services - highlighting the bank's dedication to customer-centric digital service innovation.

3. Future research and development plans

- (1) Dedicated Wealth Management Audio Recording Initiative: Scheduled for rollout in 2025, this initiative aims to streamline branch operations and support business development. In parallel, digital channel user guides will be developed to reduce the digital divide and uphold the principle of fair customer treatment.
- (2) AI Wealth Management Assistant (Model-Based Allocation): Integrated with MediaTek DaVinci GenAI Platform to support branch-based relationship managers with one-stop access to knowledge base searches and product recommendations, enhancing operational efficiency and improving satisfaction in both internal collaboration and client engagement.
- (3) Over the next two years, ongoing budget allocation will support the enhancement of digital product service flows and operational efficiency, as well as the expansion and

deepening of strategic alliances. Efforts will focus on accelerating branch digital transformation, establishing effective two-way communication channels, strengthening online-offline integration, and deepening collaborative promotions with branches. Digital sales tools will be provided to frontline teams, leveraging digital and technological solutions to boost branch profitability momentum.

(V) Short- and Long-term Business Development Plan

1.Short-term goals

(1) Corporate Banking

- A.Leverage SME Credit Guarantee Fund programs and offer a diversified range of corporate banking products to build a comprehensive product line and expand the SME client base.
- B.Deepen localized operations to increase controllable exposure in exchange for stronger client relationships and diversified income streams.
- C.Actively pursue lead arranger roles in syndicated loans for high-quality domestic and international clients to become one of their core banking partners, aiming to capture cash flows, cross-sell products, and collaborate with group entities—enhancing loan growth, fee income, and overall business engagement.
- D. Implement the FSCor opportunities to lead-ar by continuing to promote renewable and green energy financing and adopting digital tools to enhance customer stickiness.

(2) Consumer banking

- A.Identify mortgage demand and refinancing opportunities to support young homebuyers and high-net-worth clients with capital needs, while aligning with government policy to maintain a stable mortgage market share and asset quality.
- B.Combine diversified digital onboarding channels with various consumer loan products, develop high-quality customer lists from corporate employees and internal leads to enhance both quantity and quality of clientele. Continue innovating loan products and advancing inclusive finance and ESG-related programs.

(3) Wealth Management

- A.Continue identifying potential wealth management clients and increasing the number of high-value clients to expand assets under management.
- B. Launch diverse talent recruitment initiatives to attract professionals, guiding internal staff and top-performing consultants toward comprehensive career development and promotion pathsped to improve the quality and quantity of customers, whd per capita output.
- C.Align with global market trends to optimize full-spectrum wealth management services centered on clients, introduce innovative and diverse products, enhance employee expertise, integrate resources, and drive overall business growth.

(4) Digital Banking

- A.Strengthen online-offline integration and customer acquisition: Enable multi-functional account setups through one-time digital onboarding to increase product holdings and generate revenue. Encourage frequent use of digital deposit accounts through product bundling. Continue expanding the digital customer base via third-party partnerships and branch digitization strategies. Deliver localized digital services to improve satisfaction and create usage scenarios that foster

loyalty. Leverage digital resources to encourage use of digital channels, reduce manual branch and external collection workload, and expand customer acquisition through group subsidiaries and cross-industry alliances.

- B.Enhance digital customer engagement: Continue to iterate digital products and platforms, integrating digital marketing and social engagement to meet financial needs and generate digital revenue while improving branch efficiency. Strengthen digital customer lifecycle management through task-based marketing campaigns that incentivize digital engagement and build brand loyalty, ensuring fast, convenient, and secure digital service delivery.
- C.Data-driven, experience-centered, agility-focused: Enhance digital marketing capabilities through social media and campaign initiatives, supported by data analytics and precision marketing to boost customer stickiness and profitability.
- D.Adopt emerging technologies: Plan to introduce AI innovations to strengthen competitiveness in digital acquisition, enhance business and operational efficiency, and reduce fraud risk.

(5) Credit Card

- A.Deepen engagement with wealth management clients and promote through branches: Utilize branches as primary channels to target high-net-worth customers, offering exclusive benefits and rewards while setting branch-level performance goals to increase premium cardholder numbers.
- B.Promote cashback cards as the core offering: Focus marketing efforts on the Universal Cashback Card, emphasizing daily spending scenarios to strengthen customer impressions. Promote ubiquitous mobile payment integration and high cashback rewards to attract new users and boost card usage frequency.
- C.Improve digital service experience: Continue optimizing the credit card application process to achieve end-to-end digitalization, reduce application and approval time, eliminate drop-off points, and improve both the application journey and digital usage experience.

(6) Trust

- A.Vigorously promote a wide range of trust services, including real estate trusts, urban renewal financing trusts, prepaid trusts (including for e-commerce platforms), transaction security trusts (including equity sales), employee stock ownership trusts (ESOT), and principal-for-self, income-for-others monetary trusts.
- B. Conduct business promotion and training sessions for internal staff across different roles to strengthen trust-related competencies and identify potential customer segments.
- C.Leverage financial holding group synergies to handle custodian services for mutual fund offerings and bond custody and settlement services via Central Securities Depository (CSD).

2. Midterm- and Long-term Goals

(1) Corporate Banking

- A.Provide customized and diversified product services, continue localized operations, and deepen outreach to SME clients with geographic proximity to branches. Maintain ongoing efforts to capture cash flow-related business and strive to become one of their core banking partners by broadening business ties and enhancing client stickiness.

- B. Continue expanding into overseas markets by prudently participating in international syndicated loans and strengthening collaboration with overseas branches to diversify customer acquisition channels, enlarge the asset base, and increase overseas revenue.
 - C. Integrate ESG credit principles into the credit review process, incorporating Equator Principles and ESG-compliant loans into the credit framework for effective monitoring and control, thereby promoting ESG and sustainable finance.
 - D. Avoid engagement with highly controversial industries and conduct prudent evaluations for high-risk or carbon-intensive sectors. Actively promote ESG credit and participate in sustainable industries and sustainability-linked loans.
 - E. Strengthen back- and front-office integration and division of responsibilities, upgrade the cash management platform (GEB) to boost business development momentum and derive cross-sell or cash flow-related opportunities, fostering strong and sustained client relationships.
- (2) Wealth management service
- A. In line with global financial market trends, offer diversified products, continuously strengthen team professionalism, develop digital platforms, and integrate both digital and physical channels to deliver comprehensive customer services.
 - B. Continue developing competitive financial products to provide comprehensive, professional asset allocation planning services that meet the needs of different customer segments. Enhance the effectiveness of marketing efforts and expand the scale of operations.
 - C. In response to the trends of an aging society and declining birthrate, cultivate family trust consultants and enhance trust services and assist family businesses in achieving sustainable management and wealth succession.
 - D. Continue training senior financial planners and internationally certified financial planning professionals (CFPs). Through comprehensive professional services, offer integrated wealth planning to meet diverse client needs.
- (3) Digital Banking
- A. Customer engagement through digital channels to increase active account ratio: Enhance digital channel management to attract new customers to branches and increase product penetration. Leverage digital marketing and cross-industry partnerships to offer usage incentives, while continuously listening to customer feedback and branch insights to optimize digital products and services.
 - B. Leverage digital platforms to deepen customer engagement and boost digital revenue: Continue developing key features of digital platforms to offer clients diverse and convenient financial services, positioning digital channels as an integral part of customers' daily lives. Flexibly adapt to market needs and continuously evolve to achieve stable digital revenue growth.
 - C. Advance AI innovation to enhance digital finance competitiveness: Promote digital technology talent development and support the adoption of the DaVinci GenAI Platform by encouraging employees to understand and utilize it to enhance work efficiency, explore new AI applications, and identify integration opportunities to enhance competitiveness in digital finance and boost business efficiency. Participate in establishing AI governance frameworks, adhere to internal control procedures, and collaborate with external startups to stimulate growth.

(4) Credit card

- A. Data-driven differentiated product design: Continue analyzing transaction data and spending behavior of credit card customers to design customized reward programs for different customer segments, addressing their payment needs and future financial service expectations.
- B. Develop high-quality acquiring merchants: Expand acquiring in cash flow-heavy merchant categories and integrate designated e-payment options to help merchants move toward a cashless, diversified payment environment. Use acquiring business to deepen corporate cash flow engagement with the bank.
- C. Promote new card usage scenarios and sustainability concepts: Actively explore and develop innovative consumption scenarios and integrate humanistic and sustainable elements into card products, such as green consumption, social welfare, and sustainability-linked initiatives. These features aim to attract environmentally and socially conscious customers while shaping a corporate image that values social responsibility.

(5) Trust

- A. Strengthen cooperation with external distribution channels to increase the number and capacity of such partnerships, thereby boosting trust case acquisition and drive revenue growth.
- B. Enhance training for trust personnel to ensure that all frontline staff are equipped with professional capabilities in business development, negotiation, contracting, and client relationship management, establishing a high-performing team.
- C. Continue developing and optimizing IT systems supporting trust and custodial services to build a robust back-office infrastructure, thereby expanding the asset scale of trust and custodial business lines.

MasterLink Securities

(I) Scope of Business:

1. Main Business:

- Securities underwriting
- Proprietary trading of securities listed on Taiwan Stock Exchange (TWSE)
- Consigned trading of securities over TWSE
- Proprietary trading of securities over Taipei Exchange (TPEX)
- Consigned trading of securities over TPEX
- Securities administration agency service
- Margin trading and short sale service
- Introducing brokerage for futures trading
- Consigned trading of foreign securities
- Proprietary futures trading
- Wealth management service
- Brokerage and proprietary trading of short-term bills
- Management of customers' securities settlement proceeds
- Sourcing and utilization of securities lending/borrowing proceeds
- Lending and borrowing of securities

- Offshore securities service
- Securities-related foreign currency service
- Equity crowdfunding
- Other securities related businesses approved by the competent authorities

MasterLink Securities also conducts various businesses through reinvestment, and the scope of business services is as follows:

- Futures brokerage service
- Proprietary futures trading.
- Futures consultancy service
- Futures management service
- Other futures related businesses approved by the competent authorities.
- Securities investment consultancy service
- Discretionary investment services
- Asset management service.
- Venture capital investment.
- Venture capital investment, management and consultancy service
- Insurance agency service.
- Investment advisory and business advisory service.

2. Weight of business activities

Unit: NTD thousands

Item	2024	Percentage (%)
Brokerage (Note 1)	7,047,271	60.31
Proprietary Trading (Note 2)	4,270,360	36.54
Underwriting (Note 3)	367,597	3.15
Others (Note 4)	140	0
Total	11,685,368	100

Note 1: Includes wealth management.

Note 2: Includes bonds and new financial products.

Note 3: Includes stock agency service.

Note 4: Includes services of the Administration Department.

3. New products and services planned for the future

- (1) Launch a wealth management trust platform enabling TWD-denominated trust accounts to trade foreign currency-denominated offshore products, eliminating the need for currency conversion and enhancing transaction convenience and flexibility.
- (2) Develop a dual-currency settlement system for sub-brokerage services to provide clients with diversified settlement options.
- (3) Plan to establish a sub-brokerage trading system for foreign virtual asset ETFs, offering clients a new channel for cryptocurrency investments.
- (4) Develop and promote a high-frequency trading platform to meet the needs of clients

engaged in HFT, algorithmic trading, and arbitrage strategies.

- (5) Plan to add a fund subscription function to sub-accounts under dedicated settlement accounts, enhancing the flexibility of fund transfer methods for mutual fund subscriptions via securities firms, and expanding the range of services supported by sub-accounts.

(II) Business Plan for the Current Year

Summary of key operational plans for 2025:

1. Reinforce Warm-Hearted Service Capacity

- (1) Organize various online and offline events to increase client interactions, offer high-quality trading experiences and highly customized services, implement tiered customer service, and build a warm-hearted service brand
- (2) Leverage core advantages in distribution, digital capabilities, and branding by offering a wide range of popular products and strengthening the institutional service team to enhance the cyclical benefits of mutual fund business cooperation.
- (3) Expand the digital customer base through cross-channel marketing and deepen cooperative models to enhance brand recognition and client reach.
- (4) Leverage the Group's integrated marketing power to sustain referral momentum and improve client engagement efficiency, expanding trading contributions through the Group's capital strength.

2. Cultivate Diversified Business and Expand Business Efficiency

- (1) Develop a non-cash product expansion model balancing market position and revenue quality by launching trending products, enhancing electronic trading and quoting capabilities, and expanding the clientele of PIs and institutional investors, as well as strengthening wealth management and sub-brokerage business.
- (2) Strengthen two-way interdealer borrowing and increase participation in securities lending to improve operational efficiency.
- (3) Focus on the biotech sector and explore green energy, AI, and emerging industries by building industry-focused pipelines and service teams and gaining early positions via venture capital.
- (4) Monitor corporate bond issuance opportunities during interest rate cuts, strengthen the underwriting team, and strategically allocate positions to expand business impact.

3. Optimize Digital Promotion and Deepen Brand Recognition

- (1) Continue enhancing digital service experiences by expanding the "HaoFuTou APP" functionality, offering reinvestment of dividends and extending API integration to improve product competitiveness and meet customer needs.
- (2) In digital client engagement, utilize data analytics to understand client needs, accumulate tagging data, and apply client segmentation and tiering strategies to identify optimal marketing rhythms, thereby triggering investment behaviors through

precision marketing.

- (3) Promote brand via social engagement using differentiated positioning and segmented interaction to deepen brand uniqueness and perceived value.

4. Employ Flexible Strategies to Stabilize Portfolio Returns

- (1) Pursue absolute performance and stability in equity trading; expand bond portfolios as needed while using hedging strategies to flexibly respond to FX and interest rate fluctuations.
- (2) Promote CBAS e-trading, enhance cooperation with ETF issuers, expand hedging sources for derivatives, and offer differentiated and customized warrant issuance.
- (3) Improve short and arbitrage strategy trading through multi-strategy risk dispersion, develop a high-frequency database for low-risk HFT, and optimize derivatives trading structures through overseas futures, index arbitrage, and TXO market making.

5. Uphold Fair Customer Treatment and Explore Sustainable Opportunities

- (1) Implement sustainability measures via the Corporate Sustainability Committee to enhance Board awareness, and foster a culture that values sustainability and fair treatment.
- (2) Emphasize ESG in investment and underwriting businesses by launching ESG-themed products and services, promoting investor attention on ESG, and strengthening stewardship and climate risk reporting.
- (3) Promote financial education and inclusive financial services to reduce the digital divide and exert positive corporate influence in sustainability.

(III) Industry overview

1. Current Status and Development of the Securities Industry:

According to data from the Securities and Futures Bureau (SFB), as of the end of 2024, there were 102 head offices and 829 branch offices of securities firms in Taiwan, representing an increase of one branch compared to the previous year. In 2024, the average daily trading volume of the Taiwan Stock Exchange (TWSE) and the Taipei Exchange (TPEX) combined reached NT\$524.7 billion, marking a year-over-year increase of 46%. The TWSE weighted index rose by 5,104.29 points, with a full-year increase of 28.47%, closing above the 20,000-point mark for the first time—setting a new record. The substantial increase in market liquidity, coupled with the steady growth in fundamentals of listed companies, underscored the vibrant momentum of Taiwan's capital markets. In the first half of the year, the popularity of ETF products triggered a wave of new account openings, with new clients across all age groups. In response to small-scale investment demand, the Taiwan Stock Exchange also extended the matching hours for odd-lot trading, providing greater transaction flexibility. In addition, regulatory authorities continued to optimize capital market systems. For example, the Taiwan Innovation Board (TIB) removed the restriction requiring qualified investors; general investors may now trade TIB securities after signing a risk disclosure statement. This policy change significantly increased market participation, making the TIB a preferred listing venue for innovative companies, fostering industry clusters with innovative characteristics, and

enriching the diversity of investment targets for investors.

With rapid technological advancement and continual financial innovation, a new generation of younger investors has emerged, further emphasizing the importance of digital services. Enhancing the digital environment and optimizing electronic platforms have become top priorities. Major securities firms are actively developing new service domains, aiming to build a comprehensive digital wealth management ecosystem and expand both their business scope and customer base. In the future, the key to strengthening competitiveness will lie in creating differentiated and distinctive business models.

Looking ahead, continued policy reforms and regulatory liberalization by the authorities—such as the recent launch of “Stock Subscription Lending, continued policy reforms and regulatory liberalization by the authorities authorities models.er investors hurther emphasizing Innovation Board, and expanded access to credit trading, securities borrowing, and intraday/after-hours odd-lot trading—will further energize the stock market and create a friendlier fundraising and trading environment. Furthermore, the FSC is actively promoting Taiwan as an asset management hub in Asia, with securities firms playing a crucial role. Future plans include relaxing net worth ratio requirements for securities firms, allowing them to issue a wider variety of wealth management products, and enabling investments in unlisted companies. These measures are expected to enhance domestic investment momentum, invigorate the securities market, and continuously strengthen the value of Taiwan’s capital markets.

Statistics of Securities and Futures Service Providers Over the Past Three Years:

Year	Total Number of Securities Firms		Brokerage firms	Proprietary traders	Underwriters	Investment trust	Investment consultancy	Futures commission merchants	Futures consultancy
	Head office	Branch							
2022	104	850	68	74	59	38	85	15	33
2023	102	828	67	74	57	38	87	15	32
2024	102	829	67	74	57	38	88	15	35

Source: Website of Securities and Futures Bureau, Financial Supervisory Commission

2.Business Development Trends and Market Competition:

(1) Brokerage

In 2024, Taiwan’s stock market benefited from the AI technology investment boom, the end of the interest rate hike cycle, and expectations of a soft landing for the U.S. economy, resulting in ample market liquidity. The average daily trading volume reached NT\$524.7 billion—the highest in history. According to the Taiwan Stock Exchange, securities firms generated NT\$96.109 billion in brokerage profits in 2024, marking a 61.99% YoY increase. In recent years, younger investors have continued to enter the stock market, driving up the proportion of young account holders. The share of account holders under the age of 40 increased from 29.40% in March 2021 to 34.02% in December 2024. Meanwhile, as digital technology advances, online trading has become increasingly common and convenient, fueling the growth of small-ticket investments such as ETF

systematic investment plans and odd-lot trading. Additionally, investors' rising interest in ETFs and overseas securities via sub-brokerage services has led to a steady increase in trading volume year over year, making these segments important drivers of future brokerage business growth.

(2) Underwriting

In the IPO market, 68 companies were newly listed in 2024, raising NT\$55.73 billion. Compared to 2023, which saw 42 new listings and NT\$33.37 billion in capital raised, the number of listings increased by 61.90%, and the total capital raised surged by 67.01%; In the SPO market, there were 249 cases of cash capital increases in 2024, raising a total of NT\$161.16 billion. Compared to 2023, which had 194 cases and raised NT\$116.03 billion, the number of cases increased by 28.35%, and the total capital raised rose by 38.90%.

(3) Proprietary Trading

The bullish momentum in Taiwan stocks continued in 2024, fueled by easing inflation in the U.S., economic resilience, and the stock market's anticipation of a rate-cutting cycle. All three major U.S. indexes—Dow Jones, S&P 500, and Nasdaq—showed strong performance. Taiwan's stock market, which is closely correlated with U.S. tech stocks, posted a 28% annual gain in the weighted index. Looking forward, although the probability of a U.S. soft landing is high and the AI industry trend remains intact, uncertainties surrounding Trump-era tariffs, the Fed's cautious stance on rate cuts, and elevated market bases following 2024's strong gains suggest that future market operations may become more challenging.

(4) Bond

In 2024, after three consecutive years of inflationary pressure in the post-pandemic era, the U.S. Federal Reserve's aggressive rate hikes eventually alleviated inflation. However, rising unemployment in the U.S. raised new concerns, prompting the Fed to initiate a rate-cut cycle in the second half of the year. Toward year-end, Donald Trump's return to the White House in the U.S. presidential election reintroduced uncertainty over tariffs and trade policy, triggering renewed panic among market investors. As a result, U.S. Treasury yields surged again, approaching historical highs, while Taiwan bond yields also rose amid a wave of fear in the bond market, keeping the market in a bearish state. Looking ahead to 2025, the global rate-cut trend is expected to continue, but short-term political and economic uncertainties will keep bond market volatility elevated. Additional hedging strategies will be needed to navigate the environment. However, as bearish sentiment persists, a potential market reversal is anticipated, presenting new investment opportunities.

(5) New Financial Products

By the end of 2024, the market capitalization of Taiwan stocks had exceeded NT\$80 trillion. The record-setting market encouraged more young investors to participate. Due to limited funds, they tended to invest through odd-lot purchases and regular ETF plans. Some also used warrants for more aggressive investments, contributing to the vibrant

atmosphere in the warrants market. In 2024, issuance volume, product count, time value, and trading value of warrants all increased year-over-year. However, changes in the macroeconomic environment and industry narratives—such as geopolitical tensions and heightened AI industry competition—led to a modest increase in market volatility. Nevertheless, overall fluctuations remained within controllable limits. While warrant trading volumes continued to grow year-over-year, the growth rate lagged behind that of the broader Taiwan stock market.

(6) Futures Proprietary Trading

Following Trump's reelection and rising uncertainty in trade and economic policy, the U.S. Federal Reserve is expected to maintain a rate-cutting trend in 2025, albeit at a slower pace. The overall economy may remain lukewarm, keeping implied volatility at low levels. However, the likelihood of sudden market events has increased, potentially triggering short-term VIX spikes and creating trading opportunities. The key to profitability lies in the ability to fine-tune strategy models and position allocations based on the characteristics of each risk-type strategy and evolving market conditions, in order to capture optimal risk-reward opportunities. The overall options market is expected to become increasingly competitive in short-term trading. Future strategies will likely focus on either boosting turnover rates or extending into longer-term positions at both ends of the spectrum to enhance the overall portfolio's risk-reward profile. At the same time, continuous upgrades to the performance of both hardware and software in information systems will be essential to align with key business development trends.

(7) Wealth management

Securities firms have actively expanded their wealth management businesses in recent years. In 2024, the total trust assets of securities firms reached NT\$255.1 billion, up 5% from NT\$241.8 billion in 2023. The number of trust clients rose by 56% to 1.66 million, while wealth management trust income grew by 35% to NT\$1.8 billion, indicating steady growth in trust scale. In 2024, the U.S. Federal Reserve initiated a rate-cutting cycle, which is expected to have a broad impact on the wealth management business. This includes adjustments to asset allocation strategies, product design and innovation, client communication and advisory services, as well as risk management. Close monitoring of market developments and timely adjustments to business strategies will be essential to navigate the challenges and opportunities brought by the easing interest rate environment.

(8) Major business activities of key equity investees (Including Master Link Futures and Master Link Investment Advisory):

A. Futures Brokerage

In 2024, heightened volatility in the equity market was driven by developments surrounding AI technology, the U.S. Federal Reserve's interest rate policies, and the U.S. presidential election. Taiwan's futures market trading volume approached 400 million contracts, marking the fifth consecutive year above the 300 million threshold. This reflects investors' active use of the futures market for hedging and

gain enhancement amid ongoing financial market turbulence. Meanwhile, demand for overseas futures as a hedging instrument also increased. With high correlation to domestic night session trading, the volume of overseas futures transactions remained above 40 million contracts in 2024, indicating sustained trading momentum. Amid the recent trend toward product miniaturization, major global exchanges have introduced micro contracts. For instance, the U.S.-based CME has actively rolled out micro products with lower trading thresholds. These small-sized instruments offer investors a more diverse product mix along with flexible tools for trading and hedging, effectively addressing international market fluctuations and catering to the growing demand for small-scale investment opportunities.

B. Investment Advisory

As of the end of 2024, there were 88 securities investment advisory firms in operation, unchanged from the previous year. These firms primarily operate in accordance with regulatory guidelines by providing securities-related investment advisory services. Their business activities generally fall into two main categories: (1) offering investment advice through membership-based services that provide buy/sell recommendations to clients, and (2) operating as subsidiaries of securities firms, focusing on serving brokerage clients by delivering research reports on macroeconomic trends, industry outlooks, and individual stocks to help investors better understand company fundamentals. At the end of 2024, the regulatory authority approved the provision of family office-related advisory services by investment advisory firms—such as asset allocation and risk management consulting—opening up a new service frontier targeting high-net-worth clients. However, this line of business requires integration of multidisciplinary expertise and investment in both software and hardware. Future developments and optimal entry points will continue to be closely monitored.

C. Discretionary Investment Management

As of the end of 2024, there were 975 discretionary investment contracts (mandate-based relationships) in effect, with a total net asset value of approximately NT\$3.42 trillion—an increase of 74 contracts and a 14% growth in asset value compared to the previous year, indicating steady business expansion. Of the total discretionary asset value, investment trust companies accounted for 97%, while investment advisory firms accounted for 3%. This distribution has remained consistent for years, primarily due to the fact that investment advisory firms typically serve individual clients, whose contract amounts are significantly smaller than the institutional mandates managed by investment trust companies. According to data analysis on discretionary investment services provided by investment advisory firms, 20 firms are currently engaged in such business. In terms of contract distribution, individuals account for 79%, corporations 13%, and investment-linked insurance policies 8%. However, in terms of net asset value,

individuals account for 5%, corporations 30%, and investment-linked policies 65%. This indicates that there remains significant growth potential in the institutional market. As long as the net asset value of discretionary accounts under management continues to grow effectively year over year, firms may expect to attract more institutional clients to their discretionary investment services.

(IV) Research and Development:

1. R&D Expenditures Over the Past Three Years

Year	R&D budget (NTD thousand)	As a percentage of operating revenue (%)
2022	128,711	2.49%
2023	163,814	1.86%
2024	134,591	1.15%

Note: The Company estimates an R&D investment of approximately NT\$110 million in 2025 for the development of new financial products, models, information platforms, and related software and hardware.

2. Technologies or Products Successfully Developed

Information systems completed by the Company in 2024 include:

Information System/Application Developed	Go-Live Date
Expansion of Kaiwei 3.0 Trading System and Addition of Backup Return System	2024/01/09
Procurement and Deployment for Next-Generation Security Information and Event Management (SIEM)	2024/01/16
Firewall Replacement – Testing Zone at the Great Taipei Gas Corporation	2024/01/27
Mobile Pro APP Server Replacement	2024/02/01
Expansion of Firewall Log Collector License	2024/02/16
Core Storage Equipment Replacement Project for E-Trading Platform – Pure Storage	2024/02/17
STORAGE Expansion Project at the Great Taipei Gas Corporation	2024/02/20
VM Replacement Project at Dunhua South Road	2024/02/29
NETCenter Network Management Software License Procurement	2024/03/27
DDoS Protection System Deployment for External Services at Banqiao Data Center	2024/04/12
Expansion of External DNS Server at Banqiao	2024/04/22

Information System/Application Developed	Go-Live Date
Mobile E-Approval System for Senior Executives	2024/04/30
Server Replacement for Wealth Management App	2024/06/04
Web and Application Change Detection Mechanism Deployment	2024/06/24
Firewall Replacement – VIP Trading Firewall at Banqiao	2024/06/25
Online Account Opening GO" – Futures Account Opening for New Clients (One Application for Four Accounts)	2024/06/28
Backup Server Replacement Project of Data Center at the Great Taipei Gas Corporation	2024/06/28
OS Replacement for Bond and Structured Finance Servers (HP Server)	2024/06/28
Integration of NAS and Version Control Servers	2024/06/28
Expansion of Advanced Persistent Threat (APT) Defense	2024/07/15
Switch Replacement for DMZ Zone of Data Center at the Great Taipei Gas Corporation	2024/07/27
OS Replacement for Wealth Management Server (HP Server)	2024/07/30
Replacement of Taiwan Certificate Authority Server	2024/07/31
STORAGE Expansion – Data Center at the Great Taipei Gas Corporation	2024/07/31
MasterLink CBAS OTC Product Online Trading Project	2024/08/02
OS Replacement for Brokerage Servers (HP Server)	2024/08/31
Replacement of Tandem Non-Stop Trading and Accounting System Server – Proprietary Trading	2024/09/23
"Online Account Opening GO" – Addition of Sub-brokerage Account	2024/10/08
Phase II Deployment of “CunCaiFu” Platform	2024/10/09
AS400 Server Replacement Project for Shareholder Services	2024/10/12
VMware Server Expansion Project of Data Center at the Great Taipei Gas Corporation	2024/10/15
Smart Customer Service Function Expansion Project	2024/10/31
Paperless Workflow for “Online Account Opening”	2024/11/04

Information System/Application Developed	Go-Live Date
Kaiwei 3.0 Trading System with 14th-Generation Overclocked Server Deployment	2024/11/15
MasterLink HaoFuTou App – Domestic Futures Online Trading Function Deployment	2024/11/29
SIEM System Expansion and Procurement	2024/11/29
Implementation of ISO 22301 Business Continuity Management Standard	2024/11/29
Rapid Trading Network Deployment at ChungHwa Banqiao IDC, 5th Floor	2024/12/09
Feasibility Study for Solace Offsite Backup System Deployment	2024/12/27
Offsite Backup Deployment Project for Sub-brokerage Account	2024/12/30

3. Future Research and Development Plans

Recent R&D Investment Plans and Progress

R&D Plans in the Past Year	Current progress	Additional R&D expenses required	Time expected to complete mass-production	Key factors affecting the success of future R&D
Enhancement of "Online Account Opening GO" Service System	5%	Approx. NT\$13.4 million	2025/12	1. Guide clients to open accounts via online account opening functionality. 2. Resolve character display issues on the online account opening platform, app, and associated tools. 3. Integrate with the Financial FIDO Identity Verification Hub to obtain clients' basic information, financial documents, and bank balances. 4. Add new business functions such as: credit account opening/renewal, delivery of sub-brokerage risk disclosure copies to clients, ID verification via account linking, and OCR system upgrade.
Data Center Infrastructure Investment	5%	Approx. NT\$12.94 million	2025/11	1. Build APT (Advanced Persistent Threat) defense in Data Center at the Great Taipei Gas Corporation: detect and prevent abnormal behaviors in internal networks using traffic inspection technologies and identify suspicious processes and behaviors at endpoints in real time. 2. Set up external DDoS protection equipment in Data Center at the Great Taipei Gas Corporation to strengthen cybersecurity. 3. Replace EoS (End-of-Sale) network equipment to enhance cybersecurity and ensure transmission quality.

