

# **E.SUN FINANCIAL HOLDING CO., LTD.**

## **GENERAL SHAREHOLDERS MEETING 2024**

### **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, 14 June 2024 (Friday)

Place: The Taipei Herohouse  
(No.20, Sec. 1, Changsha St., Taipei City, Taiwan)

Meeting type : visual communication assisted shareholders meeting

(physical shareholders meeting supported by video conferencing)

Virtual Meeting Platform : Adopt the Virtual Meeting Platform of Taiwan Depository & Clearing Corporation (TDCC)  
【<https://stockservices.tdcc.com.tw>】

Attendance: Total shares represented by the shareholders present at the meeting in person or by proxy are 9,903,741,386 shares (including 8,553,094,649 shares represented by the shareholders by electronic and virtual voting method), representing 63.22% of the total issued shares of the Company (15,664,000,000 shares).

Attending without the right to vote:

Director: Jackson Mai, Wei-Han Chen, Chien-Li Wu, Magi Chen, Mao-Chin Chen, Lung-Cheng Lin  
Independent Director: Ryh-Yan Chang (Convener of the Audit Committee and the Board Risk Management 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

Yang, Chen-Hsiu, CPA from Deloitte & Touche, Taiwan

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

Chairperson: Joseph N.C. 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 2023 by the President.

Decision: Report noted.

The shareholder with A/C No. 228553 raised questions :

What are the operation and profit statuses of Yangon Branch and Union Commercial Bank Plc. of E.SUN Bank (“UCB”)?

E.SUN Bank President Lung-Cheng Lin is assigned to answer :

1. Yangon Branch of E.SUN Bank, the first Taiwanese-owned bank’s branch in Myanmar, has been operating relatively smoothly despite the challenges posed by the military coup in February 2021 during the COVID-19 outbreak. While many other Taiwanese-owned banks’ local operation have been affected, our Yangon Branch has been able to assist local Taiwanese businesses with fund management and currency exchange, and has even extended its services to non-Taiwanese-owned enterprises. The Central Bank of Myanmar highly commends E.SUN Bank for its continued operation. The Yangon Branch achieved a profit of over NT\$ 200 million last year, demonstrating outstanding performance.
2. Due to the impact of the Belt and Road Initiative and the sluggish real estate market, other Taiwanese-owned banks in Cambodia experienced a significant increase in non-performing loans last year. However, UCB maintained its long-term stable operation and showcased the best loan asset quality among Taiwanese-owned banks in the country. UCB generated a profit of over NT\$ 30 million last year and has also performed well in terms of profitability in the first five months of this year. Additionally, UCB holds the top position in terms of credit card issuance volume in Cambodia.

Chairperson:

Overseas expansion is of great importance to E.SUN Bank. Currently, E.SUN Bank has established 31 operating branches in 10 countries and regions. According to information released by the regulatory authority, E.SUN’s overseas branches achieved the second-highest profitability among all banks in Taiwan last year. Overall, the business performance is considered satisfactory.

The shareholder with A/C No. 1007955 raised questions :

I appreciate that E.SUN FHC's dividend return to the level of up to par. Previously, my travel was only limited to Nangang and Nanfangao, but now it is finally possible to travel to Hong Kong and Macau. I hope that E.SUN FHC further develops smoothly and look forward to the next dividend payout which will be enough to travel abroad.

Chairperson:

Thank you for the long-term support from our shareholders. We assure you that we will continue to strive harder to provide value and good returns to our shareholders and all stakeholders.

The shareholder with A/C No. 93622 raised questions :

Questions regarding the company's financial position, outlook on performance, internal control operations, board of directors' performance evaluation, and donations to E.SUN Volunteer Foundation.

Chairperson:

Corporate governance and information disclosure are both key priorities for our company. Yesterday, we were honored to receive the top 5% rating in the Corporate Governance Evaluation from the Stock Exchange for the ninth time. We are committed to striving for even better results in the future. The scale of our company and subsidiaries is very large, we cannot say that there are no shortcomings in all business operations, however once any shortcoming is discovered, we will correct it immediately. Our board of directors consists of members with diverse expertises. Every three years, we engage the Chinese Corporate Governance Association to conduct evaluations and certifications for our board and functional committees. We believe that there is always room for improvement in corporate governance, and we are dedicated to continuous enhancement. Furthermore, we ensure that our donations to external parties are conducted according to the applicable regulations.

The shareholder with A/C No. 93622 raised questions the second time :

Questions regarding the board's functional objectives and internal control deficiencies.

Chairperson:

Regarding the functional objectives of the board of directors, please refer to annual report 2023 on p.26. In addition, we assure that internal control deficiencies listed on p.49 of the annual report 2023 is diligently addressed and improved upon.

Chief Compliance Officer Fion Ouyang is assigned to supplementary answer :

All disclosures in the annual report 2023 are conducted in accordance with relevant regulations. The details regarding the items listed in the appendix of the internal control statement can be found on p.49 of the annual report 2023. We would like to inform shareholders that the three improvement items related to banking have been successfully addressed and improved upon.

The shareholder with A/C No. 452338 raised questions virtually :

Can E.SUN follow TSMC to Europe and open a branch in Germany or France?

Personnel is assigned to answer online :

Thank you for the shareholder's question. E.SUN will pay attention to customer needs and market opportunities to evaluate future layout. Thank you!

The shareholder with A/C No. 452338 raised questions virtually :

As Taiwan's population is experiencing negative growth, in order to expand the bank's service coverage, are you considering assigning the most experienced manager from E.SUN with Hong Kong expertise to be in charge of the Hong Kong and Macau business? This is to encourage Hong Kong and Macau residents and students in Taiwan to open accounts with E.SUN and collaborate with Hong Kong branch to make E.SUN the most convenient bank for cross-border fund transfers between Hong Kong and Taiwan.

Personnel is assigned to answer online :

Thank you shareholders for your suggestions, we will continue to work hard.

2. Report on the inspection and auditing of the final account for fiscal year 2023 and communications with internal auditing officers by the Audit Committee.

Explanation:

(1) The Company's financial statements for 2023 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
March 24, 2023	General Auditor	Submission of the 2022 Q4 audit working papers.	Duly noted without further recommendations.
April 19, 2023	General Auditor	Submission of the 2023 Q1 audit working papers.	1.Explain and exchange opinions on issues raised by independent directors. 2.Duly noted without further recommendations.
August 23, 2023	General Auditor	Submission of the 2023 Q2 audit working papers.	1.Explain and exchange opinions on issues raised by independent directors. 2.Duly noted without further recommendations.
September 20, 2023	General Auditor and other auditors	Discussions on internal/external audit related matters.	1.Explain and exchange opinions on issues raised by independent directors. 2. Proceed as recommended.
November 08, 2023	General Auditor	Submission of the 2023 Q3 audit working papers.	Duly noted without further recommendations.
		Submission of the 2024 audit plan.	The plan was passed by a vote and no other recommendation.

Decision: Report noted.

The shareholder with A/C No. 93622 raised questions :

Questions regarding the audit committee's review of the final accounts and directors' remuneration.

Independent Director Ryh-Yan Chang is assigned to answer :

The review and preparation process of our company's financial statements are as follows : the statement is prepared by the Accounting Division, with discussions held by the Audit Committee and the Board of Directors, then engaging an external auditor to conduct verification and issue an audit report after approval by the Board of Directors.

Chairperson:

Directors who also serve as directors of subsidiaries choose to receive preferential compensation without duplicate payments. Directors who also serve as executives only receive executive's compensation and do not receive director's remuneration. This information is disclosed in the annual report.

The shareholder with A/C No. 452338 raised questions virtually :

Can E.SUN resume operations of E.SUN SITC, issue your own funds and ETFs to increase sources of profit? There are many talents in E.SUN who are suitable to be fund managers to help customers increase their wealth.

