

E.SUN FINANCIAL HOLDING CO., LTD.

GENERAL SHAREHOLDERS MEETING 2021

Meeting Minutes

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.)

Time: 09:00 AM, 23 July 2021 (Friday)

Place: Courtyard by Marriott Taipei

(9F., No. 359, Sec. 7, Zhongxiao E. Rd., Nangang Dist., Taipei City, Taiwan)

Attendance: Total shares represented by the shareholders present at the meeting in person or by proxy are 7,795,932,852 shares (including 6,761,716,004 shares represented by the shareholders by electronic voting method), representing 62.03% of the total issued shares of the Company (12,567,100,000 shares).

Attending without the right to vote:

Director: Joseph N.C. Huang (Convener of the Board Risk Management Committee), Jackson Mai, Ron-Chu Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen

Independent Director: Ryh-Yan Chang (Convener of the Audit Committee),

Chun-Yao Huang (Convener of the Remuneration Committee),

Ying-Hsin Tsai (Convener of the Corporate Governance and Nomination Committee),

Hung-Chang Chiu, Ruey-Lin Hsiao

Ying-Chou Chen, CPA from Deloitte & Touche, Taiwan

Bo-Cen Lu, Attorney-at-Law from Baker & McKenzie, Taipei

Chairperson: Yung-Jen Huang, Chairman of the Board of Directors

Minutes taken down by Mei-Cheng Chu

I. Procedure of meeting

1. Meeting duly commences in session.

2. General greetings.

3. Address by Chairman.

II. Matters for report

1. Report on the state of business of the Company in fiscal year 2020 by the President.

Decision: Report noted.

2. Report on the inspection and auditing of the final account for fiscal year 2020 and communications with internal auditing officers by the Audit Committee.

Explanation:

- (1) The Company's financial statements for 2020 were audited by the Audit Committee, and all the independent directors jointly issued an audit report thereof.

- (2) The communication between the Audit Committee and the internal audit supervisor is as follows:

Date	Object	Issues to communicate	Result
January 08, 2020	General Auditor	Submission of the 2019 Q4 audit working papers and the reports from the bank subsidiaries to the directors	Duly noted without further recommendations.
April 22, 2020	General Auditor	Submission of the 2020 Q1 audit working papers	1.Explain and exchange opinions on issues raised by independent directors. 2.Duly noted and epidemic prevention measures of the bank subsidiaries were reported to independent directors.
July 21, 2020	General Auditor	Submission of the 2020 Q2 audit working papers	Duly noted without further recommendations.
November 11, 2020	General Auditor	Submission of the 2020 Q3 audit working papers and the reports from the bank subsidiaries to the directors	Duly noted and proceed as recommended.
		Submission of the 2021 audit plan	1. Explain and respond to questions raised by independent directors. 2. The plan was passed by a unanimous vote and submitted to the Board of Directors for approval.

Decision: Report noted.

3. The state of issuing corporate bonds.

Explanation:

- (1) This report is made in accordance with Article 246 of the Company Act.
- (2) In order to redeem the company's upcoming corporate bonds (NT\$900 million due on September 22, 2021, and NT\$1.1 billion due on January 20, 2022), the company has reported to the competent authority for the issuance of corporate bonds worth NT\$2 billion on April 29, 2021. Please refer to Appendix 1 on page 21 to page 22 of this Handbook for Term Sheet (draft).

Decision: Report noted.

4. Report on the company's project for promoting sustainable development.

Explanation:

- (1) This report is made in accordance with the Corporate Social Responsibility Best Practice Principles, Article 5 and Article 7.
- (2) To fulfill its social responsibility as well as sustainable development, the Company, with a long-term commitment and systematic measures, endeavors to focus on three main dimensions; governance, social, and environmental. A summary of the Company's 2021 Plan for Fulfilling Corporate Social Responsibility is as follows:

2.1 Governance Dimension

2.1.1 Legal Compliance:

Establish a consensus and culture of legal compliance for all employees, strengthen cooperation as well as communication between three lines of defense, and continuously improve in employee management, regulations and implementation by 3C method (Coordination, Collaboration and Communication). In addition, the company will optimize legal compliance management mechanism by 3-stage measures: Pre-warning (confirm that operating activities comply with laws and regulations), in-process calibration (check the effectiveness of control measures), and post-mortem verification (test and improve legal compliance control measures).

2.1.2 Information Security:

Improve overall information security maturity, protect customer assets and ensure continuity of operations. Based on the ISO 27001 international standard, the company will expand the scope of implementation of the Information Security Management System (ISMS), and continue to improve information security governance through the PDCA cycle mechanism. In addition, the company has built its own Security Operation Center (SOC) to monitor incidents and analyze threats intelligence in real time. Furthermore, by sharing intelligence with the financial industry through the Financial Security Operation Center (F-SOC), the company is able to fulfill social responsibility of the joint defense.

2.1.3 Anti-Money Laundering:

Integrate and promote the establishment and operation of risk management mechanisms, continue to comply with international standards, and refine internal regulations and operating procedures. At the same time, the AML/CFT system is improved and supplemented by the use of intelligent technology, committed to preventing financial crimes, and through various training program and AML certification system to enhance employee professionalism and risk awareness.

2.1.4 Corporate Governance:

Promote the establishment of risk management committee to be in line with the international conventions; continue to strengthen the transparency of the company's English website information to improve the quality of non-financial information disclosure; formulate intellectual property management plans and actively obtain intellectual property rights management system certificates. The unscored indicators in the corporate governance evaluation of the Stock Exchange and the recommendations of the commissioning of external professional evaluation agencies are listed as priority strengthening plans for corporate governance. In the future, the corporate governance will continue to be improved.

2.2 Social Aspect

2.2.1 Care for Employees:

Create a friendly workplace environment, promote employee health and workplace safety measures, committed to workplace maternal care through promoting the E.SUN Baby Development Fund. In response to business needs, the company implements flexible working hours to help employees balance work and family life, build a high-quality working environment and smooth multiple communication channels.

2.2.2 Financial Inclusion:

Use the power of technology to establish a pre-review mechanism to optimize customer experience, and improve the competitiveness of digital native products at the same time. The company also provides customers with a full range of digital services by promoting its digital brand, e.Fingo. In addition, the company develops a financial ecosystem and creates convenient financial services for customers based on their needs and experience.

