

**NAN SHAN LIFE INSURANCE COMPANY,
LIMITED AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
JUNE 30, 2025 AND 2024**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR25000087

To Nan Shan Life Insurance Company, Limited

Opinion

We have audited the accompanying consolidated balance sheets of Nan Shan Life Insurance Co., Ltd. and its subsidiary (the "Consolidated Company") as at June 30, 2025, December 31, 2024 and June 30, 2024, and the related consolidated statements of comprehensive income for the three months and for the six months ended June 30, 2025 and 2024, as well as the consolidated statements of changes in equity and of cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Consolidated Company as at June 30, 2025, December 31, 2024 and June 30, 2024, and its consolidated financial performance for the three months and for the six months ended June 30, 2025 and 2024 and its consolidated cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Accounting Standards 34, 'Interim financial reporting' that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Consolidated Company in accordance with the Norm of Professional Ethics for Certified Public Accountants 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 judgement, were of most significance in our audit of the Consolidated Company's consolidated financial statements for the six months ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Company's consolidated financial statements for the six months ended June 30, 2025 are stated as follows:

Insurance contract liabilities-policy reserves

Description

For the accounting policy for policy reserves, please refer to Note 4 of the consolidated financial statements; for details on insurance contract liabilities, please refer to Note 6(22) of the consolidated financial statements.

Policy reserves for long-term insurance contracts are recognised and calculated based on the related regulations, actuarial memorandum for the product and Jin-Guan-Pao-Tzai Letter No.11404924811; the discount rate is based on the assumed interest rate of reserve for each insurance product which has been submitted to the Authority or relevant regulations. Nan Shan Life Insurance Co., Ltd.'s policy reserves as at June 30, 2025, account for 88% of total liabilities. Considering that the accuracy of policy reserve calculation results is material with respect to the financial statements, we have thus included policy reserves as one of the key audit matters in our audit.

How our audit addressed the matter

The procedures that we have conducted in response to specific aspects of the above-mentioned key audit matter are summarised as follows:

1. Obtained an understanding and assessed the related policies, internal controls, and processing procedures for the calculation of Nan Shan Life Insurance Co., Ltd.'s policy reserves.
2. On a sample basis, tested the effectiveness of internal controls for the calculation of policy reserves. This included the following procedures:
 - (1) Inspected the number of effective policies in the policy system and the actuarial system in order to confirm the completeness of policy reserve calculations.

- (2) Examined the consistency between policy information and information in the policy system in order to confirm the accuracy of policy information for calculating policy reserves.
3. We used the work of actuarial specialists to assist us in comparing the provision method and assessing the reasonableness of policy reserves at balance sheet date. This included the following procedures:
 - (1) On a sample basis, tested representative new products in the current period in order to confirm that Nan Shan Life Insurance Co., Ltd.'s method and results of provisioning reserves were consistent with those of the insurance product statement.
 - (2) Performed trend analysis (excluding universal life insurance and variable interest annuities) and roll analysis in order to assess the reasonableness of the policy reserves at balance sheet date.

Adequacy of insurance contract liabilities

Description

For the accounting policy regarding the adequacy of insurance contract liabilities, please refer to Note 4 of the consolidated financial statements; for the critical accounting estimates and assumptions, please refer to Note 5 of the consolidated financial statements.

Nan Shan Life Insurance Co., Ltd.'s insurance contract liabilities as at June 30, 2025, accounts for 89% of total liabilities. In accordance with IFRS 4, 'Insurance Contracts', insurance contracts should be tested for liability adequacy at every balance sheet date in order to reflect Nan Shan Life Insurance Co., Ltd.'s current estimates of future cash flows; of which, various assumptions such as discount rate (i.e. rate of investment return), mortality rate, morbidity rate, lapse rate, and expense rate involve human subjective judgement. Considering that there will be a material impact on the financial statements if insurance liabilities are not adequate, we have thus included the adequacy of insurance liabilities as one of the key audit matters in our audit.

How our audit addressed the matter

The procedures that we have conducted in response to specific aspects of the above-mentioned key audit matter are summarised as follows:

We used the work of actuarial specialists to assist us in assessing the reasonableness of elected methods and various assumptions. This included the following procedures:

1. Compared whether there were significant differences between the current period and the previous period for major assumptions other than the discount rate (such as the mortality rate, morbidity rate, lapse rate, and expense rate). If there were significant differences, then related documents and explanations with regard to Nan Shan Life Insurance Co., Ltd.'s actuary assumptions were obtained. Current period assumptions were compared to actual experiences in order to examine the reasonableness of each assumption.
2. Referenced current market interest rate information to assess the reasonableness of the elected discount rate for future cash flows from insurance contracts.
3. Confirmed the accuracy of the cash flow model through independent sample testing.
4. Recalculated the current estimates of future cash flows using the overall cash flows and discount rate assumptions provided by Nan Shan Life Insurance Co., Ltd.
5. Compared the carrying amounts of insurance liabilities to the current estimates of future cash flows from insurance contracts.

Other matter – Parent company only financial statements

We have audited and expressed an unmodified opinion on the parent company only financial statements of Nan Shan Life Insurance Co., Ltd. as at and for the six months ended June 30, 2025 and 2024.

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 Insurance Enterprises and the International Accounting Standards 34, 'Interim financial reporting' that came into effect as endorsed by the Financial Supervisory Commission, 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 Consolidated 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 Consolidated 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 Consolidated 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 judgement and 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 Consolidated 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 Consolidated 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 Consolidated Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated 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.

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 of the current period 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.