Personnel is assigned to answer online :

Thank you for your suggestions. We will continue to pay attention and discuss them internally.

The shareholder with A/C No. 452338 raised questions virtually :

Malaysian overseas students in Taiwan can use the Singapore branch as a bridge. Many of my Malaysian classmates from Fu Jen Catholic University chose to work in Singapore after graduation because of the high salary. If these people can use E.SUN's service since they were students, E.SUN will have the opportunity to develop these people overseas into a wealth management member.

Personnel is assigned to answer online :

Thank you for your suggestions.

3. Report on 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\$4 billion due on January 14, 2024), the company has reported to the competent authority for the issuance of corporate bonds worth NT\$3 billion on November 27, 2023. Please refer to Appendix 3 on page 43 to page 44 of this Handbook for Term Sheet.
- (3) In order to redeem the company's upcoming corporate bonds (NT\$3.8 billion due on March 28, 2024), the company has reported to the competent authority for the issuance of corporate bonds worth NT\$3.8 billion on March 27, 2024. Please refer to Appendix 4 on page 45 to page 46 of this Handbook for Term Sheet.

Decision: Report noted

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

Explanation:

- (1) This report is made in accordance with the Sustainable Development Best Practice Principles Principles, Article 5.
- (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 6 major tasks: corporate governance, sustainable finance, climate change, environmental sustainability, protection of human rights, and charities. A summary of the report is as follows:

##### 2.1 Corporate Governance

###### 2.1.1 Corporate Governance :

Based on the important measures of corporate governance established by supervisory authorities and various evaluation indicators, E.SUN endeavors to maintain shareholder rights, strengthening the board structure, reviewing the implementation of each project regularly, and revising relevant regulations in a rolling manner to enhance the transparency of information disclosure. Besides, E.SUN entrust professional third parties to carry out certification and evaluation operations, prioritizing the recommendations and continue to monitor the implementation and completion.

###### 2.1.2 Cyber Security :

E.SUN enhances cyber security resilience and effectiveness of privacy security by continuously undergoing international standard certification reviews of ISO 22301 Business Continuity Management System, ISO 27701 Privacy Information Management System and ISO 27001:2022 Information Security Management System. We plan to establish personal data management framework and policies, confirming job responsibilities, strengthening cloud security risk management to ensure uninterrupted operations.

###### 2.1.3 Anti-Money Laundering :

E.SUN continues to monitor international trends and emerging crime patterns such as the escalation of international sanctions due to the Ukraine-Russia conflict and the Israel-Palestine conflict, with the aim of enhancing our ability to comply with sanctions and mitigate sanction risks. We leverage smart technology to optimize our AML/CFT mechanisms, improving the accuracy of risk identification, enhancing anti-money laundering efficiency in domestic and overseas operation. Meanwhile, we raise risk awareness among all staffs through education, training, and supervisory systems.

###### 2.1.4 Fair Customer Treatment and Customer Experience:

E.SUN reviews the implementation of the fair treatment principles in business



operations and monitors customer feedbacks to improve the customer experience. In order to make sure the elderly or disabled customers can be served with equal and fair financial services. We implement the spirit of financial equality under the United Nations Convention on the Rights of Persons with Disabilities (CRPD) to improve our friendly financial service.

## 2.2 Sustainable Finance

### 2.2.1 Responsible lending and responsible products :

In response to the National Development Council's (NDC) 2050 Net Zero Strategy, E.SUN actively engage with high-carbon emission customers and provide sustainable consulting services to assist companies in their net zero transformation to achieve emission reduction goals. Through green finance services, we guide energy transformation and assist industries in establishing renewable energy facilities. Besides, E.SUN launch green products related to green consumption, low-carbon transportation, and sustainable production to encourage individuals and small companies to transit to green operation and green consumption.

### 2.2.2 Responsible Investment :

E.SUN continues to enhance target selection mechanism in our sustainable investment process. We adopt strategies that focus on sustainability and impact, which includes optimizing our sustainable investment portfolio by assessing the ESG impact on different industries, and regularly reviewing the ESG performance of invested companies to strengthen our financial impact through engagement.

### 2.2.3 Inclusive Finance:

E.SUN utilizes the power of technology to promote financial equality, combining the digital brand e.Fingo to promote one-stop financial services and provide customers with convenient digital services. We actively support small and micro enterprises by collaborating with local governments and organizations related to local revitalization to promote the development of local specialty industries, developing diversified trust services to assist in addressing the elderly care issues in an aging society.

## 2.3 Climate change

### 2.3.1 Climate Governance :

In response to the Green Finance Action Plan 3.0, E.SUN actively implements the commitments of the Coalition of Movers and Shakers on Sustainable Finance, strengthening mechanisms to manage climate change-related risks, developing tools and methodologies for climate risk management to enhance our capacity to respond to climate-related opportunities and risks. We enhance the professional knowledge of all executives and employees through education and training program to support in

sustainable development.

#### 2.3.2 Actions to reduce carbon generated from investment and financing :

In accordance with the domestic and international guidelines of supervisory authorities, the Partnership for Carbon Accounting Financials (PCAF), and Science Based Targets (SBT), etc., E.SUN strengthens the mechanisms for managing carbon emissions in investment and financing and monitor the progress of carbon reduction. Through engagement, advocacy actions, and sustainable consulting services, we gradually adjust and reduce investments in coal and unconventional oil and gas industries to achieve our commitment to phase out coal by 2035.

### 2.4 Environmental Sustainability

#### 2.4.1 Carbon reduction in the operating environment :

In line with the 2050 net-zero pathway, E.SUN implements energy conservation and carbon reduction measures for Scope 1 and 2 emissions, including replacement of old and energy-consuming equipment, constructing green buildings, promoting green transportation, and implementing circular procurement. We aim to gradually achieve 100% use of renewable energy at domestic and overseas locations by 2040 through the installation of solar power generation equipment, procurement of green energy certificates, and signing agreements for purchasing renewable energy.

#### 2.4.2 Promoting biodiversity :

In accordance with the Taskforce on Nature-related Financial Disclosures (TNFD), E.SUN assesses the dependence and impact of biodiversity on our operations. We also collaborate with relevant partners to implement biodiversity actions, including supporting organic rice farming (Maravi), millet cultivation, citizen science, tree planting, and beach clean-up.

### 2.5 Protection of human rights

#### 2.5.1 Employee Care and Friendly Workplace:

E.SUN aims to build a diverse, equitable, and inclusive (DEI) workplace and promote talent innovation of diversity, inclusion, as well as gender equality. We create a flexible and positive work environment, and listen to the voices of our employees through multiple communication channels. We also enhance employee benefits and caring measures, to continuously improve the employee experience.

#### 2.5.2 Talent Cultivation and Development:

E.SUN continues to enhance strategic talent development and employee sustainability transformation. By combining offline and online learning, we cultivate managerial talent with expertise in financial services, technology, and sustainable development to build a resilient team. Based on the performance of duties, E.SUN implemented

differentiation in talent management through comprehensive evaluations and rotational programs, helping the talents to form their career development and realize sustainable business operations for both the company and employees.

## 2.6 Social Welfare & Charity

### 2.6.1 Education:

The E.SUN Golden Seed Project aims to build 8 new E.SUN libraries in 2024, providing schools with long-term resource maintenance, organizing reading activities, cultivating story reading volunteers, and holding digital thematic reading exploration fairs to improve students' reading literacy. We implement "holding hands in English and companions for learning" in 35 elementary schools to improve the English proficiency of students in rural areas. We engaged in industry-academia collaboration with 50 universities to cultivate talents with an expertise in finance, AI, and FinTech. We also provide the Outstanding Management Talent Scholarship, ASEAN Talent Scholarship, and Nursing Talent Scholarship to cultivate more outstanding young students.