2.2.3 Consumer Protection and Equitable and Fair Treatment of Consumers:

Implement the protection of financial consumers' rights and interests, hold regular education and training courses, and plan to establish a Treating Customer Fairly area on the bank's official website to continually improve the disclosure of information of the Treating Customer Fairly Principle. Also, expand the scope of customer satisfaction surveys, improve service quality management, and enhance financial service experience.

2.2.4 Talent Cultivation:

Recruit diversified talents, promote the cultivation structure of integrating financial business and technology professional talents, and combine various professional certification mechanisms through the e-Learning platform to create an environment for learning anytime and anywhere. Besides, the company continues to improve the talents management system and provide employees with diverse learning and broad career development opportunities through various development plans such as job rotation.

2.2.5 Social Welfare:

2.2.5.1 Academic Education

The E.SUN Golden Seed Project has built 12 E.SUN libraries and promotes the after-school English tutoring program in Hsinchu County, Yunlin County, Chiayi County and Tainan City. In addition, the company offers outstanding talent cultivation scholarships in the three fields of management, technology, and humanities, ASEAN talent scholarships, and nursing talent scholarships to cultivate more outstanding young students. Furthermore, through collaboration with 36 institutions of higher learning, E.SUN works with academia to develop AI and fintech applications.

2.2.5.2 Social Engagement

Persist with the long-term initiative to give relief to disadvantaged schoolchildren or those hit by distressing occurrences and to orphanages, and team up with preferred partners to undertake such charity endeavors as blood donation sessions and free clinic in the remote area. Moreover, the company provides customized financing projects for Taiwan's local characteristic industries, social enterprises, and the Reconstruction of Urban Unsafe and Old Buildings Projects to assist the hidden champion customers to develop ESG. By doing so, the company aims to create maximum value with customers.

2.2.5.3 Sports

E.SUN honors its commitment to Taiwan's baseball, in particular youth baseball, by hosting the E.SUN Cup National Youth Baseball Championship, E.SUN Youth Baseball Training Camp, and E.SUN High School Baseball Camp on Sports Injury Prevention and Rehabilitation, as well as giving assistance to baseball teams in remote areas. Meanwhile, E.SUN is an avid sponsor of Taiwan's U18 team in international competitions so that young baseball players can prove themselves on the international stage.

2.2.5.4 Arts and Humanities

Sponsor domestic and overseas artistic and cultural events to express E.SUN's humanistic concern and enhance the populace's humanities capacity. Previous highlights include "For Mothers" Mother's Day Music Concerts, performances of the Vienna Boys Choir, Play ARTs Children's Workshop, "Standing on

E.SUN and Seeing Taiwanese Fine Arts" Art and Literature Lecture, "Climbing the Stories Mountain" reading promotion activity, Relaxed Performance, and Theater Art Experience Education Project, etc.

2.3 Environmental Aspect

2.3.1 Environmental protection and saving energy:

Introduce Taiwan and International Green Building Label certification into both new and old branches, develop renewable energy through green energy certificates and branches that are driven by solar power, continue to discard old energy-consuming air-conditioning and lighting equipment, and gradually replace R22 refrigerant air-conditioning equipment with more environmentally friendly one. In addition, it is the first time to introduce smart building certification in the new building to create a green and sustainable environment through the power of technology and practical actions.

2.3.2 Low Carbon Operations:

Continue to implement ISO50001 energy management system and ISO14001 environmental management system to control the bank's energy and environmental aspects to comply with international standards. Moreover, the company implements ISO14064 greenhouse gas inventory and ISO14046 water footprint inventory to review the achievement of various operational management indicators.

2.3.3 Climate Change Risks:

In response to the Green Finance Action Plan 2.0 policy, the company will continue to deepen the analysis of the TCFD climate situation, and refine the disclosure content in all aspects. In addition, the company will incorporate climate change into one of the considerations of credit business, implement the concept of sustainable operation, and strengthen climate change management.

2.3.4 Sustainable Finance:

In accordance with the new version of the Equator Principles (EP4), factors such as climate-related risks are included in the case evaluation process, and the company actively supports the financing of large-scale domestic renewable energy projects. The company will fulfill responsible lending, plan to jointly propose with important corporate customers to respond to the United Nations SDGs, and encourage the setting of energy-saving and carbon-reduction goals. The company aims to combine the ESG spirit with the financial industry and continues to issue sustainable financial products such as green finance, sustainable development bonds, carbon neutral credit cards, and green building loans.

- (3) The foregoing programs may, if the circumstance required or if needed, be adjusted by the Chairman or its designated person on the basis of the environment or special needs.

Decision: Report noted.

5. The status of remuneration distribution to employees and directors.

Explanation:

- (1) This proposal is made in accordance with Article 36 of the Articles of Incorporation of the Company.
- (2) Prior to remuneration distribution to employees and directors, the Company's pretax profit for 2020 came in at NT\$17,949,446,966. After deducting the pre-retained accumulated loss to be made up of NT\$965,386,124, the pre-tax net profit before the distribution after making up the loss is NT\$16,984,060,842. In accordance with the ratios in the Articles of Incorporation, employee compensation (2%~5%) was NT\$509,521,825 (including stock and cash compensation), and director compensation (not exceeding 0.9%) was NT\$73,000,000 in cash.
- (3) In accordance with Financial Supervisory Commission regulations Jin-Guan-Zheng-Shen-Zi No. 1050001900 of January 30, 2016, calculation of the foregoing number of allocated shares shall be made on the basis of the closing price NT\$26 per share on the day before the Board resolution.

Decision: Report noted.

III. Matters for ratification

Proposal No. 1 as proposed by the Board of Directors:

Proposal: Recognition of the Company's business report and financial statements for fiscal year 2020.

Explanation:

1. This proposal is made pursuant to Article 230 of the Company Act and Article 35 of the Articles of Incorporation of the Company.
2. The financial statements of the Company produced on the year 2020 along with the books and accounts including the business report approved on 11 March 2021 by the 9th meeting of the 7th Board of Directors were audited and certified by Mr. Chen Yin-Chou and Mr. Chen-Hsiu Yang, both of whom were CPA of Deloitte & Touche (Taiwan). The books and accounts were inspected by the Audit Committee and further examined by the independent directors in their inspection report as containing no irregularity afterwards. (Please refer to Appendix 2 and 3 on p.23~p.39 of this Handbook.)