(V) Short- and Long-term Business Development Plan :

The Company will leverage its existing channel advantages and the potential strategic value of its financial distribution network to enhance overall profitability, in line with

principles of security, compliance, and profitability. The key short- and long-term business development plans are as follows:

1. Short-term Business Plans

- (1) Enhance Client Service Capacity and Build a Warm-Hearted Service Brand
 - A. Increase service interaction frequency and implement tiered client management
 - B. Leverage channel sales strength to deepen cross-industry partnerships
 - C. Expand digital client acquisition across sectors to broaden customer reach
- (2) Diversify Revenue Streams to Raise Service Income
 - A. Broaden electronic trading product offerings and develop PI (private investor) client segment
 - B. Strengthen inter-industry securities borrowing/lending mechanisms to stabilize supply
 - C. Focus on high-potential sectors to capture group-level business synergies
- (3) Optimize Digital Marketing Model to Deepen Brand Recognition
 - A. Enhance digital service experience and innovate product platform development
 - B. Leverage data for precision marketing to stimulate client investment interest
 - C. Promote brand via social engagement to deepen client affinity
- (4) Adjust position trading strategy to construct a stable return position
 - A. Capture opportunities from interest rate cuts through agile portfolio tactics
 - B. Focus on stable-income businesses to expand steady revenue streams
 - C. Enhance short-selling strategies to optimize options business structure
- (5) Strengthen Investment Operations to Boost Profit Contribution
 - A. Improve research and discretionary management performance to scale mandate business
 - B. Expand futures brokerage scale to maximize proprietary trading returns
- (6) Enforce fair customer treatment practices and explore sustainability-related opportunities
 - A. Advance sustainability initiatives to foster a fair and responsible corporate culture
 - B. Launch ESG-themed products to capture sustainable investment demand
 - C. Intensify anti-fraud education to promote inclusive financial services

2. Long-term Business Development Plans

The Company continues to pursue long-term development strategies centered on enhancing operational efficiency, expanding revenue sources, optimizing digital experiences, securing stable investment returns, and advancing ESG initiatives.

Shin Kong Investment Trust (SKIT):

(I) Scope of Business:

1. Main Business:

- (1) Securities investment trust service
- (2) Discretionary investment services
- (3) Securities investment consultancy service
- (4) Sale and sole agent of offshore fund

- (5) Futures trust business
- (6) Other business approved by the authority

2.Weight of Business Activities

Unit: NT\$ thousands

Item/Year	2024	
	Operating revenue	Percentage
Management fee income	408,777	97.16%
Commission income	11,186	2.66%
Consulting fee income	771	0.18%
Total	420,734	100.00%

3. New Financial Products and Services Planned for the Future

- (1) SKIT will continue to develop in tandem with Publicly Offered Fund, ETF and the discretionary investment account. In full coordination with the Group's efficiency enhancement and development efforts, and aligned with channel, market, or customer needs, it will focus on products with high market acceptance and the corresponding asset allocation requirements.
- (2) SKIT will expand the ETF product line. In addition to launching equity ETFs that attract market attention, efforts will also be accelerated in the reissuance of new bond ETFs. Market acceptance will be closely monitored to consider the timely development of actively managed ETFs.
- (3) SKIT will optimize internal distribution channel collaboration. While each subsidiary leverages its professional strengths, the Company will focus on its investment expertise to offer diversified investment and wealth management products. By integrating various special projects and the Group's abundant resources, a comprehensive wealth and retirement investment platform will be built.
- (4) SKIT will increase the number of channel partners, and expand the customer base, so as to increase the Publicly Offered Fund sales and ETF cross-selling opportunities, and then accumulate the number of customers and the overall asset management scale.

(II) Business Plan for the Current Year

Looking forward to 2025, Shin Kong Investment Trust will continue to adhere to the principle of "stabilizing investment performance and continuously expanding scale" as its development axis, and strengthen its profit-making ability and momentum, so as to facilitate the steady growth of the Company's earnings.

1. The Company will closely monitor equity and bond market trends, focus on developing ETFs, and maintain stable fund performance to drive growth in assets under management. Additionally, it will place strong emphasis on investment risk control and implement robust risk management mechanisms.
2. The Company will deepen partnerships with fund custodian banks, leveraging opportunities with both government-owned and private banks to create new fund launch

collaborations and special sales opportunities for existing funds.

3. The Company will enhance digital marketing efforts to attract younger audiences and increase the number of product beneficiaries.
4. The Company will continue collaborating with life insurance companies on the introduction of discretionary investment-linked insurance policies, so as to expand the scale of such accounts.

(III) Industry overview

As of the end of 2024, the total assets under management (AUM) of the 38 domestic investment trust companies amounted to NT\$12.922 trillion, including NT\$9.5993 trillion in public funds, NT\$29.1 billion in private funds, and NT\$3.2936 trillion in discretionary investment assets (including advisory contracts with decision-making authority over client assets). The overall total assets under management increased by NT\$3.2666 trillion, or 34%, compared to NT\$9.6554 trillion at the end of 2023. The 38 investment trust companies publicly issued 1,054 funds in total, and 23 of which were offered by SKIT, representing a size of approximately NT\$71.2 billion and a market share of 0.74%.

(IV) Research and development

1. Improve investment technology and stabilize investment performance.
2. Continue promoting ETFs to increase the number of investment trust investors.
3. Focus on the younger customer segment and enhance the proportion of digital marketing to boost overall fund product marketing effectiveness.
4. SKIT will accommodate the group's integrated marketing efforts the general investment public's needs by introducing products that accord with market trends, and in doing so upscale the AUM.

(V) Short- and Long-term Business Development Plan

1. Short- and Medium-term Business Development Plan
 - (1) Deliver stable performance and enhance competitiveness; strengthen asset management capabilities to achieve group synergies.
 - (2) Optimize the role as both product provider and service partner to meet clients' asset allocation needs and drive fund growth momentum.
 - (3) Deepen the development of high-potential, quality funds or ETFs to establish Shin Kong Investment Trust as a provider of premium investment products.
 - (4) Implement the integrated marketing plan of SKFH, and improve the performance of all discretionary investment accounts.
2. Long-term Business Development Plans
 - (1) Create the value of investment trust assets with steady performance; Establish brand foundation, strengthen brand style, achieve the best visibility in the market, and effectively strengthen market competitiveness.

- (2) Promote regular fixed-amount investing and ETF stock accumulation to engage younger audiences, gain recognition from small investors, and advocate for early involvement in financial planning and savings. Position Shin Kong Investment Trust as a trusted and high-quality investment partner.

Shin Kong Property Insurance Agency Co., Ltd. (SKPIA)

(I) Scope of Business:

1. Main Business:

Mainly a property insurance agency.

2. Weight of Business Activities

Unit: NT\$ thousands; %

Item/Year	2024	
	Premium revenues	Percentage
Automobile insurance	2,174,880	80.60
Fire insurance	242,191	8.98
Other insurance	281,149	10.42
Total premium revenues	2,698,220	100.00

3. New Financial Products and Services Planned for the Future

SKPIA's core business focuses on auto insurance. To expand into corporate insurance, in addition to strengthening professional training for its sales agents, the Company has also collaborated with property insurance partners to design DM-packaged products, making it more convenient for clients to purchase coverage. Moreover, SKPIA has adopted the mobile insurance systems provided by property insurers and actively encourages its agents to learn and use them. This enables real-time auto insurance planning and quoting for clients, enhancing service quality and boosting market competitiveness.

(II) Business Plan for the Current Year

The operation of SKPIA in 2024 maintained a steady growth, with operating revenue reaching NT\$517.66 million, earnings after tax reaching NT\$87.15 million, EPS reaching NT\$87.15 and return on equity reaching 75.39%. Premium revenues totaled NT\$2.698 billion; 80.60 % of which were attributed to automobile insurance while corporate insurance accounted for 10.42%.

In 2025, SKPIA's primary goal is to complete the implementation of a new core system to enhance administrative efficiency. The Company will also deepen collaborations with multiple

property insurance providers to diversify its product offerings. While continuing to grow its core auto insurance business, it will actively promote corporate insurance to promote overall performance growth. Business plans are detailed below:

1. Build a new core system to enhance administrative efficiency
 - (1) The existing core system is outdated and no longer able to support the increasing business volume. A new system will be deployed to accommodate business expansion.
 - (2) The original system only interfaced with one property insurer; the new system will be designed to connect with multiple insurance partners, aligning with the Company's broader collaboration strategy.
2. Proactively support licensing and increase agent registrations
 - (1) In addition to the originally planned licensing courses, the Company will leverage partner insurers' resources to hold localized training sessions and use simplified learning materials to save agents' preparation time.
 - (2) Online learning modules and mock exams will be developed to help Shin Kong Life agents prepare more efficiently and boost pass rates.
3. Promote corporate insurance to broaden the client base
 - (1) Shin Kong Life's group accident insurance department already serves corporate clients. Targeted training on corporate insurance will be provided to staff serving these clients, enabling both deeper service and new client development.
 - (2) MasterLink Securities' underwriting department can recommend listed companies for directors and officers (D&O) liability insurance and other corporate products.
 - (3) Other sales channels can use DM-packaged insurance offerings to efficiently approach and serve small businesses.
4. Broaden access to insurers to enhance competitive advantage
 - (1) Collaborate with multiple property insurance providers avoids reliance on a single insurer, enabling broader service scope and product variety.
 - (2) Product diversification improves overall market competitiveness.
5. Encourage and promote "insurance experts" to share best practices
 - (1) Launch incentive campaigns to identify and reward top-performing insurance agents.
 - (2) Encourage these "insurance experts" to share their success stories, inspiring and mentoring others across the network.
6. Auto insurance consultation center, strengthen logistics service

Shin Kong Property Insurance Agency set up an "automobile insurance consulting service center" to hire experienced professionals to provide consulting services for channel salesmen as a strong backing for attracting business.

(III) Industry overview

Taiwan is over-crowded with insurance brokers and agencies. There were 704 participants at the end of 2023 (including 184 property insurance agencies, 55 life insurance agencies, 32 agencies engaged both in life insurance and property insurance, 433 insurance brokers; the statistic include natural persons and corporate entities) that contributed NT\$66.9 billion of written premiums on property insurance policies, representing 27.37% of total premiums in Taiwan's property insurance market. This significance indicates insurance agency/brokerage as a highly competitive yet attractive business.

From January to October 2024, the total premium income of the property insurance industry reached NT\$229.5 billion, representing continued growth compared to NT\$205.4 billion during the same period in 2023. In breakdown, automobile insurance (including arbitrary automobile insurance and compulsory automobile and motorcycle liability insurance) premiums accounted for 48.40% of the total direct charge premiums, followed by other property insurances at 28.96% (including engineering insurance, liability insurance, Credit and Guarantee Insurance, Accident Insurance, Health Insurance and other) and the rest were fire insurance (including residential earthquake insurance) at 17.63%, marine insurance at 4.44% and aviation insurance at 0.57%.

Statistics have indicated an increasing demand for insurance brokers and agencies due to consumers' rising protection awareness, increasing demand for consultative service, and ongoing deregulation of the insurance market. However, this demand also invites competition.

(IV) Research and development

Looking forward into the future, SKPIA will continue to develop new type of products and new education and training patterns, and improve the professional capacity of the business staff in various subsidiaries of SKFH, as well as assisting their career development.

In the upcoming year, SKPIA will also strive to deliver its best performance and maximize the synergy of resource sharing and integrated marketing within the financial group.

(V) Long and short-term business plans

1. Short-term plan:

Implement a new core system to enhance administrative efficiency. Continue to grow the existing auto insurance business while actively promoting corporate insurance to broaden the customer base and further boost overall performance. Increase the number of registered agents, identify top-performing insurance specialists, and support them with business initiatives and incentive programs to strengthen their market competitiveness.

2. Long-term plan:

- (1) Expand partnerships with additional property insurance companies and develop new channels outside the financial holding group to broaden business sources.
- (2) Continue introducing new products to capture emerging market opportunities.

Shin Kong Venture Capital (SKVC)

(I) Business Activities:

1. Main Business:

- (1) The Company founded “Shin Kong Leasing (Suzhou) Corp.” and assisted in the subsidiary's growth.
- (2) The Company invests in companies with promising prospects or potentials, and profits from such investments.

2. Weight of Business Activities

Revenue percentage of Shin Kong Venture Capital in the last two years

Unit: NT\$ thousands; %

Item/Year	2023		2024	
	Operating revenue	Percentage	Operating revenue	Percentage
Investment income accounted for using equity method	64,432	48.53	66,694	44.98
Interest and dividend revenue	24,842	18.71	23,613	15.93
Other revenue	43,487	32.76	57,956	39.09
Total	132,761	100.00	148,263	100.00

(II) Business Plan for the Current Year

1. Focusing on Emerging Industries Flexible Investment Strategies

In its venture capital investment business, the Company closely follows global industrial development trends, strategically deploying capital in high-growth potential investment targets while flexibly adjusting its investment positions to enhance returns. Key investment areas include emerging industries such as advanced technology and artificial intelligence, digital transformation and cybersecurity, circular economy, and biotechnology and healthcare. The focus extends to sectors like semiconductors, AI applications, clean technology, and biotech, as well as companies that emphasize ESG and sustainable development. The Company also carefully selects international venture capital and private equity funds as partners to participate in global startup investments.

2. Focus on Asset Quality, Pursue Steady Growth

Shin Kong Leasing targets small and medium-sized enterprises (SMEs) in the Eastern and Southern China regions, with risk control as its top priority. In addition, we will continue to strengthen risk control, improve the professionalism and efficiency of business audit, reduce the occurrence of default cases, and actively carry out legal enforcement of bad cases and creditor's rights negotiation to effectively recover creditor's rights. The Company pursues stable and moderate business growth through in-depth cultivation by region, industry, and client type. In response to continued economic stagnation in Chinese mainland, in 2025, the Company will keep expanding into industries less affected by economic cycles, such as consumer staples and environmental protection equipment, to diversify its industry exposure and disperse risk. Talent development will also remain a focus, with HR strategies aligned to organizational growth in order to build a strong talent pipeline for the future.

(III) Industry overview

According to CB Insights, global VC investment in 2024 reached USD 374.6 billion, a 4.48% increase compared to 2023. Of this, AI-related investments totaled USD 100.4 billion, accounting for 36.6% of the overall VC funding. In terms of deal volume, there were 26,961 deals globally, down approximately 18.5% from 2023. Among them, AI deals reached 4,505, a 6.4% increase from the previous year, representing 16.7% of all deals. Key areas of AI investment included large language models, cross-domain AI applications, AI regulation, data centers, and new energy solutions—making AI one of the top focuses of global venture capital. However, funding was highly concentrated in a few major projects, such as Databricks, OpenAI, xAI, and Anthropic, which raised USD 10 billion, USD 6.6 billion, USD 6 billion, and USD 4 billion respectively. Beyond AI, the rising energy demands from AI, generative AI, blockchain, and cryptocurrency sectors have drawn increasing venture interest in alternative energy sources, including nuclear and hydrogen energy. With support from European regulations, China's prioritization of clean technology, and growing regional emphasis on ESG-related services, clean tech is expected to remain a major focus of investment. Meanwhile, intensifying global geopolitical tensions throughout 2024 have driven growing VC interest in defense technology—particularly in unmanned aerial vehicles, satellite technologies, and related software solutions. Governments around the world are increasingly willing to collaborate with defense tech companies, especially those offering AI-powered solutions.

According to the 2024 Taiwan Early-Stage Investment Trend Annual Report published by the Taiwan Institute of Economic Research in September 2024, there were a total of 542 early-stage investment deals in Taiwan in 2023, representing a 10.4% increase from 2022. The total investment amount also hit a record high of USD 2.79 billion, growing approximately 9.8% year-over-year. This growth trend stands in sharp contrast to the recent downturn in the global venture capital market. Notably, deals exceeding US\$10 million significantly influenced the overall investment volume. However, in terms of deal

count, small to mid-sized investments still dominate the market. In terms of sector focus, energy and healthcare biotechnology remained key areas attracting capital. Projects requiring high capital input, such as renewable energy, energy storage systems, and new drug development and manufacturing, have emerged as highlights in the early-stage investment market, supported by government policy and corporate backing. In addition, Taiwan's industrial foundation has favored investments in hardware and industrial manufacturing, especially in sectors such as semiconductors, IC design, communications technology, and new materials. The global wave of artificial intelligence has also intensified investor interest in AI-related startups, driving strong attention toward companies developing AI applications.

(IV) Research and development

The Company will pay close attention to the development of the start-up industry and explore potential investment opportunities by participating in the start-up ecosystem and investing in private equity funds, venture capital funds, etc. The Company will also leverage resources of the financial holding group and explore opportunities for start-ups investees to engage affiliated subsidiaries in business collaborations, providing startups with a broader range of financial services.

(V) Long and short-term business plans

1. Short-term plan

- (1) The Company focuses on developing investment targets with strong growth potential, with a strategic emphasis on sectors such as semiconductors, digital transformation, artificial intelligence applications, clean technology, and biotechnology. It also prioritizes companies aligned with ESG and other sustainable development themes, while adjusting investment positions in a timely manner. In addition, the Company actively deploys capital into emerging over-the-counter (OTC) companies with undervalued potential and growth momentum, as well as existing portfolio companies listed on the stock exchange, continuously optimizing its investment portfolio.
- (2) Supervise over business activities of the leasing subsidiary to tighten the control of asset quality and take consistent steps toward achieving profit.

2. Long-term Plan

- (1) Targeting industries aligned with market trends, the Company seeks out startups that demonstrate innovation and relevance in technology, creativity, and business models. By partnering with international venture capital and private equity funds, it extends its investment scope to include overseas startups.
- (2) Shin Kong Leasing develops regional hubs based on its operational bases in East and South China, building a stable customer base. In response to market trends, it actively explores new sectors, such as green energy and environmental equipment, to broaden its industry coverage. Shin Kong Leasing will escalate the

intensity of its recruitment efforts to build a high-quality and stronger sales force/production line/risk control personnel and support their sales efforts through enhanced training in order to cultivate talents and prop up business momentum. Also, the Company aims to raise business momentum and employees' retention rate, while eliminating weak performers by enforcing the performance evaluation system.

II. Cross-Functional Integration and Co-Marketing Benefits :

The financial holding company integrates resources from its subsidiaries and continuously leverages the cross-selling platform to strengthen internal resources and channel utilization, promoting inter-subsidiary business collaboration and maximizing cross-selling synergies.

Despite the global economic uncertainties in 2024, the overall cross-selling benefits reached NT\$4 billion, growing 26% year-over-year. The new life insurance premiums sold through bank insurance channels increased to 71% of total life insurance via banks, with total bancassurance premiums growing 73% annually, and premiums with six-year or longer terms growing 18%. Life insurance and securities co-selling accounted for 40% of total securities channel accounts, with an 8% annual increase in account openings. Fund sales through the group's asset management subsidiaries rose to 47% market share, growing 17% year-over-year. Referral momentum from corporate clients continues to strengthen, fully utilizing insurance, banking, and securities as the three main engines to maximize cross-selling synergies. In 2025, amid ongoing global economic uncertainties, the group plans to continue seizing market opportunities and gaining customer insights to deliver comprehensive, one-stop financial services. By leveraging digital technology and data advantages, it will optimize cross-selling products and service processes, enhance customer experience, and further boost overall cross-selling effectiveness across the holding company.

III. Market and Business Overview:

SKFH

(I) Locations where products (services) are mainly sold (provided):

The Company sells (provides) products (services) mainly in Taiwan.

(II) Future market supply and demand:

On the supply side, there are currently too many financial institutions in Taiwan, which will intensify competition after internet-only banks joined the market. To meet customers' one-stop shopping needs, SKFH provides customers with diversified financial services and products through the integration of its subsidiaries, and supports the financial technology-related policies promoted by the competent authority, hoping to establish a friendly digital ecosystem. SKFH also seeks to provide customers with excellent experience from convenient applications in different scenarios, meet and solve customer pain points, deepen customer base and brand value, and lay the foundation for sustainable operation.

On the demand side, in response to the advent of an aging society and a declining birthrate, consumers' demand for financial products and services such as retirement wealth management, insurance planning, and property trust is increasing; coupled with popularization of mobile devices and advance of internet technology and data analysis, we have devised differentiated financial products and digital service. SKFH will continue to innovate on financial services, satisfy the needs of the general public and the enterprises of different type, and include digital transition in our development strategy.

(III) Operational Objectives:

1. Enhance High-Value and New Business Profit Sources: Assisting subsidiaries in boosting high-value and new types of business revenue sources to increase the breadth and depth of business operations.
2. Expand Business Size and Optimize Asset Structure Across Subsidiaries: Expand assets of bank and securities subsidiaries, aiming

to improve the financial holding company's asset structure.

3. Increase Profits, Strengthen Capital Adequacy: Supervise subsidiaries to stabilize profits, enhancing operational performance and capital efficiency.
4. Deepen Cross-Selling Synergies: Optimize cross-subsidiary channel resources for shared customer management, boosting customer engagement efficiency.
5. Increase Digital Revenues, Strengthen Digital Performance: Enhance digital customer engagement and apply new technologies to improve operational efficiency, aiming for growth in digital scale benefits and innovation in digital finance.
6. Implement Corporate Governance, Promote Sustainable Management: Continuously refine corporate governance and ensure business compliance, actively engage in ESG assessments to align with global sustainability trends, and enhance sustainable competitive edge.

(IV) Opportunities and threats:

1. Opportunities

- (1) Capital and resource integration within SKFH ensure efficient capital utilization and increase cross-selling synergy.
- (2) SKFH offer a comprehensive range of financial products that fit the customers' needs through its subsidiaries, and has the advantage to provide customers with one-stop shopping experience.
- (3) Subsidiaries have service locations deployed throughout Taiwan, which provide a strong foundation for penetrating the local market.
- (4) The development of AI and data application will facilitate the Company's provision of a more convenient user experience and more precise financial services.

2. Threats

- (1) Due to the impact of Trump's inauguration, the interactive effects of geopolitical factors, and exchange rate fluctuations, there has been an increase in the uncertainty of business operations.
- (2) The challenges of information system integration and information security brought by digital transformation.
- (3) Tightening compliance requirements local and abroad present additional cost to financial institutions.

Shin Kong Life Insurance (SKL)

(I) Locations where products (services) are mainly sold (provided):

The Company sells (provides) products (services) mainly in Taiwan.

(II) Future market supply and demand:

On the supply side, the competent authorities have issued the product regulations and reinforced supervision in recent years. To echo this trend, the payment period has been continuously adjusted towards the medium and long term, and the commodity structure has gradually returned to the essence of insurance. Regulatory authorities are promoting inclusive finance policies, senior-friendly financial policies, and encouraging corporate social responsibility, as well as urging industry players to develop spillover insurance products. These initiatives all support product innovation and help create competitive advantages. In addition, the Company will explore the possibility of utilizing mobile technology and big data analysis in the development of new spillover products, or design products reinforcing the insurance for existing customers.

On the demand side, in early 2024, in response to the U.S. Federal Reserve's rapid interest rate hikes aimed at curbing inflation, regulatory authorities adjusted the reserve interest rates for life insurance products. In response to the interest rate increase of the liability reserve, the Company will gradually revise the insurance products or launch new products to reflect the expectations of the policyholders for premium adjustment. International relations remain complex and volatile, with ongoing political and economic tensions. However, the U.S. dollar continues to be a strong currency in the financial markets, and it is expected that policyholders will maintain a fundamental demand for U.S. dollar-denominated insurance policies. Moreover, although the COVID-19 pandemic has eased and related control measures have been relaxed, the public's heightened awareness of health risks due to the pandemic is favorable for the promotion of medical insurance and the expansion of life insurance coverage. With the extension of the average life expectancy and Taiwan's transition into a super-aged society in 2025, the demand for retirement planning, wealth inheritance, medical care, and long-term care is expected to continuously increase. This trend supports the ongoing development of diversified insurance products tailored to specific customer groups to meet their needs.

(III)Operational Objectives

- 1.Integrate product channels and focus on value stacking.
- 2.Strengthen organizational management and deepen customer relationship management.
- 3.Integrate administrative support and enhance digital assistance.
- 4.Emphasize sustainable finance and realize sustainable values.

(IV)Opportunities and Threats in Future Development:

Due to the rapid changes in various factors such as economy and technology has increased consumers' demand for insurance protection, long-term savings and asset management. Meanwhile, other factors such as low fertility, aging society, digital banking, etc. also have an effect on the market. Future market opportunities and threats are as follows:

1.Opportunities

- (1) The strong demand for AI is expected to continue, supporting Taiwan's export orders and manufacturing sector recovery, thereby boosting Taiwan's economic momentum.
- (2) The U.S. Federal Reserve initiated a preventive interest rate cut cycle at the end of 2024. Historical experience shows this helps stimulate mid-term U.S. economic growth and manufacturing recovery, benefiting major U.S. stock indices and leading gains in sectors sensitive to economic cycles such as technology, finance, industrials, commodities, and discretionary consumer stocks.
- (3) If US President Trump subsequently implements corporate tax cuts, historical data suggests this would further enhance overall U.S. stock market earnings growth, with communication, energy, consumer staples, utilities, and finance sectors—those with substantial U.S. revenue exposure—expected to benefit the most.
- (4) Longer life expectancy in an aging society and the gradually accepted concept of self-contribution to retirement funds will increase the demand of senior citizens for retirement wealth management, asset inheritance, and medical care products.
- (5) Return product design and business promotion back to the essence of insurance promotion, which is conducive to the Company's basic benefit accumulation, stable financial structure, and sustainable operations.
- (6) The authority has also relaxed its definition of new life insurance products and shortened the time for reviewing innovative products

as a means to encourage product innovation. This support should speed up product development and encourage further innovation, increase product diversification in the market, and provide insurance options for policyholders.

- (7) The authority has been active in providing support and making deregulations in response to new financial technologies. Encouragements on digital product and service innovations help create business opportunities and improve service efficiency.
- (8) The ten principles of treating customers fairly as prescribed by the Company are: Principle of Fair and Good Faith Upon Entering into Agreements, Principle of Due Care and Fiduciary Duty, Principle of True Advertisement and Solicitation, Principle of Suitability of Products or Services, Principle of Informing and Disclosing, Principle of Balance between Remuneration and Performance, Principle of Complaints Protection and Principle of the Professionality of Business People, Principle of Amicable Service and Principle of Honest Operation. Based on these ten principles, the Company has formulated its own strategy and corporate culture of treating customers fairly, improved staff's awareness of financial consumer protection and related compliance, so as to win customers' confidence. In 2024, the Company ranked within the top 26–50% among life insurers in the Fair Treatment of Customers assessment. The Company remains committed to the core values of innovation, service excellence, integrity, and social responsibility, continuously developing tailored products and services for financially vulnerable groups, including the elderly, individuals with disabilities, and younger populations, thereby embodying the principle of fair treatment of customers.
- (9) In alignment with its financial holding company's initiatives to enhance regulatory compliance efficiency and mitigate risks related to money laundering and terrorist financing, the Company has invested in the development of an advanced AML news intelligence aggregation tool. This system enriches the Group's anti-money laundering database with comprehensive negative news sources, facilitating more accurate customer identity verification and strengthening the effectiveness of name screening procedures for AML and counter-terrorist financing efforts. Throughout 2024, the Company also maintained the implementation of a customer data

cleansing incentive program. This initiative has significantly improved the completeness of customer information, thereby enhancing the accuracy and efficacy of money laundering risk assessments.

- (10) Fintech development roadmap: Cooperate with government policies, actively invest in financial friendly services and practice inclusive finance to establish corporate financial resilience. With the development of industrial competition, the Company will continue to expand and activate digital assets, provide operational support and improve user experience with the light journey service design. Also, we will promote customers to obtain efficient and high-quality services, and construct the insurance service process optimization and project with high accessibility, high usability and high sustainability.

2. Threats

- (1) The global economic outlook remains subject to uncertainties arising from unpredictable international trade policies, ongoing geopolitical tensions, and the possibility that major central banks may slow the pace of interest rate cuts due to renewed inflation risks.
- (2) The United States has entered an interest rate easing cycle; however, the slow decline in inflation and resilient labor market performance have led to fewer anticipated rate cuts in 2025. Consequently, the interest rate differential between the U.S. and Taiwan remains elevated, resulting in persistently high hedging costs for the New Taiwan Dollar (TWD) and increased complexity in foreign exchange hedging operations.
- (3) With bank deposit rates staying relatively high, the life insurance sector continues to face challenges from a disintermediation of funds scenario, as policyholders tend to surrender older policies and temporarily move funds into fixed assets. Furthermore, the gradual impact of inflation on consumer and industrial activities poses short-term headwinds to insurance sales.
- (4) In response to the transition to international standards (i.e., International Financial Reporting Standards IFRS 17 and the new-generation Taiwan Insurance Capital Standard (TW-ICS), the adjustment of the operation strategy, the accounting and

actuarial processing, asset allocation, legal compliance, risk control, and other operations are all challenging.

◎Response Measures

- (1) The Company applies the new foreign exchange price fluctuation reserve policy, which enhances flexibility in allocating hedging instruments. Foreign exchange hedging positions will be adjusted in response to changes in the U.S. dollar's international trend and hedging cost rates.
- (2) The Company closely monitors developments related to tariffs under the Trump administration. Through diversified industry allocation, fundamentally sound stock selection, prudent cash level management, and disciplined stop-loss/take-profit mechanisms, the Company aims to strategically accumulate positions in phases during periods of excessive market panic, thereby avoiding unnecessary downside volatility.
- (3) In face of the interest rate fluctuation in the external market, the Company should focus on the protection and added values of insurance, and continue to launch differentiated guaranteed insurance, long-term care products or medical products to meet the diverse needs of retirement financing, medical care and accidents. Moreover, we will apply the insurance technology to develop innovative spillover policies, or introduce new thematic products that meet the needs after analyzing customer groups. In response to IFRS 17 and the new generation of solvency regulations, the Company will continue to develop foreign currency-denominated policies and focus on selling high-coverage products, such as life insurance protection plans, estate planning products, and health insurance, as preparation for regulatory alignment. The Company will return products' nature back to insurance, increase the proportion of medium and long-term premium products, optimize product portfolio, and continue to leverage financial technology (such as upgrade electronic insurance application) to enhance the added value and practicality of products, driving the transformation of products, marketing and customer segments.