Shih, Ming-Chih

Hsu, Sheng-Chung

For and on behalf of PricewaterhouseCoopers, Taiwan

August 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Cash and cash equivalents	6(1)(9)	\$ 176,552,249	3	\$ 96,121,054	2	\$ 80,967,406	2
Receivables	6(2) and 13(3)	46,376,245	1	43,700,329	1	42,719,809	1
Current tax assets		5,793,587	-	5,948,301	-	4,601,285	-
Financial assets at fair value through profit or loss	6(3)(9)	1,033,434,712	19	1,005,321,996	18	1,005,307,392	18
Financial assets at fair value through other comprehensive income	6(4) and 13(3)	250,731,395	5	256,205,859	4	274,517,360	5
Financial assets at amortised cost	6(5) and 13(3)	3,212,100,712	59	3,478,427,586	62	3,460,790,172	62
Investments accounted for using equity method	6(6) and 16(2)	2,749,043	-	3,072,425	-	2,812,742	-
Investment property	6(10)	215,419,606	4	213,702,898	4	214,613,212	4
Loans	6(11) and 13(3)	108,818,286	2	110,183,510	2	108,888,167	2
Reinsurance contract assets	6(22)	3,530,405	-	3,391,495	-	3,593,180	-
Property and equipment	6(12)	19,662,183	-	18,288,829	-	17,628,525	-
Right-of-use assets	6(13)	1,501,414	-	1,507,446	-	868,317	-
Intangible assets	6(15)	11,803,792	-	12,536,504	-	13,174,044	-
Deferred tax assets		81,363,042	2	90,612,695	2	79,812,875	1
Other assets	6(16)	27,138,637	1	60,248,952	1	55,721,250	1
Assets on insurance products-separate account	6(17)	221,224,099	4	224,320,516	4	221,979,873	4
TOTAL ASSETS		<u>\$ 5,418,199,407</u>	<u>100</u>	<u>\$ 5,623,590,395</u>	<u>100</u>	<u>\$ 5,587,995,609</u>	<u>100</u>

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NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JUNE 30, 2025, DECEMBER 31, 2024 AND JUNE 30, 2024
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY	Notes	June 30, 2025		December 31, 2024		June 30, 2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%
Short-term debts	6(8)(9)(18)	\$ 6,893,476	-	\$ 2,822,375	-	\$ 9,703,644	-
Payables	6(19)	18,036,027	-	15,582,275	-	24,514,939	-
Current tax liabilities		920,570	-	925,404	-	1,297,085	-
Financial liabilities at fair value	6(3)(9)(20)						
through profit or loss		11,391,329	-	61,317,453	1	53,621,151	1
Bonds payable	6(21)	100,286,692	2	87,278,676	2	61,040,000	1
Insurance contract liabilities	6(22)	4,579,631,468	85	4,734,577,912	84	4,707,668,214	84
Reserve for insurance with nature of	6(23)						
financial instruments		1,263,251	-	1,273,246	-	1,186,250	-
Reserve for foreign exchange valuation	6(24)	25,118,848	-	23,273,154	-	22,467,536	-
Provisions	6(25)	3,688,077	-	3,735,838	-	3,814,498	-
Lease liabilities	6(13)	26,343,726	-	29,642,528	1	29,554,940	1
Deferred tax liabilities		28,243,394	1	52,533,164	1	48,410,574	1
Other liabilities	6(27)	97,277,233	2	30,049,068	1	28,504,122	1
Liabilities on insurance products-	6(17)						
separate account		221,224,099	4	224,320,516	4	221,979,873	4
Total Liabilities		<u>5,120,318,190</u>	<u>94</u>	<u>5,267,331,609</u>	<u>94</u>	<u>5,213,762,826</u>	<u>93</u>
Capital							
Common stock		146,992,460	3	146,992,460	2	138,219,000	3
Stock dividend to be distributed		-	-	-	-	8,773,460	-
Capital surplus		9,187,500	-	9,187,500	-	9,187,500	-
Retained Earnings							
Legal reserve		57,920,797	1	49,419,333	1	49,419,333	1
Special reserve		252,542,829	5	219,496,781	4	218,536,970	4
Undistributed earnings		14,391,467	-	41,547,513	1	25,588,157	-
Other equity interest		(183,153,836)	(3)	(110,384,801)	(2)	(75,491,637)	(1)
Total Equity	6(28)	<u>297,881,217</u>	<u>6</u>	<u>356,258,786</u>	<u>6</u>	<u>374,232,783</u>	<u>7</u>
TOTAL LIABILITIES AND							
EQUITY		<u>\$ 5,418,199,407</u>	<u>100</u>	<u>\$ 5,623,590,395</u>	<u>100</u>	<u>\$ 5,587,995,609</u>	<u>100</u>

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

NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating Revenues									
Premium income from written policy		\$ 64,447,253	90	\$ 64,951,824	52	\$ 132,458,189	67	\$ 135,183,754	52
Reinsurance premium income		81,711	-	71,397	-	159,822	-	150,962	-
Premium Income		64,528,964	90	65,023,221	52	132,618,011	67	135,334,716	52
Less : Reinsurance premium ceded		(1,770,657)	(2)	(1,635,606)	(1)	(3,417,465)	(2)	(3,045,237)	(1)
Net change in unearned premium reserve	6(22)	(627,123)	(1)	(552,618)	(1)	(1,083,629)	(1)	(1,495,460)	-
Retention Earned Premium Income	6(31)	62,131,184	87	62,834,997	50	128,116,917	64	130,794,019	51
Reinsurance commission income		535,727	-	509,137	-	951,393	-	1,089,396	-
Fee income	6(17)	603,268	1	581,382	1	1,230,609	1	1,131,811	1
Net Investment Income (Loss)									
Interest income	6(33)	34,183,931	48	35,721,684	29	70,070,186	35	70,496,004	27
Gain (loss) on financial assets and liabilities at fair value through profit or loss	6(3)	123,060,160	172	(9,700,763)	(8)	82,916,776	42	(67,097,121)	(26)
Realised gain on financial assets at fair value through other comprehensive income	6(4)	127,738	-	99,104	-	249,798	-	909,724	-
Gain (loss) from derecognition of financial assets at amortised cost	6(5)	59,408	-	(79,384)	-	201,895	-	(574,684)	-
Share of gain of associates and joint ventures accounted for using equity method	6(6) and 16(2)	130,160	-	134,198	-	240,067	-	268,833	-
Foreign exchange (loss) gain		(255,397,390)	(357)	35,550,074	28	(223,492,800)	(112)	132,186,939	51
Net change in reserve for foreign exchange valuation	6(24)	47,453,247	66	(4,603,346)	(4)	38,575,457	19	(13,792,534)	(5)
Gain (loss) on investment property	6(10)	402,481	1	(119,232)	-	1,058,576	1	948,710	-
Expected credit (loss) reversal on investment	6(34)	(432,744)	-	(565,335)	-	(680,942)	-	(478,278)	-
Loss (gain) on reclassification using overlay approach	6(3)	55,851,478	78	(3,022,145)	(2)	92,250,912	46	(15,742,672)	(6)
Subtotal		5,438,469	8	53,414,855	43	61,389,925	31	107,124,921	41
Other operating revenues		(13,209)	-	45,497	-	40,551	-	155,175	-
Revenue on insurance products-separate account	6(17)	2,906,938	4	7,720,127	6	7,584,897	4	18,220,611	7
Total Operating Revenues		71,602,377	100	125,105,995	100	199,314,292	100	258,515,933	100

