

Confidential



Shin Kong Financial Holding

Update on Strategic Partnership

September 9, 2008

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Transaction Summary

Company/issuer of shares	Shin Kong Financial Holding Co., Ltd.
Strategic Investor	Major financial institution
Transaction	The Company shall issue and the Investor shall subscribe and purchase common shares of the Company in the amount of NT\$8bn by way of a private placement
Purchase price	Market price
Lock-up Period	3 years in accordance with the laws and regulations of the R.O.C.
Required Approvals	Board of Directors Special General Shareholders Meeting (October 31, 2008) Other relevant authorities

Impact on Financial Ratios

%	Before (2008/06/30)	After	
		Issue sub-debt NT\$4.7bn and inject into SKL	Issue sub-debt NT\$4.7bn, capital raising NT\$8bn and inject into SKL
Life RBC	222	246	286
FHC CAR	94	101	114
Debt/Equity	26	32	29
DLR	117	124	122
Dilution(EPS)	-	-	7-8%

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- Improve FHC CAR and LIFE RBC significantly
 - Help lower overall debt/equity ratio
 - Limited dilution of 7-8%