### 2.6.2 Community :

E.SUN collaborates with partners to jointly organize international and rural clinic care, blood donation, and other charity activities to maximize our impact. We continue to promote projects caring for children, aiming to assist over 12,000 disadvantaged or children facing sudden misfortune annually. We also invest in anti-drug education and child welfare, and plan mobile anti-drug education tours to schools and continuously donate and construct counseling rooms for children in adversity, supporting their return to family and society.

### 2.6.3 Sports :

For the 18th consecutive year, E.SUN supports youth baseball in Taiwan, including holding the E.SUN Cup International AAA Baseball Tournament, training camps, protection camps and providing subsidies for baseball teams in rural areas. In order to help sports in Taiwan gain more international recognition, E.SUN co-organized the E.SUN Juguang Cup with the Volleyball Association to nurture outstanding players to participate in international events such as the Asian Cup or U18~U20 World Cup.

### 2.6.4 Arts and Humanities :

E.SUN conveys truth, goodness, and beauty through music and art. Organizing the Music Concert for Mothers, and support international art groups such as the 12 Cellists of the Berlin Philharmonic, the Vienna Boys' Choir, and the Broadway musical "Miss Saigon" to perform in Taiwan. E.SUN collaborates with national performing arts venues to hold activities such as Relaxed Performance, Let's Go to the Theater, Artistic Children's Play, Play ARTs children workshop, and the Weiwuying Taiwan Composer Series Music Feast to support quality arts and expose the wider community to cultural

sophistication.

- (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 changes or special needs.

Decision: Report noted.

The shareholder with A/C No. 9000001 raised questions virtually :

The shareholder with A/C No. 108525 Securities and Futures Investors Protection Center raised questions : In the post-pandemic era, sustainable development has become one of the corporate social responsibilities. In recent years, our company has demonstrated excellent performance in corporate governance and is ranked among the top 5% of enterprises. We would like to present the achievements and efforts made in promoting sustainable development during the 112th fiscal year, as well as how we have implemented our goal of achieving net zero carbon emissions. Please include the above statement in the minutes. Thank you.

Personnel is assigned to answer online :

Sustainable development is an important development strategy in E.SUN's fourth decade. We have set a net-zero target for 2050 and have successfully established SBT goals. The progress towards achieving our carbon reduction target by 2023 is on track. Additionally, E.SUN leverages its influence in the financial industry by inviting companies to participate in ESG sustainability initiatives for three consecutive years, collectively promoting a focus on ESG sustainable business practices. For more details, please refer to our sustainability report and sustainability section on the E.SUN FHC official website.

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 2023 was NT\$21,819,811,567. In accordance with the ratios in the Articles of Incorporation, employee compensation (2%~5%) was NT\$655,621,863 (including stock and cash compensation), and director compensation (not exceeding 0.9%) was NT\$90,000,000 in cash.
- (3) The remuneration distribution of employees is NT\$ 655,621,863. 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\$26.05 per share on the day before the Board resolution. The number of shares allocated is 18,000,000 shares, the employee stock remuneration is NT\$468,900,000, and the employee cash remuneration is NT\$186,721,863.
- (4) In accordance with the provisions of Article 58-1 of the Company's "Corporate Governance Best Practice Principles", the Company is advised to report at a general shareholder meeting about the remuneration received by directors, including the remuneration policy, individual remuneration package, amount, and association with outcomes of performance reviews. Please refer to Appendix 5 on p.47~p.48 of this Handbook (English version) for remuneration of directors in 2023.

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 2023.

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 2023 certified by Mr. Chen-Hsiu Yang and Mr. Kuan-Hao Lee, both of whom were CPA of Deloitte & Touche (Taiwan). A due diligence report with unqualified opinions was issued. The above financial statements and the 2023 business report have been reviewed by the Audit Committee and deemed to be in compliance, and a review report has been issued. (Please refer to Appendix 1 and 2 on p.26~p.42 of this Handbook (English 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, chairperson declared this proposal is approved by vote.

( ) voting by virtual and electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion		
9,903,741,386	8,594,713,987	86.78%	12,134,547	1,296,892,852
(virtual 132,787) (electronic 8,552,961,862)	(virtual 18,076) (electronic 7,248,589,080)		(virtual 0) (electronic 11,833,885)	(virtual 114,711) (electronic 1,292,538,897)

The shareholder with A/C No. 452338 raised questions virtually :

Can E.SUN Bank compete to become the custodian bank for more new funds and increase custody fee income?

Personnel is assigned to answer online :

Thank you for your suggestions. E.SUN Bank will continue to integrate group resources and strive to become the custodian bank, providing superior services.

The shareholder with A/C No. 452338 raised questions virtually :

E.SUN credit card ranking has dropped to fourth place, and there is a looming challenge with the expiring contract of Carrefour Card, which is the only card with an issuance volume exceeding one million. Is it possible for E.SUN to focus on E.SUN Ubear, similar to how Cathay United Bank manages credit card with its “One Card for All” strategy? As the future is heading towards a payment and online shopping era, perhaps E.SUN could introduce the “E.SUN Ubear World Bear King Card”, concentrating rewards on a single card rather than the less competitive E.SUN World Card. This approach would be more efficient and easier to manage than having separate rewards programs across multiple cards.

Personnel is assigned to answer online :

Thank you for the shareholders’ suggestions. We will continue to prioritize customer-centricity and strive to create value for both our customers and the company.

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

**Proposal:** Proposal of net income distribution for fiscal year 2023.

Explanation:

1. The proposed is in accordance with Article 36-1 of the Articles of Incorporation of the Company.
2. For the year 2023, the Company has NT\$21,726,248,360 in after-tax net income that, plus NT\$152,681,659 for items other than the after-tax net profit for the current period, amounts to NT\$21,878,930,019, and minus NT\$2,187,893,002 for legal reserve. In accordance with Article 41 of the Securities and Exchange Act, the reason for special reserve deduction has been lifted, a special reserve of NT\$3,388,161,471 shall be reserved due to the decrease in the net deduction of other shareholders' equity. With the plus of undistributed earnings of NT\$945,154,108 at the beginning of the period, the Company has an amount of NT\$24,024,352,596 in earnings distributable for the year. It is planned to distribute earnings totaling NT\$21,934,800,000, where share dividends will be circa NT\$ 0.20 per share (totaling NT\$3,138,000,000) while cash dividends will be circa NT\$1.20 per share (totaling NT\$18,796,800,000). The balance of NT\$2,089,552,596 is retained as non-distributed earnings as of the end of the period.
3. A total of 313,800,000 common shares shall be issued to accommodate distribution of the said share dividend. Shareholders recorded in the shareholders' register as of the record date shall be entitled to 20 shares for every 1,000 held. 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, included in the company's other income.
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, chairperson declared this proposal is approved by vote.

( ) voting by virtual and electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion		
9,903,741,386	8,619,567,557	87.03%	6,173,315	1,278,000,514
(virtual 132,787) (electronic 8,552,961,862)	(virtual 18,076) (electronic 7,273,442,650)		(virtual 0) (electronic 5,356,962)	(virtual 114,711) (electronic 1,274,162,250)

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

As of 31 December 2023

Unit: NT\$

Balance of beginning undistributed earnings		945,154,108
After-tax net profit of this period	21,726,248,360	
Retained earnings from confirmed benefit plan re-assessment number	1,668,250	
Retained earnings from the adjusted investments due to employing the equity method	151,013,409	
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		21,878,930,019
Ten percent (10%) to be recorded as legal reserve		(2,187,893,002)
Reversal of special reserve		3,388,161,471
Distributable earnings for the period		24,024,352,596
Distribution items:		
Stock dividend (circa NT\$0.20 per share)	(3,138,000,000)	
Cash dividend (NT\$1.20 per share)	(18,796,800,000)	
Total shareholders' bonuses		(21,934,800,000)
Profit undistributed as of the end of the period		2,089,552,596

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\$156,640,000,000 in paid-in capital from a total of 15,664,000,000 issued shares. It is proposed that 313,800,000 new shares be issued on the amount of NT\$3,138,000,000 which is the profit distributable to shareholders as dividend; while employee compensation of NT\$655,621,863 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\$26.05 per share one day prior to the day on when the Board resolution is made. A total of 18,000,000 new shares were issued. The foregoing recapitalized earnings totaled NT\$3,318,000,000 and 331,800,000 shares with a face value of NT\$10 per share were issued. After recapitalization, the Company's paid-in capital increased to NT\$159,958,000,000, and 15,995,800,000 shares were issued.