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NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Operating Costs									
Claims and policy benefits payments		(\$ 91,648,259)	(128)	(\$ 94,042,208)	(75)	(\$ 173,921,304)	(87)	(\$ 176,161,424)	(68)
Less : Claims recovered from reinsurers		615,245	1	724,405	-	1,325,136	-	1,488,214	1
Retention Claims and Policy Benefits Payments	6(32)	(91,033,014)	(127)	(93,317,803)	(75)	(172,596,168)	(87)	(174,673,210)	(67)
Net change in other insurance contract liabilities	6(22)	34,208,796	48	84,314	-	19,891,744	10	16,959,299	(7)
Net change in reserve for insurance with nature of financial instruments	6(23)	(7,111)	-	(79,981)	-	(1,513)	-	223,179	-
Underwriting expenses		(7,631)	-	(7,767)	-	(14,556)	-	(15,689)	-
Commission expenses		(5,054,745)	(7)	(4,351,127)	(3)	(9,737,098)	(5)	(8,609,394)	(3)
Other operating costs		(401,955)	(1)	(68,473)	-	(479,445)	-	(145,583)	-
Finance costs	6(35)	(1,458,331)	(2)	(651,239)	(1)	(2,407,740)	(1)	(1,281,105)	(1)
Expenses on insurance products-separate account	6(17)	(2,906,938)	(4)	(7,720,127)	(6)	(7,584,897)	(4)	(18,220,611)	(7)
Total Operating Costs		(66,660,929)	(93)	(106,280,831)	(85)	(172,929,673)	(87)	(220,128,070)	(85)
Operating Expenses	6(36)								
General expenses		(2,925,831)	(4)	(2,688,143)	(2)	(5,584,319)	(3)	(5,304,868)	(2)
Administrative expenses		(3,182,956)	(5)	(3,108,034)	(2)	(6,218,526)	(3)	(5,932,401)	(2)
Employee training expenses		(6,246)	-	(4,607)	-	(7,889)	-	(6,769)	-
Expected credit (loss) reversal on non-investment	6(34)	8,645	-	2	-	4,485	-	9,744	-
Total Operating Expenses		(6,106,388)	(9)	(5,800,782)	(4)	(11,806,249)	(6)	(11,234,294)	(4)
Operating Income		1,164,940	(2)	13,024,382	11	14,578,370	7	27,153,569	11
Non-Operating Income and Expenses		4,836	-	(27,180)	-	20,356	-	(10,998)	-
Profit from Continuing Operations before Income Taxes		(1,160,104)	(2)	12,997,202	11	14,598,726	7	27,142,571	11
Income Tax Expense	6(29)	(3,359,206)	5	(889,104)	(1)	(207,533)	-	(1,554,416)	(1)
Net Income		\$ 2,199,102	3	\$ 12,108,098	10	\$ 14,391,193	7	\$ 25,588,155	10
Other Comprehensive Income									
Components of other comprehensive income that will not be reclassified to profit or loss									
Unrealised revaluation increments	6(12)	\$ 25,829	-	\$ 28,175	-	\$ 25,829	-	\$ 28,175	-
Unrealised (loss) gain on equity instruments at fair value through other comprehensive income	6(4)	(137,823)	-	397,920	-	(160,539)	-	609,288	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method - items that may not be reclassified to profit or loss	6(6)	(103)	-	(154)	-	573	-	234	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(29)	10,064	-	(47,700)	-	13,864	-	(71,236)	-
Components of other comprehensive income that will be reclassified to profit or loss									
Exchange differences on translation of foreign financial statements	6(28)	(75,440)	-	1,183	-	(65,763)	-	4,411	-
Gain (loss) on debt instruments measured at fair value through other comprehensive income	6(4)	3,552,160	5	(5,553,851)	(4)	6,846,017	3	(10,538,394)	(4)
Share of other comprehensive income of associates and joint ventures accounted for using equity method - items that may be reclassified to profit or loss	6(6)	(12,512)	-	1,471	-	(11,252)	-	5,578	-
Other comprehensive (loss) gain on reclassification using overlay approach	6(3)	(55,851,478)	(78)	3,022,145	2	(92,250,912)	(46)	15,742,672	6
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(29)	7,996,122	11	673,820	1	12,833,421	7	(1,014,262)	-
Other Comprehensive (Loss) Income, Net of Income Tax	6(28)	(44,493,181)	(62)	(1,476,991)	(1)	(72,768,762)	(36)	(4,766,466)	(2)
Total Comprehensive (Loss) Income		(\$ 42,294,079)	(59)	\$ 10,631,107	9	(\$ 58,377,569)	(29)	\$ 30,354,621	(12)
Earnings per Share									
Basic and Diluted	6(30)	\$ 0.15		\$ 0.82		\$ 0.98		\$ 1.74	