Resolution: This proposal is approved by vote as following. There are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

() voting by electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion (%)		
7,795,932,852 (6,761,716,004 shares)	6,618,158,760 (5,589,000,069 shares)	84.89%	5,439,852 (3,886,727 shares)	1,172,334,240 (1,168,829,208 shares)

Proposal No. 2 as proposed by the Board of Directors:

Proposal: Proposal of net income distribution for fiscal year 2020.

Explanation:

1. The proposed is in accordance with Article 36-1 of the Articles of Incorporation of the Company.
2. The company's after-tax net profit for the year 2020 is NT\$18,026,591,051 (the same below), minus NT\$968,413,190 for items other than the after-tax net profit for the current period, totaling NT\$17,058,177,861. The legal reserve deducts NT\$1,705,817,786, plus the undistributed net income at the beginning of the period NT\$3,027,066, the net income available for distribution for the current period totals NT\$15,355,387,141. It is planned to distribute earnings totaling NT\$15,345,931,000, where share dividends will be circa NT\$ 0.61 per share (totaling NT\$7,680,000,000) while cash dividends will be NT\$0.61 per share (totaling NT\$7,665,931,000). The balance of NT\$9,456,141 is retained as non-distributed earnings as of the end of the period.
3. 768,000,000 shares of the new shares to be issued on the capital increase proposed shall be distributed, with no consideration paid, to the shareholders as registered in the shareholders roster at the rate circa 61 per 1,000 shares in proportion to their shareholding. Fractional shares may be paired with one another, held by other shareholders, into a whole share within the specified time period. For shares remained fractional with or without being paired, upon expiration of the said period, cash will nevertheless be paid according to their par value (and rounded to the nearest full Taiwan Dollar) and the Chairman is authorized to look for specified persons to buy the fraction of shares according to the face value.
4. The cash dividend being distributed shall be rounded off proportionately to the nearest Taiwan dollar; where there is any cash dividends less than TWD 1, its calculation shall be adjusted in line with a progressive decrease in decimal numbers and a progressive increase in shareholder numbers so that the total of dividend distribution is fully accounted for.
5. It is proposed that the Chairman of the Company would be fully authorized to deal with matters in connection with the change (if any) to the stock (cash) dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.

6. Subject to approval of the shareholders' meeting, the Board of Directors and /or the chairman of the Company is authorized to determine the cash dividend record date. Upon approval of the competent authority, the Board of Directors and /or the Chairman of the Company is authorized to determine the stock dividend record date.

Resolution: This proposal is approved by vote as following. There are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

() voting by electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion (%)		
7,795,932,852 (6,761,716,004 shares)	6,613,994,282 (5,584,835,591 shares)	84.84%	28,797,819 (27,282,473 shares)	1,153,140,751 (1,149,597,940 shares)

E.SUN FINANCIAL HOLDING CO., LTD.**PROPOSED DISTRIBUTION OF EARNINGS**

As of 31 December 2020

Currency: NT\$

Balance of beginning undistributed earnings		3,027,066
After-tax net profit of this period	18,026,591,051	
Retained earnings from confirmed benefit plan re-assessment number	17,723,750	
Retained earnings from the adjusted investments due to employing the equity method	(986,136,940)	
The total amount of after-tax net income for the period and other items adjusted to the current year's undistributed earnings other than after-tax net income for the period		17,058,177,861
Ten percent (10%) to be recorded as legal reserve		(1,705,817,786)
Distributable earnings for the period		15,355,387,141
Distribution items:		
Stock dividend (circa NT\$0.61 per share)	7,680,000,000	
Cash dividend (NT\$0.61 per share)	7,665,931,000	
Total shareholders' bonuses		(15,345,931,000)
Profit undistributed as of the end of the period		9,456,141

Note: Dividend distribution shall be based on after-tax earnings for the year as a first priority.

IV. Matters for discussion

Proposal No. 1 as proposed by the Board of Directors:

Proposal: For the purpose of increasing the BIS ratio of the Company in consideration of the Company's long-term development and operation, it is proposed to implement a capital increase by recapitalization of both earnings and employee compensation.

Explanation:

1. Amount of the capital increase and number of shares:

The Company currently has NT\$125,671,000,000 in paid-in capital from a total of 12,567,100,000 issued shares. It is proposed that 768,000,000 new shares be issued on the amount of NT\$7,680,000,000 which is the profit distributable to shareholders as dividend; while employee compensation of NT\$509,521,825 included cash and stock remuneration, where, in accordance with Financial Supervisory Commission regulations Jin-Guan-Zheng-Shen-Zi No. 1050001900 of January 30, 2016, calculation of the foregoing stock compensation shall be made on the basis of the closing price NT\$26 per share one day prior to the day on when the Board resolution is made. A total of 19,500,000 new shares were issued. The foregoing recapitalized earnings totaled NT\$7,875,000,000 and 787,500,000 shares with a face value of NT\$10 per share were issued. After recapitalization, the Company's paid-in capital increased to NT\$133,546,000,000, and 13,354,600,000 shares were issued.

2. Source of the fund proposed to be capitalized:

Shareholder stock bonuses and employee stock bonuses from fiscal year 2020 will be recapitalized.

3. Purpose of the fund from the capital increase:

The increased capital fund will be used to increase the BIS ratio of the Company in consideration of the Company's long-term development and operation and strengthened competitiveness of the Company.

4. Issuance of new shares:

It is proposed that the new shares be issued in full with a par value of TWD 10 per share. Holders of the new shares shall hold the same rights and bear the same obligations as the holders of the original issued shares.

5. 768,000,000 shares of the new shares to be issued on the capital increase proposed shall be distributed, with no consideration paid, to the shareholders as registered in the shareholder's roster at the rate circa 61 new shares on each 1,000 shares held in proportion to their shareholding. Fractions of a share may be combined for full shares with the fractions of shares held by other shareholders within the specified time period. Upon expiration of the specified time period or fractions of a share still remain, cash will be paid according to the par value (and rounded to the nearest full Taiwan Dollar) and the chairman of the Company would be authorized to look for specified persons to buy the fraction of shares according to the par value.
6. Stock Dividend Record Date:
Subject to approval of the proposal by the shareholders' meeting and that of the competent authority, it is proposed that the Board of Directors and or/ chairman of the Company be authorized to determine and announce the date.
7. As of now, the outstanding shares of the Company amount to 12,567,100,000 in total. It is proposed that the chairman of the Company would be authorized with full powers to deal with matters in connection with the change (if any) to the stock (cash) dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.