2. Source of the fund proposed to be capitalized:

Shareholder stock bonuses and employee stock bonuses from fiscal year 2023 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. 313,800,000 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 20 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:  
  
After the proposal is adopted after deliberations and regulatory approval is granted, the Board of Directors and/or Chairman shall be authorized to decide on making it public.
7. As of now, the outstanding shares of the Company amount to 15,664,000,000 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 over two-thirds of the shares represented by the shareholders present approving the proposal, as a result, chairperson declared this proposal is approved by vote.

( ) voting by virtual and electronic voting method

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing shares	Shares waiving voting right
	Shares	Proportion		
9,903,741,386	8,565,549,716	86.49%	9,408,216	1,328,783,454
(virtual 132,787) (electronic 8,552,961,862)	(virtual 47,449) (electronic 7,219,395,436)		(virtual 0) (electronic 9,050,602)	(virtual 85,338) (electronic 1,324,515,824)

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

**Proposal:** Amendment to the Company's "Procedures for assets acquisition or disposal" .

Explanation:

1. Based on the reference examples provided by the 10th Corporate Governance Evaluation Indicators of the Taiwan Stock Exchange and the "Sample Template for Co., Ltd. Rules Governing Financial and Business Matters Between Related Parties of Limited Liability Companies".
2. The amendments aim to strengthen the management of related party transactions: A provision is added regarding the transactions related to the acquisition or disposal of assets with related parties that have been approved by the Board of Directors, the actual transaction details shall be disclosed in the most recent shareholder meeting report after the end of the fiscal year. (Article 12)
3. A comparison chart on amendments to the Company's Procedures for assets acquisition or disposal can be found below (please refer to Appendix 6 on p.49~p.65 of this Handbook (English version) for the full amended version).

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

Total shares represented by the shareholders present in person or by proxy	Approve		Opposing sharess	Shares waiving voting right
	Shares	Proportion		
9,903,741,386	8,568,734,357	86.52%	5,290,833	1,329,716,196
(virtual 132,787) ( electronic 8,552,961,862)	(virtual 63,076) ( electronic 7,222,564,450)		(virtual 0) ( electronic 4,531,432)	(virtual 69,711) ( electronic 1,325,865,980)

**Comparison Chart :**  
**Amendment of the Procedures for assets acquisition or disposal of E.SUN FHC**

After amended	Before amended	Explanations
<p>Article 12</p> <p>When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution, <u>for the aforementioned transactions with related parties, the actual transaction status shall be reported to the latest shareholders' meeting report after the end of the year:</u></p> <ol style="list-style-type: none"> <li>1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.</li> <li>2. The reasons for transacting with the particular related party.</li> <li>3. Where real estate is acquired from a related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 13 and 14.</li> <li>4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original</li> </ol>	<p>Article 12</p> <p>When this company acquires or disposes of real estate or its right-of-use assets from or to a related party, or acquires or disposes of assets other than real estate or its right-of-use assets from or to a related party, and the transaction amount exceeds 20% of the company's paid-in capital, 10% of the company's total assets, or NT\$300 million, except when purchasing domestic government bonds, bonds with repurchase (reverse repurchase) agreements, subscription or buy back of currency market funds issued by domestic securities investment trust enterprises, or otherwise specified by law, this company must submit the following information to the Audit Committee, and obtain its approval, and may sign a transaction contract and make the payment only after the transaction has been approved by a board resolution:</p> <ol style="list-style-type: none"> <li>1. The purpose, necessity, and expected benefits for acquiring or disposing of the asset.</li> <li>2. The reasons for transacting with the particular related party.</li> <li>3. Where real estate is acquired from a related party, any information that is relevant to establish the reasonableness of transaction terms under Articles 13 and 14.</li> <li>4. The date and price at which the related party originally acquired the asset, the original trading counterparty, as well as the relationship between the original trading counterparty and the Company/the Company's related parties.</li> <li>5. Monthly cash flow forecasts for the year commencing from the</li> </ol>	<p>Based on the reference examples provided by the 10th Corporate Governance Evaluation Indicators of the Taiwan Stock Exchange and the "Sample Template for Co., Ltd. Rules Governing Financial and Business Matters Between Related Parties of Limited Liability Companies," the following provision shall be added:</p> <p>" Regarding the transactions related to the acquisition or disposal of assets with related parties that have been approved by the Board of Directors, the actual transaction details shall be disclosed in the most recent shareholder meeting report after the end of the fiscal year."</p>

After amended	Before amended	Explanations
<p>trading counterparty and the Company/the Company's related parties.</p> <p>5. Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. Professional value's report or CPA's opinion obtained according to the previous Article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in the following transactions among themselves, the board may in accordance with Article 9 authorize the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:</p> <p>1. Acquisition or disposition of equipment for operating use or its right-of-use assets.</p> <p>2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.</p> <p>Where the Company or its subsidiary that is not a domestically listed company engages in any transaction listed in Paragraph 1 and the transaction amount reaches 10 percent of the Company's total assets, the information listed in Paragraph 1 shall be submitted to the shareholders' meeting for approval; only after such information has been approved by the shareholders' meeting may the contract be signed or payment be</p>	<p>anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>6. Professional value's report or CPA's opinion obtained according to the previous Article.</p> <p>7. Restrictive covenants and other important stipulations associated with the transaction.</p> <p>When this company engages in any of the following transactions with a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in the following transactions among themselves, the board may in accordance with Article 9 authorize the chairman to initially approve all such transactions within a certain amount, and subsequently submit the case to the next board meeting for retroactive acknowledgement:</p> <p>1. Acquisition or disposition of equipment for operating use or its right-of-use assets.</p> <p>2. Acquisition or disposition of right-of-use assets connected with real estate for operating use.</p> <p>Where the Company or its subsidiary that is not a domestically listed company engages in any transaction listed in Paragraph 1 and the transaction amount reaches 10 percent of the Company's total assets, the information listed in Paragraph 1 shall be submitted to the shareholders' meeting for approval; only after such information has been approved by the shareholders' meeting may the contract be signed or payment be made. However, this does not apply to the transaction between the Company and its parent or subsidiary, or among subsidiaries.</p>	

After amended	Before amended	Explanations
<p>made. However, this does not apply to the transaction between the Company and its parent or subsidiary, or among subsidiaries.</p> <p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 25, Paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by a shareholders' meeting and the Board of Directors may be excluded from calculation.</p>	<p>The calculation of the transaction amounts referred to in Paragraph 1 and the preceding paragraph shall be conducted in accordance with Article 25, Paragraph 2 herein. In the meantime, "within one year" as used herein refers to the year proceeding to the date of occurrence of the current transaction. Amounts that have already been approved by the Audit committee and resolved by a shareholders' meeting and the Board of Directors may be excluded from calculation.</p>	
<p>Article 13</p> <p>On acquiring real estate or its <u>right-of-use assets</u> from a related party, the Company shall adopt the following methods to assess the reasonableness of the transaction costs.</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. If the related party has previously pledged the property as collateral to borrow from a financial institution, then the value estimated by the financial institution should be used as reference, provided that the financial institution lent more than 70% of the property value for more than 1 year. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p>	<p>Article 13</p> <p>On acquiring real estate or its <u>right-of-use assets</u> from a related party, the Company shall adopt the following methods to assess the reasonableness of the transaction costs.</p> <p>1. Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.</p> <p>2. If the related party has previously pledged the property as collateral to borrow from a financial institution, then the value estimated by the financial institution should be used as reference, provided that the financial institution lent more than 70% of the property value for more than 1 year. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.</p>	<p>Amend words</p>