Taiwan Shin Kong Commercial Bank

(I) Locations Where Products (Services) Are Mainly Sold (Provided)

1. Markets areas

Shin Kong Bank currently operates 103 branches across Taiwan and established its Hong Kong branch in May 2011. This branch serves as a platform to cater to the needs of overseas clients, providing services such as offshore deposits and loans, fund management, and financial planning. Additionally, the Bank has representative offices in both Vietnam and Myanmar to further expand its international presence.

2. Target markets

The Bank will aim to achieve the following goals in support of the group's operating strategies:

- (1) The Bank will enhance digital financial service capabilities by integrating AI-assisted tools to identify and meet diverse customer needs in digital finance. It will also streamline digital processes to effectively improve operational efficiency while reducing fraud risks.
- (2) Centering on the OMNI-U digital deposit account, the Bank will continuously expand the active digital user base by implementing diversified digital development strategies to attract and cultivate younger customer segments. The Bank will continue promoting one-stop loan services, strictly controlling the quality of credit assets while actively acquiring high-quality clients to increase the bank's net earnings.
- (3) The Bank will leverage the marketing and promotional synergies of the financial holding group to drive business growth, expand operational scale, and offer more comprehensive financial services.

(II) Future Market Supply and Demand

1. Supply

At the end of 2024, the total bank deposit balance amounted to NT\$51.5765 trillion, representing a 6.19% increase compared to the same period in 2023.

2. Demand

In 2024, inflation rates among major global economies cooled, and the United States implemented a total rate cut of 100 basis points throughout

the year. However, ongoing geopolitical conflicts, rising risks, and increased international trade protectionism contributed to heightened uncertainty. Consequently, international organizations widely forecast a global economic slowdown in 2025. According to the World Bank's Global Economic Prospects report, the global economy in 2025 is expected to grow moderately but remain fragile, with a projected growth rate of 2.7%. Taiwan's Directorate-General of Budget, Accounting and Statistics estimates a domestic economic growth rate of approximately 3.14% in 2025, slightly lower than in 2024, with an average per capita GDP of USD 35,106.

3. Growth Prospects

Looking ahead to 2025, global economic growth is expected to remain largely unchanged from 2024, though more forecasts now point toward a continued slowdown. This trend is primarily driven by the cumulative effects of monetary tightening by major central banks, ongoing geopolitical tensions, supply chain fragmentation, and the structural adjustments required for climate transition. Domestically, Taiwan's economy is expected to continue benefiting from the robust development of the AI industry, which may help mitigate the pace of export deceleration. Additionally, external demand, along with increases in minimum wage, public sector salaries, and the adjustment of the basic living deduction for individual income tax, are anticipated to raise disposable income—supporting sustained expansion in private consumption. However, potential inflationary pressures triggered by the new U.S. administration's trade policies, coupled with persistent geopolitical risks, post-pandemic labor shortages, and climate-related uncertainties, are likely to increase volatility in commodity and raw material prices. These factors may make it more difficult for businesses to gauge future market trends and continue to weigh on the pace of global economic recovery.

(III) Business Objectives

Faced with financial markets at present and in the future, the Bank will formulate more active development strategies:

1. Enhance lending returns to steadily boost profitability.
2. Optimize deposit structure to elevate overall funding levels.
3. Refine earnings composition by expanding contributions from non-

interest income.

4. Advance digital development and leverage group cross-selling synergies.
5. Cultivate professional talent to strengthen human capital reserves.
6. Uphold regulatory compliance and risk controls while promoting fair customer treatment.
7. Drive net-zero transformation and pioneer a new era of sustainable growth.

(IV) Opportunities and Threats in Future Development:

1. Competitive niche

- (1) The fact that the Bank's branches are widely distributed, mainly located in the Greater Taipei Area where economic activities are very dynamic, justifies a competitive edge for business expansion. With the integration efforts made by SKFH, the Bank is capable of offering customers more diversified financial services, e.g. a portfolio made of insurance, stocks, credit cards, funds, and bonds, which not only meet investors' needs, but also provides them with one-stop shopping service. Moreover, by utilizing SKFH's resources, the Bank has improved the efficiency of cross-selling and showcased the benefits of economies of scale and, by mobilizing the quality talent pool, the Bank has enhanced the ability to innovate financially and to research and develop, constantly raising Shin Kong Bank's competitive niche.
- (2) The Bank maintains a broad network of 104 domestic and overseas branches, enabling deep local market penetration and service delivery. By integrating digital capabilities with physical branches, the Bank is advancing an omnichannel service model that offers customers high-quality, seamless experiences across both virtual and in-person touchpoints. This approach extends the Bank's reach to local SMEs through its branch network, enhances service satisfaction among diverse customer segments, and strengthens the Bank's overall revenue generation network.

2. Opportunities

- (1) The government's three major investment initiatives in Taiwan have been extended, with total committed investments exceeding

NT\$2.5 trillion to date. These programs are expected to continue driving the return of Taiwanese businesses and overseas capital, encouraging SMEs to anchor operations domestically. This momentum supports industrial upgrading and transformation, presenting growth opportunities for banks in corporate banking and wealth management, and ultimately contributing to Taiwan's overall economic development.

- (2) As technological advancements accelerate digital transformation, customers are increasingly receptive to digital finance and contactless services. The development and application of emerging technologies such as artificial intelligence and big data are reshaping the financial landscape. By integrating products, technology, and services, financial institutions can expand their service offerings and significantly enhance the customer experience.

3. Threats

- (1) In response to a cooling of core inflationary pressures, the U.S. Federal Reserve implemented a total rate cut of 100 basis points in 2024. However, the potential inflationary impact of tariff policies under the new U.S. Administration, the “gray rhino” risk and the possibility of smaller-than-expected Fed rate cuts, the “black swan” effect, are jointly fueling global economic uncertainty. This rising ambiguity is gradually undermining economic resilience, resulting in delayed private investment and sluggish export growth in Taiwan. Against this backdrop, expanding loan portfolios amid recessionary headwinds will present an increasing challenge for the banking sector.
- (2) Amid escalating U.S.-China tech tensions, ongoing geopolitical strife, and frequent military conflicts, global markets are experiencing heightened volatility in commodity prices and intensified economic fragmentation. As the world undergoes a structural reshaping of supply chains, industries face mounting pressure to demonstrate strategic resilience and robust risk management. For the banking sector, identifying and navigating these emerging risks while maintaining stable profitability in lending and investment operations has become a critical challenge.

4. Response measures

The Bank's operating strategies will focus on the following areas:

- (1) Enhance lending returns to steadily boost profitability.
- (2) Optimize deposit structure to elevate overall funding levels.
- (3) Refine earnings composition by expanding contributions from non-interest income.
- (4) Advance digital development and leverage group cross-selling synergies.
- (5) Cultivate professional talent to strengthen human capital reserves.
- (6) Uphold regulatory compliance and risk controls while promoting fair customer treatment.
- (7) Drive net-zero transformation and pioneer a new era of sustainable growth. The Bank will actively expand business under affordable risks and, through the integration of group resources, maximize the performance and provide a full range of financial services beyond customer expectation to achieve a win-win situation for the Bank and customers.

MasterLink Securities

(I) Locations Where Products (Services) Are Mainly Sold (Provided)

MasterLink Securities Corporation provides products and services mainly in Taiwan; it also provides products and services through domestic and overseas investees.

(II) Future Market Supply and Demand

1. Supply

In 2024, regulatory authorities continued to promote new policies and regulatory easing measures to enhance market vitality. Initiatives included the extension of the halved securities transaction tax for day trading of spot stocks, the full removal of qualified investor restrictions for the Taiwan Innovation Board, the opening of share-lending services for rights issues, expanded utilization of segregated accounts, and the shortening of intraday odd-lot trading matching intervals. These efforts aimed to improve market mechanisms, boost investor participation, and stimulate overall trading momentum, thereby fostering a more active capital market environment.

Thanks to stronger-than-expected U.S. economic growth and a surge in

U.S. stock prices, Taiwan's sub-brokerage trading volume hit record highs. Data from the Securities Association shows that in 2024, total sub-brokerage transaction volume reached NT\$7.84 trillion, a 74% increase compared to the previous year. Meanwhile, the number of accounts participating in regular investment and share-purchasing plans for foreign securities grew to 304,000, with the total transaction value soaring to NT\$35.8 billion, up 80% and 106% year over year, respectively, reflecting a growing investor interest and active engagement in overseas sub-brokerage markets. Regulators plan to introduce foreign currency financing services for securities firms' sub-brokerage trading of foreign securities, while continuing to expand innovative products and trading mechanisms to better meet investors' diverse financial needs.

In the futures business, the Taiwan Futures Exchange (TAIFEX) continued to enrich the market with innovative products in 2024, including the introduction of Micro Taiwan Index Futures and the Taiwan Mid-Cap 100 Index Futures. Recognizing investors' growing attention to international economic data releases, the night session trading has become a key reference for the next day's day session opening. TAIFEX has progressively added night trading for products such as Large and Small TSMC Futures, UMC Futures, and Japan TOPIX Futures. Currently, there are 30 products available for night trading, effectively meeting traders' needs for hedging amid global political and economic uncertainties.

In recent years, the Financial Supervisory Commission (FSC) has actively promoted inclusive finance. Financial institutions have continuously implemented various measures to address and reduce the digital divide affecting elderly and physically or mentally disabled individuals. Efforts also focus on raising awareness among younger clients about investment risks and enhancing anti-fraud education. Moreover, financial service providers and fintech startups are leveraging technological innovation to offer diverse digital financial services and products, while simultaneously developing robust information security systems and preventive measures. These initiatives aim to create a more accessible and secure financial investment environment, effectively advancing inclusive finance and ensuring fair treatment for all customers.

2. Growth Prospects of Market

Looking ahead to 2025, economic growth forecasts remain cautious due to factors such as the policies of the new U.S. administration, monetary policy shifts by the Bank of Japan, China's economic performance, and ongoing geopolitical risks. These uncertainties are generally expected to weigh on Taiwan's export performance. However, the market also presents several growth drivers. Under the momentum of AI-related themes, relevant sectors continue to attract capital, pushing securities margin deposit balances to record highs and injecting liquidity into the Taiwan stock market. Coupled with regulators' ongoing introduction of supportive policies, the securities market is poised for robust development.

Additionally, the global surge in the green economy has spurred growing awareness of ESG investment principles in Taiwan. Financial institutions, aiming to capture ESG opportunities, are actively developing and launching ESG-themed products, thereby increasing investor interest in ESG investing. In the futures market, stock futures linked to both high carbon-emitting industries and green technology sectors are expected to bring fresh momentum, further revitalizing market activity.

(III) Business Objectives

1. Improve operational efficiency.
2. Expand market profits.
3. Optimize Digital Experience.
4. Optimize Investment Profit.
5. Promote ESG development

(IV) Opportunities and Threats in Future Development

1. Opportunities

- (1) The structure of the customer is getting younger and younger, the young customers and petty bourgeoisie regularly save petty shares, and the accumulating many investment funds will become a potential strength in the future and inject new kinetic energy into the stock market.
- (2) The complete removal of investor eligibility restrictions for the

Innovation Board, aligning its trading system with the general board and enabling odd-lot trading during market hours, has enhanced market accessibility.

- (3) Inflow of ETF funds and the repatriation of capital from Taiwanese businesses abroad have injected fresh liquidity into the stock market, supporting sustained trading volume.
- (4) Taiwan's comprehensive technology industry chain holds a pivotal role in both the industrial and stock market sectors, laying a solid foundation for continuous growth in the capital markets.
- (5) Regulatory authorities, while ensuring risk remains manageable, have progressively eased regulations and expanded permitted business activities, steadily advancing key initiatives to promote a stable and thriving securities market.

2. Threats

- (1) The securities industry is vulnerable to changes in the market climate and laws. Amid increasingly stringent supervision by regulatory authorities, securities firms should closely observe the environment changes, actively seek new customers and the blue ocean market, and actively expand their scale and business scope.
- (2) In face of the coming wave of digital transformation, securities firms must pay a lot of costs and resources and strengthen capital security protection and develop diversified wealth management products to provide investors with safe, fast and all-round financial services.
- (3) The low price competition in the market is fierce, which will threaten the stable income when the fee income is still the main source of income for securities firms.
- (4) Sustainability-driven operational requirements are expected to increase short-term business development costs and impact overall operational strategies.

Shin Kong Investment Trust (SKIT):

- (I) Locations where products (services) are mainly sold (provided):

The Company sells (provides) products (services) mainly in Taiwan.

By managing the direct sales teams of various subsidiaries of the financial holding company such as life insurance, banking, securities and investment trust, as well as external quality channels such as banks or securities firms,

SKIT expands the fund sales business, promote the long-term and mutually beneficial relationship, and establish a good interactive mechanism and the foundation of mutual trust, thereby facilitating the establishment of a strong marketing scope.

(II) Future Market Supply and Demand

1. Taiwan: With inventories at low levels, the economy awaits further order recovery and is gradually warming up. Investment capital remains concentrated on select thematic sectors. Thanks to the economy's underlying resilience, emerging technologies such as AI are expected to continue their growth momentum.
2. United States: 2025 will remain a year of interest rate fluctuations, while 2026 is expected to see a clearer easing path.
 - (1) Current interest rate levels are comparable to the final stages of rate hikes seen in 1999. If the 10-year Treasury yield rises above the upper bound of interest rates, it presents an attractive "yield plus capital gains" opportunity.
 - (2) The rise of AI agencies in 2025 will drive a new wave of AI applications across global technology sectors, accelerating a major AI business boom. The global AI bull market is expected to enter its main growth phase starting in 2025.
 - (3) Under the new Trump administration, US Treasury yields have been volatile, but the outlook remains for a soft landing in the US economy and a continued easing of inflation. Although the pace of rate cuts will slow, the US is expected to remain in a rate-cutting cycle over the next two years. This environment favors holding investment-grade bonds and other fixed-income assets, offering steady income and attractive total returns over the long term.

(III) Business Objectives

At Shin Kong Investment Trust, we are committed to managing every dollar of our investors' funds with care and dedication.

We strengthen collaboration with distribution channels and optimize our interactions with institutional clients to enhance overall asset size and profitability. By seizing opportunities that align product launches with market demand, we implement tailored strategies across different channels. This approach helps deepen mutual understanding and cooperation, addressing

the specific product needs at various stages and creating new fund partnerships as well as special sales opportunities for existing funds. Through our focus on improving service quality and risk management, we continuously strive to meet the diverse wealth management needs of our clients. In addition, with the improvement of digital marketing model, SKIT will gradually establish its brand image in the investment market and allow the investment public to experience our dedication and expertise in asset management.

(IV) Opportunities and Threats in Future Development:

1. Opportunities

- (1) SKIT has SKFH's strong resource backing, and has integrated cooperation opportunities among subsidiaries under the cooperation model of managing discretionary investment accounts.
- (2) Our stable investment performance and excellent investment team, as well as the diverse active and passive product lines can create a market visibility and capable of attracting large institutional investors or individual investors in the market.
- (3) As ETF is continuously on a hot sale, and young people attach importance to wealth management, we can carry out regular fixed investment through diversified digital marketing or channels.

2. Threats

- (1) The threat from alternatives: With the continuous launch of financial products, new financial products with strong competitiveness have relatively reduced the investment demand for the fund and eroded the niche of fund products.
- (2) Tightening AML and data security requirements cause an increase in operating costs.

Shin Kong Property Insurance Agency Co., Ltd.

(I) Locations where products (services) are mainly sold (provided):

The Company sells (provides) products (services) mainly in Taiwan.

(II) Future Market Supply and Demand:

The general public has become more aware towards property safety, liability and protection due to changes in the economic environment. Under the prevailing market, insurance products are sold solely based on consumers' needs, and it is now a dominant trend for service providers to introduce insurance products that are tailored to customers' needs. For this reason, SKPIA considers its prospects favorable despite operating in a highly competitive industry. Statistics concerning the insurance agency business is presented below:

Unit: NT\$ thousands

Year	Number of participants				Number of registered insurance representatives			Written premiums			Market share %	
	Total	Property insurance	Life insurance	Both Property Insurance and Life Insurance	Total	Property insurance	Life insurance	Total	Property insurance	Life insurance	Property insurance	Life insurance
101	323	212	111		92,237	35,398	56,839	365,548,568	29,743,179	335,805,389	24.69	13.55
102	312	207	105		99,564	43,489	56,075	369,491,298	32,302,601	337,188,697	25.86	13.05
103	312	209	103		112,783	53,894	58,889	369,679,076	37,185,617	332,493,459	28.12	12.00
104	306	202	104		102,620	48,677	53,943	391,946,421	39,846,078	352,100,343	29.27	12.03
105	300	201	99		101,674	53,478	48,196	762,560,257	45,944,720	716,615,537	31.48	22.87
106	291	199	92		78,254	48,968	29,286	860,981,786	49,282,129	811,699,657	31.44	23.73
107	277	193	84		67,687	47,246	20,441	1,038,505,915	50,932,730	987,573,185	30.75	28.12
108	298	195	76	27	187,698	104,995	82,703	1,037,312,059	53,043,505	984,268,554	29.95	28.39
109	292	194	70	28	185,920	102,284	83,636	961,495,748	56,406,793	905,088,955	29.99	28.61
110	282	190	65	27	176,968	96,403	80,565	1,079,079,400	59,792,860	1,019,286,540	28.82	34.31
111	282	192	60	30	171,240	93,206	78,034	836,843,743	61,535,301	775,308,442	27.82	33.21
112	271	184	55	32	172,467	94,467	78,000	776,056,058	66,988,411	709,067,647	27.37	32.41

Source: The latest information from Taiwan Insurance Institute (2024.7.5)

Note: The participant count includes individuals and corporate entities

(III) Operational Objectives:

Through close cooperation with property insurance companies, SKPIA aims to provide trainings and professional services to sales representatives of SKFH channels (Shin Kong Life and MasterLink Securities) to enhance their professional capabilities, create opportunities for them to contact customers, and

assist their career development.

SKPIA's objectives target automobile insurance (including mandatory and optional coverage for cars and motorcycles) and fire insurance, while actively promoting corporate insurance solutions. Consideration for the above decision is described as follows:

1. Customers in general own a car and a house and thus have higher demand for automobile insurance and fire insurance.
2. Providing customers with auto insurance and fire insurance services are compatible with the job of sales representatives at each channel.
3. Promote corporate insurance to broaden the client base.

(IV) Opportunities and Threats in Future Development:

1. Opportunities

- (1) Providing customers with property insurance services by utilizing organization and manpower of each SKFH channel not only offers customers more complete insurance planning, but also further promotes the development of their own businesses, and in doing so achieves the cross-selling synergy of SKFH.
- (2) Each SKFH channel's nation-wide service offices and customers' increasing demand for property insurance work in favor of business growth.

2. Threats

The domestic insurance brokerage and agency market is highly competitive, with many players vying for business. At the same time, insurance companies are adopting online insurance and digital services in line with regulatory policies, which is reshaping, and challenging the traditional brokerage business model. Meanwhile, rapid fintech advancements have heightened regulatory scrutiny, pushing up compliance costs for financial firms and putting pressure on their profit margins.

Shin Kong Venture Capital (SKVC)

- (I) Locations where products (services) are mainly sold (provided) and Future Market Supply and Demand

1. According to KPMG's February 2025 report, "Venture Pulse Report—Global Analysis of Venture Funding," with the gradual clarification of the new U.S. administration's policies, improving market conditions, and strong IPO performances from companies like Reddit, Rubrik, and Astera Labs, the IPO market is expected to recover in 2025. Investment in the AI sector remains the most favored by the market and is anticipated to expand into industry-specific solutions, such as applications that enhance efficiency in financial services, legal, and real estate sectors, as well as AI-powered robotics. Additionally, due to increasing regulatory requirements worldwide (especially in Europe) and the growing priority placed by institutions on ESG-related services, clean technology, health, and biotechnology sectors are expected to continue attracting significant investment attention in the foreseeable future. Moreover, fields such as defense technology (including drone technology, satellite technology, and related software solutions), cybersecurity, and alternative energy (e.g., nuclear and hydrogen energy) are also projected to maintain strong venture capital interest throughout 2025.

2. Shin Kong Leasing has set up business bases in Suzhou and Dongguan, located in the Yangtze River Delta Region and the Pearl River Delta Region, which are the most economically prosperous regions in China. The Company has defined risk control as the highest principle in business, steadily built and enhanced business momentum, intensively cultivated regions, industries and customers, and develops domestic demand and local advantageous industries. However, due to its small scale, limited branch network, and intensifying competition within the industry, its business competitiveness is constrained. Going forward, while expanding its operations, the Company aims to strengthen the professionalism and stability of its sales teams to achieve steady and sustainable growth.

(II) Business Objectives

1. Shin Kong Venture Capital focuses on tracking global industry trends and strategically investing in high-potential targets, primarily startups at the Pre-IPO stage. Through diversified investment allocations across different stages and timely adjustments, it aims to enhance venture capital returns. Key investment areas include emerging industries such as advanced technology and artificial intelligence, digital transformation and cybersecurity, circular economy, and biotechnology and healthcare. The focus extends to sectors like semiconductors, AI applications, clean

technology, and biotech, as well as companies that emphasize ESG and sustainable development. Furthermore, we will collaborate with international venture capital and private equity funds to participate in investments in global startups.

2. Shin Kong Leasing will continue to expand its business foundation and increase asset size while enhancing the quality of its operations and credit review processes. We will continuously improve the information system, streamline the credit collection and extension process to increase efficiency, maintain rigorous case quality control to ensure steady improvements in both quality and quantity. We will make the human resources strategy match the organizational development, develop diversified recruitment channels, and cultivate audit and key talents. Moreover, we will review and adjust the employee performance management and development system, and reserve manpower for the future organizational expansion.

(III) Opportunities and Threats in Future Development

1. Opportunities

- (1) AI is still in its early phase of rapid growth, initially driving demand for new infrastructure-related products such as semiconductors, servers, cooling systems, and network switches. Following this, consumer electronics are progressively integrating AI capabilities, with AI-enabled PCs, laptops, and smartphones expected to spur a wave of device upgrades. The application of AI is also set to expand rapidly, particularly in sectors such as healthcare, financial services, retail and e-commerce, transportation and logistics, manufacturing, entertainment media, and education, attracting an increasing number of startups to develop AI-related solutions in these fields. The government is actively promoting industrial innovation and upgrading by continuously expanding innovation hubs, supporting startups, and increasing venture capital investment opportunities.
- (2) Chinese mainland continues to drive corporate transformation by encouraging SMEs to replace equipment to enhance production efficiency and upgrade technology. Financing leasing models are used to meet SMEs' equipment renewal financing needs.
- (3) Due to long-standing neglect of SMEs by Chinese banks, financing channels for these enterprises remain limited. Although financial

leasing companies have entered the market with competitive pricing, their relatively weaker risk management capabilities mean that there is still significant growth potential for leasing businesses focused on equipment financing.

2. Threats

- (1) The number of domestic venture capital firms continues to grow, with many publicly listed companies also entering the venture capital sector. However, due to the relatively small size of investment deals domestically, competition remains intense with many players vying for limited opportunities. Additionally, with the Taiwan Stock Exchange index at a high level, some startups are valued on the higher side, which increases investment risks.
- (2) Currently, the disclosure of joint credit information for enterprises in Chinese mainland is not yet fully developed, making it difficult to obtain credit data on borrowers. Additionally, differing interpretations and enforcement standards of regulations across regions often lead to challenges in legal litigation and cross-jurisdictional debt recovery. Personnel in the finance leasing industry require expertise in both finance leasing and machinery equipment. Experienced talent is difficult to recruit, and retention rates tend to be low.
- (3) Taiwanese leasing companies find it challenging to secure credit lines from domestic banks and currently rely mostly on credit lines granted by Taiwanese banks' branches in Mainland China (domestic debt) as well as credit lines from Taiwanese banks used to fund operations in China (foreign debt). Due to ongoing controls by Taiwan on exposure limits to Chinese mainland, obtaining credit lines remains difficult, which may potentially impact future business expansion.

IV. Employee Profiles

(I) SKFH

1. Analysis on Employees of the Most Recent Two Years

Year		2023	2024	February 28, 2025
Number of employees	Head office	113	115	114
	Branch unit	0	0	0
	Total	113	115	114
Average age		43.88	43.35	44.15
Average years of services		12.48	13.64	13.63
Education spread ratio(%)	Doctoral degree	0.89	0.83	0.88
	Master degree	50.44	48.76	51.75
	College degree	46.90	43.80	45.61
	High school degree	1.77	1.65	1.75
	Below high school	0.00	0.00	0.00
Professional certificates held by employees	Corporate Sustainability Management	6	6	6
	U.S. Fellow Society of Actuaries (FSA)	0	0	0
	U.S. CPA	1	1	1
	Certified Public Accountant	2	2	2
	Lawyer(s)	2	1	1
	Underwriter Qualification Exam	5	7	7
	Claims Personnel Qualification Exam	4	7	7
	Administration Personnel for Life Insurance	5	5	5
	Fellow of Life Management Institute (FLMI)	8	7	7
	Certified Internal Auditors (CIA)	4	3	3
	Certified Financial Analyst (CFA)	0	1	1
	Certified Information Systems Auditor (CISA)	1	1	1
	Certified Financial Planner (CFP)	5	5	5
	Certified Anti-Money Laundering Specialist (CAMS)	1	1	1
	Certified Information Systems Security Professional (CISSP)	1	2	2
	Lead Auditor of Information Security Management Systems (ISO 27001)	1	3	3
	EC-Council Ethical Hacking	1	1	1
	Certified Securities Investment Analyst	4	5	5
	Internal Auditor	5	5	5
	Proficiency Ability Test for Basic Bank Lending Personnel	9	9	9
	Professional Capacity Test for Basic Foreign Exchange Personnel	7	7	7
	Proficiency Test for Financial Planner	12	13	13

	Proficiency Test for Trust Operations Personnel	31	27	27
	Senior Securities Specialist	10	9	9
	Securities Specialist	11	12	12
	Proficiency Test for Investment Trust and Venture Capital Operations Personnel	10	6	6
	Futures Specialist	6	7	7
	Proficiency Test for Stock Affairs	4	3	3
	Proficiency Test for Bonds	3	1	1
	Life Insurance Agent	1	1	1
	Property insurance agency	1	1	1
	Real Estate Agent	0	0	0
	Personal Insurance Representative	32	24	24
	Property insurance representative	27	23	23
	Qualification Test for Investment-linked Product Representative	21	30	30
	Test for Non-Investment Linked Insurance Product Paid in Foreign Currency	23	26	26
	Basic Capacity Test for Corporate Internal Control	3	4	4
	Test for Internal Control and Internal Audit of Banks	23	21	21
	Corporate Risk Manager	0	0	0
	Bookkeeper	1	1	1
	Software Engineering Technician	2	1	1

2. Licenses Acquired by Personnel Related to Financial Information Transparency:

Nature	Number	License	Number of License
Finance and Accounting Personnel	21	Certified Public Accountant	2
		Bookkeeper	1
Internal Auditor		Internal Auditor	3
		Test for Internal Control and Internal Audit of Banks	4
		Certified Internal Auditors (CIA)	2

3. Employee Education and Training

In addition to actively encouraging employees to participate in training courses held by external financial institutions and other professional training institutions, the Company also cooperates with subsidiaries and stipulates internal training courses and online learning courses for the education of employees in order to improve their professional capacity. The long-term goal is to improve productivity and efficiency and the overall competitiveness of the Company. The employee educational training courses and statement of training expenses in 2024 is shown in the table below:

Item	Number of trainees
Professional Technology	4,304

Audit, Compliance, Risk Control, Information Security	2,441
Amount of expenditure in 2024	NT\$ 2,038,304

(II) Shin Kong Life Insurance (SKL):

Year		2023	2024	February 28, 2025
Number of employees	Head office	1,807	1,855	1,883
	Branch unit	7,563	8,337	8,245
	Total	9,370	10,192	10,128
Average age		43.47	44.35	44.53
Average years of services		8.8	7.38	7.43
Education spread ratio(%)	Doctoral degree	0.04	0.02	0.02
	Master degree	8.04	7.61	7.74
	College degree	54.7	54.56	54.48
	High school degree	34.31	35.05	34.97
	Below high school	2.91	2.76	2.78
Professional certificates held by employees	Actuary	5	5	5
	Fellow Society of Actuaries (FSA)	9	8	9
	Associate of SoA (ASA)	16	21	22
	Certified Financial Analyst (CFA)	Official	10	10
		Level 3	1	1
		Level 2	5	5
		Level 1	8	8
	Securities Investment Analyst	41	32	33
	Futures Trading Analyst	2	3	3
	Financial Risk Manager (FRM)	15	12	12
	Certified Public Accountant	5	6	6
	Lawyer(s)	7	8	8
	Architect	3	1	1
	Real Estate Appraiser	1	0	0
	Certified Commercial Investment Member (CCIM)	2	1	1
	Certified Financial Planner (CFP)	40	38	38
	Certified Internal Auditors (CIA)	6	6	6
	Internal Auditor	5	5	5
	Certified Information Systems Auditor (CISA)	6	6	6
	Insurance Assessor for Life Insurance	292	296	298
	Certified Life Underwriter (CLU)	1	1	1
	Claim Adjuster for Life Insurance	271	289	293
	Administration Personnel for Life Insurance	80	76	76

Year		2023	2024	February 28, 2025
	Fellow of Life Management Institute (FLMI)	78	75	75
	Life Insurance Agent	13	12	12
	Life insurance broker	128	113	115
	Property insurance agency	8	7	7
	Property insurance broker	5	5	5
	Project Management Professional (PMP)	29	31	31
	Corporate Risk Manager	2	2	2
	Personal risk manager	2	2	2
	Associate, Customer Service program (ACS)	5	4	4
	Proficiency Ability Test for Basic Bank Lending Personnel	94	93	93
	Proficiency Test for Financial Planner	163	159	162
	Proficiency Test for Trust Operation Personnel	342	321	325
	Test for Internal Control and Internal Audit of Banks	142	136	137
	Professional Capacity Test for Basic Foreign Exchange Personnel	15	18	18
	Senior Securities Specialist	101	97	99
	Securities Specialist	86	80	81
	Investment Trust and Consulting Representative	86	82	84
	Futures Specialist	67	62	63
	Bill Finance Specialist	5	5	5
	Stock affairs specialist exam	5	5	5
	Professional Capacity Test for Bond Specialist	27	25	26
	Professional capacity test for foreign exchange	2	2	3
	Professional capacity test for debt collector	8	10	10
	Professional capacity test for basic asset securitization	12	11	12
	IBM Certified Database Associate	1	1	1
	IBM Certified Database Administrator	1	1	1
	Sun Certified Programmer for Java (SCJP)	4	4	4
	Sun Certified Web Component (SCWCD)	2	2	2
	Information Service Manager (ITIL V3 Foundation)	4	4	4
	CompTIA Project+ Certification	4	3	3
	Lead Inspector for IT Safety Management (ISO 27,001)	19	21	21
	Employee Remuneration Manager	8	9	10
	Performance Manager	9	8	8
	Personnel Recruit Manager (Talent Recruitment and Retaining Manager)	3	3	3
	Willis Towers Watson global grading certification (Grading Specialist (Willis Towers Watson Global grading System GGS))	11	11	11