Resolution: This proposal is approved by vote as following. There are more than two-thirds of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

() voting by electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion (%)		
7,795,932,852 (6,761,716,004 shares)	6,597,066,180 (5,567,907,489 shares)	84.62%	9,309,191 (7,756,066 shares)	1,189,557,481 (1,186,052,449 shares)

Proposal No. 2 as proposed by the Board of Directors:

Proposal: Amendment to the Rules for Procedure of Shareholders' Meeting.

Explanation:

1. Per 2021.01.28 Letter No. Taiwan-Stock-Governance-1100001446 of the Taiwan Stock Exchange Corporation, amending “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”, to revise the narrative rules.
2. The key point of the amendment is as follows:
 - (1) Delete the rules regarding announcement of convening and notice of shareholders’ meeting. (Article 3).
 - (2) Add to the second item that the number of shares having no voting right and the number of shares in attendance shall be announced at the same time as the chair call the meeting. (Article 10).
 - (3) Add to the first item that the announcement of the election results shall include the list of non-elected directors and the percentages of their winning votes. (Article 15).
3. A comparison chart on the amendment to the Company’s Rules for Procedure of Shareholders’ Meeting can be found below (please refer to Appendix 4 on p.51~p.61 of this Handbook for the full amended version)

Resolution: This proposal is approved by vote as following. There are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

() voting by electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion (%)		
7,795,932,852 (6,761,716,004 shares)	6,600,305,324 (5,571,146,633 shares)	84.66%	6,220,985 (4,705,639 shares)	1,189,406,543 (1,185,863,732 shares)

Comparison Chart :

Amendment of the Rules for Procedure of Shareholders' Meeting of E.SUN FHC

After amended	Before amended	Explanations
<p>Article3 (Convening shareholders meetings and shareholders meeting notices) (The first and second items are omitted.) The cause(s) or subject(s) of a shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof. Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for ceasing the Company's status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185, paragraph 1 hereof shall be itemized in the causes or subjects to be listed in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions. (The fifth item is omitted.)</p>	<p>Article3 (Convening shareholders meetings and shareholders meeting notices) (The first and second items are omitted.) The cause(s) or subject(s) of a shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining prior consent from the recipient(s) thereof. Matters pertaining to election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for ceasing the Company's status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, dissolution, merger, spin-off, or any matters as set forth in Article 185, paragraph 1 hereof shall be itemized in the causes or subjects to be listed in the notice to convene a shareholders' meeting, and shall not be brought up as extemporary motions. <u>The main content may be placed on a website designated by the competent authority or the company itself, in which case the URL should be shown in the notice.</u> (The fifth item is omitted.)</p>	<p>Comply with Article 3 of the revised version of the "Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings" announced by the Stock Exchange on January 28, 2021, delete the announcement rule in the third item.</p>
<p>Article 10 (Calculation of the number of shares in attendance at the shareholders meeting and holding of the meeting) (The first item is omitted.) The chair shall call the meeting to order at the appointed meeting time, <u>and the number of shares having no voting right and the number of shares in attendance shall be announced at the</u></p>	<p>Article 10 (Calculation of the number of shares in attendance at the shareholders meeting and holding of the meeting) (The first item is omitted.) The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued</p>	<p>To enhance corporate governance and protect the rights of shareholders, the company comply with Article 9 of the revised version of the "Sample Template for XXX Co., Ltd. Rules of Procedure for</p>

After amended	Before amended	Explanations
<p>same time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. (The third and fourth items are omitted.)</p>	<p>shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. (The third and fourth items are omitted.)</p>	<p>Shareholders Meetings” announced by the Stock Exchange on January 28, 2021, add to the second item that the number of shares having no voting right and the number of shares in attendance shall be announced at the same time as the chair call the meeting.</p>
<p>Article 15 (Election of directors and supervisors) When a shareholders meeting elects directors, the election shall be held in accordance with this company's "director election regulations," and the election results shall be announced on the spot, including the list of directors elected <u>and non-elected, and the percentages of votes received by elected and non-elected directors.</u> (The second item is omitted.)</p>	<p>Article 15 (Election of directors and supervisors) When a shareholders meeting elects directors, the election shall be held in accordance with this company's "director election regulations," and the election results shall be announced on the spot, including the list of directors elected and the percentages of winning votes. (The second item is omitted.)</p>	<p>To enhance corporate governance and protect the rights of shareholders, the company comply with Article 14 of the revised version of the “Sample Template for XXX Co., Ltd. Rules of Procedure for Shareholders Meetings” announced by the Stock Exchange on January 28, 2021, add to the first item that the announcement of the election results shall include the list of non-elected directors and the percentages of their votes received.</p>
<p>Article 21 These Rules were formulated on December 10, 2001. Amended for the first time at the shareholders' meeting on June 28, 2011. Amended for the second time at the shareholders' meeting on June 22,</p>	<p>Article 21 These Rules were formulated on December 10, 2001. Amended for the first time at the shareholders' meeting on June 28, 2011. Amended for the second time at the shareholders' meeting on June 22,</p>	<p>List the amended date.</p>

After amended	Before amended	Explanations
<p>2012. Amended for the third time at the shareholders' meeting on June 12, 2015 Amended for the fourth time at the shareholders' meeting on June 14, 2019. Amended for the fifth time at the shareholders' meeting on June 12, 2020. <u>Amended for the sixth time at the shareholders' meeting on June 11, 2021</u></p>	<p>2012. Amended for the third time at the shareholders' meeting on June 12, 2015 Amended for the fourth time at the shareholders' meeting on June 14, 2019. Amended for the fifth time at the shareholders' meeting on June 12, 2020.</p>	

V. Extempore motion

VI. Meeting adjourned (at about 9:30 AM the same day.)

Chairperson: Yung-Jen Huang, Chairman of the Board of Directors

Minutes taken down by Mei-Cheng Chu

※The Minutes only reflected the main contents of the meeting. Please refer to the recording for the exact contents and proceeding of the meeting.