After amended	Before amended	Explanations
<p>Where land and buildings thereupon are combined as a single property purchased or rented in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>When acquiring real estate or their right-of-use assets from a related party, the Company shall appraise the cost of the real estate in accordance with paragraph 1 and paragraph 2 above, in the meantime engaging a CPA to review the appraisal and render an opinion.</p> <p>Under the following circumstances, the Company shall follow the rules specified in Article 12 herein for acquiring real estate or its right-of-use assets from a related party. The provisions in the above three paragraphs shall not apply:</p> <ol style="list-style-type: none"> <li>1. The related party has acquired the real estate or its right-of-use assets through inheritance or as a gift.</li> <li>2. More than 5 years have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> <li>4. When this company acquires right-of-use assets connected with real estate for operating use from a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in such a transaction among themselves</li> </ol>	<p>Where land and buildings thereupon are combined as a single property purchased or rented in one transaction, the transaction costs for the land and the buildings may be separately appraised in accordance with either of the means listed in the preceding paragraph.</p> <p>When acquiring real estate or their right-of-use assets from a related party, the Company shall appraise the cost of the real estate in accordance with paragraph 1 and paragraph 2 above, in the meantime engaging a CPA to review the appraisal and render an opinion.</p> <p>Under the following circumstances, the Company shall follow the rules specified in Article 12 herein for acquiring real estate or its right-of-use assets from a related party. The provisions in the above three paragraphs shall not apply:</p> <ol style="list-style-type: none"> <li>1. The related party has acquired the real estate or its right-of-use assets through inheritance or as a gift.</li> <li>2. More than 5 years have elapsed from the time the related party signed the contract to obtain the real property or its right-of-use assets to the signing date for the current transaction.</li> <li>3. The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.</li> <li>4. When this company acquires right-of-use assets connected with real estate for operating use from a subsidiary, or subsidiaries in which this company holds 100% of all issued equity or total capital engage in such a transaction among themselves</li> </ol>	

After amended	Before amended	Explanations
<p>Article 33</p> <p>These Procedures were established on March 23, 2003 in the 7th session of the 1st meeting of the board of directors.</p> <p>The 1st amendment was made on May 15, 2003 in the 8th session of the 1st meeting of the board of directors.</p> <p>The 2nd amendment was made on February 14, 2007 in the 13th session of the 2nd meeting of the board of directors.</p> <p>The 3rd amendment was made on March 3, 2008 in the 17th session of the 2nd meeting of the board of directors.</p> <p>The 4th amendment was made on March 16, 2012 in the 9th session of the 4th meeting of the board of directors.</p> <p>The 5th amendment was made on February 24, 2014 in the 22nd session of the 4th meeting of the board of directors.</p> <p>The 6th amendment was made on March 24, 2017 in the 22nd session of the 5th meeting of the board of directors.</p> <p>The 7th amendment was made on January 18, 2019 in the 13th session of the 6th meeting of the board of directors.</p> <p>The 8th amendment was made on March 11, 2022 in the 18th session of the 7th meeting of the board of directors.</p> <p><u>The 9th amendment was made on April 19, 2024 in the 10th session of the 8th meeting of the board of directors.</u></p>	<p>Article 33</p> <p>These Procedures were established on March 23, 2003 in the 7th session of the 1st meeting of the board of directors.</p> <p>The 1st amendment was made on May 15, 2003 in the 8th session of the 1st meeting of the board of directors.</p> <p>The 2nd amendment was made on February 14, 2007 in the 13th session of the 2nd meeting of the board of directors.</p> <p>The 3rd amendment was made on March 3, 2008 in the 17th session of the 2nd meeting of the board of directors.</p> <p>The 4th amendment was made on March 16, 2012 in the 9th session of the 4th meeting of the board of directors.</p> <p>The 5th amendment was made on February 24, 2014 in the 22nd session of the 4th meeting of the board of directors.</p> <p>The 6th amendment was made on March 24, 2017 in the 22nd session of the 5th meeting of the board of directors.</p> <p>The 7th amendment was made on January 18, 2019 in the 13th session of the 6th meeting of the board of directors.</p> <p>The 8th amendment was made on March 11, 2022 in the 18th session of the 7th meeting of the board of directors.</p>	<p>Filled in the dates on which these procedures were amended.</p>

## **V. Extempore motion : None.**

The shareholder with A/C No. 320858 raised questions :

How will the future dividend distribution be in terms of cash and stocks?

Chairperson:

We hope that E.SUN FHC's profitability will continue to grow and improve. If the company performs well, it will definitely distribute dividends. The proportion of cash and stock dividends will be determined based on the overall development plan and capital adequacy of the company, and will also be subject to the approval of shareholders at the general meeting. Thank you for your support, and we will continue to strive for better results.

The shareholder with A/C No. 378229 raised questions :

What will be the future allocation ratio of cash dividends and stock dividends for E.SUN FHC?

Personnel is assigned to answer online :

We review our future business development and capital expenditure on an annual basis to comprehensively evaluate our dividend policy. The allocation ratio of cash dividends will be dynamically adjusted accordingly.

## **VI.Meeting adjourned** (at about 9:59 AM the same day.)

Chairperson: Joseph N.C. Huang, Chairman of the Board of Directors

Minutes taken down by Mei-Cheng Chu

※The minutes of the Shareholders' General Meeting shall record the main contents and results of the proceedings in accordance with Article 183, paragraph 4 of the Company Act. The content, procedures, and shareholder statements of the meeting shall refer to the audiovisual records of the meeting.

## **VII. Appendices**

### **<Appendix 1>**

#### **Business Report**

Dear Shareholders :

In 2023, the global market faced a challenging environment with high inflation and interest rates, as well as significant events such as geopolitical tensions, the Russia-Ukraine war, Israeli-Palestinian conflicts, and strained international political and economic relations. These events have introduced various uncertainties on a global scale.

However, as the normalization and stabilization of the pandemic continue, inflation gradually cooled down, and end-demand recovered. Furthermore, many countries had introduced bullish policies to spur economic recovery, leading to a generally moderate expansion of the global economy.

Taiwan is facing the challenge of domestic demand recovery while experiencing relatively weak corporate investment and exports. In 2023, the economic growth rate is 1.31%, which falls short of expectations. However, starting from the fourth quarter, inventories have returned to healthy levels, and exports have turned positive, fueled by the emergence of new technologies and trends such as AI and green energy, which have led to vibrant development in related industries.

Looking ahead to 2024, despite uncertainties such as central bank interest rate cuts, a downturn in the US-China economy, and extreme weather conditions, Taiwan's exports and private consumption are expected to maintain strong momentum, and the economic outlook is positive.

We believe that in this era filled with uncertainties and numerous challenges, a clear vision and steadfast core values are the sources of strength that guide us forward with confidence. Precise strategies and strong execution can build our resilience to face various challenges. In 1992, E.SUN chose a different path with the vision of "to Become a World-class Outstanding Enterprise," aiming to become the best-performing and most respected enterprise.

In recent years, E.SUN has been continuously expanding its presence in Asia while integrating ESG and technology elements into its core financial business, in order to exert greater positive influence. Through collaborations with like-minded partners, E.SUN strives to pursue the transition towards net-zero and digital transformation, embarking on a path of sustainable operations together.

#### **Cultivating strengths and continuing to strive for progress and excellence.**

"Institutionalizes management, talent development and information technology" are the three pillars of E.SUN's sustainable development. Over the past 30 years, we have focused on our core financial business,

continuously strengthening our capabilities, and driving robust growth across various business sectors, demonstrating excellent overall performance.