Year		2023	2024	February 28, 2025
	Training Development Manager (Talent Development Manager)	16	15	15
	Competency Manager	4	3	3
	Labor Laws and Regulations Manager	8	8	8
	Strategic HR Manager (HR Strategic Partner Certification)	3	2	2
	CARDSORT Competency Analyst	4	4	4
	Labor and Health Insurance and Labor Standards Act Specialist	24	24	25
	Employee Relations Manager	3	3	3
	HR Costs Manager	2	2	2
	Basic Capacity Test for Corporate Internal Control	42	41	41

(III) Shin Kong Bank (SKB)

Year		2023	2024	February 28, 2025
Number of employees	Head office	1,504	1,367	1,369
	Branch unit	2,379	2,535	2,498
	Total	3,883	3,902	3,867
Average age		42.63	43.14	43.37
Average years of services		11.29	10.90	11.03
Education spread ratio(%)	Doctoral degree	0.13	0.10	0.10
	Master degree	15.34	15.69	15.65
	College degree	78.65	79.16	79.21
	High school degree	5.79	5.00	4.99
	Below high school	0.09	0.05	0.05
Professional certificates held by employees	Certified Internal Auditors (CIA)	1	1	1
	Financial Risk Manager (FRM)	6	5	5
	Certified Financial Analyst (CFA) – Level 1	0	1	1
	Certified Anti-Money Laundering Specialist (CAMS)	63	62	62
	Certified Financial Planner (CFP)	38	34	34
	Passing Certificate of AFP General Subjects	33	24	24
	The Bar Certification and License	1	2	2
	CPA Certification and License	3	2	2
	Financial Management Associate (FMA) Certification	1	1	1
	Financial Management Associate Plus (FMA+) Certification	3	2	3
	Certified Scrum Master (CSM)	52	44	43
	CSPO (Certified Scrum Product Owner) Scrum Master Certification	35	37	34

Year		2023	2024	February 28, 2025
	Financial Technology Knowledge Verification Test	387	376	378
	Test for Internal Control and Internal Audit of Banks Qualification Certificate	3,272	3,346	3,334
	Qualification Certificate of Professional Capacity Test for Basic Foreign Exchange Personnel	610	637	638
	Qualification Certificate of Professional Capacity Test for Basic Credit Personnel	1,215	1,314	1,315
	Proficiency Test for Trust Operation Personnel	2,544	2,607	2,597
	Basic Test on Sustainable Development.	-	71	82
	Qualification Certificate of Proficiency Test for Financial Planner	413	405	402
	Structured/Derivative Financial Product Sales Staff Qualification Test	1,271	1,343	1,323
	Qualification Certificate for Life Insurance Broker	2	2	1
	Qualification Certificate for Life Insurance Agent	6	5	5
	Qualification Certificate of Personal Insurance Representative Test	2,739	2,776	2,764
	Non-investment-oriented Personal Insurance Eligibility and Payment of Foreign Currency Licenses	1,655	1,645	1,633
	Qualification Test for Investment-linked Product Representative Qualification Certificate	1,423	1,416	1,402
	Qualification Certificate for Property Insurance Broker	3	2	2
	Property insurance representative	1,951	1,948	1,940
	Qualification Certificate of Proficiency Test for Bond Specialist	22	25	27
	Securities Investment Analyst Professional Subjects Certificate of Test Qualification	12	12	12
	English Proficiency Certificates (IELTS, TOEFL, TOEIC)	1,442	1,333	1,325

(IV) MasterLink Securities

Year		2023	2024	February 28, 2025
Number of employees	Head office	646	661	654
	Branch unit	1,063	1,048	1,057
	Total	1,709	1,709	1,711
Average age		47.19	47.25	47.32
Average years of services		14.37	14.32	14.40
Education	Doctoral degree	0.12	0.18	0.23

Year		2023	2024	February 28, 2025
spread ratio(%)	Master degree	14.39	15.51	15.08
	College degree	70.98	70.10	70.13
	High school degree	14.51	14.04	14.38
	Below high school	0.00	0.17	0.18
Professional certificates held by employees	Senior Securities Specialist	980	929	923
	Securities Specialist	1,053	1,035	1,047
	Investment Trust and Consulting Representative	388	374	375
	Futures Specialist	1,141	1,100	1,100
	Securities firms handling margin purchases and short sales of securities	408	395	393
	Internal audit of securities firms	134	135	134
	Trust Representative	891	885	884
	Wealth Management Representative	997	965	961
	Certified Securities Investment Analyst	25	24	24
	Personal Insurance Representative	1,048	1,015	1,019
	Property insurance representative	898	870	868
	Investment-linked product representative	708	688	688
	Bill Finance Specialist	29	29	27
	Stock affairs specialist exam	64	67	67
	Professional Capacity Test for Bond Specialist	16	18	17

(V) Shin Kong Investment Trust (SKIT):

Year			2023	2024	February 28, 2025
Number of employees	Head office		93	94	88
	Branch unit		7	7	7
	Total		100	101	95
Average age			41.70	41.26	42.20
Average years of services			7.63	7.68	8.20
Education spread ratio(%)	Doctoral degree		0	0	0
	Master degree		29	29.7	29.5
	College degree		70	69.3	69.5
	High school degree		1	1	1
	Below high school		0	0	0
Professional certificates	Certified Financial Analyst (CFA)	Level 1	1	1	0
		Level 2	1	1	1

Year		2023	2024	February 28, 2025
held by employees	Proficiency Test for Financial Planner	7	8	8
	Senior Securities Specialist	38	37	36
	Securities Specialist	24	23	22
	Investment Trust and Consulting Representative	42	39	37
	Futures Specialist	41	41	40
	Proficiency Test for Bonds	3	3	3
	Personal Insurance Representative	36	36	36
	Investment-linked product representative	9	7	7
	Bank internal control personnel	9	12	12
	Basic Bank Lending Personnel	7	7	7
	Property Insurance Representative	12	15	15
	Trust Representative	56	53	52
	Securities Investment Analyst	9	10	10
	Futures Trading Analyst	3	2	2

(VI) Shin Kong Property Insurance Agency Co., Ltd.

Year		2023	2024	February 28, 2025
Number of employees	Head office	13	13	13
	Branch unit	0	0	0
	Total	13	13	13
Average age		44.54	44.31	44.47
Average years of services		14.17	14.15	14.32
Education spread ratio(%)	Doctoral degree	7.69	7.69	7.69
	Master degree	23.08	23.08	23.08
	College degree	69.23	69.23	69.23
	High school degree	0.00	0.00	0.00
	Below high school	0.00	0.00	0.00
Professional certificates held by employees	Qualification exam for assessors (property insurance)	1	1	1
	Qualification exam for claims personnel (property management)	1	1	1
	Property insurance agency	2	2	2
	Property insurance agency	5	5	5

(VII) Shin Kong Venture Capital (SKVC)

Year		2023	2024	February 28, 2025
Number of employees	Head office	4	4	4
	Branch unit	0	0	0
	Total	4	4	3
Average age		40.50	41.50	40.33
Average years of services		4.06	5.06	4.90
Education spread ratio(%)	Doctoral degree	0.00	0.00	0.00
	Master degree	50.00	50.00	33.33
	College degree	50.00	50.00	66.67
	High school degree	0.00	0.00	0.00
	Below high school	0.00	0.00	0.00
Professional certificates held by employees	Proficiency Test for Financial Planner	1	1	1
	Securities specialist	2	2	2
	Senior Securities Specialist	2	2	1
	Proficiency Test for Trust Operations Personnel	2	2	2
	Stock affairs specialist exam	1	1	1
	Professional Capacity Test for Bond Specialist	1	1	1
	Basic Capacity Test for Corporate Internal Control	1	1	1
	Internal Auditor	1	1	1
	Basic Capacity Test for Corporate Governance	1	1	1
	Test for Internal Control and Internal Audit of Banks	1	1	1
	Investment Trust and Consulting Representative	2	2	1
	Securities Investment Analyst	1	1	0
	Financial market and professional ethics	1	1	1
	Personal Insurance Representative	1	1	1
	Property Insurance Representative	1	1	1

V. Corporate Social Responsibility and Ethical Conducts:

The Company and its subsidiaries have integrated ESG into financial operations including insurance, investment and financing, and asset management. Guided by the sustainable value proposition of "low-carbon," "innovation," and "common good" the Company has developed six strategic dimensions: "Innovator in Financial Services," "Driver of Sustainable Value Chains," "Practitioner of Accountable Governance," "Achiever of Joyful Career," "Guardian of the Natural Environment," and "Promoter of Sustainable Prosperity." These strategies are implemented in collaboration with employees, investment targets, clients, and business partners to advance sustainable development.

To ensure the fulfillment of corporate social responsibilities and sustainable operation, the Company has assembled a "Corporate Sustainability Committee" that specializes in executing projects in relation to the corporate governance, economic, environmental, and social aspects, and supervising the performance of such projects. The Company has also established the "Sustainable Development Policy" and "Sustainable Development Best Practice Principles" to incorporate sustainability values into its daily operations.

The Company is committed to fostering a corporate culture of integrity and has established an Anti-Corruption and Anti-Bribery Statement, maintaining a "zero-tolerance" stance toward unethical practices such as corruption and bribery. To ensure compliance with ethical standards and enhance stakeholders' understanding of these standards, the Company has formulated a Code of Ethical Conduct. This code mandates that all personnel uphold honesty and ethical behavior, including adherence to equal employment and non-discrimination principles, fostering a healthy and safe work environment, treating stakeholders fairly, avoiding conflicts of interest, refraining from bribery or self-serving acts, and abstaining from any violations of laws or regulations. To eradicate unethical behavior, the Company has implemented Internal and External Whistleblowing Regulations", establishing a reporting system and independent investigation mechanism. Employees are encouraged to report any illegal or unethical conduct, with violations subject to accountability or legal action as warranted.

The Company and its subsidiaries have made long-term contributions to charity and activities in the public interest, focusing on the United Nations Sustainable Development Goals (SDGs) and social needs. It has set five major public welfare strategies of "Health Promotion," "Care for the Disadvantaged," "Financial Education," "Environmental Symbiosis," and "Community Engagement." The goal is to integrate the resources of its subsidiaries, foundations, and affiliated enterprise, practice and exert corporate sustainable values through practical actions, and promote the positive development of the society. By exerting our influences, we aim to contribute to Taiwan's sustainable development, make policies and propositions more complete, create maximum value for all stakeholders, become a benchmark enterprise for sustainable development in Taiwan, and fulfill the vision of sustainable enterprise management.

(I) Health Promotion

The Company and its subsidiaries are dedicated to promoting awareness of dementia,

critical illnesses, and disease prevention. Initiatives include organizing cancer prevention health seminars, blood donation drives, and advocating the principle of "prevention over treatment" to raise public health consciousness. The Company has long focused on women's health issues, conducting campaigns such as breast cancer prevention education and the Pink October campaign to emphasize the importance of self-examination and regular breast cancer screening. Over 30 brain and muscle strengthening programs have been implemented in communities to help seniors delay cognitive decline and prevent dementia. In 2024, about NT\$11.15 million were invested in relevant health promotion activities and about 49 thousand people have been benefited.

(II) Care for the Disadvantaged

The Company and its subsidiaries leverage core competencies to fulfill corporate social responsibilities. This includes offering inclusive financial products such as microinsurance, small-amount whole life insurance, microloans, and micro-investment services. Through diversified digital financial services, individuals with disabilities and residents in remote areas are also granted access to financial products and services. Additionally, the Company has long promoted education and mentorship for schoolchildren in remote regions and disadvantaged families, striving to eliminate educational inequality. In 2024, we have donated approximately NT\$33.82 million to charitable activities, and about 117 thousand people have been benefited.

(III) Financial Education

The Company and its subsidiaries are committed to leveraging financial expertise to help the public establish sound financial literacy. This is achieved through organizing financial planning workshops and public welfare seminars. Furthermore, targeting students, the Company annually provides foundational financial knowledge and enhances practical experience in the financial industry through campus recruitment programs, scholarships, industry-academia collaborations, financial planning competitions, and various financial education initiatives. These efforts aim to strengthen students' career competitiveness. In 2024, we have invested approximately NT\$20.7 million to hold financial education activities, and about 1.87 million people have been benefited.

(IV) Environmental Symbiosis

As global citizens, the Company and its subsidiaries actively reduce carbon emissions in operations while consistently supporting species conservation and environmental advocacy. Initiatives such as beach/ocean cleanup activities and habitat conservation are conducted to halt biodiversity loss and promote the sustainable development of marine and terrestrial ecosystems. In 2024, we have invested NT\$1.13 million in coexistence with the environment activities, and about 155 thousand people have been benefited.

(V) Community Engagement

The Company and its subsidiaries are deeply rooted in local communities, assisting in the

preservation of cultural heritage through sponsoring and co-organizing regional cultural activities, encouraging public engagement in arts and cultural events, fostering healthy recreational pursuits, and hosting diverse sports competitions to provide platforms for talents across various fields. In recent years, the Company has extended its accumulated expertise and resources to remote areas, aiming to bridge the urban-rural divide, enhance global perspectives in underserved regions, and promote shared access to sustainable well-being. In 2024, we have invested approximately NT\$27.95 million in community engagement activities, and about 4.23 million people have been benefited.

The Company and its subsidiaries have achieved internationally recognized sustainability performance. In 2024, the Company scored 93 points in the Dow Jones Sustainability Indices (DJSI), ranking first globally among assessed insurance companies. It has been consecutively included in the DJSI World Index for four years and selected twice for the DJSI Emerging Markets Index. Additionally, its MSCI ESG Rating surged from BBB to the highest AAA tier, placing it among the top 16% in the industry. Domestically, the Company and its subsidiaries have garnered over 30 accolades, including the Environmental Protection Administration's National Corporate Environmental Protection Award and the Executive Yuan's National Sustainable Development Award, solidifying its position as a leader in sustainable development both locally and globally.

For other related corporate social responsibility and ethical conduct of the Company in the year of 2024, please refer to Chapter 2-(II)-4, Chapter 2-(II)-6 and Chapter 2-(II)-7 of this annual report.

VI. Number of Full-time Non-Managerial Employees, Their Average Salary, Their Median Salary, and Comparative Information of the Three Indicators to the Previous Year

Item	2023	2024
Number of Full-time Non-Managerial Employees	7,780	7,492
Average Salary of Full-time Non-Managerial Employees (NT\$ thousands)	1,146	1,356
Median Salary of Full-time Non-Managerial Employees (NT\$ thousands)	947	1,066

Note: For definition of "Full-time Employees", please refer to the definition given in the "Salary Information of Full-time Non-Managerial Employees" under the "Corporate Governance" section on the Market Observation Post System.

VII.Information Equipment:

(I) Shin Kong Financial Holding (SKFH):

1.Key information system and related software and hardware

- (1) SKFH's official website, talent recruitment network and corporate sustainability website are established on an HPE server.
- (2) The operational systems of SKFH, including the general affairs system, consolidated accounting system, and accounting system, are established on HPE server hosts.
- (3) The systems for digital banking development, including data analysis and AI technology applications, are deployed on HPE and DELL server hosts.
- (4) SKFH uses EMC disk-array storage system to store its data.
- (5) The market risk management system is established on a Sun server, and is physically segregated between a development, testing and production environment. It is used to monitor investment positions of various subsidiaries at appropriate security layers for timely and effective management of market risk. The system performs sensitivity analysis and stress test, and issues alerts that subsidiaries may use as reference in their business activities. The system also enhances integration of risk management processes into an effective system, and supports gathering of market risk management information to facilitate efficient decision-making and new product development.

2. Emergency backup mechanism

By implementing systems and services such as data protection, fast recovery, and magnetic tape backup, the Company is able to ensure fast recovery of system servers and data, and thereby minimize risks and losses in the event of accident or disaster. In addition to establishing standardized backup procedures, processes such as system recovery and alternative server support are rehearsed on a regular basis.

3. Future Related Plans

- (1) SKFH will assist subsidiaries to continue to pay attention to the development of financial technology, integrate resources to invest in key fintech application research, and assist business units to increase the growth of business productivity by using innovative digital financial services, and to enhance customer experiences and customer satisfaction.
- (2) Continuing assistance is provided to SKFH's data analysis team in the importation of required data and security management. By leveraging data analysis and applications, SKFH develops customer segmentation models. These models support its subsidiaries in achieving cross-selling synergies, thereby maximizing the effectiveness of integrated marketing strategies.

This approach significantly enhances the efficiency of cross-selling operations and decision-making processes.

- (3) In the face of the various complex effects that accompany the introduction of new technologies and the development of innovative service models, we will provide a stable and safe environment and continuously reinforce the information security environment in support of the Information Security Department.
- (4) Ongoing efforts are focused on developing computer rooms with high stability and enhanced security measures, ensuring the delivery of consistent, 24/7 uninterrupted services to customers.

(II) Shin Kong Life Insurance (SKL):

1. Key information system and related software and hardware

- (1) The life insurance core system runs on an IBM Power 980 server, whereas the software is developed using Oracle's ADF J2EE Framework, Spring Framework, Java and PLSQL; the database used is an Oracle-based relational database.
- (2) The Company's intranet and Internet websites have been developed based on Microsoft Net Framework and T-SQL (Transact-SQL). The database is a relational database built based on SQL Server. System operation, testing, development and backup all run on Microsoft's environment.
- (3) The sales representative assistance system is developed based on Microsoft .Net Framework. The database is built based on SQL Server Net framework is developed using SQL Server database.
- (4) The online insurance application system is developed based on Microsoft .Net Framework. The database is built based on SQL Server Net framework is developed using SQL Server database.
- (5) The lending system utilizes IBM AS/400 hosts and is developed using Lansa technology.
- (6) The fee and movable property systems run on IBM Power 980 server and utilize Oracle-based database. The fee system is developed based on Java whereas the movable property system is developed based on Microsoft .Net Framework.
- (7) The investment system runs on standalone server group, network equipment and leased line. The system is developed using .Net Framework, and the database is a Microsoft SQL Server .
- (8) The digital policy creation system is established on a Windows server, and is developed using PrintSoft.

- (9) The backup system runs Veritas Net Backup service and features Veritas AIR technology. It uses the fiber optic network to backup data to the off-site support center.

2. Emergency Support and Backup Mechanism

- (1) The Company's emergency backup system includes both on-site and off-site backup mechanisms. The on-site backup employs a clustered architecture to ensure high system availability. For off-site backup, we have contracted with Acer Cloud Technology Inc. to provide a dedicated backup data center located in the Longtan Desire Park, establishing a disaster recovery mechanism. This off-site backup covers critical systems including the life insurance core system, imaging system, member portal, online insurance application website, sales management system, loan AS400 system, AML (Anti-Money Laundering) and counter-terrorism financing systems, new contract process management BPM system, and the Shin Kong Life mobile app. The environment is equipped with a fiber-optic OTN high-speed network to enable rapid transmission and real-time backup of operational data to an offsite data center. This enhances the disaster recovery capability of critical systems, reduces the risk of system downtime and data loss, and improves the stability of key system services, ensuring uninterrupted business operations.
- (2) Annual disaster recovery drills are conducted to simulate and verify response mechanisms. The drill results are regularly reported to the Information Security Committee, the President, and senior regional supervisors. Additionally, the Company maintains the effectiveness of its Business Continuity Management System (ISO 22301) and Information Security Management System (ISO 27001) certifications to ensure the ongoing reliability of its backup mechanisms.

3. Future Related Plans

- (1) The Company will initiate a core system re-invention program to create a more robust, flexible and high-performing system that satisfies the following goals:
 - A. Flexible structure with digital process
 - a. - shortens development duration and ensures quick launch of innovative products
 - b. Achieving work division for overall reduction in personnel cost
 - B. Mainstream technology and efficient management
 - a. Adopting a mainstream structure and JAVA-based platform makes employee training and recruitment easier
 - b. Increasing system processing capacity and management efficiency
 - C. Mobile service and globalized applications
 - a. Support mobile service, commercial intelligence and big data

application

b. Support for multiple languages, currencies and overseas development

- (2) We continue to plan and implement Business Process Management (BPM) system projects to shorten automation processing time. The system offers flexible support for different departments to balance workloads, enables accurate and rapid handling of real-time workflow adjustments, and enhances satisfaction among personnel, organizations, and customers involved in the processes.
- (3) In alignment with the overall financial holding group strategy, the Company continues to implement Robotic Process Automation (RPA) applications to reduce manual repetitive tasks, improve operational accuracy, and lower operational risks.
- (4) We have completed the digitalization (paperless) of contract change transactions at the Administrative and Service Centers and continue to enhance the Remote Service Platform, enabling unrestricted geographical customer service. The platform also incorporates audio and video recording during service to protect both parties' rights, thereby increasing staffing flexibility and improving service efficiency at these centers.
- (5) A core system BOE reporting platform has been established to comply with regulations while reducing long-term maintenance costs. This standardized reporting platform also improves development efficiency, responding effectively to various changing requirements.
- (6) Building upon the data governance roadmap, we have introduced a lakehouse solution to enhance autonomous data warehouse analytics capabilities, ensuring flexible and scalable data storage. This supports efficient management and analysis of big data, reduces storage costs, improves data processing speed and accuracy, and strengthens the Company's data-driven decision-making.
- (7) We have deployed a higher-accuracy speech recognition engine integrated with the new CTI system, expanding high-quality conversational data. Future extensions will include voice applications such as quality inspection scenarios for elderly care, offering premium service experiences.
- (8) The loan system performance enhancement project is ongoing to meet internal audit and control requirements, thereby saving system maintenance manpower.
- (9) In compliance with the Insurance Bureau's IFRS17 conversion plan requirements, we are steadily building the accounting information system, streamlining the Company's accounting processes, reducing manual consolidation and verification tasks, accelerating closing procedures, and improving report quality to ensure financial data consistency and accuracy.

- (10) In response to business transformation plans, we continuously and promptly update relevant systems to accurately reflect changes in group insurance and related restructuring processes and regulations.
- (11) To align with regulatory demands for strengthened API management and the trend toward intelligent applications, we plan to implement an API Management System (APIM). This will enhance API security controls and design, improving integration and interoperability with partner channel systems.
- (12) We have built a data middleware platform to integrate internal and external data resources. This platform ensures data governance compliance and security while boosting data sharing and collaboration, facilitating data flow among business units and enhancing decision-making and innovation.

(III) Taiwan Shin Kong Commercial Bank

1.Key Information System and Related Software and Hardware

The core banking system utilizes two Unix-based hosts in a clustered (CLUSTER) architecture as the formal operational environment. Additionally, Unix-based hosts are set up for use as testing, development, and backup environments. The bank's database is an Oracle-based relational database. It uses TPE II as the trading platform for NTD transactions, and Top Tools as the trading platform for foreign currency transactions. The trust service platform runs on an AS server. The banking center connects to the branch network and peripheral systems (including voice banking, Internet banking, foreign currency, ATM and other applications) all using standardized TCP/IP protocol. Branch terminals run on virtual, centralized Windows servers and Browser-based environment. Offshore branch systems run on Window servers and Browser-based environment. The GEB uses IBM as the main, testing, development and backup servers. We will adopt the Linux server as the operation, test, development and backup host for the credit card system.

2. Emergency Backup Mechanism

Taiwan Shin Kong Commercial Bank adopts two types of alternative server support: same-site and off-site. Same-site support features two servers in a HA structure. For off-site support, the Bank has signed a service agreement with Chunghwa Telecom's Data Communications Branch to establish an off-site system exclusively at Chunghwa Telecom's Zhongli Renmei Server Room. Off-site support drill is organized every year to ensure continuity of the information system. To ensure that systems can be recovered in the shortest time possible in the event of a disaster, data is synchronized between the main server and the off-site server.

3.Future Related Plans

Moving forward, guided by principles of inclusive finance and sustainable development, we will strengthen fintech R&D capabilities, actively adopt emerging technologies, complete core system upgrades, and build modernized application architectures and infrastructure. These efforts will reinforce operational resilience, deepen data governance frameworks, embed key AI applications, cultivate AI technical talent, and enhance prompt engineering, retrieval-augmented generation, and fine-tuning capabilities. This will empower AI-driven innovation across products, processes, operations, and business models, effectively supporting business innovation and superior customer experiences. Additionally, we will continue expanding protective capabilities, including risk management, anti-money laundering, fraud prevention, and information security technologies, safeguarding customers, shareholders, and the Company's interests.

(IV) MasterLink Securities:

1. Key information system and related hardware

- (1) The core business is carried out using Tandem (Non-STOP) server.
 - A.Of the two securities brokerage account servers placed at different sites, the NS7X3 brokerage account server was the main server, and the NS2004 server served as a backup. Again, they were placed at two separate sites. in addition, another two servers are for testing purposes.
 - B.Proprietary securities/futures trading share the use of 1 Tandem (Non-STOP) server (NS2004).
 - C.The futures subsidiary operates one Tandem (Non-STOP) server (NS72) and is backed up by the proprietary futures trading server mentioned above.
- (2) The share service agency system, overseas equity sub-brokerage system and wealth management/trust system all run on IBM AS400(9105-41B).
- (3) The e-commerce mid-office system runs on ORACLE SUN(T7, T8) and uses Pure Storage(M20) for storage. Its database is primarily SYBASE. Front-end electronic trading systems (i.e. securities, futures, sub-brokerage, wealth management, options etc.) are mostly Windows-based servers; they run on HP 380G9 and EMC Storage in a VM environment and utilize Splunk for data analysis and monitoring. Zabbix is being used for remote equipment monitoring.
- (4) The options market-making system/futures hedging system primarily runs on HP machine and is connected with Taipei Futures Exchange.
- (5) The sales force automation (SFA) system upgrade employs five HP 380G10 hosts running Windows OS with Microsoft SQL databases, developed in-house.

- (6) The data warehouse system utilizes SAP IQ V16.1 for transaction system accounting data storage, primarily with SYBASE databases, and uses Informatica ETL V10.4.1 for data transformation and scheduling management.
- (7) The Company adopts VM technology with two units across three computer rooms for flexible system resource allocation.
- (8) The Company uses external storage devices, including EMC Storage (3 sets), PURE Storage (3 sets), NAT APP Storage (2 sets), and IBM Storage (2 sets), primarily for transaction-related and critical system data storage, providing stable and secure storage space.

2. Emergency Backup Mechanism

- (1) The securities business Tandem mainframes operate in dual-host configurations, with disaster recovery terminals connected between Banqiao and Beiwa data centers.
- (2) The futures business Tandem mainframes maintain mutual disaster recovery between Banqiao and Beiwa data centers for securities proprietary futures operations.
- (3) The sub-brokerage and wealth management systems share AS400 mainframes, with two hosts located respectively in Banqiao and Beiwa data centers, using active/standby architectures for disaster recovery.
- (4) The e-commerce middleware system hosts at Banqiao data center employ F5 load balancing and high availability architectures, with disaster recovery setups at Beiwa data center using active/standby configurations.
- (5) The Company holds two server room emergency drills (including one DDOS drill) per year to ensure employees' emergency response capabilities.
- (6) Securities, futures, proprietary trading and share service agency systems are subject to one backup data recovery test per year. Net Backup (NBU) is subjected to recovery test once every six months. The company also accommodates TWSE and Taiwan Futures Exchange in random drills.

3. Future Related Plans

We continue to strengthen information service security management and infrastructure renewal by replacing Microsoft Windows 10 at end-of-support, introducing multi-factor authentication servers, and deploying advanced persistent threat (APT) defenses and external DDoS protection devices at Beiwa data center to ensure system service security and operational stability.

(V) Shin Kong Investment Trust (SKIT):

1. Key Information System and Related Software and Hardware

- (1) We will adopt the Microsoft operating environment system for the domestic fund accounting system and the fund & ETF business system based on the N-Tier architecture and the .NET C# technology, and the system will be operated and maintained by the information technology department of the Company.
- (2) The offshore fund management system handles processes for offshore fund distributor and selling institution. The system runs on Microsoft operating environment; the system adopts the N-Tier structure, is managed using NET C#.
- (3) The Company uses the Microsoft operating system environment to develop the official website, the exclusive ETF website, the electronic trading website, the online account opening website and the customer service system, which are developed and managed by the Company itself with the .NET C# MVC and the RWD webpage technologies.
- (4) The order placement system employs an investment transaction support management system, which communicates with partnered securities firms through dedicated transmission lines for transaction/consignment orders and trade confirmation statements, operating on a Microsoft operating system. In February 2016, the Company switched its trade network from FTNET to FIXNET to facilitate electronic transactions with a larger number of securities firms and to shorten the time taken on order placement and deal reporting. This switch also reduced the number of manual processes. In December 2019, SKIT established Bloomberg Fix, an electronic trading means, to transact with securities firms for overseas stocks.
- (5) Security server of the digital certification subsidiary has been upgraded to enhance transaction security and is now fully integrated with systems of all affiliated subsidiaries. The security server runs on Microsoft operating environment.
- (6) Database, program and files of all key systems have been covered by the integrated cyclical backup system.
- (7) A server host virtualization architecture has been established, enhancing hardware performance management, saving on energy consumption, and reducing the need for data center space.

2. Emergency Backup Mechanism

- (1) Both the information management system and database are being supported with alternative servers located at the server room. Off-site support arrangement has also been made.
- (2) The company has established its server at Great Taipei Gas Corporation's IDC server room, which is being protected by 24-hour shift access control, surveillance monitoring, air conditioning, UPS, and fire protection. The server room features automatic environment monitoring to ensure normal

functioning at all times. The intranet connects to the server room using dual-circuit fiber optic network.

- (3) The Internet connection features multi-line backup and load balancing. A Load Balance Gateway with flow monitoring and bandwidth restriction functions has been installed. The gateway provides backup for external connections and has the ability to automatically adjust bandwidth in real-time.
- (4) A remote-control system has been implemented, so that if the office premise encounters any occurrence that requires quarantine, employees can be authorized immediately to operate the system remotely from the off-site.