VII. Appendices

<Appendix 1>

Business Report

Dear Shareholders :

Due to the impact of COVID-19 on the global economy and financial markets in 2020, central banks around the world have one after another introduced larger interest-reducing and quantitative easing policies. Amid the transfer, competition, and cooperation among supply chains in different countries, Taiwan has kept the pandemic well under control, overseas Taiwanese businesses are continuing to make investments in Taiwan, and investments in semiconductors, ICT, and electronic components are increasing. All of these activities have driven a stable economic growth for Taiwan. The pandemic has prompted companies to speed up their digital transformation, and the increase in the prevalent use of digital services has to an extent promoted a lifestyle change in society.

Environmental, social, and governance (ESG) factors are a key global trend and important indicators of corporate sustainable development. The impact of climate change is spreading across the globe, prompting international leading companies to successively announce their commitment to carbon neutrality and request suppliers to take actions against carbon emission. As a result, energy conservation and carbon reduction have become a crucial issue in sustainable development. For this reason, financial institutions should work on their main business activities in the areas of responsible lending, responsible investment, and ESG products, and join forces with like-minded individuals, including clients and stakeholders, to work together for the benefit of the society and environment.

Strengthening capability for robust development

E.SUN FHC has continued to strengthen its capabilities in 2020, delivering robust performance. E.SUN FHC reported net earnings of NT\$56.2 billion, with an annual growth rate of 3.17%, after-tax earnings amount of NT\$18.0 billion, with an annual reduction of 10.34%, EPS at NT\$1.43, ROA at 0.66%, ROE at 10.17%, and capital adequacy ratio at 136.54%. E.SUN has been keeping asset quality sound with an NPL ratio of 0.19% and an NPL coverage ratio of 656.29%.

E.SUN FHC has total assets at NT\$2.97 trillion, total deposits at NT\$2.48 trillion, total loans at NT\$1.64 trillion. Due to the cross-border platform and digital banking, foreign currency deposits are equivalent to NT\$888.3 billion. a growth of 15.3%. Fee revenues have registered record-high growth for 12 consecutive years. Fee revenues and net commissions reached NT\$19.83 billion, with an annual growth rate of 5.9%, out of which 9.3% came from Wealth Management.

With respect to ESG and sustainable development, we actively improve corporate governance and information disclosure. E.SUN is the only financial institution in the industry to be ranked top 5% by TWSE Corporate Governance Evaluation for 6 consecutive years and obtain the “Excellent” rating in the Corporate Governance Assessment. In response to climate change, E.SUN has been a long-term participant of financing and investments in green energy industries that involve wind power and solar energy. We continue to issue green bonds. In total, E.SUN has approved the financing of 26 Equator Principles projects, as part of our effort to maximize the influence of green finance. Apart from setting ourselves as example, E.SUN also cooperates with various outstanding companies in Taiwan to launch ESG sustainability campaigns and commit to the fight against

climate change. Regarding social inclusion, E.SUN continues to invest in education, social participation, arts and culture, and sports development. We have built 158 E.SUN libraries and rewarded Outstanding Management Talent Scholarship to experts in the fields of management, science and technology, humanities, ASEAN, and nursing.

E.SUN has been included as a constituent of the DJSI for 7 consecutive years and ranked 1st in the banking sector of Taiwan, setting another record for the financial institutions. For 4 years in a row, E.SUN has obtained the highest MSCI ESG rating of AA in the banking sector of Taiwan. We were also rated as the Best Bank in Taiwan by Global Finance and the Best Performing Bank in Taiwan by The Banker.

A focus on cross-border, digital, and risk management

For our future development strategy, E.SUN will focus on cross-border, digital, and risk management. Concerning cross-border expansion, we will continue to build financial platforms in Taiwan and overseas, link up locations in the Asia Pacific, Greater China, and ASEAN countries, cultivate the Asian market, and provide customers with complete banking solutions. Given the growing demand for business succession and family inheritance, we will further integrate corporate and private banking services and provide the best family inheritance advisory services for business owners so that we may hope to become a strong supporter of business success and a reliable partner for sustainable succession.

With respect to digital development, E.SUN has completed switching its banking core system, becoming the first financial institution in Taiwan to independently develop and design a new banking core system. Using an open platform and micro service structure, the system is able to process large volumes of transactions in the current digital era and launch financial products more efficiently, thereby strengthening the key basic engineering for FinTech development and digital transformation. Integrating digital banking services, E.SUN introduces the digital brand e.Fingo that offers membership and reward points to create memorable digital experiences for customers.

"Honesty, integrity, professionalism, and accountability" are the core values of E.SUN. We are deeply regrettable for the events that occurred in 2020 involving our financial consultants. We conducted self-inspection with a responsible attitude and actively made improvements. We will continue to improve our operating procedures, risk management, internal audit and control, and disciplinary culture, while exerting a firm resolve and taking disciplinary actions to prevent similar occurrences in the future.

Marching toward sustainable development

Named after the tallest mountain in Taiwan, E.SUN vows to be the best bank in Taiwan when it was established in 1992. E.SUN is committed to advancing and achieving our three aims: overall performance, corporate social responsibility, and sustainable development. In a rapidly changing environment, companies must firmly uphold their core values, possess the ability to identify trends and quickly respond to changes, and have the courage and resilience to face all kinds of challenges, in order to realize their vision and strive toward sustainable development. We will continue to focus on improvements that will make E.SUN better and the world a better place. Thank you for continuous support and valuable advices.

Chairman

Yung-Gen Huang

President

Maq-Chen

<Appendix 2>

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)