In terms of financial and business indicators, in 2023, the net income of E.SUN FHC reached a new high of NTD 66.696 billion. Net fee income was NTD 21.52 billion, showing a growth of 11.61% and setting a record for the highest fee income in the company's history. Post-tax net profit also reached a new high of NTD 21.726 billion, with a growth rate of 37.87%. Earnings per share (EPS) stood at NTD 1.41, while return on assets (ROA) and return on equity (ROE) were 0.61% and 10.03%, respectively. Capital adequacy ratio was 140.42%. The total assets of E.SUN FHC continued to grow steadily, amounting to NTD 3.6385 trillion by the end of 2023. Subsidiaries such as E.SUN Bank, E.SUN Securities, and E.SUN Venture Capital recorded post-tax profits of NTD 19.563 billion, NTD 1.289 billion, and NTD 1.21 billion, representing a growth of 32.10%, 28.30%, and 1,374.13% compared to the previous year, respectively.

In international major assessments, E.SUN FHC has been selected for the Dow Jones Sustainability Emerging Markets Index for a consecutive 10 years and the Dow Jones Sustainability World Index for 8 times. In recent years, E.SUN FHC's performance has consistently ranked among the top 5% in global financial institutions, achieving outstanding results in the top 1% for two consecutive years, setting a record for the best performance in Taiwan's financial industry.

In domestic major awards, E.SUN FHC has received recognition for corporate governance performance, being ranked in the top 5% for 8 times. Moreover, E.SUN FHC has also been honored with the Taiwan Financial Award, including the "Sustainable Finance Award" Gold Award from Wealth Magazine for 10 consecutive years, the first place in the large enterprise category of "Sustainable Citizen Award," and the overall performance first prize in the Global Views "ESG Enterprise Sustainability Award." These achievements illustrate E.SUN's efforts and dedication in areas such as operational performance, corporate governance, and ESG sustainability, and have garnered recognition and trust from domestic and international evaluations.

These accolades highlight E.SUN's commitment to operational performance, comprehensive quality, and ESG sustainability, earning recognition and trust from both domestic and international evaluations.

### **Focusing on the development of 4+E strategy.**

Kozue Tanaka, the recipient of the Nobel Prize in Chemistry in 2002, stated: "The key to success lies in firm belief and the ceaseless pursuit of progress." Success is not a coincidence but rather a result of systematic and ongoing improvements and transformations. E.SUN, with risk management as the foundation, focuses on the development of 4+E strategy in the fourth decade. This strategy includes deepening overseas operations, serving high-net-worth individuals, leading in financial technology, strengthening three lines of defense, and promoting ESG sustainable development.

In terms of overseas operations, E.SUN currently has 31 business locations in 10 overseas countries and regions. In 2023, the profitability of overseas subsidiaries and branches grew by 72.8% and contributed over

35% of post-tax profits, reaching a historical high. The opening of E.SUN's Fukuoka branch in July 2023 marked the first Taiwanese-invested bank to establish a branch in Kyushu. To foster friendship between Japan and Taiwan, a special event titled “日台友好心の絆音楽會” (Japan-Taiwan Friendship Concert) was held at Fukuoka ACROS Music Hall. Through the power of music, this event aimed to convey the sentiments of friendship and the values of kindness between Japan and Taiwan. In September, the establishment of a Kuala Lumpur representative office in Malaysia was approved by the Financial Supervisory Commission, and it was officially approved by the Central Bank of Malaysia on March 7, 2024. In the future, E.SUN will enhance its overseas presence, deepen and integrate financial services both domestically and internationally, and become the best support for customers entering the Asia-Pacific region.

Regarding the high-net-worth individuals, E.SUN FHC has undergone organizational adjustments to establish the Private Banking and Wealth Management Division, integrating the wealth management resources of E.SUN FHC. It also connects the wealth management platforms in Taiwan, Hong Kong, and Singapore to provide customers with comprehensive wealth management services. Private banking services cover various aspects including asset inheritance, debt management, tax consulting, and investment planning, aiming to create a distinctive private banking brand in the Asia-Pacific region through advisory services.

E.SUN FHC is deeply committed to financial technology for digital development, intelligent applications, information research and development, and information security management. It embraces the new era of AI, data, and cloud technology and applies relevant technologies to various aspects of financial services, such as risk management, financial marketing and services, process improvement, and technological empowerment. By continuously optimizing service quality and operational efficiency and utilizing technology as an accelerator, E.SUN aims to provide customers with a simpler, smoother, and more user-friendly digital financial experience.

In terms of ESG sustainable development, E.SUN FHC firmly believes that a strong ESG strategy is also a sound corporate development strategy. Since 2021, E.SUN has been organizing the “E.SUN ESG Sustainable Advocacy Action” for three consecutive years, calling for the response of nearly 300 domestic and international companies to exchange best practices and collaborate towards concrete energy conservation and carbon reduction efforts as part of the journey towards the 2050 net-zero target. Moreover, E.SUN's sustainability team actively engages in international collaboration by participating in events such as the United Nations Climate Change Conference (COP) and the World Climate Summit (WCS). By learning from global sustainability concepts and practices while sharing Taiwan's financial industry expertise, we firmly believe in the principle that “the more we do, the more we can do.” Through the ongoing exertion of positive financial influence and collective efforts from international entities, governments, industries, and markets, we are confident in accelerating the transition to a net-zero future and realizing our vision of sustainability.

## **Achieving a century-long enterprise and building to last.**

Since its establishment, E.SUN upholds the core values of honesty, integrity, professional, and responsible. It strives to climb the mountains of “overall performance, corporate social responsibility, and sustainable development, hoping to become its employees’, customers’ and this land’s favorite.

In a rapidly changing world, the challenges such as climate change, social inequality, and ever-evolving technology test determination of E.SUN FHC. We will double our efforts, upholding the original intentions and beliefs of E.SUN’s. With planned, systematic, and disciplined strategies and actions, three generations of E.SUN will expand our presence in Asia and work towards a sustainable and prosperous future, creating moments of glory for E.SUN. We once again express our gratitude and extend our deepest appreciation and blessings to all shareholders for your long-term support, expectations, and encouragement.

Chairman

Handwritten signature of Joseph Huang in black ink.

President

Handwritten signature of the President in black ink.