3. Future Related Plans

- (1) The Company will continue planning implementation of information security systems to ensure the security of data operations and minimize risk of personal data leakage.
- (2) The Company will adopt new server virtualization and deploy new applications under the new structure for benefits such as avoidance of hardware risk, performance management, energy conservation and less server room space. Server virtualization technology will also be used to enhance off-site support and minimize impact on operations should disaster occur.
- (3) Applications of AI Financial Technology
- (4) The Company will seek cross-industry alliance for technical learning and project collaboration.
- (5) The Company will continuously reinforce the capacity to protect the information security.
- (6) The Company will participate in the digital finance-related development projects of the Group.

VIII.Information and Communication Security Management

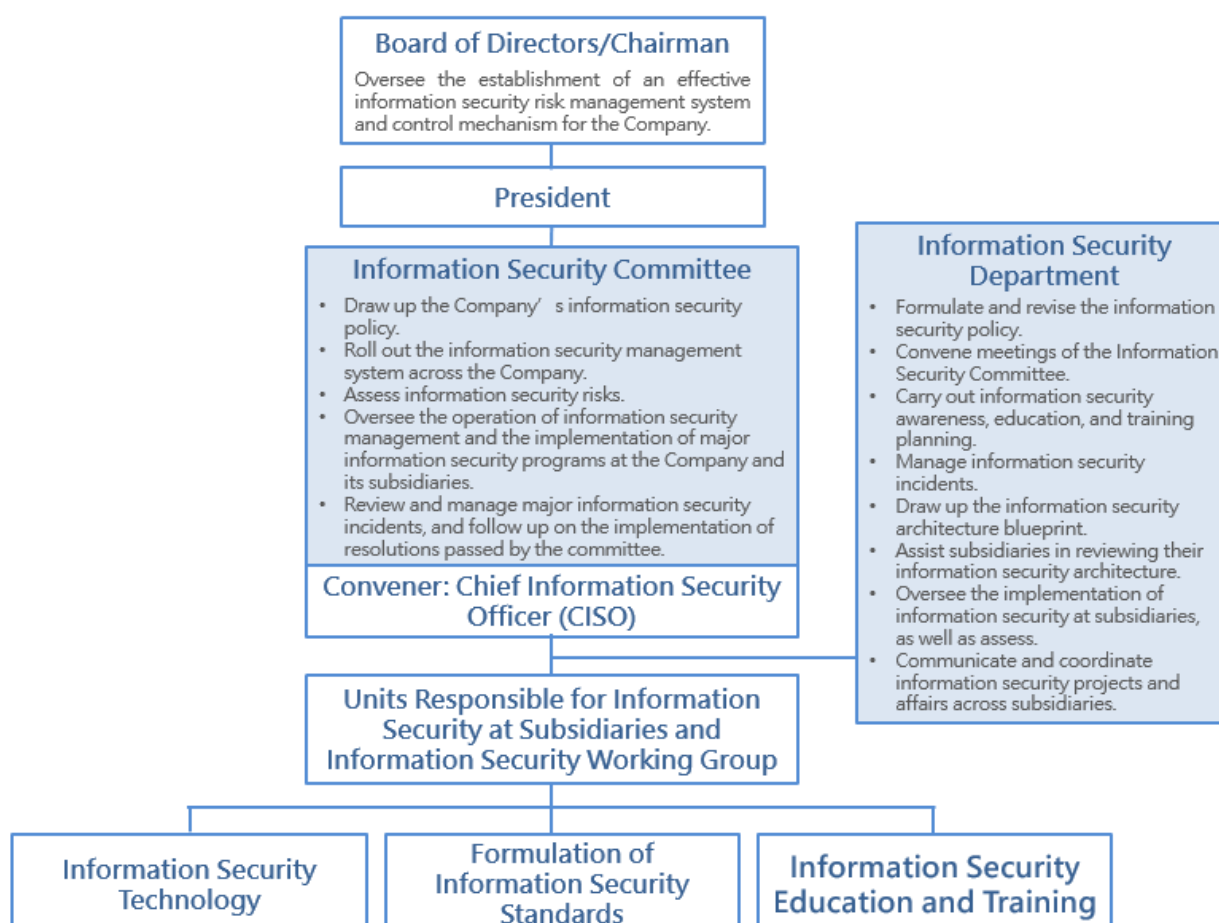
(I) Information Security Policy

Shin Kong Financial Holdings (SKFH) has formulated an Information Security Policy (publicly disclosed on its official website) and announced it to all employees for implementation. SKFH and its subsidiaries are required to comply with this policy consistently. The formulation of the Information Security Policy declares the commitment of management to support information security, in order to reduce the possible impacts of any information security incident while protecting the rights and interests of the Company and its customers.

In addition to keeping in place the information security policy, the major subsidiaries shall, in accordance with provisions, submit an annual overall implementation report on information security to the Board of Directors every year. We also carry out the requirement that the Board of Directors and the Senior Management should participate in the review of the information security strategy and information security governance to keep the related information security work consistent with the business development objectives.

(II) Information Security Governance Framework

In line with the information security action plan promoted by the financial competent authority, the Company has continued to established an information security unit at department level - Information Security Department, designate the Chief Information Security Officer, and set up the Information Security Committee to complete the security governance structure.



1. Board of Directors: Supervise the Company to establish an effective information security risk management system and control mechanism.
2. Information Security Committee: The Information Security Committee holds a meeting every quarter, and the Information Security Officer of SKFH acts as the convener. The members of the committee include the first-level officers of SKFH and its subsidiaries who oversee the information security and the managers of the information security functions (departments). Main Responsibilities: Responsible for SKFH Information Security Policy proposals, promote the information security management system, assess information security risks, supervise the information security management and operation as well as the implementation of important information security plans, review and manage material incidents in information security, and track the implementation of the committee's resolutions.
3. Chief Information Security Officer: The major responsibilities include submitting regular reports to and being responsible to the operation level, undertaking policy implementation and resources allocation, assessing the information security situation, incorporating the information security risk into the business decision factors and promoting the organizational culture that pays attention to information security.
4. Information Security Department: The main responsibilities include information the formulation and revision of security policy, convene information security committee meetings, the promotion of information security well as education and training planning, information security incident management, plan the roadmap for information security architecture, assist the subsidiaries in reviewing the information security structure, and supervise the information security implementation of each subsidiary as well as the evaluation, communication, and coordination of cross-subsidiary information security projects and affairs.

(III) Information Security Specific Management Plan and Preventive Measures

SKFH and its subsidiaries incorporate information security management into the corporate governance framework, thereby enabling the management to develop security management visions and strategies on an organizational level and implement it across SKFH and its subsidiaries. Besides, we devise sound information security plans in five dimensions, including “defending the enemy outside at multiple levels”, “defeating the enemy at multiple breaking points”, “real-time surveillance and response”, “effective recovery within time limit” and “governance verification plus joint defense”, and supervise the subsidiaries and joint defense in every aspect:

1. Governance: Achieve the information security governance maturity required to cope with the inherent risk and conduct the corporate governance
 - (1) SKFH and its subsidiaries have established the maturity assessment mechanism for information security featuring repeatable operation and continuous measurement so that all companies can develop short, medium and long-term information security reinforcement plans addressing the acceptable inherent

information security risk based on the industry standard and the required network security maturity. Moreover, we adopt improvements on an ongoing basis through continuous optimization.

2.Operation: We define vulnerability management indicators for information security oriented to regulatory verification and pay attention to legal risk and compliance risk control

- (1) We conduct comprehensive security assessments when adopting new financial technologies in order to ascertain risks and the preparedness of existing controls and formulate information security control plans such as personal information protection, information system control operations, and information and communication security audit plans.
- (2) Perform the information security assessment focusing on: Review of the information architecture, review of network activities, network equipment, servers, terminals and other equipment, website security, security setting review, e-mail social engineering drills and other operations.

3.Joint defense: We prefer prevention before occurrence, curb erroneous ideas before the onset, seek to reduce the damage and build the joint information security and defense system to support business development

- (1) We continuously devise and build a security threat analysis and alert system capable of sharing intelligence (including current and historical data, report and information relevant to security incidents) in real-time among SKFH, its subsidiaries, and external institutions, and thereby performing information security management, including real-time surveillance and response. In alignment with the national strategy that underscores cybersecurity as a component of national security, and to amplify the synergies and depth of defense in cyber defense collaborations, SKFH formalized a partnership with the Ministry of Justice Investigation Bureau in April of 2023. This alliance seeks to proactively bolster the cybersecurity resilience of SKFH and its subsidiaries. Through a comprehensive strategy encompassing the exchange of threat intelligence, detailed analyses and proactive tracking of attack behaviors, and expertise in digital forensic science, SKFH aims to significantly advance its protective measures. This effort underscores SKFH's unwavering dedication to safeguarding client assets and securing the digital financial transaction ecosystem.
- (2) We have responded to the Information Security Action Plan, cooperated to establish the general monitoring rule, configuration benchmark and monitoring rule and reinforced the early detection, traceability and counterstrike against attack threats.
- (3) We have enhanced response to information security incidents, developed reporting procedures and responses toward information security incidents and performed the drill operation. We have improved employees' abilities to react, coordinated and communicated during crisis, thereby avoiding or minimizing damages in an

information security incident.

4. General: We have coordinated and established the general standard for information security systems to early respond to the risk of the end-of-support (EOS) software and hardware against the information security environment, and increased the common or group purchase opportunity to upscale SKFH's comprehensive effect in personnel exchange and resource utilization.
5. Talent: We have established the information security position and function map to upgrade the efficiency and exchange and achieve the mutual understanding.

(IV) Information and Communication Security Organization and Human Resources

SKFH and its main subsidiaries have invested in the following information and communication security organization and human resources:

Company	Establish Dedicated Unit	Staffing
Shin Kong Financial Holding	Information Security Department	4
Shin Kong Life Insurance	Information Security Department	13
Shin Kong Bank	Information Security Department	12
MasterLink Securities	Information Security Management Group	4
Shin Kong Investment Trust	Information Security Department	1

(V) Losses, Possible Impacts Suffered From and Response Measures for Material Incidents in Information and Community Security

SKFH and its subsidiaries have no major information security incident in 2024 that resulted in losses.

IX.Labor Relations:

(I) Employee Benefits, Retirement System and Implementation, and the Agreements between Employer and Employees and Protection Measures for Employees' Rights and Interests:

1. Employee compensation

In accordance with the Articles of Association, the description for employee compensation is as follows:

If the Company recorded profits for the respective year, no less than 0.01% but no more than 0.05% of the Company's profit of such year shall be reserved for employees' compensation. Employees of affiliated companies who meet certain qualifications may also be included in the distribution. Employee compensation distribution shall be proposed to the shareholders' meeting.

Where the Company has accumulated deficits, it shall first reserve the amount needed to make up the losses before utilizing the remaining amount of the profit for employees' compensation and directors' remuneration at the ratio.

2. Benefits

- (1) Insurance benefits: Provide fully subsidized life insurance and accident insurance to employees; fully subsidize the purchase of accident insurance, travel insurance and other protection for employees holding specific positions and overseas personnel; provide preferential rates or subsidies for employees and dependents to insure various group insurances (life insurance, accident insurance, medical insurance, cancer prevention insurance, and long-term care insurance, retirement planning insurance); And employees who have children who are insured for hospitalization, regardless of the number of children insured, will be charged of the fees of one child.
- (2) Health care benefits: SKFH provides employee with health checkups and health risk assessment; medical consultations provided on-site by special physician and nurse regularly; health promotion activities and health care guidance and consultation; ergonomic hazards prevention plan; abnormal workload-triggered diseases prevention plan; illegal infringement prevention plan; maternal health protection program; subsidy for hospitalization due to disaster incidents; medical treatment discount/hospitalization discounts; health lectures; CPR training, as well as anti-epidemic care such as setting dry cleaners, and measuring body temperature, and providing masks and other anti-epidemic items; in addition, SKFH also provides employee dependents with health checkups at designated hospitals at an discounted price entitled to an employee, as well as 15% hospitalization discounts. In order to actively promote employees to develop good leisure fitness habits, the employee welfare committee also subsidizes a number of clubs to encourage employees to exercise regularly and promote work-life balance.

- (3) Life benefits: SKFH provides wedding and funeral subsidies, employee restaurants, bargain group purchase networks, contracted laundry services, welfare club sales, affiliated enterprise resource sharing, discounts at contract stores, domestic restaurants, language institutions, discount for pre-need funeral contracts and funeral services; SKFH also provides birthday gifts, Spring Festival gifts, Dragon Boat Festival gifts and Mid-Autumn Festival gifts, as well as subsidies for the purchase of tablet computer and laptops.
- (4) Employee relationship promotion benefits: To thank employees for their efforts and enhance the relationship among colleagues, SKFH promotes employee relationships and secures recognition by employee dependents. This includes a year-end party and lucky draw plans, travel subsidies, group recreation subsidies, and other employee benefits. SKFH also organizes employee family days, company fairs, movie appreciation, and hiking activities to consolidate family values and promote friendship and exchange among colleagues and dependents.
- (5) Marriage and paternal benefits: Care for employees, and actively protect their work rights and opportunities, in addition to providing maternity leave and pay suspension system according to relevant laws, but also provide maternity leave, paternity examination and paternity leave better than the number of days prescribed by law, marriage subsidy, maternity subsidy, child rearing subsidy within 3 years old; Caring for the maternal needs of colleagues, working with professional physicians and health managers to jointly conduct health risk assessment for colleagues during pregnancy and after delivery, and provide mother bag to encourage pregnant colleagues to actively accept the care of "maternal health protection"; To support new mothers in the workplace with practical actions, such as setting up nursing rooms, allowing colleagues to breastfeed their children during attendance hours, adjusting child-rearing hours, and providing corporate preferential care for children in nursery institutions. Encourage employee childbirth, implement employee care, and consider the time required for physical recovery during assisted reproductive treatments by providing Good Fortune Pregnancy Leave and Accompanying Good Fortune Pregnancy Leave.
- (6) Promote the flextime system: To assist employees to balance work and family life, SKFH plans a flextime system, which comprise three shifts and provide regular home-based options, allowing staff to adjust the working hours flexibly and supporting them to strike a balance between work and family through practical actions.
- (7) Employee Stock Ownership Trust: In order to enhance employee welfare and cohesion to achieve the goal of corporate talent motivation and retention, by contributing an equivalent amount, we encourage employees to invest in our stocks on dollar-cost averaging basis, and in doing so share business results and value growth with them.

- (8) Promote gender equality in the workplace and create a friendly and inclusive workplace environment: SKFH adheres to the corporate culture and core values of "people-oriented", supports employees' career empowerment and development for a long time, and actively implements the policy of practical equality. Establish a gender equality promotion committee to promote and coordinate the gender equality policies of SKFH and its subsidiaries, and create a gender-friendly corporate culture and environment with diverse respect, inclusive support and appropriate development, so as to enhance employee identity and corporate operating value; A simultaneous commitment to gender equality in inclusive financial services, the promotion of financial literacy, and the substantive development of overall social initiatives and support activities towards sustainable financial goals of gender equality.

3. Retirement system

SKFH and subsidiaries have established employee retirement regulations, of which the pension standards are in line with the relevant regulations of the Labor Standards Act and Labor Pension Act; as well as indemnities regulations, according to which Indemnities will be paid for employees while still in service to SKFH or subsidiaries.

4. Excellent employer-employee communication environment, multiple communication channels between employer and employees:

- (1) To protect and ensure the rights and interests of employees, the Company establishes an Email exclusive for employee communication, in which designated personnel will handle complaints and opinions from employees.
 - (2) To coordinate employer-employee relationship and promote collaboration between employer and employee, the Company holds employer-employee meeting on a regular basis, and the meeting is composed of employee representatives elected by employees and employer representatives, who are familiar with businesses and employee status, designated by the Company.
 - (3) SKFH and its subsidiaries conduct employee engagement surveys every two years, listening to employees while providing them with opinions on the improvement direction, so as to increase their sense of identity.
- (II) Damage resulted from employer-employee disputes in the most recent financial year up till the publication date of this annual report and disclose the current and future estimated amount and response measures; where the amount cannot be reasonably estimated, the fact hindering the estimation shall be described: None

(III) Code of Ethical Conduct:

The Company stipulates work rules, code of Ethical Conduct and Ethical Corporate Management Policy and Best Practice Principles that provide guidelines for employees to comply with and serve as the standards for daily business operation. The aforementioned provisions are disclosed in internal public website of the Company for reference of all employees anytime. A summary of the Ethical Corporate Management Policy and Best Practice Principles and work rules is as follows:

1. Implement Ethical Corporate Management Policy and Best Practice Principles with the precondition of complying with the Financial Holding Company Act, the Company Act, the Securities and Exchange Act, the Business Entity Accounting Act, the Political Donation Act, the Anti-Corruption Act, the Government Procurement Act, the Act on Recusal of Public Servants Due to Conflicts of Interest, regulations governing TWSE/TPEX listed companies, and other laws and regulations governing business practices.
2. Comply with the Ethical Corporate Management Policy and Best Practice Principles and implement it in internal management and external business activities.
3. Commercial activities should be conducted in a fair and faithful manner.
4. When performing duties, refrain from directly or indirectly provide, promise, request or accept any form of improper benefits from/to customers, agents, contractors, suppliers, public officials or other interested parties.
5. The direct or indirect provision of donations to political parties or organizations or individuals involved in political activities shall comply with the Political Donations Act and relevant internal operating procedures of the company, and shall not be used to seek commercial interests or trading advantages.
6. Charitable donations or sponsorships shall comply with relevant laws and regulations and internal operating procedures, and shall not be a disguised bribing.
7. Directly or indirectly offer or accept any unreasonable presents, hospitality or other improper benefits to establish business relationship or influence commercial transactions is prohibited.
8. Shall observe applicable laws and regulations, the company's internal operational procedures, and contractual provisions concerning intellectual property, and may not use, disclose, dispose, or damage intellectual property or otherwise infringe intellectual property rights without the prior consent of the intellectual property rights holder.
9. Shall faithfully follow the confidentiality regulations of the company and shall not disclose to any other party any business secrets of the company of which they have learned, nor shall they inquire about or collect any business secrets of the company unrelated to their individual duties.
10. Shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to others, in order to prevent anyone from using such information to engage in insider trading.
11. Shall not acquire improper benefits for himself/herself, spouse, children or other person through his/her position or influence in the company.
12. Shall exercise the due care of a good administrator to urge the Company to prevent unethical conducts.

13. Shall comply with laws, regulations, and all Articles and orders of the Company and shall serve the company based on the spirit of fair, honest, integrity, smart, hard-working, care, humble and peaceful and with the attitude of generous, enthusiastic, polite and efficient
14. When engaging in affairs of the Company, employees, unless approved, shall not misuse the name of the Company.
15. Shall not read account statement, cards, documents, letters and telegrams that are not within their duties and shall not bring the Articles, Regulations, and account statements of the Company outside of the office or for others to read without receiving supervisor's approval in advance.
16. Shall keep confidentiality of secrets of the Company and customer data without leaking them. The same shall apply when an employee leaves the company.
17. Shall not bring contrabands or hazardous items into office and shall not smoke or place inflammables in non-smoking areas.
18. Shall firmly understand the policy of anti-sexual harassment of the Company and shall comply with the regulations. Sexual harassment behaviors are not allowed.

(IV) Working Environment and Employee Safety Protection Measures:

Type	Item	Content description
Employee safety	Office Building Management and Maintenance	1. implement maintenance programs for electricity, fire, water, air, and cleaning facilities 2. Sign contracts with security and management service companies who provide 24hr strict access control, security service and professional management service.
	Disaster prevention measures and responses	1. The Company stipulates "Regulations Governing Disaster Prevention Measures and Responses," designates employees to participate in professional certification study, and holds disaster prevention drills on a regular basis. 2. The Office is a super skyscraper. In addition to forming joint prevention task force, the Company also integrates resources of fire competency and holds disaster drills. 3. The Company has established plans to respond to emergency epidemic and has devised an organization structure, which is responsible for coordinating the planning and execution of all emergency response measures, assigning related units to deliver resources necessary to contain the epidemic, instructing SKFH and subsidiaries on epidemic prevention work, and supervising the epidemic response measures.
Employee insurance	Social insurance	The Company insures labor insurance (including occupational injury insurance) and national health insurance for employees
	Group insurance	the Company provides fully subsidized life insurance, accident insurance, and preferential rates for new group regular insurance, group cancer health insurance, protection group health insurance, group injury insurance, major illness insurance, Guan Huai Jeou Jeou long-term care insurance, daily hospitalization claims, and subsidies for retirement planning insurance, so as to offer the maximum coverage for employees' families.
	Business travel insurance	Personnel stationed overseas or sent to overseas for business purpose will be insured with travel insurance (adding medical protection) by the Company

Type	Item	Content description
Health	Health examination	SKFH and subsidiaries provide a variety of health checks items that are superior to statutory ones; assess employees health checkup and the risks of health checkup; and conduct health tracking care and annual health posture management activities.
	Medical care	SKFH provides regular medical consultation with physicians and nurses; handle health promotion activities, health care guidance and consultation; ergonomic hazards prevention plan; abnormal workload-triggered diseases prevention plan; illegal infringement prevention plan, and maternal health protection programs.
	Others	SKFH provides employee with subsidy for hospitalization due to disaster incidents, medical treatment discount/hospitalization discounts, health lectures, CPR training, as well as anti-epidemic care such as setting dry cleaners, and measuring body temperature, and provides masks and other anti-epidemic items; in addition, the subsidiary of SKFH also provides employee dependents with health checkups at designated hospitals at an discounted price entitled to an employee, as well as 15% hospitalization discounts. In order to actively promote employees to develop good and leisure fitness habits, the employee welfare committee also subsidizes a number of clubs to encourage employees to exercise regularly and promote work-life balance.
Mental health	Employee Assistance Programs, EAP	We provide employee assistance programs, entrust professional institutions to consult employees on psychological, legal, managerial matters, so as to balance their body and minds, caring for them both in their family and in the workplace.
	Diversity and Equity (Anti-discrimination)	Establish the "Declaration on Prohibition of Discrimination, Harassment, and Unlawful Infringement in the Workplace" to protect all employees from discrimination due to factors such as gender and sexual orientation in the work environment. Every year, diversity and equity education is provided to employees through regular training programs, and the program information is revealed in the announcement section.
	Sexual harassment prevention	We have established complaint regulations and disciplinary provisions, which are disclosed on the announcement bulletin board.
	Training	Annual compliance courses include courses of rejecting workplace sexual harassment, Create a gender equality environment in the workplace, pressure (emotion) management, communication skill, and creative thinking and Without conscious bias to adjust and enhance mental knowledge and capacity for employees.

(V) Collective bargaining agreement: None (The Company has not established a labor union, and therefore no collective bargaining agreement has been signed)

X. Major Contracts

Shin Kong Financial Holding Co., Ltd.

Contract nature	Parties	Contract start / end date	Main Activity	Restrictive clauses
Merger Agreement	Taishin Financial Holding Co., Ltd.	August 22, 2024- The merger record date	Merger of the Company and Taishin FHC	None
Merger Agreement Supplementary Agreement	Taishin Financial Holding Co., Ltd.	September 11, 2024- The merger record date	Merger of the Company and Taishin FHC	None

Note: Data as of December 31,2024

Shin Kong Life Insurance Co., Ltd

Contract nature	Parties	Contract start / end date	Main Activity	Restrictive clauses
Main reinsurer reinsurance contract	Munich Reinsurance Company	Since November 19, 1965	Reinsurance of life insurance, and health insurance.	None
	Central Reinsurance Corporation	Since October 31, 1968	Reinsurance of life insurance, health insurance, (catastrophe) excess loss	
	Reinsurance Group of America	Since October 11, 1999	Reinsurance of life insurance, health insurance, and injury insurance	
	Cologne Reinsurance Company	Since September 1, 2000	Reinsurance of life insurance, and health insurance.	
	Hannover Reinsurance Company	Since December 1, 2014	Reinsurance of life insurance, health insurance	

Note: Data as of December 31,2024

Shin Kong Investment Trust Co., Ltd.

Contract nature	Parties	Contract start/ end date	Main Activity	Restrictive clauses
Fund trust Contract	Taiwan Cooperative Bank Co., Ltd.	Since April 15, 1993	Shin Kong Fu-Kuei Fund	None
	Taishin International Bank Co., Ltd.	Since September 3, 1996	Shin Kong Chi-Shin Money-market Fund	
	Taishin International Bank Co., Ltd.	Since March 4, 1998	Shin Kong Innovative Technology Fund	
	Bank SinoPac Company Limited	Since October 28, 1998	Shin Kong OTC Market Fund	
	Sunny Bank Ltd	Since May 10,2002	Shin Kong Great China Fund	
	Taiwan Business Bank Ltd.	Since April 20, 2009	Shin Kong China Growth Fund	
	Chang Hwa Commercial Bank Ltd.	Since October 9, 2014	Shin Kong Global Biotech &Health Care Fund	

Contract nature	Parties	Contract start/end date	Main Activity	Restrictive clauses
Fund trust Contract	The Shanghai Commercial & Savings Bank Ltd.	Since September 9, 2015	Shin Kong US Harvest Balanced Fund	
	Taishin International Bank Co., Ltd.	Since August 31, 2016	Shin Kong Global Bond Fund	
	The Shanghai Commercial & Savings Bank Ltd.	Since August 1, 2018	Shin Kong Global AI New Industry Fund	None
	Taishin International Bank Co., Ltd.	Since January 25, 2019	Shin Kong FTSE 15+ Years Investment Grade USD Corporate Bond ETF	
	Taiwan Business Bank Ltd.	Since March 27, 2019	Shin Kong 15 Years USD Banking Bond ETF	
	Taishin International Bank Co., Ltd.	Since June 25, 2019	Shin Kong Supreme Umbrella Fund - Shin Kong Global Preferred Stock Income Fund	
	Taishin International Bank Co., Ltd.	Since October 23, 2019	Shin Kong Premium Umbrella Fund - Shin Kong ICE 15 Year US Telecommunications Index ETF	
	Taiwan Cooperative Bank Co., Ltd.	Since December 5, 2019	Shin Kong Emerging Wealthy Nations Bond Fund	
	The Shanghai Commercial & Savings Bank Ltd.	Since October 21, 2020	Shin Kong Hang Seng TECH Index Fund	
	Taichung Commercial Bank Co., Ltd.	Since February 1, 2021	Shin Kong Environmental Sustainability Bond Fund	
	Taiwan Cooperative Bank Co., Ltd.	Since December 7, 2021 (Established on February 23, 2022)	Shin Kong TIP Taiwan Semiconductor 30 ETF	
	Taiwan Business Bank Ltd.	Since April 8, 2022	Shin Kong Taiwan High Dividend Fund	
	Taishin International Bank Co., Ltd.	Since October 26, 2022	Shin Kong Global Multi Asset Fund	
	Chang Hwa Commercial Bank Ltd.	Since December 15, 2022	Shin Kong S&P Electric Vehicles ETF	
	Taichung Commercial Bank Co., Ltd.	Since March 6, 2023	Shin Kong 4-Year Maturity U.S. Investment Grade Bond Fund	
	Land Bank of Taiwan Co., Ltd.	Since August 14, 2024	Shin Kong 20 Plus Year BBB US Investment Grade Corporate Bond ETF	

Note: Data as of December 31, 2024

Chapter 5. Review and Analysis of the Financial Position and Financial Performance, and Risk Management

I. Financial Position

Unit: NTD thousands

Item \ Year	2024	2023	Increase (decrease) amount	Change by percentage (%)
Cash and cash equivalents	3,003,268	2,498,822	504,446	20.19
Current tax assets	1,625,712	859,252	766,460	89.20
Financial assets at fair value through profit or loss	0	0	0	0.00
Miscellaneous financial assets	55,628	458,112	(402,484)	(87.86)
Investment accounted for using the equity method	298,887,667	264,614,525	34,273,142	12.95
Property and equipment, net	21,214	31,207	(9,993)	(32.02)
Other assets	1,478,266	1,212,731	265,535	21.90
Total assets	305,071,755	269,674,649	35,397,106	13.13
Financial liabilities at fair value through profit or loss	0	33,995	(33,995)	(100.00)
Short-term loans	200,000	100,000	100,000	100.00
Accounts payable	12,947,712	10,754,972	2,192,740	20.39
Bonds payable	8,000,000	12,652,943	(4,652,943)	(36.77)
Long-term loans	0	0	0	0.00
Other liabilities	421,124	485,414	(64,290)	(13.24)
Total liabilities	21,568,836	24,027,324	(2,458,488)	(10.23)
Share Capital	180,094,790	157,846,290	22,248,500	14.10
Capital surplus	15,767,783	18,623,914	(2,856,131)	(15.34)
Retained earnings	112,305,349	88,800,916	23,504,433	26.47
Other equity	(24,357,400)	(19,623,795)	(4,733,605)	24.12
Treasury shares	(307,603)	0	(307,603)	0.00
Total equity	283,502,919	245,647,325	37,855,594	15.41
Description of the analysis on the variation ratio:				
1. Cash and cash equivalents: Primarily due to a decrease in time deposits with maturities within three months.				
2. Current income tax assets: Due to the recognition of 2024 withholding taxes.				
3. Other financial assets: Mainly due to a reduction in time deposits with maturities exceeding three months.				
4. Property and equipment - net amount: Resulting from increased accumulated depreciation.				
5. Other assets: Primarily attributable to higher taxable income at subsidiaries.				
6. Financial liabilities at fair value through profit or loss: Due to the maturity of unsecured convertible bonds.				
7. Short-term loans: Due to increased working capital requirements.				
8. Accounts payable: Due to the appropriation of inter-subsidary use loss deduction to offset the increase of subsidiary link tax payable.				

9. Corporate bonds payable: Due to the maturity of unsecured convertible bonds.
10. Retained earnings: Arising from improved profitability at subsidiaries.
11. Other components of equity: Mainly due to increased valuation losses on financial assets.