	2020		2019	
	Amount	%	Amount	%
ASSETS				
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 54,640,670	2	\$ 43,023,628	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4, 7 and 40)	121,080,836	4	85,555,267	3
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 40)	715,809,282	24	519,648,673	21
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9, 40 and 43)	263,902,860	9	215,878,199	9
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST (Notes 4, 10, 40 and 43)	16,465,798	1	12,599,698	1
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 11)	2,300,196	-	4,971,085	-
RECEIVABLES, NET (Notes 4, 12 and 39)	116,686,211	4	113,150,366	5
CURRENT TAX ASSETS (Notes 4 and 36)	106,412	-	7,200	-
ASSETS HELD FOR SALE, NET (Notes 4 and 13)	-	-	158,036	-
DISCOUNTS AND LOANS, NET (Notes 4, 14, 39 and 40)	1,620,374,068	55	1,444,322,101	58
OTHER FINANCIAL ASSETS, NET (Notes 4 and 15)	6,235,133	-	8,039,483	-
INVESTMENT PROPERTIES, NET (Notes 4 and 16)	1,827,047	-	1,853,907	-
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 17)	33,290,884	1	33,351,444	1
RIGHT-OF-USE ASSETS, NET (Notes 4 and 18)	3,168,210	-	3,181,031	-
INTANGIBLE ASSETS, NET (Notes 4 and 19)	6,167,861	-	6,188,674	-
DEFERRED TAX ASSETS (Notes 4 and 36)	1,842,000	-	1,456,489	-
OTHER ASSETS, NET (Notes 4, 18, 20 and 29)	7,847,214	-	4,972,910	-
TOTAL	\$ 2,971,744,682	100	\$ 2,498,358,191	100
LIABILITIES AND EQUITY				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS (Note 21)	\$ 54,968,986	2	\$ 57,903,786	2
DUE TO THE CENTRAL BANK AND OTHER BANKS	8,044,340	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 26)	70,441,442	3	59,630,516	3
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 9, 10 and 22)	11,305,248	1	7,228,239	-
COMMERCIAL PAPER ISSUED, NET (Note 23)	3,257,632	-	3,681,576	-
PAYABLES (Notes 24 and 39)	33,872,856	1	29,184,083	1
CURRENT TAX LIABILITIES (Notes 4 and 36)	830,714	-	1,899,196	-
DEPOSITS AND REMITTANCES (Notes 25 and 39)	2,491,467,253	84	2,082,984,629	83
BOND PAYABLES (Note 26)	39,970,000	1	38,070,000	2
OTHER BORROWINGS (Note 27)	1,213,342	-	381,356	-
PROVISIONS (Notes 4, 28 and 29)	1,159,384	-	656,223	-
OTHER FINANCIAL LIABILITIES (Notes 16 and 30)	64,583,767	2	35,167,492	2
LEASE LIABILITIES (Notes 4 and 18)	3,275,399	-	3,177,727	-
DEFERRED TAX LIABILITIES (Notes 4 and 36)	1,422,381	-	1,306,719	-
OTHER LIABILITIES (Note 31)	4,331,361	-	3,905,549	-
Total liabilities	<u>2,790,144,105</u>	<u>94</u>	<u>2,325,177,091</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC				
Capital stock				
Common stock	125,671,000	4	116,195,000	5
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	21,967,730	1	21,583,250	1
From treasury stock transactions	3,382,484	-	3,382,484	-
Total capital surplus	25,350,214	1	24,965,734	1
Retained earnings				
Legal reserve	13,078,728	-	11,068,215	-
Special reserve	164,235	-	164,235	-
Unappropriated earnings	17,061,205	1	20,465,306	1
Total retained earnings	30,304,168	1	31,697,756	1
Other equity	143,010	-	199,431	-
Total equity attributable to owners of ESFHC	<u>181,468,392</u>	<u>6</u>	<u>173,057,921</u>	<u>7</u>
NON-CONTROLLING INTERESTS	<u>132,185</u>	<u>-</u>	<u>123,179</u>	<u>-</u>
Total equity	<u>181,600,577</u>	<u>6</u>	<u>173,181,100</u>	<u>7</u>
TOTAL	\$ 2,971,744,682	100	\$ 2,498,358,191	100

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 4, 32 and 39)	\$ 36,089,321	64	\$ 41,263,631	75	(13)
INTEREST EXPENSE (Notes 4, 32 and 39)	<u>(14,750,803)</u>	<u>(26)</u>	<u>(21,392,562)</u>	<u>(39)</u>	(31)
NET INTEREST	<u>21,338,518</u>	<u>38</u>	<u>19,871,069</u>	<u>36</u>	7
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 4, 33 and 39)	19,831,103	35	18,725,133	34	6
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4, 8 and 34)	12,327,602	22	15,306,337	28	(19)
Realized gains on financial assets at fair value through other comprehensive income (Notes 4 and 9)	1,928,603	3	1,092,762	2	76
Foreign exchange gains (losses), net (Note 4)	450,867	1	(770,449)	(1)	159
Reversal of impairment losses (impairment losses) on assets (Notes 4 and 16)	(16,066)	-	4,710	-	(441)
Other noninterest gains, net (Note 4)	<u>388,417</u>	<u>1</u>	<u>293,056</u>	<u>1</u>	33
Total net revenues and gains other than interest	<u>34,910,526</u>	<u>62</u>	<u>34,651,549</u>	<u>64</u>	1
TOTAL NET REVENUES	<u>56,249,044</u>	<u>100</u>	<u>54,522,618</u>	<u>100</u>	3
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES (Notes 4 and 14)	<u>(3,225,752)</u>	<u>(6)</u>	<u>(1,598,078)</u>	<u>(3)</u>	102

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
OPERATING EXPENSES (Notes 4, 16, 17, 18, 19, 29, 35 and 39)					
Employee benefits	\$ (14,216,281)	(25)	\$ (12,779,300)	(24)	11
Depreciation and amortization	(3,442,951)	(6)	(3,317,609)	(6)	4
General and administrative	<u>(14,834,968)</u>	<u>(27)</u>	<u>(13,757,355)</u>	<u>(25)</u>	8
Total operating expenses	<u>(32,494,200)</u>	<u>(58)</u>	<u>(29,854,264)</u>	<u>(55)</u>	9
INCOME BEFORE INCOME TAX	20,529,092	36	23,070,276	42	(11)
INCOME TAX EXPENSE (Notes 4 and 36)	<u>(2,481,236)</u>	<u>(4)</u>	<u>(2,949,766)</u>	<u>(5)</u>	(16)
NET INCOME FOR THE YEAR	<u>18,047,856</u>	<u>32</u>	<u>20,120,510</u>	<u>37</u>	(10)
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 29 and 36):					
Remeasurement of defined benefit plans	(306,696)	(1)	292,764	-	(205)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(594,833)	(1)	(131,554)	-	352
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	(8,750)	-	409,064	1	(102)
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>10,329</u>	<u>-</u>	<u>(3,044)</u>	<u>-</u>	439
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>(899,950)</u>	<u>(2)</u>	<u>567,230</u>	<u>1</u>	(259)