## <Appendix 2>

### E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
<b>ASSETS</b>				
CASH AND CASH EQUIVALENTS	\$ 67,575,304	2	\$ 76,217,644	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS	194,590,834	5	152,916,314	4
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	251,426,462	7	360,749,273	10
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	360,384,015	10	347,716,866	10
INVESTMENTS IN DEBT INSTRUMENTS AT AMORTIZED COST	475,610,677	13	401,405,743	12
FINANCIAL ASSETS FOR HEDGING, NET	1,583	-	-	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS	8,097,297	-	7,881,831	-
RECEIVABLES, NET	141,356,313	4	125,988,674	4
CURRENT TAX ASSETS	34,717	-	15,510	-
DISCOUNTS AND LOANS, NET	2,063,180,999	57	1,934,791,917	56
OTHER FINANCIAL ASSETS, NET	5,443,226	-	4,920,274	-
INVESTMENT PROPERTIES, NET	1,752,737	-	1,830,028	-
PROPERTIES AND EQUIPMENT, NET	34,665,848	1	34,708,732	1
RIGHT-OF-USE ASSETS, NET	7,342,717	-	7,143,707	-
INTANGIBLE ASSETS, NET	6,284,027	-	6,109,490	-
DEFERRED TAX ASSETS	3,204,981	-	3,418,268	-
OTHER ASSETS, NET	<u>17,545,763</u>	<u>1</u>	<u>13,746,203</u>	<u>1</u>
<b>TOTAL</b>	<u>\$ 3,638,497,500</u>	<u>100</u>	<u>\$ 3,479,560,474</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
DEPOSITS FROM THE CENTRAL BANK AND OTHER BANKS	\$ 45,468,695	1	\$ 72,514,434	2
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	87,559,558	3	89,569,651	3
FINANCIAL LIABILITIES FOR HEDGING, NET	188,495	-	-	-
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS	24,678,722	1	18,495,295	1
COMMERCIAL PAPER ISSUED, NET	9,091,916	-	1,739,403	-
PAYABLES	43,078,614	1	37,486,918	1
CURRENT TAX LIABILITIES	2,178,297	-	1,895,233	-
DEPOSITS AND REMITTANCES	3,021,047,051	83	2,902,599,406	83
BONDS PAYABLE	48,250,000	2	43,850,000	1
OTHER BORROWINGS	382,216	-	3,500,491	-
PROVISIONS	1,104,884	-	1,114,461	-
OTHER FINANCIAL LIABILITIES	108,218,914	3	99,337,181	3
LEASE LIABILITIES	4,617,337	-	4,303,812	-
DEFERRED TAX LIABILITIES	2,366,315	-	1,895,421	-
OTHER LIABILITIES	<u>3,842,639</u>	<u>-</u>	<u>4,167,814</u>	<u>-</u>
Total liabilities	<u>3,402,073,653</u>	<u>94</u>	<u>3,282,469,520</u>	<u>94</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC</b>				
Capital stock				
Common stock	<u>156,640,000</u>	<u>4</u>	<u>142,751,000</u>	<u>4</u>
Capital surplus				
Additional paid-in capital from share issuance in excess of par value	31,418,013	1	22,687,680	1
From treasury stock transactions	<u>3,382,484</u>	<u>-</u>	<u>3,382,484</u>	<u>-</u>
Total capital surplus	<u>34,800,497</u>	<u>1</u>	<u>26,070,164</u>	<u>1</u>
Retained earnings				
Legal reserve	18,430,702	-	16,897,898	1
Special reserve	5,531,342	-	1,238,321	-
Unappropriated earnings	<u>22,824,085</u>	<u>1</u>	<u>15,336,000</u>	<u>-</u>
Total retained earnings	<u>46,786,129</u>	<u>1</u>	<u>33,472,219</u>	<u>1</u>
Other equity	<u>(1,978,946)</u>	<u>-</u>	<u>(5,367,107)</u>	<u>-</u>
Total equity attributable to owners of ESFHC	236,247,680	6	196,926,276	6
<b>NON-CONTROLLING INTERESTS</b>	<u>176,167</u>	<u>-</u>	<u>164,678</u>	<u>-</u>
Total equity	<u>236,423,847</u>	<u>6</u>	<u>197,090,954</u>	<u>6</u>
<b>TOTAL</b>	<u>\$ 3,638,497,500</u>	<u>100</u>	<u>\$ 3,479,560,474</u>	<u>100</u>



# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE	\$ 84,436,464	127	\$ 53,853,990	98	57
INTEREST EXPENSE	<u>(55,336,285)</u>	<u>(83)</u>	<u>(24,235,627)</u>	<u>(44)</u>	128
NET INTEREST	<u>29,100,179</u>	<u>44</u>	<u>29,618,363</u>	<u>54</u>	(2)
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net	21,518,021	32	19,279,510	35	12
Gains on financial assets and liabilities at fair value through profit or loss	14,421,132	22	3,355,794	6	330
Realized gains on financial assets at fair value through other comprehensive income	1,254,070	2	1,484,231	3	(16)
Foreign exchange gains, net	192,344	-	903,319	2	(79)
Reversal of impairment losses (impairment losses) on assets	13,197	-	(26,897)	-	149
Other noninterest gains, net	<u>196,628</u>	<u>-</u>	<u>191,599</u>	<u>-</u>	3
Total net revenues and gains other than interest	<u>37,595,392</u>	<u>56</u>	<u>25,187,556</u>	<u>46</u>	49
TOTAL NET REVENUES	<u>66,695,571</u>	<u>100</u>	<u>54,805,919</u>	<u>100</u>	22
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON COMMITMENTS AND GUARANTEES	<u>(2,681,784)</u>	<u>(4)</u>	<u>(2,076,541)</u>	<u>(4)</u>	29
OPERATING EXPENSES					
Employee benefits	(16,544,257)	(25)	(14,310,631)	(26)	16
Depreciation and amortization	(3,889,085)	(6)	(3,769,340)	(7)	3
General and administrative	<u>(17,068,434)</u>	<u>(25)</u>	<u>(14,746,209)</u>	<u>(27)</u>	16
Total operating expenses	<u>(37,501,776)</u>	<u>(56)</u>	<u>(32,826,180)</u>	<u>(60)</u>	14

(Continued)

# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INCOME BEFORE INCOME TAX	\$ 26,512,011	40	\$ 19,903,198	36	33
INCOME TAX EXPENSE	<u>(4,764,244)</u>	<u>(7)</u>	<u>(4,121,857)</u>	<u>(7)</u>	16
NET INCOME FOR THE YEAR	<u>21,747,767</u>	<u>33</u>	<u>15,781,341</u>	<u>29</u>	38
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss :					
Remeasurement of defined benefit plans	108,836	-	145,707	-	(25)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(2,814,101)	(4)	6,445,728	12	(144)
Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive income	3,089,326	4	(3,080,932)	(6)	200
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(3,356)</u>	<u>-</u>	<u>66,565</u>	<u>-</u>	(105)
Items that will not be reclassified subsequently to profit or loss, net of income tax	<u>380,705</u>	<u>-</u>	<u>3,577,068</u>	<u>6</u>	(89)
Items that may be reclassified subsequently to profit or loss :					
Exchange differences on the translation of financial statements of foreign operations	(493,434)	(1)	2,899,399	5	(117)
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	4,092,690	6	(12,025,992)	(22)	134

(Continued)

# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Income tax relating to items that may be reclassified subsequently to profit or loss	\$ (436,215)	-	\$ 827,235	2	(153)
Items that may be reclassified subsequently to profit or loss, net of income tax	3,163,041	5	(8,299,358)	(15)	138
Other comprehensive income (loss) for the year, net of income tax	3,543,746	5	(4,722,290)	(9)	175
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	\$ 25,291,513	38	\$ 11,059,051	20	129
NET INCOME ATTRIBUTABLE TO:					
Owners of ESFHC	\$ 21,726,249	33	\$ 15,759,000	29	38
Non-controlling interests	21,518	-	22,341	-	(4)
	\$ 21,747,767	33	\$ 15,781,341	29	38
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of ESFHC	\$ 25,269,230	38	\$ 11,035,019	20	129
Non-controlling interests	22,283	-	24,032	-	(7)
	\$ 25,291,513	38	\$ 11,059,051	20	129

(Concluded)