II. Financial Performance

Unit: NTD thousands

Item \ Year	2024	2023	Increase (decrease) amount	variation ratio (%)
Shares of profit or loss of subsidiaries accounted for using equity method	21,013,856	(7,731,293)	28,745,149	(371.80)
Other income	229,943	218,803	11,140	5.09
Operating expenses	(788,531)	(408,218)	380,313	93.16
Other expenses and losses	(143,857)	(276,083)	(132,226)	(47.89)
Income before tax	20,311,411	(8,196,791)	28,508,202	(347.80)
Income tax benefit (expenses)	74,191	787,552	(713,361)	90.58
Net income	20,385,602	(7,409,239)	27,794,841	(375.14)
Other comprehensive income	(1,300,544)	41,012,185	(42,312,729)	(103.17)
Total comprehensive income	19,085,058	33,602,946	(14,517,888)	(43.20)

Description of the analysis on the variation ratio:

1. Shares of profit or loss of subsidiaries accounted for using equity method: Due to subsidiaries' profitability being better than the previous year.
2. Operating expenses: Due to increased employee benefit expenses and labor costs.
3. Other expenses and losses: Due to decreased interest expenses and exchange losses.
4. Income before tax: Mainly due to the above-mentioned reasons.
5. Income tax benefit (expenses): Due to income tax benefits recognized in the prior period from large prior-year income tax assessment variances.
6. Net income: Primarily attributable to the aforementioned reasons.

7. Other comprehensive income: Mainly due to increased valuation losses on financial assets.
8. Total comprehensive income: Mainly due to the above-mentioned reasons.

III. Cash Flow:

(I) Liquidity Analysis for the Past 2 Years:

Item \ Year	2024	2023	Increase ratio
Cash flow ratio	Note	Note	-
Cash flow adequacy ratio	Note	73.06	-
Cash flow satisfaction ratio	709.22	Note	-
Description of the analysis on the variation ratio: Note: The ratio is not disclosed since the net cash flow ratio is negative.			

(II) Liquidity Analysis for the Following Year:

Unit: NTD thousands

Cash balance at the beginning of the period	Estimated annual net cash flow from operating activities	Estimated annual cash outflow	Estimated surplus (insufficient) cash amount	Remedy measures for estimated insufficient cash	
(1)	(2)	(3)	(1)+(2)-(3)	Investment plan	Financing plan
3,003,268	9,482,000	8,550,652	3,934,616	-	-

Note 1: Including "Time deposits with original maturities of more than 3 months" but excluding "Restricted time deposits - guarantee deposits paid."

IV. Impact of Material Capital Expenditure on Financial Activity in the Most Recent Year: None

V. The Company's Reinvestment Policy for the Most Recent Fiscal Year on Investments in Other Companies, the Main Reasons for Profit/Losses Resulting Therefrom and Plans for Improvement, and Investment Plans for the Coming Fiscal -Year

(I) Reinvestment Policy:

The Company makes investments and manages investees in accordance with the Financial Holding Company Act and ensures proper functioning of the operation of subsidiaries. The Company expands scale and scope of business by complying with regulations of the competent authority, observing market trends, and assessing the return rate and strategy value of each reinvestment opportunity; doing so also helps integrate marketing benefits among subsidiaries, in the hope to improve the Company's profitability and shareholders' equity.

(II) Main Reasons for Profits/Losses Resulting Therefrom and Plans for Improvement

In 2024, global inflation eased, economic growth showed a moderate expansion, and with the US dollar strengthening, the New Taiwan Dollar maintained a sustained depreciation trend throughout the year. Shin Kong Financial Holdings reported a consolidated after-tax profit of NT\$20.457 billion, the second-highest in its history, with earnings per share of NT\$1.25. All subsidiaries demonstrated steady performance, with the banking and securities subsidiaries achieving record-high and second-highest profits respectively.

Shin Kong Life Insurance reported a consolidated after-tax profit of NT\$10.157 billion, turning losses into profits compared with the previous year, primarily driven by capital gains from stocks and effective hedging cost control. Shin Kong Bank reported a consolidated after-tax profit of NT\$7.216 billion, a 6.3% increase compared with the previous year, hitting a record high. Non-interest net income grew by 26.5%, with the primary growth momentum coming from net commission income. Among them, the wealth management income increased by 31.7% compared with the previous year, with the sales momentum coming from fund and insurance products. Benefited from the strong performance of the Taiwan stock market, with the benchmark TAIEX surging 28.5% for the year, MasterLink Securities reported a consolidated after-tax profit of NT\$3.4 billion, a 36.1% increase compared with the previous year and ranking as the second-highest in history. The growth momentum primarily came from brokerage business, while proprietary trading and new financial businesses also performed well.

(III) Investment Plans for the Coming Year:

Under the premise of compliance with laws and regulations, SKFH will seek investment opportunities that best complement SKFH and thus improve synergy, so as to provide all-round financial services while raising the profitability and active customers, thereby creating stable return for shareholders.

VI. Risk Management:

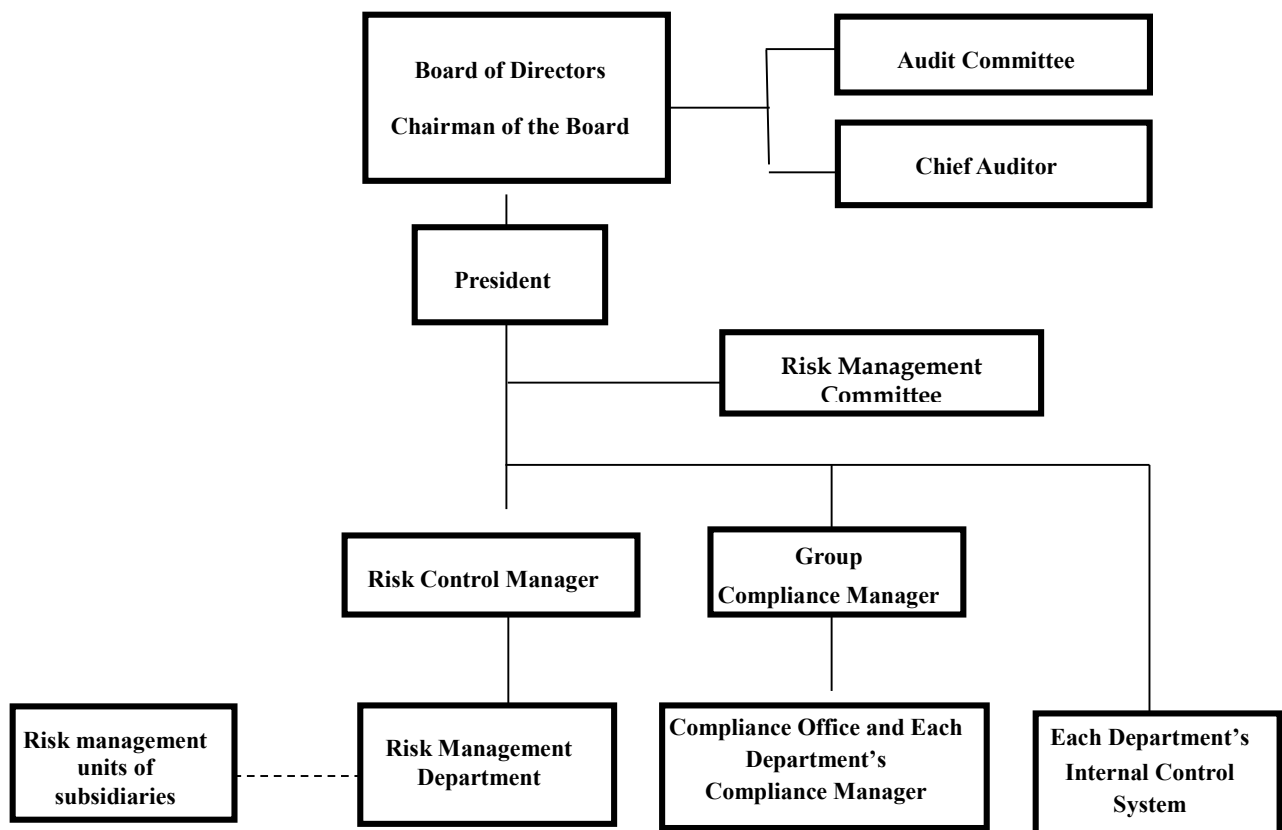
The concept of SKFH risk management is to maximize profits under acceptable risks. For the implementation of this concept, the Company establishes a solid and effective risk management mechanism to continue to create values for shareholders and customers. The Company manages subsidiaries mainly in three respects: supervision, integration, and planning. Practically, the Company implements management and communication via each subsidiary's risk management unit.

(I) Organizational Structure and Policy on SKFH and Its Subsidiaries' Risk Management

SKFH

1. Risk Management Organizational Structure:

The Company establishes Risk Management Committee to implement risk control business and establishes a dedicated Risk Management Department to be in charge of the risk control of the Group. The organizational structure is as follows:



2. Risk Management Policy

(1) Management Policy

The risk management of the Company and its subsidiaries is at a strategic position, and risks are taken into consideration when forming related decisions. The Company identifies, measures, monitors and reports risks through qualitative or quantitative management methods and keeps the possible risks from operating activities within an acceptable range in order to pursue a steady

operating policy and uphold the spirit of consistent execution.

(2) Responsible Units

To effectively operate and implement the risk management business, the Company has established the Risk Management Committee, Risk Management Department and other risk management units:

- a. Board of Directors: The Board of Directors of the Company is the highest decision-making unit of risk management, which undertakes the final accountability of risk management operation.
- b. Audit Committee: The Audit Committee of the Company monitors the effectiveness of overall risk control of the Company according to its organizational charters.
- c. Risk management Committee: The Company establishes the Risk Management Committee to execute risk control. This Committee holds meetings every quarter on a regular basis. The Committee discloses the risk exposure level of the Group and inspects the risk control execution result through risk summaries submitted by committee members and forms the overall risk control strategy of the Company.
- d. Risk Management Department: The Company establishes the Risk Management Department to be responsible for the collection, analysis and reporting of risk management of the Group, and for monitoring the execution of risk management mechanism of subsidiaries; the Risk Management Department is also the execution unit of decisions made by the Risk Management Committee, responsible for enforcing the consensus and decisions of the Risk Management Committee.

Each subsidiary, based on organization scale and industry regulations, establishes an independent risk management unit or designates dedicated personnel to manage risks daily.

(3) Risk Management Report

The Risk Management Department of the Company or risk management unit or personnel of subsidiaries, based on their responsibilities, submit risk management reports to management of all levels on a regular or irregular basis; they also prepare assessment report on overall risks on a quarterly basis and submit the report to the Audit Committee and the Board of Directors, and in doing so allows the top management to understand the risks facing the Company and make decisions accordingly.

In order to lower the impact of major contingencies on the Company and its subsidiaries, SKFH establishes an emergency reporting mechanism that clearly regulates reporting of major contingencies and response procedures. When a contingency occurs, the mechanism immediately reports it to the management for them to response, and in doing so achieves risk warnings and lowers losses,

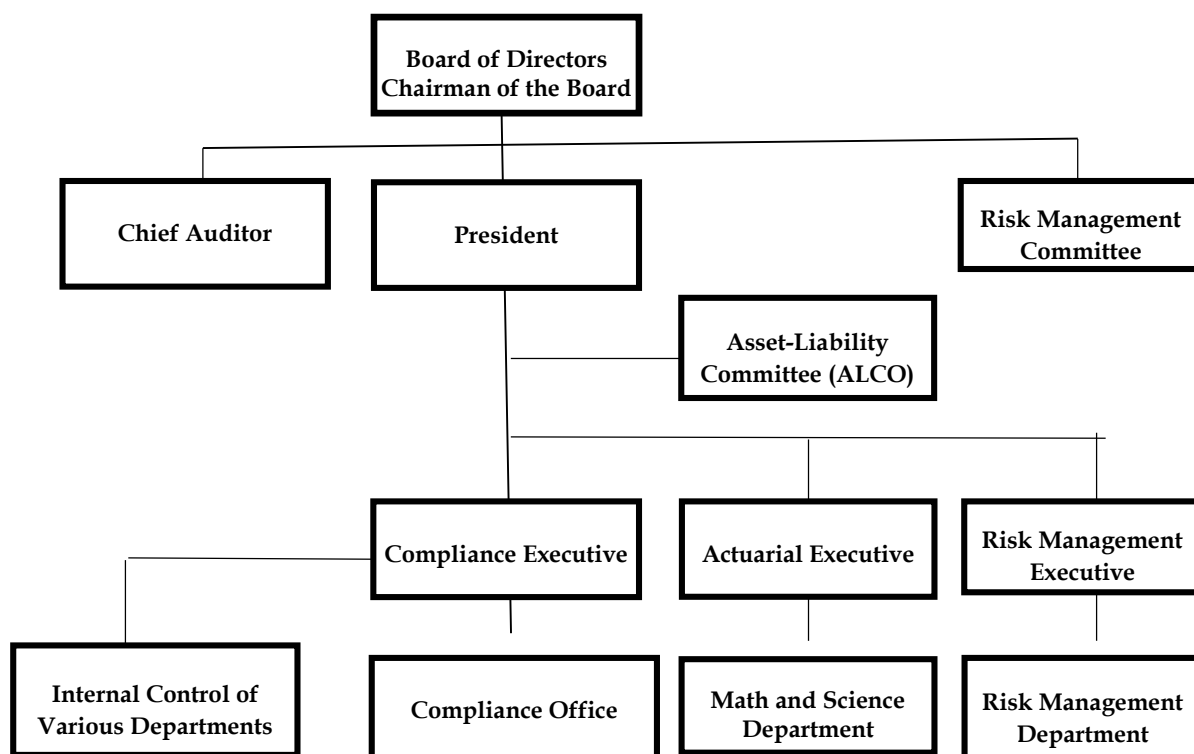
thereby fulfilling the risk control objectives.

(4) Performance evaluation

The Company and subsidiaries are subject to a risk-adjusted reward system to balance risk and rewards, i.e., rewards are awarded by considering the maturity of risk culture and risk measurement of the Company and its subsidiaries, their business nature, practical needs, and past performance records as opposed to short-term incentives such as bonus.

Shin Kong Life Insurance

1. Risk Management Organizational Structure:



Responsibilities of risk management units:

- (1) **Chief Auditor:** It is under the Board of Directors. The Audit office under which is responsible for the internal audit on units of the Company and its subsidiaries and presenting audit report, reviewing self-audit conducted by all units, performance assessment on internal control conducted by all units, tracking and reviewing of audit opinions or defects proposed by competent authority and by internal or external auditors, reporting audit operation to competent authority, and serving as the contact window of external audits.
- (2) **Risk Management Committee:** Assess and monitor the risk-bearing capacity of the Company, current status of risks borne, and determines risk response strategy in order to promote sound operation and development of the Company.
- (3) **Asset-Liability Committee (ALCO):** In charge of the Company's risk management via Asset Liability Matching (ALM), annual asset allocation plan,

asset allocation plan for new products, financial/business plans related to IFRS 17, and regularly review plans and risks related to asset and liability management to optimize the Company's asset and liability management mechanism.

- (4) Risk Management Department: Responsible for market risk, credit risk, and operational risk of the Company and conduct risk identification, risk assessment and establish risk management mechanism.
- (5) Math and Science Department: Responsible for researching and introduction of IFRSs and the new generation of solvency systems for the insurance industry, arrangement of Asset-Liability Committee (ALCO) meetings and the International Financial Reporting Standards 17 (IFRS 17) and Insurance Capital Standard (ICS) Convergence Management Committee, consolidation of the annual actuary report, valuation of the Company's implied value and new contract value, calculation of various provisions, construction of actuarial models and assumptions, and planning and execution of reinsurance affairs.
- (6) Compliance Office: Responsible for planning, management and execution of compliance system of the Company, stipulating annual compliance plans, managing the amendments to insurance laws and regulations, supervising units on self-assessment of compliance, and conducting legal training and business promotion for personnel of all units.

2. Risk Management Policy:

(1) Objectives

Establish the risk management system, risk management organizational structure and risk control mechanism of the Company in order to protect company asset, ensure capital adequacy, increase values of shareholders, and comply with laws and regulations, as well as promoting the sound operation and development of the Company under the premises of balance between risks and rewards.

(2) Strategy

The risk management of the Company is at a strategic position, and risks are taken into consideration when forming related decisions. The Company identifies, measures, monitors and responds to risks through qualitative or quantitative management methods and maintains the possible risks from operating activities within a acceptable range in order to seek steady operating policy and uphold the spirit of consistent execution.

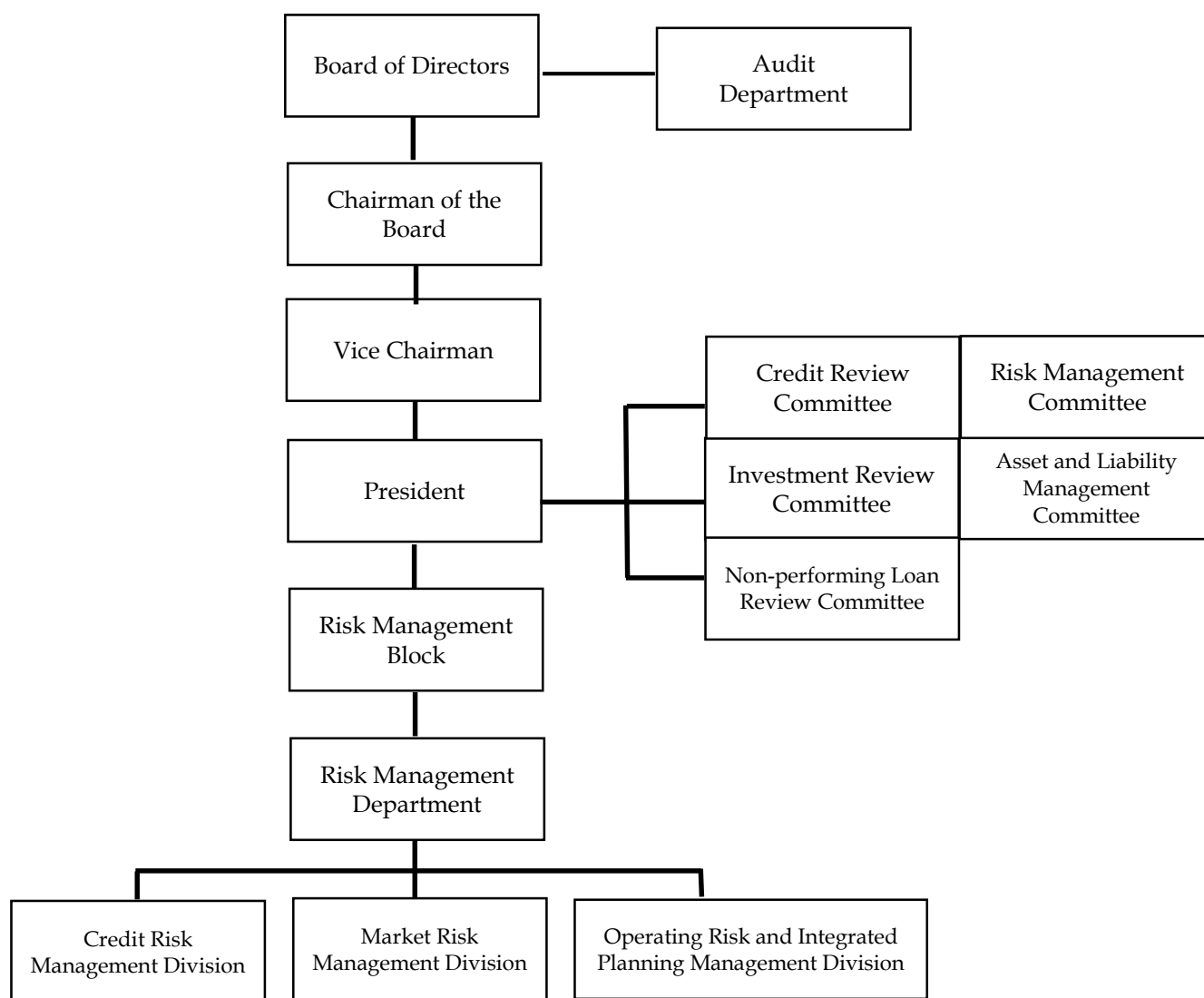
(3) Organization and Responsibilities

To effectively plan, monitor, and implement risk management, the Company establish a Risk Management Committee under the Board of Directors, a Risk Management Department independent from other business units, and other risk management units, as well as establishing the position of Chief Risk Officer. To

emphasize the independence of Risk Management Committee, an independent director serves as the convenor of the committee, and members are composed of independent directors and top management from major business areas. The committee submits overall risk management report on a regular basis and reports to the Board of Directors on risk management implementation.

Taiwan Shin Kong Commercial Bank

1.Risk Management Organizational Structure:



- ※Establishing a risk management system
- ※Allocating and monitoring the use of risk quota by each business unit
- ※Establishing and enforcing risk management policies
- ※Preparing a risk management report

2. Risk management policy:

(1) Management strategy

- a. Risk management shall be complied with by the Board of Directors, managements of all levels and all employees in order to protect the rights and interests of investors and customers and ensure the compliance of laws and regulations.
- b. They include: (a) stipulate risk management guidelines and goals and establish process for risk confirmation, quantification, reporting and warning.
- c. Institutionalize and document risk management operation and stipulate SOP and regulations in accordance with this policy.
- d. Establish risk management organizations, stipulate that risk management unit is an independent risk management unit, responsible for risk control of the bank, report of risk control implementation on a regular basis, and completing the "Risk management information" as required by this policy, and
- e. Stipulate capital adequacy management, risk tolerance and response strategy for management level to achieve the goal of risk management.

(2) Management objectives:

- a. Establish an organization culture that the Bank as a whole recognizes and complies with the risk management mechanism.
- b. Effectively manage the risk borne by the bank.
- c. Maintain the balance between the risks borne and rewards, and,
- d. Maintain adequate capital.

(3) Organization and responsibility:

- a. The Board of Directors of the Bank is the highest decision-making unit of risk management, and liable for the final accountability for establishing risk management systems for of all risks and ensuring the effective operation.
- b. Risk management committee is a staff unit of the Board of Directors and President, responsible for examining the performance of risk management of the Bank.
- c. Risk management unit is an independent risk management unit, responsible for risk control of the bank, report of risk control implementation on a regular basis, and completing the "Risk management information" as required by this policy.
- d. Each business responsible unit shall be in charge of monitoring, measuring and assessment of daily risks and submit information of risk exposure and risks in accordance with related regulations, as well as ensure that the associated businesses are effectively executed within the risk limit and according to the internal control procedure.
- e. Each operation shall execute the internal control and risk control of all business in accordance with the regulations and guidelines stipulated by all business responsible units and shall report related information and provide written statements on a regular basis.

MasterLink Securities

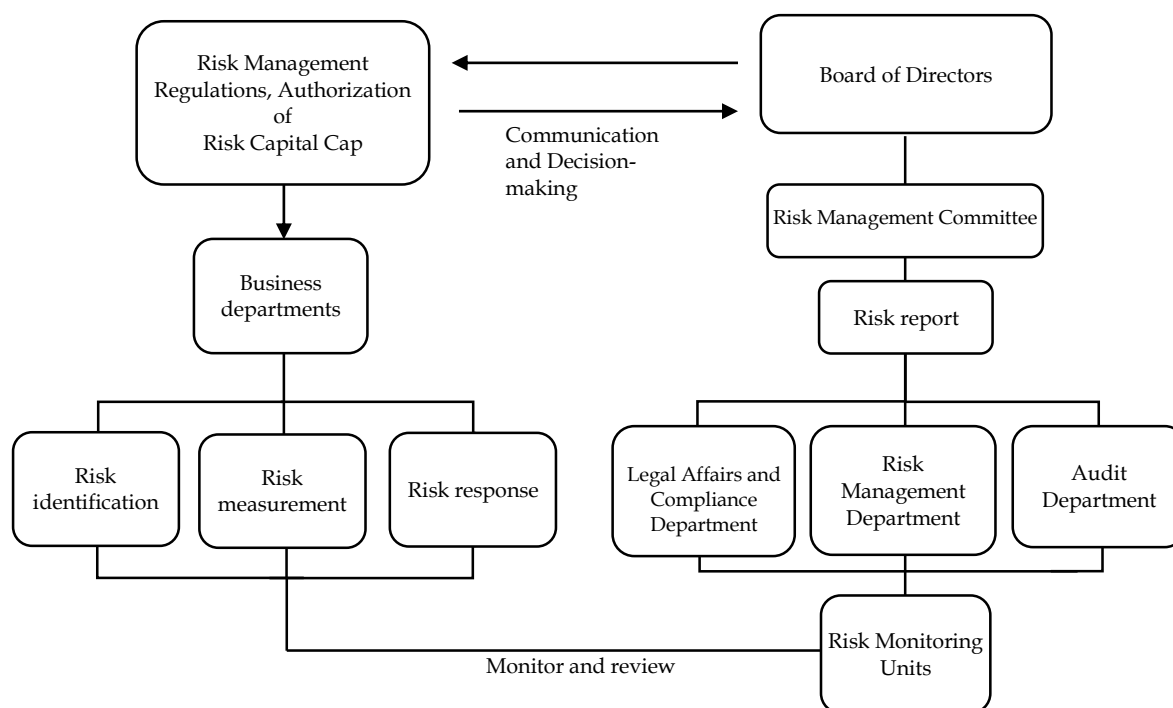
1. Risk Management Organizational Structure:

(1) Risk Management Organization:

- a. Risk management organizations: Board of Directors, Risk Management Committee, Risk Management Department, business departments and other departments (Legal Affairs and Compliance Department, and Audit Department), are responsible for monitoring, planning and execution.
- b. The Risk Management Committee under the Board of Directors of the Company is responsible for planning and monitoring the effectiveness of risk management of the Company. The committee shall at least convene a meeting quarterly.
- c. Risk Management Department under the Chairman of the Board is responsible for the measurement and monitoring of company risks.

(2) Risk Management Structure:

The risk management structure of the company is as follows:



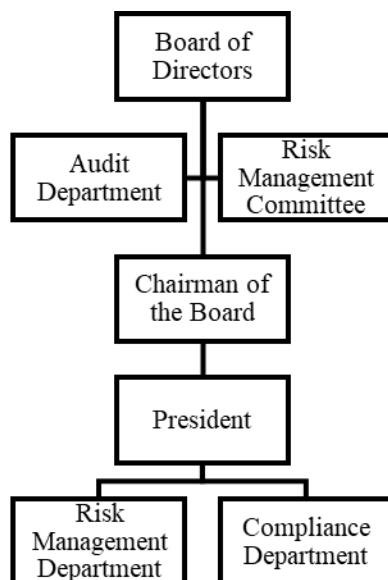
2. Risk management policy

- (1) The policy is to actively engage in all businesses and increase the quality and quantity of income under acceptable risk level.
- (2) The policy is also to strengthen the width and depth of risk control. The network of risk control is composed of 9 major risks and 3-level risk control structure along with self-evaluation self-discipline to ensure the compliance of 9 major risks and implement institutionalization, computerization and discipline.
- (3) Business department shall conduct effective control of the risks associated with system, events, market, credit, liquidity, models, laws and regulations, operation, policy and other risks (such as climate and reputation risk) that will be encountered when conducting various businesses, and the risk monitor unit shall continue to

monitor and respond to the risks of operating activities; and, Audit Department shall conduct solid audit, so as to respond to risks.

Shin Kong Investment Trust (SKIT)

1. Risk Management Organizational Structure:



- (1) Risk Management Committee: The Risk Management Committee under the Board of Directors is established to evaluate and monitor the risk bearing ability, status of risks borne, risk response strategy and related control and execution effect on a regular basis. The committee is composed of more than 5 members, who are directors and managerial officers appointed by the Chairman. The committee convenes a meeting every month, and additional meetings may be convened in case of emergency.
- (2) Audit Department: Execute the regular internal audit on the Board of Directors, SKFH, competent authority and improvement tracking of defects spotted after audit, and improve operation efficiency of the company; ensure the correctness of financial statements, compliance with company policies and laws and regulations, and protect the safety of company and customer assets; ensure the effective execution of internal control system of all departments; assist in the internal management of all departments, provide improvement advices to management level, and lower the overall operating risks of the company.
- (3) Risk Management Department: It is the execution unit of risk management matters, and a supervisor is appointed to be responsible for the monitoring, measurement, and assessment of daily risks. This department is independent from business units and trading activities to perform duties. This department establishes risk limit, stipulates authority of trading or authorization, and analyzes and assesses risk

change based on the business nature and laws and regulations, and establishes risk indicators and warning mechanism. Risk Management Department may prepare a risk management report based on the business nature and in accordance with laws and regulations, and submit the same to an appropriate management level.

- (4) Compliance Department: Responsible for planning and promotion of compliance system; stipulate assessment content and procedures of compliance; implementing compliance training; providing compliance consulting, coordination and communication channel; ensuring the operation and regulations are updated promptly, and reviewing contracts. This department is directly under the President.

2.Risk Management Policy:

- (1) Purpose: Establish the risk management system, risk management organizational structure and risk control mechanism of the Company in order to protect assets of the Company and customers, increase values for shareholders, maximize benefits for customers, and comply with laws and regulations, as well promoting the sound operation and development of the Company under the premises of balance between risks and rewards.
- (2) Principle: The risk management of the Company is at a strategic position, and risks are taken into consideration when forming related decisions. The Company identifies, measures, monitors and reports risks through qualitative or quantitative management methods and maintains the possible risks from operating activities within a acceptable range in order to pursue steady operating policy and uphold the spirit of consistent execution.

(II)Risk measurement and control methods and quantitative information of risk exposure of SKFH and its subsidiaries

SKFH has promulgated the “Risk Management Policy” to serve as the top guiding principle for SKFH and its subsidiaries' risk management. The Company's risks mainly comprise credit risk, market risk, operational risk, liquidity risk, concentration risk, capital adequacy risk, and emerging risks. The risk management department of each subsidiary has also promulgated their own risk management guidelines based on the Company's “Risk Management Policy” and compiled and reported the monitoring indicators so as to implement the warning and stop-loss mechanism.