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

NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Notes	Capital		Equity attributable to owners of the parent				Other equity interest				Total equity
		Common stock	Stock dividend to be distributed	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of foreign financial statements	Unrealised gain or loss on financial assets at fair value through other comprehensive income	Unrealised revaluation increments	Other comprehensive gain or loss on reclassification using overlay approach	
For the six months ended June 30, 2024												
Balance at January 1, 2024		\$ 138,219,000	\$ -	\$ 9,187,500	\$ 45,092,928	\$ 210,506,837	\$ 21,130,000	(\$ 6,242)	(\$ 22,573,394)	\$ 221,965	(\$ 57,900,432)	\$ 343,878,162
Net income for the six months ended June 30, 2024		-	-	-	-	-	25,588,155	-	-	-	-	25,588,155
Other comprehensive income (loss) for the six months ended June 30, 2024		-	-	-	-	-	-	9,989	(8,124,848)	28,175	12,853,150	4,766,466
Total comprehensive income (loss)		-	-	-	-	-	25,588,155	9,989	(8,124,848)	28,175	12,853,150	30,354,621
Distribution of 2023 earnings												
Legal reserve		-	-	-	4,326,405	-	(4,326,405)	-	-	-	-	-
Special reserve		-	-	-	-	8,030,133	(8,030,133)	-	-	-	-	-
Common stock dividends		-	8,773,460	-	-	-	(8,773,460)	-	-	-	-	-
Balance at June 30, 2024	6(28)	\$ 138,219,000	\$ 8,773,460	\$ 9,187,500	\$ 49,419,333	\$ 218,536,970	\$ 25,588,157	\$ 3,747	(\$ 30,698,242)	\$ 250,140	(\$ 45,047,282)	\$ 374,232,783
For the six months ended June 30, 2025												
Balance at January 1, 2025		\$ 146,992,460	\$ -	\$ 9,187,500	\$ 49,419,333	\$ 219,496,781	\$ 41,547,513	\$ 6,238	(\$ 39,124,951)	\$ 250,140	(\$ 71,516,228)	\$ 356,258,786
Net income for the six months ended June 30, 2025		-	-	-	-	-	14,391,193	-	-	-	-	14,391,193
Other comprehensive income (loss) for the six months ended June 30, 2025		-	-	-	-	-	-	(77,015)	5,414,998	22,682	(78,129,427)	(72,768,762)
Total comprehensive income (loss)		-	-	-	-	-	14,391,193	(77,015)	5,414,998	22,682	(78,129,427)	(58,377,569)
Distribution of 2024 earnings												
Legal reserve		-	-	-	8,501,464	-	(8,501,464)	-	-	-	-	-
Special reserve		-	-	-	-	33,046,048	(33,046,048)	-	-	-	-	-
Disposal of equity instruments at fair value 6(4) through other comprehensive income		-	-	-	-	-	273	-	(273)	-	-	-
Balance at June 30, 2025	6(28)	\$ 146,992,460	\$ -	\$ 9,187,500	\$ 57,920,797	\$ 252,542,829	\$ 14,391,467	(\$ 70,777)	(\$ 33,710,226)	\$ 272,822	(\$ 149,645,655)	\$ 297,881,217

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

NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars)

	Six months ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	\$ 14,598,726	\$ 27,142,571
Adjustments		
Adjustments to reconcile profit (loss)		
Expected credit loss (reversal) on investments	680,942	478,278
Expected credit loss (reversal) on non-investments	(4,485)	(9,744)
(Gain) loss on reclassification using overlay approach	(92,250,912)	15,742,672
Interest income	(70,070,186)	(70,496,004)
Dividend income	(15,471,023)	(13,979,178)
Finance costs	2,407,740	1,281,105
Depreciation and amortisation	1,385,431	1,216,112
(Gain) loss on financial assets and financial liabilities at fair value through profit or loss	(66,429,730)	71,353,611
Unrealised foreign exchange loss (gain)	222,415,082	(131,091,492)
Net change in insurance contract liabilities	(18,808,115)	18,454,759
Net change in reserve for insurance with nature of financial instruments	1,513	223,179
Net change in reserve for foreign exchange valuation	(38,575,457)	13,792,534
Fair value adjustment of investment property	710,405	1,062,192
Share of gain of associates and joint ventures accounted for using equity method	(240,067)	(268,833)
Others	1,940,582	1,544,324
Changes in operating assets and liabilities		
Changes in operating assets		
(Increase) decrease in receivables	(2,642,591)	4,900,593
Increase in financial assets or liabilities at fair value through profit or loss	(12,663,369)	(19,601,903)
Increase in financial assets at fair value through other comprehensive income	(9,108,079)	(2,147,701)
Decrease in financial assets at amortised cost	13,886,580	28,563,121
Decrease in reinsurance contract assets	160,483	153,699
Decrease (increase) in other assets	4,815,761	(6,711,445)
Changes in operating liabilities		
Increase in short-term debt	4,013,457	3,832,753
Increase in payables	860,017	11,065,573
Decrease in provisions	(47,761)	(25,632)
Increase (decrease) in other liabilities	68,726,547	(21,421,278)
Cash inflow (outflow) generated from operations	10,291,491	(64,946,134)
Interest received	55,753,858	56,587,575
Dividend received	13,525,056	13,243,313
Interest paid	(3,273,311)	(2,088,455)
Income tax refunded	270,414	264,150
Income tax paid	(427,315)	(3,291,911)
Net cash flows from (used in) operating activities	76,140,193	(231,462)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in loans	329,791	1,619,210
Acquisition of investment property	(1,826,965)	(2,998,067)
Proceeds from disposal of investment property	-	5,951,074
Acquisition of property and equipment	(1,853,226)	(589,622)
Increase in intangible assets	(110,512)	(215,204)
Net cash flows (used in) from investing activities	(3,460,912)	3,767,391
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuing bonds	15,000,000	7,540,000
Repayment of principal portion of lease liabilities	(3,698,249)	(3,643,363)
Net cash flows from financing activities	11,301,751	3,896,637
Effects of exchange rate changes on cash and cash equivalents	(3,549,837)	1,698,072
Net increase in cash and cash equivalents	80,431,195	9,130,638
Cash and cash equivalents at beginning of period	96,121,054	71,836,768
Cash and cash equivalents at end of period	\$ 176,552,249	\$ 80,967,406

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

NAN SHAN LIFE INSURANCE COMPANY, LIMITED AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED JUNE 30, 2025 AND 2024

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND BUSINESS ACTIVITY

Nan Shan Life Insurance Company, Limited (the “Company”) was incorporated in July 1963. The Company engages in the business of life, health, personal accident and annuity insurance. Ruen Chen Investment Holding Co., Ltd. (“Ruen Chen”), the Company’s ultimate parent company, holds 89.55% equity interest in the Company. On September 5, 2011, Ruen Chen transferred 7,678,931,390 shares to the trust account with First Bank, to demonstrate its determination to invest in the Company for long-term purpose and fulfill its commitments to the relevant government authorities. The aforementioned shares have been returned to Ruen Chen on September 16, 2021 due to the expiration of the trust account. The Company was qualified as a public company on July 16, 2012 with the approval of Jin-Guan-Zheng-Fa Letter No. 1010030238 of the Financial Supervisory Commission. The Company obtained the establishment license and business license of its offshore insurance branch which commenced its operations on October 21, 2015.