**E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of ESFHC						Other Equity			Non-controlling Interests	Total Equity
	Capital Stock		Capital Surplus	Retained Earnings		Exchange Differences on the Translation of Financial Statements of Foreign Operations	Unrealized Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value Through Profit or Loss			
	Shares (In Thousands)	Common Stock		Legal Reserve	Special Reserve				Unappropriated Earnings		
BALANCE AT JANUARY 1, 2022	13,354,600	\$ 133,546,000	\$ 25,662,214	\$ 14,784,546	\$ 164,235	\$ 21,142,980	\$ (2,721,712)	\$ 2,299,053	\$ (651,427)	\$ 158,753	\$ 194,384,642
Appropriation of 2021 earnings											
Legal reserve	-	-	-	2,113,352	-	(2,113,352)	-	-	-	-	-
Special reserve	-	-	-	-	1,074,086	(1,074,086)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(8,947,582)	-	-	-	-	(8,947,582)
Stock dividends	900,000	9,000,000	-	-	-	(9,000,000)	-	-	-	-	-
Issuance of common stock from employees' compensation	20,500	205,000	407,950	-	-	-	-	-	-	-	612,950
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(18,107)	(18,107)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	(574,662)	-	574,662	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	-	15,759,000	-	-	-	22,341	15,781,341
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	143,702	2,335,809	(13,649,220)	6,445,728	1,691	(4,722,290)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	15,902,702	2,335,809	(13,649,220)	6,445,728	24,032	11,059,051
BALANCE AT DECEMBER 31, 2022	14,275,100	142,751,000	26,070,164	16,897,898	1,238,321	15,336,000	(385,903)	(10,775,505)	5,794,301	164,678	197,090,954
Appropriation of 2022 earnings											
Legal reserve	-	-	-	1,532,804	-	(1,532,804)	-	-	-	-	-
Special reserve	-	-	-	-	4,293,021	(4,293,021)	-	-	-	-	-
Cash dividends	-	-	-	-	-	(2,855,020)	-	-	-	-	(2,855,020)
Stock dividends	571,000	5,710,000	-	-	-	(5,710,000)	-	-	-	-	-
Issuance of shares for cash	800,000	8,000,000	8,000,000	-	-	-	-	-	-	-	16,000,000
Issuance of common stock from employees' compensation	17,900	179,000	275,660	-	-	-	-	-	-	-	454,660
Share-based payment for the subscription of new shares by employees	-	-	454,673	-	-	(2,139)	-	-	-	2,139	454,673
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	(12,933)	(12,933)
Disposals of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	-	47,252	-	(47,252)	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	21,726,249	-	-	-	21,518	21,747,767
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	107,568	(395,170)	6,644,684	(2,814,101)	765	3,543,746
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	21,833,817	(395,170)	6,644,684	(2,814,101)	22,283	25,291,513
BALANCE AT DECEMBER 31, 2023	15,664,000	\$ 156,640,000	\$ 34,800,497	\$ 18,430,702	\$ 5,531,342	\$ 22,824,085	\$ (781,073)	\$ (4,178,073)	\$ 2,980,200	\$ 176,167	\$ 236,423,847

# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 26,512,011	\$ 19,903,198
Adjustments for:		
Depreciation expenses	3,182,130	3,038,701
Amortization expenses	706,955	730,639
Expected credit losses/bad-debt expenses	2,753,486	2,107,950
Gains on financial assets and liabilities at fair value through profit or loss	(14,421,132)	(3,355,794)
Interest expense	55,336,285	24,235,627
Interest revenue	(84,436,464)	(53,853,990)
Dividend income	(1,010,347)	(1,423,492)
Provision for losses on guarantees	(71,403)	(20,149)
Salary expenses on share-based payments	1,110,295	455,528
Losses (gains) on disposal of properties and equipment	927	(4,858)
Gains on disposal of investments	(243,723)	(60,739)
Others	(29,922)	(6,140)
Net changes in operating assets and liabilities		
Due from the Central Bank and call loans to other banks	(23,658,881)	(15,370,086)
Financial assets at fair value through profit or loss	125,770,398	126,013,160
Financial assets at fair value through other comprehensive income	(5,994,475)	(18,548,934)
Investments in debt instruments at amortized cost	(74,061,896)	(90,997,141)
Receivables	(11,625,235)	2,871,697
Discounts and loans	(131,798,420)	(168,556,221)
Other financial assets	(492,952)	4,170,212
Other assets	(29,180)	7,588,645
Deposits from the Central Bank and other banks	(27,045,739)	(10,966,724)
Financial liabilities at fair value through profit or loss	(10,546,451)	(39,325,777)
Securities sold under repurchase agreements	6,183,427	1,846,656
Payables	2,746,843	899,877
Deposits and remittances	118,447,645	207,536,615
Provision for employee benefits	54	23
Other financial liabilities	13,664,838	27,957,603
Other liabilities	(390,011)	(7,393,569)
Cash generated from (used in) operations	(29,440,937)	19,472,517
Interest received	83,955,132	52,625,546
Dividends received	1,149,238	1,522,753
Interest paid	(53,788,120)	(21,551,022)
Income tax paid	(4,330,355)	(3,956,370)
Net cash generated from (used in) operating activities	(2,455,042)	48,113,424
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for properties and equipment	(2,373,703)	(2,759,121)
Proceeds from disposal of properties and equipment	269	36,320
Increase in operating deposits	(20,000)	-

(Continued)

# E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in settlement fund	\$ (1,554)	\$ (28,082)
Decrease in settlement fund	7,621	14,327
Increase in refundable deposits	(3,677,574)	(7,282,532)
Payments for intangible assets	(360,187)	(316,624)
Payments for right-of-use assets	(1,800)	(102)
Increase in other assets	<u>(871)</u>	<u>(1,627)</u>
Net cash used in investing activities	<u>(6,427,799)</u>	<u>(10,337,441)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	-	2,382,393
Decrease in short-term borrowings	(3,154,872)	-
Decrease in due to the Central Bank and other banks	-	(14,021,010)
Increase in commercial paper issued	7,360,000	-
Decrease in commercial paper issued	-	(3,050,000)
Proceeds from issue of corporate bonds	3,000,000	-
Repayments of corporate bonds	-	(1,100,000)
Proceeds from issue of bank debentures	2,900,000	13,400,000
Repayments of bank debentures	(1,500,000)	(9,820,000)
Repayments of long-term borrowings	(8,908)	(11,495)
Increase in financial liabilities designated at fair value through profit or loss	1,575,323	-
Increase in guarantee deposits received	-	5,249,187
Decrease in guarantee deposits received	(4,783,105)	-
Repayments of the principal portion of lease liabilities	(1,166,372)	(1,125,426)
Cash dividends paid	(2,855,020)	(8,947,582)
Proceeds from issuance of shares	16,000,000	-
Cash dividends paid to non-controlling interests	<u>(12,933)</u>	<u>(18,107)</u>
Net cash generated from (used in) financing activities	<u>17,354,113</u>	<u>(17,062,040)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>1,117,493</u>	<u>(9,676,069)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	9,588,765	11,037,874
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>115,750,099</u>	<u>104,712,225</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 125,338,864</u>	<u>\$ 115,750,099</u>

(Continued)

## **E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES**

### **CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)**

---

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<b>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, 2023 AND 2022</b>		
Cash and cash equivalents in the consolidated balance sheets	\$ 67,575,304	\$ 76,217,644
Due from the Central Bank and call loans to other banks in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	49,666,263	31,650,624
Securities purchased under resell agreements in accordance with the definition of cash and cash equivalents under IAS 7 “Statement of Cash Flows”	<u>8,097,297</u>	<u>7,881,831</u>
Cash and cash equivalents at the end of the year	<u>\$ 125,338,864</u>	<u>\$ 115,750,099</u>

(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, 2023 and 2022, 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 (collectively referred to as the “consolidated financial statements”).

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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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, 2023. 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, 2023 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, 2023, the net amount



of discounts and loans of the Company represented approximately 57% 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, 2023 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 judgments.

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 tests 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 allowance 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 Standards on Auditing of 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 Standards on Auditing of 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, 2023 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 audits resulting in this independent auditors' report are Chen-Hsiu Yang and Kuan-Hao Lee.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 15, 2024

Notice to Readers

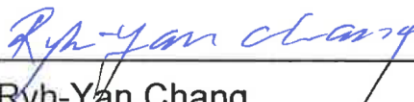
*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, 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 2024 General Shareholders' Meeting

The Board of Directors has complied and submitted the Company's 2023 consolidated financial statements audited by Certified Public Accountants of Deloitte & Touche, business report and statement of distribution of retained earnings to the 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.

  
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Ryh-Yan Chang  
Convener  
Audit Committee  
E.SUN Financial Holding Company

Date: March 15, 2024