The emerging risks identified by the Company are the compound challenge risks arising from advanced technological impacts, cybersecurity risks, and global security issues. The impacts and corresponding response measures are described below:

Description of Risks	Potential Operational Impacts	Mitigation Plans
With the rapid development of advanced technologies	■Upgraded financial fraud leading to customer attrition and	1. Strengthening Risk Awareness and Education: The Company

Description of Risks	Potential Operational Impacts	Mitigation Plans
(such as artificial intelligence, biotechnology, and innovative digital technologies), the negative impacts of related applications have become increasingly significant. These impacts include the concentration of technological power, the spread of false or misleading information, cybercrime, cyberattacks, data ethics issues, data theft, shortages of critical talent, failures of key digital systems, and other risks that may pose significant threats to the financial industry. Furthermore, due to the convenience of the internet and the widespread dissemination of social media information, investment scams and impersonation frauds have surged, resulting in substantial financial losses and risks of personal data misuse. As of the fourth quarter of 2024, losses from "fake investment scams" in Taiwan amounted to NT\$24.5 billion, accounting for 66% of total fraud-related financial losses. This demonstrates the expansion of fraud risks in the financial sector and underscores the urgent need for the financial industry to enhance fraud prevention capabilities.	impacting Shin Kong's operating revenue: With the advancement of technology, financial fraud tactics (such as deepfake scams, disinformation, and social engineering) have become more sophisticated, and fraud cases have increased annually. Elderly demographics are particularly targeted. Approximately 56% of the Company's customer base consists of clients aged 50 and above. If customer data is compromised, leaked, or exploited for fraud, resulting in financial losses, long-term trust in financial institutions may erode. This could damage Shin Kong's brand reputation, leading to customer attrition and a decline in operating revenue. ■ Cyberattacks and cybercrimes may result in operational disruptions at Shin Kong's investment/financing targets or supply chain partners, causing financial losses to Shin Kong's clients or the Company itself: ◆ Failures in key digital systems or service interruptions at investment/financing targets may impair their profitability, thereby increasing Shin Kong's market risk and credit risk, which would adversely affect investment and financing returns. ◆ Cyberattacks targeting supply chain partners or Shin Kong itself may cause operational disruptions or hinder the execution of outsourced operations. This could impact client transactions or lead to personal data breaches, resulting in compromised client rights, regulatory penalties from authorities, damage to Shin Kong's commercial reputation, and subsequent client attrition.	regularly disseminates information on risk management, artificial intelligence, and cybersecurity protection to clients and employees through multiple channels, enhancing their awareness of personal data security. In 2024, Shin Kong Bank successfully prevented 240 fraud cases across its 103 nationwide branches, safeguarding client assets totaling NT\$180 million, representing an 8% year-over-year increase. 2. Industry Collaboration for Fraud Prevention: Shin Kong collaborates with government agencies and financial institutions to develop anti-fraud initiatives, promoting cooperative projects such as the "Cross-Financial Sector Joint Learning for Tech-Enabled Fraud Prevention Pilot Project" and the "Life Insurance Claims Pattern Sharing Ecosystem", achieving more effective fraud countermeasures. 3. Enhancing Cybersecurity: The Company implements zero-trust mechanisms and reinforces cybersecurity through layered defenses including firewalls, multi-factor authentication (MFA), and data leakage prevention systems. Cybersecurity insurance is utilized to mitigate financial risks from cyberattacks or data breaches. 4. Digital Technology Applications: Introducing AI monitoring mechanisms to analyze abnormal transaction behaviors in real time, thereby enhancing fraud prevention capabilities; establishing impersonation fraud and disinformation detection mechanisms to reduce risks of client-sensitive information leakage.

Description of Risks	Potential Operational Impacts	Mitigation Plans
	■ Shortages of critical professional talent reducing Shin Kong's market competitiveness: The Company's inability to attract and retain key talent with advanced technical expertise in digital technology and information security will hinder Shin Kong's innovative applications and digital development. Failure to promptly adjust service and product structures may drive clients to competitors with superior fintech capabilities, thereby diminishing market competitiveness and impacting Shin Kong's profitability.	5. Regulatory Compliance and Oversight: Closely monitoring legislative developments in advanced technologies to ensure alignment with regulatory requirements. Collaborating with regulatory authorities to ensure new technologies (e.g., AI-driven automated trading) comply with financial market regulations. 6. Critical Talent Development: Implementing internal training programs to cultivate existing employees' professional competencies in digital finance, AI application technologies, and ESG risk management. The Company partners with universities and technical/vocational colleges to establish professional courses in fintech, AI-powered risk control, and ESG investing, cultivating future talent in advance. Concurrently, the Company offers competitive salary packages and incentive programs to attract and retain critical talent, reducing turnover risks.
Tensions between two or more sovereign entities due to geographical, political, economic, or cultural factors may trigger financial instruments (e.g., monetary policies, investment scrutiny, economic sanctions, tariffs) or armed conflicts, forming a new world order of protectionism and sanctions. This disrupts global capital flows, strategic resource allocation, and critical raw material distribution, while imposing restrictions on talent mobility, information exchange, and expertise sharing. Violent conflicts or terrorist attacks may trigger financial market volatility, loss of life, severe injuries in various forms, security and operational disruptions to physical infrastructure, and	1. Deteriorating geopolitical conditions and economic instability eroding Group profitability: The escalation of geopolitical tensions may reduce the debt repayment capacity of corporations and governments, thereby increasing credit risks and loan default risks for investments in loans, equities, bonds, or other financial products. Among these risks, emerging markets exhibit lower resilience to economic shocks. As of the end of 2024, emerging markets accounted for 28% of Shin Kong Financial Holding's overseas exposure. Political conflicts or sanctions in these markets would intensify financial pressures, adversely impacting Shin Kong's profitability.	1. Close Monitoring of Political-Economic and Regulatory Dynamics: Continuously track political conditions, economic trends, and regulatory developments in key countries or regions to anticipate potential market reactions. Adjust investment strategies promptly in response to evolving conditions. 2. Establishing a Risk Rating and Early Warning System: Implement a country risk rating system with exposure limits, regularly reviewing sovereign credit ratings, economic indicators, and operational risks across nations. Concurrently, strengthen early warning mechanisms for concentration risks tied to specific countries, regions, or industries.

Description of Risks	Potential Operational Impacts	Mitigation Plans
increased demand for insurance claims.	2. Global Economic and Market Volatility Risks Impacting Group Profitability: A global economic collapse, terrorist attacks, and geopolitical conflicts may drive inflation, disrupt monetary policies, trigger market turbulence, or damage financial infrastructure. International sanctions could restrict cross-border transactions, severely disrupting capital flows. These factors will exacerbate financial market instability, heighten risk management challenges for Shin Kong Group, and reduce its profitability. Examples include: (1) Financial instruments such as sanctions and tariffs may diminish market liquidity, impair asset liquidation and allocation flexibility, complicate the selection of investment targets, and ultimately affect Shin Kong's profitability. (2) Economic recessions leading to elevated financial risks could erode consumer and investor confidence, thereby affecting business growth and operating revenue from investment-linked products and wealth management offerings at Shin Kong's subsidiaries.	3. Diversified Asset Allocation and Risk Management: Enhance geographical and asset diversification within investment portfolios to mitigate geopolitical risks in single markets or countries; implement dynamic risk management with stress testing and scenario simulation mechanisms; regularly assess the impact of various risk factors on portfolios and formulate corresponding strategies. 4. Strengthened Supply Chain Risk Controls: Intensify oversight of supply chain finance to prevent credit risks and rising loan default rates caused by supply chain disruptions. 5. Support for Client Transformation and Supply Chain Adjustments: Support and guide clients through strategic transitions; assist clients in relocating production facilities or establishing backup production bases to adapt to global supply chain restructuring.

Shin Kong Life Insurance

1. Risk management strategy

(1) Strengthen risk governance of the company:

All decisions shall be made after risk assessment and discrete consideration in order to maximize overall profits within the acceptable risks.

(2) Pursue a steady asset allocation policy:

The Company matches its asset allocation policy with its liabilities to formulate a reasonable annual budget for asset allocation, which features a strategic adjustment in accordance with the target range of the respective monthly plan.

(3) Establish complete risk control mechanism:

The Company continues to strengthen mechanism and regulations for risk control for all assets as well as performs effective control over the market, credit and operational risks.

(4) Integrated risk measurement information system:

The Company has established SS&C Algorithmics(ALGO) market risk management system and continued to research and analyze models adopted by ALGO value at risk and strengthen the research and application of back testings in order to refine the correctness and applicability of statements.

(5) Uphold the spirit of consistent execution:

Firmly implement the risk management policy and risk management mechanism of the Company to display the function of risk management and ensure the sustainable operation of the Company

2. According to the aforementioned risk management strategy, the concrete practice is the establishment of 4 major pillars of risk management – Risk management culture, risk management mechanism, risk measurement tools and risk performance system.

(1) Risk management culture:

The Company truly acknowledges that the promotion of risk management culture is a constant process. Therefore, the company actively establishes the risk management atmosphere from top to bottom and strengthen acknowledgement and support of high-ranking management level in order to show that risk management is more than just the responsibilities of the risk management unit and to further implement the accountability culture of all units.

(2) Risk management mechanism:

- a. We have strengthened risk control regulations and mechanism and establish procedure for crisis management, clearly specify reports, disposition procedures and level of risks in order to promptly and effectively control risks and strengthen the disclosure of risk information of the Company.
- b. For the risk control for domestic stocks, in addition to monitoring the overall income on a daily basis, the Company divides domestic and foreign stocks into 4 types and conduct control based on their fundamentals, stability and investment purpose after taking the nature of long-term steady operation of life insurance. In addition, the company embraces the practical needs for a stop-loss mechanism for domestic and foreign stocks. We will regularly review the authorized limit mechanism of the Investment Review Committee and enhance the review of transactions and investment quota systems. Also,

in consideration that the insurance industry is rich a foreign assets and volatile exchange markets in recent years, and elevated hedging costs. In addition to filing an application with the competent authorities for the implementation of the new foreign exchange price fluctuation reserve mechanism, the Company mitigates the impact of foreign exchange market volatility through proactive adjustments to reserve provisions, the Company keeps enhancing disclosure and monitoring of foreign exchanges, and conducts research into relevant issues so as to effectively control risks.

- c. Strengthen the overall asset risk management, amend the concentration risk and country risk management measures, adjust investment quotas for certain overseas regions and countries, and enhance the control of early warning thresholds. Additionally, given the significant fluctuations in international market interest rates in recent years, the Company has strengthened relevant risk management mechanisms in 2024 and revised the "Shin Kong Life Insurance Interest Rate Hedging Risk Management Regulations" to address future hedging needs for interest rate risks.
- d. The Company has established the corresponding risk control mechanisms to address various emerging risks.
 - (a) Climate change risk: The Company has incorporated this risk into the "Risk Management Policy" and established a "Task Force on Climate-Related Financial Disclosure (TCFD)" mechanism (covering governance, strategy, risk management, metrics, and targets), utilizing quantitative analysis to assess the impact of this risk on the Company. The management of climate-related risks and opportunities is publicly disclosed in the Sustainability Report (with TCFD content certified by SGS for disclosure level) and has issued an independent "Task Force on Climate-Related Financial Disclosure (TCFD) Report." Furthermore, the Company actively participates in evaluations and competitions, such as winning the 2024 TSAA Taiwan Sustainability Action Award - "SDG13 SBTi Climate Action Practice - Silver Level," the TCSA Taiwan Corporate Sustainability Awards - Single Performance Award for "Climate Leadership Award," and the National Chengchi University Corporate Sustainability Management Research Center's Task Force on Climate-Related Financial Disclosure (TCFD) Report Evaluation - "Outstanding TCFD Report Evaluation.";
 - (b) Business interruption risk: The Company has established the business continuity management mechanism, and passed the certification in accordance with the international standard of "ISO 22301 Business Continuity Management System (BCMS)" from the British Standards Institute (BSI). The Company has continuously refine the mechanism and

enhance the breadth and depth of drills to resist the crisis of business interruption and improve its ability to respond to major events and recover quickly.

(3) Risk measurement tools:

- a. Continuously research and analyze various models used for market risk Value at Risk (VaR) in the SS&C Algorithmics (ALGO) system. The ALGO system was upgraded in 2024, and internal models will be further refined with enhanced staff training to strengthen market risk control.
- b. The Company continues to strengthen the measurement tools for credit risks and operational risks in order to achieve the goal of perfecting all internal risk models.
- c. To comply with IFRS9 international accounting standards, the system calculates expected credit losses monthly to meet accounting requirements.

(4) System risk:

Continuously adhering to the spirit of Risk-adjusted Performance Measure (RAPM) for ongoing improvement, in which the long-term performance is regarded as the basis of rewards. The Company will continue or gradually introduce risk performance system to establish risk performance system with balance between risks and rewards.

3. Scope and features of risk measurements:

(1) Market Risk

The control principles for market risk of the Company are as follows:

a. Overall portfolio:

(a) Setting market risk limit:

Risk management department updates risk limit annually, submits it to the risk management committee for review and implements it after the approval by the Board of Directors. The related regulations are conducted in accordance with "Regulations Governing Risk Appetite and Risk Limit Management."

(b) VaR model and management:

Calculate VaR on a regular basis and conduct monitoring and prepare risk report on a regular basis in order to control the market risk of asset position. Conduct backtesting on VaR model on a regular basis to inspect whether the model can effectively estimate the maximum possible loss.

b. Single asset:

In addition to the limit control based on the total VaR for the investment position, the Company also stipulates risk control regulations for individual products to control risks. The control factors include quantitative indicators: investment amount, stop-loss warning, concentration and liquidity.

(2) Credit Risk

The control principles for credit risk of the Company are as follows:

- a. Overall portfolio: Adopts expected credit loss (ECL) internal model to measure the credit risk of the overall portfolio.

$$ECL=EAD \times PD \times LGD$$

EAD : Exposure at Default

PD : Probability of Default

LGD : Loss Given Default

- b. Single asset:

- (a) Credit rating: Adopt the credit rating by S&P, Moody's or Fitch as the basic credit risk measurement indicator.
- (b) Credit risk measurement indicators: All qualitative or quantitative credit risk indicators, such as CDS Spread, ratio of tier 1 capital, and capital adequacy.
- (c) Concentration risk: Calculate the credit risk exposure amount of the same counterparty, credit risk exposure amount of single country, area and industry, and the risk exposure limit for a single target.

(3) Operational risk

The control principles for operational risk of the Company are as follows:

- a. The Company has comprehensive business responsibilities and internal control system. Units conduct regular or special internal audit on associated businesses; the Company conducts self-assessment of compliance matters in accordance with compliance project and entrusts CPAs to annually conduct audit on internal control system in accordance with laws. In addition, the Company control the possible operational risk through the monitoring by risk management unit and the compliance promotion by compliance officer.
- b. For operational risk control mechanism, the Company comprehensively established key risk indicator (KRI) and set operational risk limit to effectively identify, assess, monitor and control possible operational risk.
- c. For responses to significant emergency incidents, the Company stipulated response measures for operating crisis, regulations governing emergencies,

and guidelines for emergency disasters to promptly respond to emergency disasters, hoping to display the effect of risk warning and urge operating management levels to adopt proper response measures that may reduce company losses, safeguard rights and interests of clients, and ensure the normal operation for the Company.

4. Risk management methods and quantitative information of risk exposure:

(1) Asset risk

- a. Stipulate total capital amount of asset risk in accordance with annual asset allocation plan and evaluate whether the capital adequacy ratio complies with laws and regulations.
- b. Evaluate the changes of total capital amount of asset risks on a monthly basis to control asset risk.
- c. The Company evaluates impacts of all significant investments on capital adequacy ratio to ensure the capital adequacy of the Company.

(2) Insurance risk

- a. Stipulate guidelines for insurance undertaking and reviews as the compliance basis for screening customers.
- b. Transfer risks through proper reinsurance.
- c. Randomly inspect the new insurance contracts without health examination and request customers to conduct supplementary health examination in order to reduce the insurance risk resulting from covering up information.

(3) Interest rate risk

- a. Before the pricing of new products, the Company must conduct simulative analysis of asset allocation plan in order to evaluate the appropriation of estimate interest rate of policies and further achieve the management goal that asset and liabilities may cope with each other.
- b. Establish a strong risk and investment analysis team, improve the analysis quality on macroeconomics, industry and individual stocks to construct the most suitable strategic asset allocation and further increase the overall return on investments to reduce the interest rate risk.

(4) Other risks

The Company stipulates “Responsibilities for Businesses of Departments,” which clearly specifies the responsible units of all operations and the authorization and responsibilities of supervisors of all levels. To improve business management performance of all units and strengthen internal control function, each unit shall conduct annual self-audit project in accordance with

“Regulations Governing Self-Audit of Shin Kong Life.”

In face of the climate change risk, the Company has established the TCFD (Task Force on Climate-related Financial Disclosures (TCFD)) mechanism and assessed the impact of the risk on the Company through the greenhouse gas inventory, scenario analysis, stress test or other quantitative methods.

In face of the business interruption risk, the Company has established the business continuity management (BCM) system, and passed the certification in accordance with the international standard of "ISO 22301 Business Continuity Management System (BCMS)" from the British Standards Institute (BSI). Through the quantitative risk assessment, the Company has identified the major threats against operation and established a business continuity management (BCP) system in order to protect the interests of customers and all stakeholders in the Company's sustainable operation.

To strengthen risk management in ethical business practices, the company has established a mechanism for assessing the risk of unethical behavior, using quantitative methods to regularly evaluate business activities within the operational scope that have a higher risk of unethical behavior, and devising related mitigation plans.

Taiwan Shin Kong Commercial Bank

1. Scope and features of risk report and measurement system

(1) Credit Risk

- a. The Bank's Risk Management Department regularly reports credit risk management analysis statements to senior management, including the Risk Management Monthly Report, Large Exposure Assessment, and Financial Product Evaluation Report. These cover asset quality, scorecard early warnings, concentration risks, financial product rating changes, CDS early warning monitoring, and credit risk position control. In addition, the department also monitors the grading card of the Bank on a regular basis and propose monitoring report to business management unit, so that the unit can promptly reflect risk and adjust lending strategy.
- b. The Bank stipulates operation mechanism for “stress test” in accordance with regulations by the competent authority, inspects credit risk tolerance ability under pressure on a regular basis, analyzes reports and submit them to high-ranking management level for measurement of credit risk management.
- c. The Bank gradually introduces quantitative model for credit risk to assist in risk identification and measurement. The development of grading models for business finance loans, small and medium-sized enterprise (SME) finance loans and consumer finance loans such as credit loans, mortgages, car loans, micro-loan businesses and credit card business has been completed.
- d. Through the establishment of aforementioned quantitative models and the running of related system, the Bank conducts credit risk level measurement

by adopting indicators like PD and risk level for business with complete models and online system. Doing so allows the Bank to conduct risk management through standardization and sophistication.

- e. Establish management procedures and guidelines for pre-transaction, during-transaction, and post-transaction phases of financial asset investments and derivative financial instrument transactions (excluding credit extensions) to ensure consistent and sound risk management.
- f. In addition to risk measurement system, the structure of risk management mechanism of the Bank is: independent review mechanism, management regulation mechanism, second-review mechanism, and audit mechanism to effectively execute risk management.

(2) Market Risk

- a. Market risk management unit submits market risk management report, including market risk control daily statement and market risk monthly report, to high-ranking management level on a regular basis, which allows them to understand the risk exposure status and serves as the reference in decision-making.
- b. Market risk management unit is responsible for monitoring trading book and the Bank's account book regarding the position limit, income limit, value at risk limit, and executes stop-loss warning mechanism of the Bank to comply with the market risk limit set every year and market risk policy.
- c. Execute backtesting on a regular basis to monitor model risks.
- d. The Bank stipulates operation mechanism for "stress test" in accordance with regulations by competent authority, inspects credit risk tolerance ability under pressure on a regular basis, analyzes reports and submit them to high-ranking management level for measurement of market risk management.

(3) Operational risk

The operational risk management unit of the Bank submits operational risk management monthly reports, including operational risks events, key risk indicator, business procedures, and the implementation and monitoring of self-assessment on risk control of operating units, to high-ranking management level on a regular basis.

(4) Banking book interest rate risk

- a. Risk management unit discloses interest rate quantitative indicator and stress test warning limit indicator in the risk management report on a daily basis, and the scope includes analysis on impact of net interest income and analysis on impact of economic value. Monitor the interest rate risk of bonds position of banking book on a daily basis, disclose income, capital costs, DV01 and value at risk to comply with the risk management policy.
- b. Asset-Liability Committee (ALCO) inspects the implementation of banking book interest rate management and submits the resolution to the board of

directors. All business units conduct interest rate risk management in accordance with the resolution by the Asset-Liability Committee.

- c. ALM database integrated fructus asset and liability positions of the Bank, which strengthen the analysis on the risk source of banking book interest rate through dedicated product classification.

(5) Liquidity risks

- a. Trading unit reports the capital liquidity to management level on a regular basis; where the liquidity reaches indicator limit, the unit will report to the Asset-Liability Committee (ALCO) and draft solutions based on the capital liquidity status. The President will then convene an interim ALCO meeting and make resolutions.
 - b. Risk management unit inspects, analyzes, measures and monitors liquidity risk, analyzes the reason of changes of indicators and risk source, and reports to the high-ranking management level on a regular basis. The content includes liquidity reserve ratio, loan-to-deposit ratio, short-term liquidity gap, net stable capital ratio, liquidity coverage ratio, and deposit concentration indicator.
 - c. In addition to preparing statements, the Bank also conducts liquidity stress test and submit the calculation result to the ALCO, Risk Management Committee, and Board of Directors on a regular basis. The Financial Market Department stipulates liquidity financial asset management calculation, plans liquidity provision, allocation ratio of high-liquidity assets, and plans the disposition order when encountering liquidity crisis.
 - d. The Bank's ALM project system covers deposits, loans, financial transactions, fund procurement, and estimation of major large-sum current cash flow, such as cash flow allocation of distribution of loan amount and capital expenditure. The system also introduces parameters of related models, including the core deposit ratio of deposits without maturity estimated based on the historical data of the Bank and the advance repayment rate of mortgages and loans, in order to strengthen the liquidity risk management mechanism.
2. Hedging and risk mitigation policy and strategy and process of monitoring the continuous effectiveness of hedging and reduction instruments.

(1) Credit Risk

The hedging policy for credit risk of the Bank is as follows:

- a. Conduct credit check review prudently based on the nature of counterparty.
- b. As for concentration risk, the Bank stipulates limits respectively for the same juristic person, same affiliated company, the same group corporation and industries, collaterals, and countries in order to monitor and spread risks on a regular basis.
- c. Collect proper collaterals based on the risk and business nature of counterparty

- d. In principle, the absorbed short-term capital is used for short-term loans, and the mid- and long-term capital is used for mid- and long-term loans.
- e. Inspect and adjust the risk exposure of large-sum loan debtors and group corporation to prevent the over concentration of credit risks.
- f. Periodically review the credit conditions of counterparties, issuers, guarantors, and underlying assets in financial transactions to achieve early warning management of credit risks.

(2) Market Risk

The market risk of the Bank specifies the investment target and available hedging instruments based on the transaction purpose and limits of the trading book and the banking book. Such specification shall be reviewed by the Board of Directors every year before implementation.

Trading unit may stipulate trading strategy for individual portfolio to define the trading targets and risk mitigation tools. Market risk management unit monitors each portfolio, ensures that they don't exceed authorized limit, and confirms that the loss after hedging does not exceed stop-loss limit in order to control the Bank's market risk within the acceptable level.

(3) Operational risk

The hedging policy for operational risk of the Bank is as follows:

- a. Mitigation the operational risk out of internal operation negligence or frauds through insuring banking comprehensive insurance.
- b. Operations outsourced to third parties are handled in accordance with the Bank's "Policy on Outsourcing Operations and Principles to be Followed" and "Guidelines for Outsourcing Operations" to mitigate operational risks arising from outsourcing.

(4) Banking book interest rate risk

Manage the banking book interest rate in accordance with the risk response strategy of risk management policy, including regulations governing risk avoidance, risk transfer or mitigation, risk reduction or control. The overall banking book interest rate risk hedging/mitigation strategy shall be executed after the assessment on the overall banking book position by the Asset-Liability Committee for determination of hedging tools and transaction amount. Where hedging trading is conducted, the risk management unit shall assess the hedging effectiveness on a regular basis.

(5) Liquidity risks

In response to the liquidity crisis, such as abnormal withdrawals of deposits, large-sum outflow of funds, or other severe liquidity insufficiency, the Bank stipulated response plan for liquidity crisis to cover capital gap, reduce liquidity risk and maintain the normal operation of the Bank. The Bank adopts centralized management for the funds through the fund procurement unit.

3. Management methods for all kinds of risks:

(1) Credit risk management method

Risk limit and regulations are stipulated as the credit risk measurement standards based on the business nature, counterparty, type of collaterals, borrowers' financial/operating/repaying ability/credit status and by country, customer, related account, group corporation, industry and specific collateral type. Except for collateral which are assessed and monitored on a monthly basis, the rest are assessed and monitored on a daily basis.

(2) Market risk management method

Stipulate risk limit, trading or authorization amount, warning and stop-loss mechanism, and application and control over hedging strategy and tools as the market risk measurement standards based on trading natures and taking into account of market risk factors.

(3) Operational risk management method

Stipulate the operational risk management regulations, introduce operational risk management methodology and tools, establish operational risk management structure, and use tools of collection for data of losses, self-assessment on risk control over business procedure, self-assessment on risk control for operating units and key risk indicators in order to effectively identify, assess, monitor, report, control and offset the operational risk of the Bank.

(4) Banking book interest rate risk

Measure the impacts on the net interest revenue and economic value of the Bank's asset's liability positions due to changes in the market interest rate, and establish the relevant management indicators and standards to maintain the adequate ratio and terms for matching. Currently, they are controlled each day and reported to the Asset and Liability Management Committee regularly.

(5) Liquidity risk management method

The principle of liquidity management of the Bank is to establish sound liquidity risk management mechanism based on the business scale and feature, asset and liability structure, fund procurement principle and diversity of source of funds in order to maintain sufficient liquidity and ensure there are sufficient funds under daily and specific pressure scenario to fulfill the obligation of payment.

The Bank establishes proper internal control management system, and sets up the liquidity position limit and its warning point of each period on a regular basis according to the entire Bank's operation strategy and business scale. The Company monitors factors that are harmful for the liquidity at all times, and stipulates the disposition procedures and reporting mechanism for over-limit and exceptional situations, as well as prudently ensures the control over the operational risk of the Bank, maintaining proper liquidity, and strengthening emergency response ability. The Bank controls liquidity risk on a regular basis and conducts independent inspection on the liquidity risk management procedure and assesses the effectiveness of risk management on a regular basis.

4. Quantitative information on exposure to the various risks

(1) Credit risk quantitative information:

Risk exposure amount and capital requirement after risk mitigation of credit risk standard approach

Unit: NTD thousands/ 2024.12.31

Item	Risk exposure amount after risk mitigation	Capital requirement
Sovereign state	164,429,866	42,462
non-central government public sector	31,595,055	1,313,854
Banks [including multilateral development banks (MDB) and central counterparty (CCP)]	121,962,900	3,579,057
Corporation (including securities and insurance companies)	188,957,839	12,189,670
Retail claims	79,813,038	4,474,588
Exposure to real estates	642,567,485	31,161,631
Equity securities investment	5,782,268	489,733
Equity securities investment by funds and venture capital businesses	105,231	7,998
Other assets	20,466,743	1,059,682
Total	1,255,680,425	54,318,675

Note: This is the amount on the audited parent-company-only financial statements.

(2) Market risk quantitative information:

Unit: NTD thousands/ 2024.12.31

Risk type	Capital requirement
Interest rate risk	189,538
Equity and securities risk	82,504
Foreign exchange risk	3,863
Product risk	-
Options (accounted for using the simplified approach)	8,417
Total	284,322

Note: This is the amount on the audited parent-company-only financial statements.

(3) Operational risk quantitative information:

Unit: NTD thousands/ 2024.12.31

Year	Gross profit	Capital requirement
2022	18,458,357	
2023	19,096,602	
2024	20,410,521	
Total	57,965,480	
		2,622,572

Note: This is the amount on the audited parent-company-only financial statements.

(4) Liquidity risk quantitative information:

NTD maturity structure analysis table

Unit: NTD thousands/ 2024.12.31

	Total	Amount in the remaining period to maturity				
		0-30 days	31-90 days	91-180 days	181 days – 1 year	More than 1 year
Major maturity funds inflow	1,130,468,023	201,948,465	83,158,797	75,809,910	59,614,670	709,936,181
Major maturity funds outflow	1,331,497,086	170,243,401	210,170,062	160,320,641	362,969,225	427,793,757
Interval gap	-201,029,063	31,705,064	-127,011,264	-84,510,730	-303,354,555	282,142,424

Note: This table only includes the NTD (not including foreign currencies) amount of the Head Office and DBU.

USD maturity structure analysis table

Unit: USD thousands/ 2024.12.31

	Total	Amount in the remaining period to maturity				
		0-30 days	31-90 days	91-180 days	181 days – 1 year	More than 1 year
Major maturity funds inflow	6,934,819	2,036,718	596,862	356,539	442,262	3,502,438
Major maturity funds outflow	9,048,115	2,105,895	2,410,795	1,165,118	1,847,377	1,518,929
Interval gap	-2,113,296	-69,177	-1,813,933	-808,579	-1,405,115	1,983,508

Note: This table includes the total amount of foreign currencies of DBU and amount of OBU.

MasterLink Securities

1.Scope and features of risk report and measurement system

(1) Scope and feature of risk report:

a.Risk Management Department monitors the risk exposure of the Company as a whole and each business department, realizes the risk response measures of businesses, prepares “risk management statement,” “risk management daily statement” and “inspection report” on a daily basis, and report the risk management implementation to the Board of Directors every month and to Risk Management Committee on a quarterly basis.

b.The capital adequacy ratio is as follows:

Since June 2012, the Company has development and established new capital adequacy ratio system and has calculated and reported capital adequacy ratio with Delta-plus approach since July 2012.

(a)Capital adequacy ratio in 2024:

Date	2024.12.31	Average value	Maximum value	Minimum value
Capital adequacy ratio	353.67%	316.91%	353.67%	281.13%

(b) Operating risk cash equivalent amount:

December 31, 2024

Item	Overall risk equivalent (Unit: thousands)
Market Risk	4,104,142
Credit Risk	1,410,641
Operational risk	1,178,779
Total operating risk	6,693,562

(2) Scope and feature of risk measurement:

Risk management information system includes risk management application system and measurement system, and the features are as follows:

a. Risk identification:

(a) Governing risk factors concerning laws and regulations, market, liquidity, and credit.

(b) Credit rating inquiry system: credit disclosure module (such as KMV and Z-Score rating, external TCRI credit rating) and PD.

b. Risk measurement: Taking the value-at-risk as the basis of market risk quantification and using the parametric method (variance-covariance method) to calculate the VaR of 1 day within the 99% confidence interval.