The Company has been permitted to acquire 100% shares of AIG Taiwan Insurance Co., Ltd. (“AIG Taiwan”) with Jin-Guan-Bao-Chan Letter No.10502524122 of FSC dated July 18, 2016 and the equity transfer became effective on September 1, 2016. AIG Taiwan then became a subsidiary of the Company. On the same day, it was renamed Nan Shan General Insurance Co., Ltd, which is primarily engaging in property insurance for individuals and medium and small businesses.

The Company has tendered for the transfer of assets, liabilities and business by Chaoyang Life Insurance Co. Ltd (“Chaoyang”), which is led by Taiwan Insurance Guaranty Fund; and the assignment and assumption agreement is made and entered into as of January 18, 2017. The transfer became effective on May 2, 2017, therefore, the Company assumed all assets, liabilities and business except for those reserved for Chaoyang.

The Company has been permitted by Jin-Guan-Bao-Sho Letter No. 1130140191 of FSC dated July 2, 2024 to establish a 100% owned special purpose overseas financing entity, Nanshan Life Pte. Ltd., in Singapore. This entity is dedicated to issuing bonds with capital characteristics and managing the associated funds. The establishment was completed in Singapore on July 26, 2024, making it a 100% owned subsidiary of the Company. Its business scope includes issuing overseas bonds and conducting foreign investments.

For the six months ended June 30, 2025 and 2024, the composition of the Company’s consolidated financial statements included the Company its Subsidiaries (hereinafter referred to as the “Consolidated Company”). Please refer to Note 4(3) for details.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on August 7, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025
The above standards and interpretations have no significant impact to the Consolidated Company’s financial condition and financial performance based on the Consolidated Company’s assessment.	
(2) <u>Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Consolidated Company</u>	
New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:	
New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	January 1, 2026
Amendments to IFRS 9 and IFRS 7, ‘Contracts referencing nature – dependent electricity’	January 1, 2026
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
Except for the following, the above standards and interpretations have no significant impact to the Consolidated Company’s financial condition and financial performance based on the Consolidated Company’s assessment.	
A. Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’	
(a) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to environment, social and governance (ESG) targets), non-recourse features and contractually-linked instruments.	
(b) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of ESG targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.	
(c) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met. The conditions for the exception are that the entity making the payment does not have:	
i. the practical ability to withdraw, stop or cancel the payment instruction;	
ii. the practical ability to access the cash used for settlement; and	
iii. significant settlement risk.	

(d) Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 17, 'Insurance contracts'

IFRS 17 'Insurance contracts' replaces IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. The standard applies to insurance contracts (including reinsurance contracts) issued, to reinsurance contracts held and to investment contracts with discretionary participation features issued, provided the entity also issues insurance contracts. Embedded derivatives, distinct investment components and distinct performance obligations shall be separated from the insurance contracts. An entity shall, at initial recognition, disaggregate a portfolio into three groups of contracts: onerous, no significant risk of becoming onerous, and remaining contracts. IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM') representing the unearned profit of the contract. An entity may apply a modified simplified measurement approach (the premium allocation approach) to some insurance contracts. An entity recognises the profit from a group of insurance contracts over the period the entity provides insurance coverage, and as the entity is released from risk. If a group of contracts is or becomes loss-making, an entity recognises the loss immediately. Entities are required to present separately insurance revenue, insurance service expenses and insurance finance income or expenses and to disclose information about amounts, judgements and risks arising from insurance contracts.

Impact Explanation of IFRS 17

Life Insurance

(a) Measurement Model

IFRS 17 applies different measurement methods to insurance contract liabilities. Among them, the General Measurement Model (GMM) includes:

- I. Fulfillment cash flows, comprising:
 - (A) Estimates of future cash flows;
 - (B) Time value of money (discounting);
 - (C) Risk adjustment;

II. Contractual Service Margin (CSM).

Compared to IFRS 4, CSM represents a significant change. CSM represents the unearned profit of insurance contracts, which is the present value of future profits belonging to shareholders. It is presented as a liability separate from fulfillment cash flows on the balance sheet and is recognised as profit in the income statement over the insurance coverage period as the company provides services to policyholders. Initially, CSM cannot be negative; any net negative amount from fulfillment cash flows at the start will be recognised as a loss immediately.

At the end of each subsequent reporting period, the carrying amount for a group of insurance contracts is the sum of:

- i. Liabilities for remaining coverage, comprising fulfillment cash flows related to future service and the CSM at that date;
- ii. Liabilities for incurred claims, comprising fulfillment cash flows related to past service.

Regarding discount rates, the consolidated company's life insurance business anticipates using a bottom-up approach, adopting a risk-free rate and adjusting for liquidity premium based on the characteristics of the product.

Apart from the General Measurement Model, the Variable Fee Approach (VFA) measures insurance contracts with direct participation features. An insurance contract has direct participation features if it meets the following criteria:

- i. The contract specifies policyholders participate in a clearly identified pool of underlying items;
- ii. The entity expects to pay policyholders amounts equal to a substantial share of the fair value returns from the underlying items; and
- iii. The entity expects a substantial proportion of any change in the amounts to be paid to the policyholders vary with changes in fair value of the underlying items.

The assessment of whether a contract meets these criteria is conducted at the inception of the contract and is not revised unless there is a substantial change to the contract terms.

VFA applies to products where expected cash flows change with asset values, such as participating products and unit-linked products. For these contracts, CSM is adjusted for: (1) changes in variable fees (company's share in changes in value of underlying items, equivalent to the insurer's revenue), (2) time value, and (3) impacts of changes in financial risks not related to underlying items (e.g., options and guarantees). To ensure appropriate release patterns of CSM that align with the definition of investment-related services, it is necessary to consider both actual and expected developments of CSM and coverage units to determine the CSM release ratio.