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
Items that may be reclassified subsequently to profit or loss (Notes 4 and 36):					
Exchange differences on the translation of financial statements of foreign operations	\$ (957,715)	(2)	\$ (967,049)	(2)	(1)
Unrealized gains on investments in debt instruments at fair value through other comprehensive income	783,364	2	373,499	1	110
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>49,333</u>	-	<u>165,078</u>	-	(70)
Items that may be reclassified subsequently to profit or loss, net of income tax	<u>(125,018)</u>	-	<u>(428,472)</u>	(1)	(71)
Other comprehensive income (loss) for the year, net of income tax	<u>(1,024,968)</u>	(2)	<u>138,758</u>	-	(839)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,022,888</u>	<u>30</u>	<u>\$ 20,259,268</u>	<u>37</u>	(16)
NET INCOME ATTRIBUTABLE TO:					
Owners of ESFHC	\$ 18,026,592	32	\$ 20,105,129	37	(10)
Non-controlling interests	<u>21,264</u>	-	<u>15,381</u>	-	38
	<u>\$ 18,047,856</u>	<u>32</u>	<u>\$ 20,120,510</u>	<u>37</u>	(10)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of ESFHC	\$ 17,001,757	30	\$ 20,244,626	37	(16)
Non-controlling interests	<u>21,131</u>	-	<u>14,642</u>	-	44
	<u>\$ 17,022,888</u>	<u>30</u>	<u>\$ 20,259,268</u>	<u>37</u>	(16)

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2020		2019		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 37)					
Basic	<u>\$ 1.43</u>		<u>\$ 1.60</u>		
Diluted	<u>\$ 1.43</u>		<u>\$ 1.60</u>		

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of ESFHC						Other Equity			Non-controlling Interests (Notes 4 and 38)	Total Equity
	Capital Stock (Note 38)		Capital Surplus (Notes 4 and 38)	Retained Earnings (Notes 4, 9 and 38)			Exchange Differences on the Translation of Financial Statements of Foreign Operations (Note 4)	Unrealized Gains on Financial Assets at Fair Value Through Other Comprehensive Income (Notes 4 and 9)	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss (Note 4)		
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2019	10,828,900	\$ 108,289,000	\$ 24,710,706	\$ 9,361,366	\$ 164,235	\$ 17,102,179	\$ (540,844)	\$ 848,690	\$ 78,956	\$ 115,812	\$ 160,130,100
Effect of retrospective application	-	-	-	-	-	25,846	-	-	-	-	25,846
BALANCE AT JANUARY 1, 2019 AS APPLIED RETROSPECTIVELY	10,828,900	108,289,000	24,710,706	9,361,366	164,235	17,128,025	(540,844)	848,690	78,956	115,812	160,155,946
Appropriation of 2018 earnings											
Legal reserve	-	-	-	1,706,849	-	(1,706,849)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(7,688,367)	-	-	-	-	(7,688,367)
Stock dividends	769,950	7,699,500	-	-	-	(7,699,500)	-	-	-	-	-
Issuance of common stock from employees' compensation	20,650	206,500	255,028	-	-	-	-	-	-	-	461,528
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(7,275)	(7,275)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	32,223	-	(32,223)	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	747	-	-	(747)	-	-
Net income for the year ended December 31, 2019	-	-	-	-	-	20,105,129	-	-	-	15,381	20,120,510
Other comprehensive income (loss) for the year ended December 31, 2019, net of income tax	-	-	-	-	-	293,898	(775,569)	752,722	(131,554)	(739)	138,758
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	-	20,399,027	(775,569)	752,722	(131,554)	14,642	20,259,268
BALANCE AT DECEMBER 31, 2019	11,619,500	116,195,000	24,965,734	11,068,215	164,235	20,465,306	(1,316,413)	1,569,189	(53,345)	123,179	173,181,100
Appropriation of 2019 earnings											
Legal reserve	-	-	-	2,010,513	-	(2,010,513)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,191,766)	-	-	-	-	(9,191,766)
Stock dividends	926,000	9,260,000	-	-	-	(9,260,000)	-	-	-	-	-
Issuance of common stock from employees' compensation	21,600	216,000	384,480	-	-	-	-	-	-	-	600,480
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(12,125)	(12,125)
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(664,477)	-	664,477	-	-	-
Transfer of changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss upon derecognition	-	-	-	-	-	2,892	-	-	(2,892)	-	-
Net income for the year ended December 31, 2020	-	-	-	-	-	18,026,592	-	-	-	21,264	18,047,856
Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	(306,829)	(772,986)	649,813	(594,833)	(133)	(1,024,968)
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	17,719,763	(772,986)	649,813	(594,833)	21,131	17,022,888
BALANCE AT DECEMBER 31, 2020	<u>12,567,100</u>	<u>\$ 125,671,000</u>	<u>\$ 25,350,214</u>	<u>\$ 13,078,728</u>	<u>\$ 164,235</u>	<u>\$ 17,061,205</u>	<u>\$ (2,089,399)</u>	<u>\$ 2,883,479</u>	<u>\$ (651,070)</u>	<u>\$ 132,185</u>	<u>\$ 181,600,577</u>

The accompanying notes are an integral part of the consolidated financial statements.

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 20,529,092	\$ 23,070,276
Adjustments for:		
Depreciation expenses	2,787,307	2,698,912
Amortization expenses	655,644	618,697
Expected credit losses/bad-debt expenses	3,175,679	1,545,708
Gains on financial assets and liabilities at fair value through profit or loss	(12,327,602)	(15,306,337)
Interest expense	14,750,803	21,392,562
Interest revenue	(36,089,321)	(41,263,631)
Dividend income	(360,957)	(386,034)
Provision for losses on guarantees	49,804	50,988
Salary expenses on share-based payments	518,777	601,387
Gains on disposal of properties and equipment	(1,526)	(52,141)
Losses on disposal of intangible assets	-	21
Gains on disposal of assets held for sale	(173,592)	-
Gains on disposal of investments	(1,567,646)	(706,728)
Impairment losses (reversal of impairment losses) on non-financial assets	(630)	704
Others	9,607	10,993
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(28,705,429)	(6,580,307)
Financial assets at fair value through profit or loss	(162,981,789)	(18,137,793)
Financial assets at fair value through other comprehensive income	(46,464,409)	(32,384,764)
Investments in debt instruments at amortized cost	(4,076,817)	(4,516,329)
Receivables	(4,257,641)	(19,622,172)
Discounts and loans	(178,340,103)	(113,243,466)
Other financial assets	1,804,409	5,602,895
Other assets	(1,368,528)	59,645
Deposits from the Central Bank and other banks	(2,934,800)	(14,319,234)
Financial liabilities at fair value through profit or loss	(16,917,798)	(9,358,822)
Securities sold under repurchase agreements	4,077,009	(5,298,550)
Payables	6,291,632	(9,204)
Deposits and remittances	408,482,624	196,290,648
Provision for employee benefits	(13,327)	(15,790)
Provisions	(820)	-
Other financial liabilities	25,780,916	10,539,998
Other liabilities	440,254	1,429,270
Cash used in operations	(7,229,178)	(17,288,598)
Interest received	43,819,965	50,238,583
Dividend received	442,630	462,785
Interest paid	(17,418,901)	(22,495,393)
Income tax paid	(3,840,779)	(2,753,808)
Net cash generated from operating activities	<u>15,773,737</u>	<u>8,163,569</u>