(a) Disclose the VaR of the Company calculated by the internal model approach, as well as such VaR by product type, by department, by factor, by strategy and by trader.

(b) Conduct backtesting and stress test (hypothetical situation, historical situation and sensitivity analysis) on a regular basis.

c. Risk monitoring: Conduct intraday real-time monitor on products, such as stocks, call (put) warrants, futures, options, and convertible (exchangeable) bonds and conduct after-hour monitoring on stocks, call (put) warrants, futures, options, and convertible (exchangeable) bonds, government bonds, corporate bonds, derivatives, and structural products.

d. Model risk management: Model verification, model component, and storage of verification documents and files.

2. Hedging and risk mitigation policy and strategy and process of monitoring the continuous effectiveness of hedging and reduction instruments.

Before undertaking businesses, business departments must have in-depth understanding of the business nature and must identify risks as well as stipulate risk management guidelines. Business departments shall not undertake the business before the risk management guidelines are approved. The content of the aforementioned guidelines shall include risk monitoring, hedging methods, and risk

monitoring operation procedures, and the business department shall continue to monitor risks. By taking the market risk as the example, the risk monitoring items include authorization amount, risk tolerance, unrealized loss, stop-loss point, VaR limit, Greeks control, and hedging strategy. The policy of hedging and risk mitigation of the Company is as follows:

Risk level / probability of occurrence	Highly probable	Lowly probable
High risk	Risk Aversion (e.g. reject the business)	Risk Transfer or Mitigation (e.g. hedging or swap)
Low risk	Risk Control (e.g. impose a risk limit)	Risk Assumption (bearing the risk as the loss amount is low and the probability of occurrence is low)

3.Impacts of risks and our response measures

(1) System and event risk:

System and event risk refer to significant natural disasters and accidents that have impact on the operating order of the normal business of the Company or that cause losses.

The Company stipulates “Crisis disposition procedure” to promptly handle significant natural disasters and accidents and maintain the normal operating order.

(2) Legal risk:

The Legal risk refer to the possible losses caused by incompliance with government laws and regulations and by the invalid contracts resulted from the fact that the contracts do not contain legal effect, arrogation, clause negligence, or incomplete regulations.

The Legal Affairs and Compliance Department is responsible for reviewing contracts or documents involving the Company’s interest, and handling the Company’s litigation and non-litigation matters.

The Legal Affairs and Compliance Department is responsible for publicity and consultation of laws and regulations, ensuring compliance of operation with laws and regulations, and supervising the compliance of each DBU and OBU.

(3) Liquidity risk:

Liquidity risk includes market liquidity risk and capital liquidity risk. Market liquidity risk refers to the risk of significant changes of market price caused by

insufficient market depth or market disorder when disposing or offsetting positions; capital liquidity risk refers to the risk of inability to fulfill delivery obligation or contractual liability caused by insufficient capital or inability to realize assets.

- a. In response to the market liquidity risk management, the company stipulates liquidity risk management mechanism in guidelines of risk management of businesses, which takes consideration of the concentration of positions held and the general situation of market trading volume into requiring that the position held shall not exceed certain ratio of the market average trading volume.
- b. In response to the capital liquidity risk management, in addition to control the cash flow of the company every day, the company also stipulates financial indicators, such as borrowing stability, borrowing liquidity, emergency liquidity provision indicator.

(4) Market risk:

Market risk refers to the losses caused by the market price fluctuation (including stock price, interest rate and exchange rate).

- a. To avoid the risk arising from market price fluctuation, the Company sets authorization limit, loss warning, risk tolerance, stop-loss limit, risk indicator limit (e.g. Greeks, DV01), VaR control, market VaR limit and market risk stress test limit for single positions and overall position based on the natures of different products.
- b. As for the VaR model, the company uses the parameter method (variance-covariance method) to calculate the VaR of 1 day within the 99% confidence interval, and conducts back testing and stress test on a regular basis to ensure the validity of VaR model.
- c. The company conducts stress test through hypothetical situation, historical situation and sensitivity analysis to measure the impact of significant abnormal market change on the change of portfolio value.

(5) Model risk:

Model risk refers to the valuation deviation caused by using improper models, parameters or hypothesis.

To maintain the operation and management of models, strengthen risk management on derivatives, and lower the model risk resulted from using inappropriate model, parameters or valuation, the company stipulates the operation procedures for model development, verification, custody and variation and conducts pricing verification before launch, post-transaction confirmation, valuation verification by the end of every month, maturity and withdrawal income verification.

(6) Credit risk:

Credit risk refers to the financial and business loss of the company resulted from the counterparty (including securities issuers, counterparty of a contract or debtor) not able to fulfill contractual liability

To ensure the integrity of credit risk management, the company stipulates credit risk management procedures for hierarchy authorization, reporting process, monitor and exception management of use of limits. The company provides different transaction amount to different counterparty or different credit rating of issuers, reviews the credit ratings and exposure to counterparties or issuers on a regular basis, and has developed credit risk PD forecast model (such as KMV and Z-score)

(7) Operational risk:

Operational risk refers to the direct or indirect loss caused by the error of internal operation, personnel or system, or caused by external events.

Operations shall comply with the operational procedure and control key points of internal control system, and Audit Department stipulates guidelines for internal audit in accordance with the system and conducts regular and irregular audits.

(8) System risk:

System risk refers to that system defects make company management system unable to cope with the operation and thus obstructing the achievement of goals, that the system does not guarantee smooth execution of corporate governance and business, that the system does not clearly regulate the responsibilities of the organization or personnel, and that the system does not cope with the amendments to laws and regulations or company policy.

For effective risk control, business departments shall stipulate and comply with the system when the business or regulations are amended, and the Risk Management Department, Legal Affairs and Compliance Department, and Audit Department shall conduct monitoring in order to implement the control mechanism.

(9) Other risks:

a. Climate Risk

Climate risk means the transformation risk that is related to the low carbon transformation due to the climate change and may affect the Company's finance, strategy, operation, products and reputation as well as the physical risk that the climate change causes an extreme climate and affects the finance and operation of the Company.

In accordance with the Code of Risk Management Practices for Securities

Companies, the Company will gradually include the risk in the related control mechanism and perform the regular disclosure in accordance with the law. To identify climate risks and enhance the company's operational resilience, a Climate Risk Task Force has been established under the Corporate Sustainability Committee to address mitigation and adaptation to climate change risks. Following the TCFD framework and the Code of Risk Management Practices for Securities Companies, the task force identifies, evaluates business climate risks and opportunities, and assesses the financial impacts caused by climate change. The Measures for Climate Risk Management clearly define the organizational responsibilities for climate risk management and a three-tiered risk division structure, implementing a three-lines-of-defense mechanism to supervise, plan, and execute climate risk management affairs, ensuring the effective operation of the risk management mechanism.

b. Reputation Risk

Reputation risk refers to the risk of loss resulting from negative publicity related to a company's operations, regardless of whether the issues are true, which could lead to a reduction in the customer base, decreased revenue, the necessity to bear substantial legal costs, or other potential losses.

The Company has established a Crisis Disposition Procedures designed to swiftly address reputation risk events caused by severe negative news, aiming to reduce the risk of potential losses to the company.

Shin Kong Investment Trust (SKIT)

1. Strategy and process:

The risk control strategy is to identify, analyse, diverse, and monitor risks in accordance with the "SKIT Risk Management Policy". The procedure for which comprises daily monitoring, provision of monthly risk management indicator report, so that executive the responsible unit can timely grasp the risk situation. Supervisors of each department regularly conducts an assessment as to whether the internal control system, the design of various regulations, and the implementation performance align with the risk management goals.

2. Scope and features of risk report and measurement system

The Risk Management Department regularly reports risk indicators and the compliance status, handling and improvement method of violations in the meeting convened monthly by Risk Management Committee and reports to the Chairman. The measurement scope and key of risk indicators are managing the market risk, liquidity risk, credit risk, and legal risk of assets. It features monitoring on a daily basis, saving inspection tracks of indicators for trend forecast and preventing risks from occurring in the future.

(1) Market Risk

The Company shall take market risk factors into account, establish integrated or individual asset risk measurement tools, and stipulate risk control regulations, risk limit, transaction or authorization amount and other regulations in accordance with laws and regulations by competent authority or business nature.

(2) Credit Risk

The Company shall comprehensively take the financial, operation, solvency, credit status, whether or not providing collaterals, or external credit ratings of counterparties or debtors into account in accordance with the laws and regulations by competent authority or business nature.

(3) Liquidity risks

The Company shall stipulate liquidity risk management measures for capitals and market liquidity risk in accordance with the laws and regulations by competent authority or business nature and propose emergency response measures based on actual demand.

(4) Operational risk

The Company shall specify operation procedures, segregation of responsibilities, and other regulations in the operational regulations for businesses in accordance with the laws and regulations by competent authority or business nature in order to prevent operational negligence or frauds

(5) Legal Risk

Legal risk refers to the risk of possible losses of the Company resulted from signing contracts, litigations, amendments to laws and regulations, or other incompliances. The Company shall comply with laws and regulations by competent authority and stipulate regulations based on business demand. The Company shall stipulate any relevant regulations based on the business needs, and in accordance with laws and regulations of the competent authority.

(6) Information security risks

The Company shall stipulate "Information security policy" and other regulations for information security risk in accordance with laws and regulations or business demand in order to ensure the information confidentiality, integrity and availability.

(7) Climate-related Risks

The Company should establish qualitative and quantitative assessment tools to measure climate-related risks and develop appropriate climate-related risk management mechanisms based on its scale and business nature.

(8) Management of other risks

For business operation risks not covered by the aforementioned categories (e.g., political-economic risks and other emerging risks with potential impacts) due to the Company's business nature, relevant management procedures may be established in accordance with applicable laws, regulations, or operational needs, as deemed necessary.

3. Self-assessment on risks:

Departments of the Company shall assess the current potential risks and disposal measures within the scope of business responsibilities and submit it to the risk management office based on the required methods on a regular basis. The Risk Management Department shall collect the reports and submit them to Risk Management Department for discussion.

4. Assessment of adequacy of investment targets, and risks borne by investment position

- (1) Where the company uses funds or discretionary accounts to invest in domestic stocks of TWSE/TPEX listed companies and emerging stocks, the company shall inspect the position risk within the investment scope and appropriateness of investment target at least once every quarter.
- (2) Risk Management Department stipulates "Working Procedure for Regular Review of Major Stock Investment Asset Pool" for the assessment items on the appropriateness of investment targets and shall submit the Regulations to Chairman for approval before implementation.

5. Risk management methods and risk exposure quantitative information

- (1) Asset risk: According to Article 12 of the Regulations Governing Securities Investment Trust Enterprises, the capital of the Company may not be loaned to others, used to purchase real estate unconnected with the company's business operations, or transferred for other uses. The Company's capital not required for business operations shall be restricted to use in the following:
 - a. Deposit in domestic banks.
 - b. Purchase of domestic government bonds or financial bonds.
 - c. Purchase of domestic treasury bills, negotiable certificates of deposit, or commercial bills.
 - d. Purchase, in a specified ratio, of securities investment trust fund beneficial interest certificates that meet the conditions of FSC regulations.
 - e. Other uses approved by the Financial Supervisory Commission (FSC).

Except where it complies with the provisions of Article 16, paragraph 1 of the Company Act and has received FSC approval, a securities investment trust enterprise may not provide guarantees, endorse negotiable instruments, or

provide assets for use as collateral by others.

In accordance with the 2023 financial statements, the Company did not invest in government bonds and financial bonds. The asset allocation of the Company mainly focuses on the domestic certificates of deposits and beneficial certificates of securities investment trust funds.

- (2) Counterparty risk: The counterparties are mainly financial institutions with certain credit ratings or above, and the Company updates the assessment result on a regular basis to reduce this risk.
- (3) Interest rate risk: The Company studies interest rate level and predict the future trend to spread the short-term certificate of deposits and planning to other money market instruments to transfer risks. Currently the position of certificate of deposits is NT\$601 million, and the interest rate risk is low.
- (4) Liquidity risk: Currently the liquidity of certificate of deposits is high. Based on the business nature and business plan, the cash outflow required for monthly operation of the Company is less than the monthly cash inflow amount, and the possibility of major operating capital outflow is low. Therefore, the liquidity risk is low. The liquid assets in the 2023 financial statements of the Company accounted for 75% of total assets.
- (5) Operational risk: The Company designs management regulations and control system to effectively reduce the occurrence of operational risks.

Supervisors of departments are the first-line supervisors of risk management within their business scope. The Audit Department assesses the effectiveness of risk management of departments and will propose reports for improvement measures and tracking when abnormal situation occurs.
- (6) Legal risk: The Company strictly prohibits violations of laws and regulations and strictly reviews contracts before signing business contracts. Any risky clauses are strictly prohibited.

Shin Kong Property Insurance Agency Co., Ltd.

- 1. Establishment of firewall: Protect customer information from leaking.
- 2. Underwriting risk: Currently the Company only undertakes products of Shin Kong Property Insurance, and underwriting risks are borne by Shin Kong Property Insurance.

Shin Kong Venture Capital

- 1. Establishment of stakeholder data: The Company firmly implements regulations governing stakeholder transactions provided in Article 44 and Article 45 of the Financial Holding Company Act that investigate stakeholder data every 6 months

and update the stakeholder data in the system of stakeholder of SKFH in order to ensure the transactions between the Company and stakeholders do not compromise the operational safety and stability of the Company.

2. Credit risk: The Company establishes loan control measures on debtors of financing and leasing subsidiaries, prepares investment risk management statement on a monthly basis, and submits the statement to high-ranking management level for review. The financing and leasing subsidiaries submit the operating status and risk exposure status to the Board of Directors of SKFH quarterly and review the operating mode on a regular basis in order to strengthen the supervision of financing and leasing subsidiaries in Mainland China.

(III) Financial impacts and response measures in the event of changes in local and foreign regulations:

Impacts in the event of changes	In domestic and overseas important policies and law amendments on the financial business of the financial holding company	Response measures
In 2024, regulatory authorities revised multiple sustainability disclosure regulations, including the "Regulations Governing the Content of Annual Reports for Financial Holding Companies," "Disclosure Timelines for Greenhouse Gas Inventories, Assurance, Carbon Reduction Targets, Strategies, and Action Plans for Financial Holding Companies, Banks, and Bill Finance Companies," and the "Regulations Governing the Establishment of Internal Control Systems by Public Companies." The Climate Change Response Act and related regulations were also enacted to govern greenhouse gas inventories	1. Although the Company is subject to greenhouse gas reporting and carbon reduction requirements, as a financial institution, its carbon emissions are not significant compared to other industries. While carbon reduction targets and carbon pricing mechanisms may increase operational costs, the incremental impact on the Company's financial and operational performance is immaterial. 2. Pursuant to the Financial Supervisory Commission's (FSC)	1. For carbon reduction targets, the Company has set Scope 1 and Scope 2 emission reduction goals under SBTi's stringent 1.5°C scenario for all domestic and international operations, using 2022 as the baseline year. The Company aims to achieve a 42% reduction in carbon emissions by 2030 through energy conservation measures, replacement of energy-intensive equipment, expansion of

Impacts in the event of changes	In domestic and overseas important policies and law amendments on the financial business of the financial holding company	Response measures
and carbon reduction.	roadmap for Taiwan's alignment with IFRS Sustainability Disclosure Standards, the Company is required to disclose IFRS Sustainability Disclosure Standards-mandated information in its "Annual Report to Shareholders" and reasonably assess sustainability-related risks and opportunities that may impact future cash flows or capital costs. However, as these standards will be implemented in three phases starting in 2026 and are not immediately applicable in this year, preliminary evaluations indicate no material effect on the Company's current financial or operational activities.	solar power facilities, increased renewable energy adoption, and implementation of internal carbon pricing. 2. To facilitate the adoption of IFRS Sustainability Disclosure Standards, the Company established a "Sustainability Disclosure Standards Task Force" in August 2024. This task force oversees the implementation plan, aligned with the reference framework published by the Taiwan Stock Exchange (TWSE), and reports quarterly progress to the Board of Directors for oversight.

Impacts in the event of changes	In domestic and overseas important policies and law amendments on the financial business of the financial holding company	Response measures
In 2024, regulatory authorities issued guidelines for the financial industry's use of artificial intelligence (AI)	Artificial intelligence (AI) is widely applied and impacts all industries. When applied to financial services, due to the diversity of customer demographics and the highly specialized nature of financial products and services, the use of AI to assist in identification and service delivery has become a major trend in financial technology, given the varying needs of different customer groups for tailored financial products and services. However, the associated negative impacts, such as potential AI bias affecting customer rights, require financial institutions to exercise caution when deploying AI.	The Company obtained board approval in August 2024 for the "Artificial Intelligence (AI) Policy for Shin Kong Financial Holding Co., Ltd. and Subsidiaries." In developing and applying AI systems, the Company and its subsidiaries must ensure the protection of all data types and continuously monitor whether AI implementation outcomes exhibit bias or other issues.

(IV) Financial impacts and response measures in the event of technological or industrial change

As the technological wave sweeps, fintech has become an important key to the future development of the financial industry. In this rapidly changing environment, the financial industry can only stand out through continuous innovation. Shin Kong Financial Holdings continues to pay attention to the evolution of fintech, actively invests in innovation and development in the fintech field, integrates internal resources, and is committed to the research and application of key technologies to enhance the innovative financial services of business units, thereby promoting business growth and improving customer experience. Specifically, externally, the big data and artificial intelligence are used to enhance financial service efficiency, while sales channels and business models are continuously optimized. Through data analysis, deeper insights into customer needs are obtained to deliver more precise financial services. Internally, fintech solutions are used to strengthen risk management, while operational efficiency and competitiveness are improved with the assistance from process automation, optimization and AI. Looking forward into the future, Shin Kong Financial Holdings will continue to use technological innovation as a driving force to build a digital financial service network, provide customers with superior and more convenient financial service experience, and strengthen market competitiveness.

(V) Impact and response measures for the change of images by the Company and its subsidiaries

The Company and its subsidiaries and affiliate companies have good images, in that they have been sponsoring charity for a long period of time, as well as their long-term commitment to our customers, upholding the operating principle of giving back to the society, developing creative charity programs, constant involvement in charity events, caring the health and safety of people, responding to ecological environmental protection, passing cultural education, sponsoring young students, supporting minors and residents in remote areas, and cultivation in local communities. In addition to media monitoring, the Company also established media news reporting and disposition procedure to respond and promptly dispose events that may affect corporate image.

(VI) Potential effects and risks associated with mergers and acquisitions and response measures

1. Expected benefits of mergers and acquisitions

- (1) Expansion of operating scale and scope and increase of market share by increasing business locations and winning new customers.
- (2) Improved synergy effect through integrated marketing within the Group, and increase return on equity.
- (3) One-stop shopping service for customers having diversified needs.
- (4) Economy of scale for lower operating costs.
- (5) Diversified business operations and revenue sources to lower the business concentration risk.
- (6) Develop foreign market when the acquired company is a foreign company or has a foreign operation.

2. Possible risks

- (1) Risks before M&A: Information asymmetry, policy/regulation risk, cross-border legal risk, return risk, etc.
- (2) Risks during M&A: Risk of higher-than-usual acquisition price, and funding price.
- (3) Risks after M&A: Risks from business integration (personnel assignment, organizational structure, corporate culture, operation and administration), asset and liability, and changes in industry environment.

3. Response measures

The Company is rich in knowledge and experience of M&A, in that it values risk control and capital efficiency when assessing relevant cases. The company to be merged is prudently selected and analyzed of its financial position, with the help of hiring of external professionals, e.g., financial advisors, certified lawyers, and CPAs who conduct on-site audit and price evaluation in the hope to appropriately control M&A risks.

After the M&A, the Group shall formulate a complete set of plans, as well as complementary plans, to integrate the various systems of the acquired entity, namely, personnel assignment, organizational structure, corporate culture, and operation and administration, so as to minimize wastage and generate synergy in the shortest time possible.

(VII) Risks of concentrated business and response measures

The Company has extensive presence in the financial industry. Its subsidiaries cover a broad range of financial activities from life insurance, banking, securities, futures, investment trust, investment consulting, insurance agency to venture capital investment, and are therefore capable of providing customers with a wide range of products and services. Aside from presence in domestic markets, the Company also actively develops overseas markets, and serves more than 6 million customers in Taiwan, China, and Hong Kong. As such, the Company is able to minimize concentration risks through diversified industry exposure and the vast number of customers located locally and abroad.

(VIII) Impacts and risks associated with a major transfer of shareholding by directors, supervisors, or shareholders with more than 1% ownership interest: None.

(IX) Impacts and risks associated with a change of management power

The Company's business strategies are sustainable and there has been no change of management power so far.

(X) Litigation or non-litigation matters whose outcomes may have a significant impact on the shareholder equity or securities prices of the company:

1. Five shareholders of the Company, including Mrs. Chen, filed a lawsuit with the Intellectual Property and Commercial Court (hereinafter the "IPCC") on November 4, 2024, seeking to revoke the resolutions of the Company's first extraordinary shareholders' meeting (common and preferred shares) held on October 9, 2024. Three out of the five plaintiffs withdrew their lawsuit on April 17, 2025. The case is currently under review by the IPCC.

(XI) Information security risks:

The Company is facing two critical information security risks, namely operation interruption caused by damage to vital information security system, and shock to the original information security system brought about by introduction of new fintech and innovative service models. Impacts and responses are stated as follows:

Description of Risks	Impact of Risks	Mitigation Actions
Risk of business interruption caused by damage to the information system: Nowadays computer virus and hacking are capable of inflicting large-scale damage to the information system; also, natural or man-made disasters can damage the hardware of server room, and incur the risk of business interruption.	The Company has digitalized all operations; all units, including the front-line business units, the second-line risk management units, and supporting units such as basic operation and administrative support, are highly dependent on the information system. Therefore, any damage to the information system will incur operational interruption. Damage to the information system will impact the Company's financial procedures, financial transaction procedures, and customer service procedures, which in turn will reduce the	To facilitate rapid recovery and minimize possible losses in the event of a system damage, the Company has assigned business units to help identify risks associated with key procedures and information systems, and evaluate the significance of business functions as well as impacts from a financial, regulatory and customer perspective. From the above assessments, the Company is able to conclude a risk grade and plan appropriate improvements to existing software, hardware and operating procedures. Information systems used by the financial holding company and its subsidiaries are being supported by off-site backup

Description of Risks	Impact of Risks	Mitigation Actions
	Company's revenue or customers' satisfaction, or even incur a penalty imposed by the competent authority for delay in providing financial services.	and support systems, which have been established based on level of risk exposure to prevent service disruption. Simulations, tests and drills are being held to ensure proper functioning of the information system and protection of data held on hand. These exercises not only help avoid unexpected system disruption caused by natural disasters and human errors, but also ensure that recoveries are completed within the expected timeframe.
The Company has continued to adopt novel FinTech system (such as mobile devices, robotic process automation (RPA), and Agile) and the development of innovative service models, in order to improve customers' experience of financial services, while generating synergies via subsidiaries of the SKFH by cross-industry integrations to create business opportunities. While introducing new FinTech and integrate the subsidiaries' financial services, the differences in information security protection and conditions of threats for each subsidiary, and the new types of information security threats accompanying new FinTech would complicate existing information security management, control, and protection systems, and also cause breaches to the governance, access, environmental control, and infrastructure aspects of the Company's existing information security management system.	Businesses using FinTech often involve massive amounts of funds FinTech businesses involves massive amounts of funds, and thus it requires a higher level of information security protection than other industries. The incorporation of new FinTech and development of innovative services pose new challenges for technologies and regulations. An information security incident may cause leaks of customer data, leaks of company confidential information, and losses to the Company's finance and reputation, over even may incur penalties from the competent authority for violation of information security regulations.	Faced with rapidly evolving FinTech, the Company has strictly complied with the competent authority's "Financial Security Action Plan" in order to provide more convenient financial services and continued to promote the following information security actions to reduce the expected impacts brought by technology applications effectively: (1) A financial holding-level information security committee has been established and is linked to the subsidiaries' information security committee to incorporate information security management into the corporate governance framework, thereby enabling the management to develop security management visions and strategies on an organizational level, and promote it to SKFH and its subsidiaries. (2) Enforce information security from a "risk management" perspective, adopt the CyberSecurity Assessment Tool (CAT)

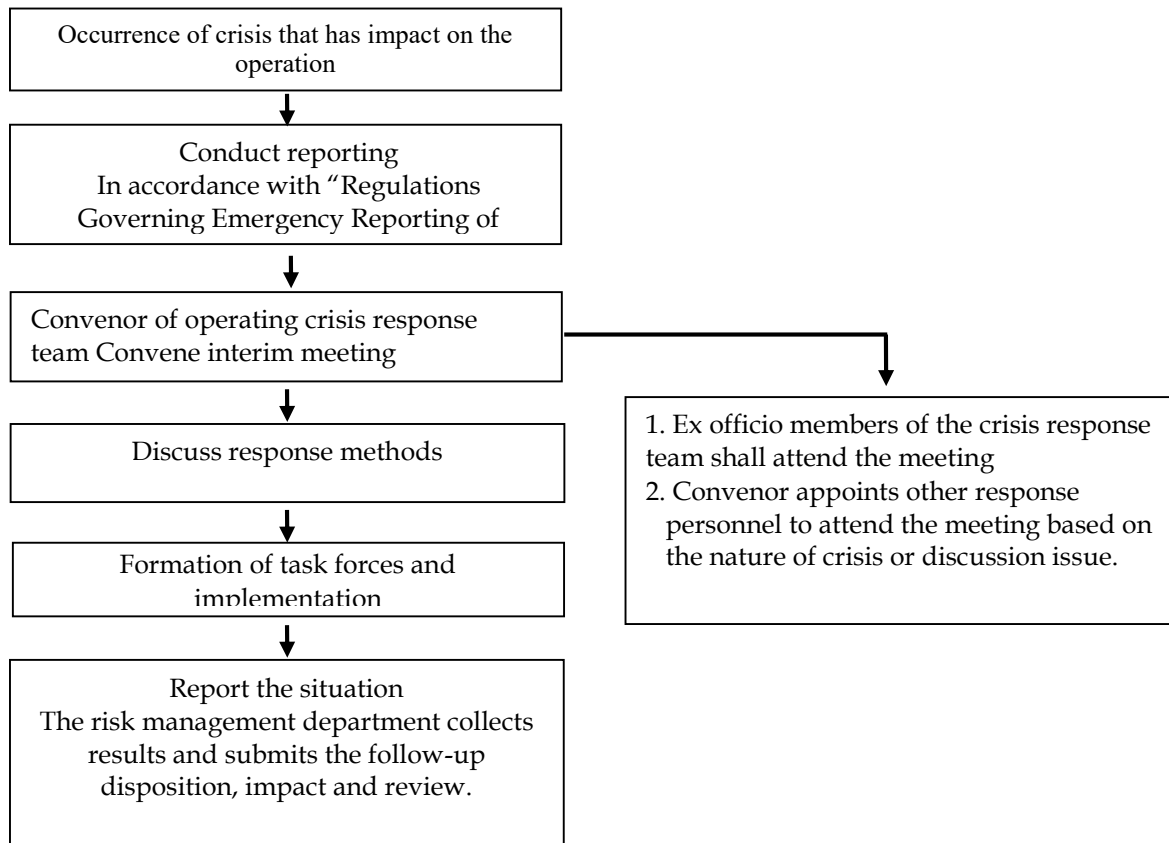
Description of Risks	Impact of Risks	Mitigation Actions
		assessment framework of the "Federal Financial Institutions Examination Council" (FFIEC), regularly assess the level of maturity for information security governance, and form a continuous improvement and strengthening management cycle via information security risk tolerance assessment. (3) Conduct comprehensive security assessments when adopting new financial technologies in order to ascertain risks and the preparedness of existing controls. Formulate information security management plans including personal information protection, information system security management, and information and communication security audit plans. The Company adopted an external service (Internet Facing)real-time information security detection mechanism(Breach and Attack Simulation [BAS]) to promptly fix the vulnerabilities of the information environment as observed from the attacker's perspective. (4) SKFH and its subsidiaries have joined the "Federal Financial Institutions Examination Council (FISAC)" and shared information security threat information with the existing professional external information

Description of Risks	Impact of Risks	Mitigation Actions
		security providers in real-time to construct an early warning network, implement real-time detection and response, and adopt other information security and joint defense measures. (5) Enhance response to information security incidents. Develop reporting procedures and responses toward information security incidents, and improving employees' abilities to react, coordinate and communicate during crisis, thereby avoid or minimize damage in an information security incident. (6) Continue to establish joint defense systems between SKFH and their subsidiaries and use drills, training, or license acquisition to improve information security awareness and cultivate the capacity of information security talents.

VII.Crisis Management and Response Mechanism

In response to emergencies that have potential impact on the normal operation, the Company shall initiate reporting mechanism and adopt disposition measure in accordance with “Regulations Governing Emergency Reporting of SKFH” stipulated by the Company. When necessary, SKFH shall immediately initiate crisis reporting mechanism. The emergency response team shall actively convene interim emergency meeting in accordance with “Regulations Governing Operating Crisis Response of SKFH.” Subsidiaries reports the possible aspects that are possibly under impact and submits a solid response plan, and the Risk Management Department of SKFH submits information of incident disposition, impact and review to decision makers for reference. Afterwards, related units submit improvement reports that are submitted by the Risk Management Department to the Risk Management Committee and to the Board of Directors for reference.

The flow chart of response measures for operating crisis of the Company is as follows:



VIII. Other Important Matters: None

Chapter 6. Special Disclosures

- I. Information on the Company's Affiliates:** Please refer the Market Observation Post System at the following link:

Market Observation Post System > Single Company > Electronic Document Download > Three Forms and Documents for Related Enterprises

(https://mopsov.twse.com.tw/mops/web/t57sb01_q10)

- II. Private Placement of Securities, the Date and Amount of Private Placement Approved by the Shareholders' Meeting or Board of Directors Meeting That Shall Be Disclosed, the Base and Reasonableness of the Set Price, the Selection of Specific Person, and the Necessity of Private Placement in the Previous Year, Up Until the Publication Date of This Annual Report:** None.

- III. Other Supplementary Information:** None.

Chapter 7. Situations Listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

Shin Kong Financial Holding Co., Ltd.

Chairman : Mark Wei