For contracts with a coverage period of one year or less, the consolidated company's life insurance business expects to use the Premium Allocation Approach (PAA) to measure the liability for remaining coverage. Under PAA, the liability for remaining coverage is equivalent to premiums received at the initial recognition, minus acquisition costs and amounts recognised as insurance revenue up to the reporting date. However, for the measurement of incurred claims, the general measurement model applies. Compared to IFRS 4, the anticipated changes under PAA are limited, mainly involving the discounting of all reserves, more detailed loss contract testing, and inclusion of non-financial risk in the risk adjustment.

(b) Impact Analysis

Under IFRS 17, in the presentation of the income statement, insurance revenue will no longer reflect premiums received during the year, as it excludes any investment components from savings and protection business with savings characteristics. Instead, it reflects the portion of premiums earned during the period, representing the release of fulfillment cash flows (expected cash flows during the period plus the release of relevant risk adjustments) and the release of CSM (corresponding to the portion of profit earned during the period). Operating profits are influenced by insurance finance income and expenses due to fluctuations in current interest rates and the cancellation of applicable overlay approaches under IFRS 17.

In terms of balance sheet presentation, compared to IFRS 4, other changes mainly involve insurance-related receivables (and payables) no longer being reported separately from insurance liabilities. Moreover, with current long-term interest rates remaining high, total assets and liabilities are expected to decrease under IFRS 17.

(c) Transition Date

The transition date is the start of the reporting period prior to the initial application date. According to standards, a full retrospective approach should be applied to IFRS 17 transition date measurement. If impractical, the modified retrospective approach or fair value approach should be applied:

- I. Modified Retrospective Approach: Achieve results as close as possible to full retrospective application without excessive cost or effort.
- II. Fair Value Approach: Determine Contractual Service Margin by the difference between the fair value of insurance contract groups at the transition date according to IFRS 13 and the fulfillment cash flows measured on that date.

The consolidated company's life insurance business adopts the fair value approach for contracts before and inclusive of 2023 due to the inability to obtain all necessary historical data for existing products.

During the transition period, the consolidated company's life insurance business is implementing the conversion plan according to IFRS 17 new standards. This includes establishing accounting policies, insurance contract data, and actuarial models to facilitate the preparation of asset and liability opening balances for the transition period, and subsequent financial reporting tasks. However, the financial impact remains uncertain, and the assessment of the transition from current IFRS 4 insurance contracts to IFRS 17 is still in the trial calculation stage for the potential impact on shareholder equity and the income statement of the consolidated company's life insurance business as of January 1, 2026, and thus cannot be provided.

Property Insurance

IFRS 17 Insurance Contracts (including amendments) is scheduled to be officially implemented and come into effect on January 1, 2026 (first-time application date). The Consolidated Company's property insurance business will adhere to the relevant provisions of IFRS 17, which are summarized as follows:

The measurement of IFRS 17 insurance contracts should primarily use the General Measurement Model. However, the Consolidated Company's property insurance business expects that most of its operations will meet one of the following conditions, allowing the use of the simplified "Premium Allocation Approach" for measurement:

- (a) It is reasonably expected that the simplification will not result in a material difference in the measurement of the liability for remaining coverage for the group compared to the General Measurement Model;
- (b) The coverage period of each contract within the group is one year or less.

The simplified Premium Allocation Approach measures the liability for remaining coverage by deducting the insurance acquisition costs from the premiums received at initial recognition and adding the amount already recognised as insurance revenue up to the financial reporting date. The measurement of the liability for incurred claims remains the same as the General Measurement Model. A comparison of the measurable outcomes of unearned premium reserves and claims reserves under IFRS 4 with those under the Premium Allocation Approach of IFRS 17 is expected to show little difference. The main impacts arise from the discounting of reserves, more detailed loss contract testing, and risk adjustment, including non-financial risks.

As of the transition date assessment, contracts and reinsurance contracts of the Consolidated Company's property insurance business eligible for the Premium Allocation Approach account for more than 95%.

IFRS 17 is expected to significantly change the presentation and disclosure in financial statements. The recognition and presentation in the statement of comprehensive income must be divided into:

- (a) Insurance service result, including insurance revenue, insurance service expenses (i.e., incurred claims and other incurred insurance service expenses), and income or expenses from reinsurance contracts held;
- (b) Insurance finance income or expenses.

Compared to IFRS 4, IFRS 17 will no longer reflect the premiums underwritten in the current year and net changes in unearned premiums. Instead, it will express "insurance revenue"

corresponding to insurance services provided during the financial reporting period. Additionally, IFRS 17 requires consideration of the impact of discount rates and provides an option to account for changes in the discount rate between the locked-in rate at contract issuance and the current period's rate either in profit or loss or in other comprehensive income to mitigate volatility from interest rate changes. Given the short-term nature of the Consolidated Company's property insurance business, the variation in discount rates is not expected to have a significant impact, leading to the choice of recognizing insurance finance income or expenses directly in the profit and loss, thus minimizing financial volatility in the property insurance business.

The presentation of the balance sheet compared to IFRS 4 mainly involves the integration of receivables (and payables) related to insurance contracts, including reinsurance contracts, into the insurance contract liabilities and reinsurance contract assets, resulting in an expected reduction in total assets and liabilities under IFRS 17.

The Consolidated Company's property insurance business anticipates that the implementation of IFRS 17 under the Premium Allocation Approach will have the following major financial impacts at the opening account of the transition period for issued insurance contracts: deferral of insurance acquisition cash flows (increasing equity), discounting claim reserves (increasing equity), and consideration of risk adjustment for non-financial risks in claim reserves (decreasing equity). Due to the offsetting effects of discounting and risk adjustment on claim reserves measurement, the actual impact on claim reserves at the transition date will be limited.

Regarding reinsurance contracts held, the transition period's main financial impacts under the Premium Allocation Approach include the deferral of paid net premium allocations (decreasing equity), consideration of the discounting of claim reserves (decreasing equity), and risk adjustment for non-financial risks in claim reserves (increasing equity). The offsetting effects of discounting and risk adjustment on claim reserves measurement means the actual impact on claim reserves at the transition date will be limited.