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E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets held for sale	\$ 334,178	\$ -
Payments for properties and equipment	(1,963,191)	(2,849,593)
Proceeds from disposal of properties and equipment	19,845	106,739
Decrease in operating deposits	15,000	-
Increase in settlement fund	(329)	(3,591)
Decrease in settlement fund	6,199	10,521
Increase in refundable deposits	(1,591,956)	-
Decrease in refundable deposits	-	516,412
Payments for intangible assets	(381,627)	(516,210)
Payments for right-of-use assets	(430)	(381)
Increase in other assets	<u>(912)</u>	<u>(382)</u>
Net cash used in investing activities	<u>(3,563,223)</u>	<u>(2,736,485)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	848,371	-
Decrease in short-term borrowings	-	(10,000)
Increase in due to the Central Bank and other banks	8,044,340	-
Increase in commercial paper issued	-	1,012,907
Decrease in commercial paper issued	(424,867)	-
Proceeds from issue of corporate bonds	-	4,000,000
Repayments of corporate bonds	-	(3,800,000)
Proceeds from issue of bank debentures	7,000,000	3,000,000
Repayments of bank debentures	(5,100,000)	(7,780,000)
Proceeds from long-term borrowings	2,851	-
Increase in financial liabilities designated as at fair value through profit or loss	-	309,100
Decrease in financial liabilities designated as at fair value through profit or loss	-	(310,060)
Increase in guarantee deposits received	3,635,359	-
Decrease in guarantee deposits received	-	(391,648)
Repayments of the principal portion of lease liabilities	(1,063,280)	(1,053,259)
Cash dividends paid	(9,191,766)	(7,688,367)
Cash dividends paid to non-controlling interests	<u>(12,125)</u>	<u>(7,275)</u>
Net cash generated from (used in) financing activities	<u>3,738,883</u>	<u>(12,718,602)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(183,104)</u>	<u>1,817,254</u>

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (In Thousands of New Taiwan Dollars)

	2020	2019
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 15,766,293	\$ (5,474,264)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>54,299,407</u>	<u>59,773,671</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 70,065,700</u>	<u>\$ 54,299,407</u>
	December 31	
	2020	2019
RECONCILIATIONS OF THE AMOUNTS IN THE CONSOLIDATED STATEMENTS OF CASH FLOWS WITH THE EQUIVALENT ITEMS REPORTED IN THE CONSOLIDATED BALANCE SHEETS AS OF DECEMBER 31, 2020 AND 2019		
Cash and cash equivalents in the consolidated balance sheets	\$ 54,640,670	\$ 43,023,628
Due from the Central Bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 "Statement of Cash Flows"	13,124,834	6,304,694
Securities purchased under resell agreements in accordance with cash and cash equivalents under IAS 7 "Statement of Cash Flows"	<u>2,300,196</u>	<u>4,971,085</u>
Cash and cash equivalents at the end of the year	<u>\$ 70,065,700</u>	<u>\$ 54,299,407</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
E.SUN Financial Holding Company, Ltd.

Opinion

We have audited the accompanying consolidated financial statements of E.SUN Financial Holding Company, Ltd. (ESFHC) and its subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2020 and 2019, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's consolidated financial statements for the year ended December 31, 2020 are described as follows:

Assessment of Allowance for Possible Losses on Loans

The Company is engaged principally in providing loans to customers. As of December 31, 2020, the net amount of discounts and loans of the Company represented approximately 55% of total consolidated assets, and is considered material to the consolidated financial statements as a whole. Besides assessing expected credit losses of loans in accordance with IFRS 9 "Financial Instruments", the management of E.SUN Commercial Bank, Ltd. (E.SUN Bank), a subsidiary of ESFHC, complies with the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans and related regulations (collectively, the Regulations) when assessing classification of credit assets and recognizing allowance for possible losses. For accounting policies and relevant information about loan impairment assessment of E.SUN Bank, please refer to Notes 4, 5 and 14 to the consolidated financial statements.

We determined the assessment of allowance for possible losses on loans to be a key audit matter for the year ended December 31, 2020 because the assessment made by E.SUN Bank to assess the classification of credit assets and recognize allowance for possible losses in accordance with the Regulations involves critical estimates and judgements.

The main audit procedures we performed in response to certain aspects of the key audit matter described above are as follows:

1. We obtained an understanding of and performed test on the relevant internal controls in respect of E.SUN Bank's loan impairment assessment.
2. We acquired the loan evaluation form used by management of E.SUN Bank and assessed the provision for possible losses on credit assets; we tested the completeness of the loan assets.
3. We assessed that the loans of E.SUN Bank were classified in accordance with the definition of the Regulations.
4. We calculated the required provision of allowance for possible losses on loans of E.SUN Bank in order to assess whether it complied with the Regulations.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due

to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yin-Chou Chen and Chen-Hsiu Yang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 19, 2021

Notice to Readers

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

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

Audit Committee Report

To: E.SUN Financial Holding Company 2021 General Shareholders' Meeting

The board of directors has complied and submitted the company's 2020 consolidated financial statements audited by Certified Public Accountants of Deloitte & Touche, business report and statement of distribution of retained earnings to Audit Committee. After reviewing the abovementioned statements and reports and discussing with the CPAs, the Audit Committee has found them to meet the requirements of applicable laws and regulations. This report is hereby prepared in accordance with Article 14-4 of Security and Exchange Act and Article 219 of Company Act and submitted for your approval.

E.SUN Financial Holding Company Audit Committee

Independent Director: 

Independent Director: 

Independent Director: 

Independent Director: 

Independent Director: 

Date: April 21 2021