The transition date is the start date of the reporting period for the year preceding the initial application date. Therefore, the transition date for the Consolidated Company's property insurance business is January 1, 2025. According to the standards, unless it is impracticable, entities should apply the full retrospective approach for measuring on the IFRS 17 transition date. However, if the full retrospective approach is impracticable, then the modified retrospective approach or the fair value approach should be used.

- (a) Modified Retrospective Approach: Achieve results as close as possible to the full retrospective approach without undue cost or effort.
- (b) Fair Value Approach: Determine the contractual service margin or loss component of the liability for remaining coverage by calculating the difference between the fair value of the insurance contract group and the fulfillment cash flows measured on the transition date, in accordance with IFRS 13.

Given that the property insurance products of the Consolidated Company mainly feature short terms and the use of the Premium Allocation Approach for measurement, a full retrospective approach is primarily adopted for measurement on the transition date. However, for some products where it is impracticable to obtain all necessary historical data, the Consolidated Company's property insurance business uses either the modified retrospective approach or the fair value approach.

The modified retrospective approach utilizes accessible financial data and relevant actuarial assumptions and inputs that are reasonable and verifiable to yield results as close as possible to the full retrospective approach. Meanwhile, the fair value approach determines the contract service margin or loss component of the liability for remaining coverage by calculating the difference between the fair value of the group of insurance contracts on the transition date and the fulfillment cash flows measured on that date.

During the transition period, the Consolidated Company's property insurance business is actively progressing with IFRS 17 implementation projects. These include establishing accounting policies, insurance contract data, and actuarial models to facilitate the preparation of the balance sheet and various financial reports on the transition date. However, the financial impact still carries uncertainties. Based on the above explanations, the Consolidated Company's property insurance business is in the testing phase; therefore, it is unable to provide the estimated impact on shareholders' equity and the statement of comprehensive income upon transitioning from IFRS 4 to IFRS 17 as of January 1, 2026.

C. Amendments to IFRS 17, 'Insurance contracts'

The amendments to IFRS 17 include the deferral of effective date, expected recovery of insurance acquisition cash flows, contractual service margin attributable to investment services, reinsurance contracts held – recovery of losses and other amendments, and they are not intended to change the fundamental principles of the standard.

D. Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'

The amendment permits an entity to apply an optional classification overlay in the comparative period(s) presented on initial application of IFRS 17. The overlay allows all financial assets, including those held in respect of activities not connected to contracts within the scope of IFRS 17, to be classified, on an instrument-by-instrument basis, in the comparative period(s) in a way that aligns with how the entity expects those assets to be classified on initial application of IFRS 9. The overlay can be applied by entities that have already applied IFRS 9 or will apply it when they apply IFRS 17.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027

Except for the following, the above standards and interpretations have no significant impact to the Consolidated Company's financial condition and financial performance based on the Consolidated Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, assets and liabilities on consolidated financial statements that are not classified as current or non-current accounts shall be classified by their nature and comparative liquidity. The principal accounting policies adopted are consistent with Note 4 in the consolidated financial statements for the year ended December 31, 2024, except for the key audit matters and compliance statement, and basis of consolidation policies described for the interim period below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

- A. The consolidated financial statements of the Consolidated Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Accounting Standards 34, 'Interim financial reporting' that came into effect as endorsed by the FSC.
- B. These consolidated financial statements are to be read in conjunction with the consolidated financial statements for the year ended December 31, 2024.

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
 - (a) At fair value
 - I. Financial assets and liabilities (including derivative instruments) at fair value through profit or loss;
 - II. Financial assets at fair value through other comprehensive income; and
 - III. Investment property (excluding participating policy liability-linked investment property and constructions in progress).
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
 - (c) Reinsurance contract assets, insurance contract liabilities, and reserve for foreign exchange valuation actuarially recognised in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and relevant regulations.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
 - (a) All subsidiaries are included in the Consolidated Company's consolidated financial statements. Subsidiaries are all entities controlled by the Consolidated Company. The Consolidated Company controls an entity when the Consolidated Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Consolidated Company obtains control of the subsidiaries and ceases when the Consolidated Company loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Consolidated Company are eliminated. Accounting policies of subsidiaries have been adjusted when necessary to ensure consistency with the policies adopted by the Consolidated Company.

B. Subsidiary included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)			Description
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Nan Shan General Insurance Company, Ltd.	Property insurance	100	100	100	
The Company	Nan Shan Life Pte. Ltd.	Overseas financing and investing business	100	100	-	Note

Note: Nanshan Life Pte. Ltd. was established on July 26, 2024.

(4) Accounting Policies Related to Key Audit Matters

A. Provision basis for insurance contract liabilities

All reserves of the Consolidated Company's life insurance business' insurance contracts (including investment contracts with discretionary participation features) recognised are based on "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and regulations relevant to insurance enterprises. Except for reserves for policy benefits, claim reserves and premium deficiency reserves with coverage period of more than one year, discount method does not apply to the rest. Explanations of provision basis regarding each reserve are as follows:

(a) Unearned premium reserves

For effective contracts with a coverage period under one year and casualty insurance with coverage period over one year, unearned premium reserves are provided based on various risk calculation for effective contracts yet to mature or covered risks yet to terminate in the coverage period.

(b) Claim reserves

Claim reserves for health insurance, life insurance, and casualty insurance with a coverage period under one year are provided based on claim experience and expenses of various insurance types and are calculated with actuarial principles. Besides, reserves are provided for "claims reported but not paid" and "claims incurred but not reported". For "claims reported but not paid", a reserve has been provided on an individual claim basis for each type of insurance. Claim reserves for the future payment on a regular basis are calculated by discount method. The discount rate is based on the assumed interest rate of reserve of each insurance product which has been submitted to the Authority for review/recordation.

(c) Reserves for policy benefits

Long-term insurance contracts are recognised and calculated based on the related regulations, actuarial memorandum for the product and Jin-Guan-Pao-Tzai Letter No. 11404924811. The discount rate is based on the assumed interest rate of reserve of each insurance product which has been submitted to the Authority for review/recordation or relevant regulations.

(d) Special reserves

I. In particular for retention policies with a coverage of less than a year, special reserves include "catastrophe reserves" and "risk claim reserves", which are provided in accordance with No. 19 and No. 20 of "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises". Except for some reserves set aside for regulatory purpose, special reserves, after deducting income tax, shall be recognised as special reserve under equity. Additional provision for special reserves and amount written-off or recovered with respect to special reserve shall be recognised and written-off or recovered from the special reserve under equity.

The release of risk claim reserves, net of tax, is to be appropriated as special reserve under equity following the resolution adopted at the shareholders' meeting in the

following year. Such special reserves shall neither be distributed as dividends nor used in other ways without the approval of the Authority.

- II. As regulations of the Authority require that if fair value of investment property at the transition date is used as deemed cost, a special reserve under insurance liability shall be fully set aside for the appreciation from investment property in excess of other adverse effects arising from the first-time adoption of IFRSs at the transition date. Additionally, according to Jin-Guan-Pao-Tzai Letter No. 11304931482 issued on September 6, 2024, life insurance enterprises may, upon approval by the FSC, reclassify the special reserves for real estate appreciation set aside under liabilities in accordance with insurance regulations into the reserve for foreign exchange valuation of Article 3-1, Item 7 of the Guideline Governing Reserves for Change on Foreign Exchange Price by Life Insurance Enterprises.
- III. Profit and loss before tax (before dividends distribution) for participating life insurance should be assessed at each annual closing date in compliance with “The Method of Expense and Revenue Allocation to Participating and Non-participating Life Insurance”. “Special reserves – dividend payment reserves” should be recognised and written off at dividend declaration date. With negative balance of “special reserves – dividend payment reserves of participating insurance”, equal amount of “special reserves – dividend liability” should be recognised at the same time.

(e) Premium deficiency reserves

If the issued premiums of life insurance, health insurance, and annuity insurance contract with a coverage period of over one year are less than the net premium in compliance with regulation, the deficiency of subsequent periods should be recognised as premium deficiency reserves. The discount rate is based on the assumed interest rate of reserve of each insurance product which has been submitted to the Authority for review/recordation. In addition, potential claims and expenses are estimated for effective contracts yet to mature and casualty insurance contracts with a coverage period of over one year. If the assessed amount is more than unearned premium reserves and expected premium income, the insufficient amount should be recognised as premium deficiency reserves by product types.

B. Liability adequacy test

The Consolidated Company’s life insurance business’ adopts gross premium valuation method for the liability adequacy test based on the entire contracts of the Consolidated Company, in accordance with “Actuarial Practice Guidelines” issued by the Actuarial Institute of The Republic of China. At each end of the reporting period, the test is performed by comparing the net carrying amount of insurance contract liabilities after deduction of deferred acquisition costs and related intangible assets with the present estimates of insurance contract future cash flows. If the net carrying amount is insufficient, the deficiency is charged to current expense or loss.

(5) Significant accounting policies for the interim period

A. Employee benefits

Pension cost for the interim period is calculated on a year-to-date basis by using the pension cost rate derived from the actuarial valuation at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events. Also, the related information is disclosed accordingly.

B. Income tax

- (a) The income tax expense for the interim period is calculated in accordance with IAS 34 "Interim Financial Reporting" and relevant information is disclosed in line with the income tax policy.

- (b) If a change in tax rate is related or substantively enacted in an interim period, the Consolidated Company recognises the effect of the change immediately in the interim period in which the change occurs. The effect of the change on items recognised outside profit or loss is recognised in other comprehensive income or equity while the effect of the change on items recognised in profit or loss is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Consolidated Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Except for the explanations related to significant accounting judgments, estimates, and uncertainties described in the key audit matters below, please refer to Note 5 in the consolidated financial statements for the year ended December 31, 2024.

Insurance contract liabilities

The Consolidated Company evaluates long-term insurance contract liabilities in compliance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and Jin-Guan-Pao-Tzai Letter No. 11404924811. The assumptions of mortality rate, morbidity rate, lapse rate, and discount rate are as follows: The mortality rate and discount rate are treated in accordance with relevant insurance regulations. The mortality rate is based on Taiwan Standard Ordinary Experience Mortality Table. The discount rate is based on the interest rate of reserves for policy benefit from newly issued contracts and treated in compliance with calculation basis for insurance products submitted to the competent authority and relevant regulations. The morbidity rate and lapse rate are based on the Consolidated Company's past experience, industry experience, and experience obtained from reinsurers. The above assumptions are locked-in during price setting in accordance with related regulations. However, it is reasonably possible that changes in assumption from the competent authority may have an impact on gains, losses, or equity. The liability adequacy test is conducted by discounting the future cash flows under the best estimate on valuation date by the Consolidated Company's overall return on investment. If the test result shows that the liability is inadequate, the entire deficiency is recognised in expenses and losses in the period. If there is a change in the future best estimate assumption, incremental reserves for adverse movement in such assumption shall be made.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Cash			
Cash on hand and petty cash	\$ 7,636	\$ 9,710	\$ 13,490
Checking and savings accounts	107,460,850	32,141,799	29,060,407
Cash equivalents			
Time deposits	68,418,354	63,109,545	51,073,442
Short-term bills	665,409	860,000	820,067
	<u>\$ 176,552,249</u>	<u>\$ 96,121,054</u>	<u>\$ 80,967,406</u>

- A. As of June 30, 2025, December 31, 2024 and June 30, 2024, without consideration of the collateral held or other credit enhancements, the maximum credit risk exposure amount that best represents the cash and cash equivalents held by the Consolidated Company are \$176,552,249, \$96,121,054 and \$80,967,406, respectively.

- B. The Consolidated Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. In addition, of the short-term bills held by the Consolidated Company, investments in notes issued under reverse repurchase agreements have obtained bonds as collateral. Information on the net amount of receiving financial collateral after offsetting is provided in Note 6(9).
- C. Certain cash and cash equivalents are pledged as credit support collaterals for derivative instruments transactions, which are restricted and classified as guarantee deposits paid. For more information, please refer to Note 6(16).
- D. The Consolidated Company's property insurance business' time deposits which are pledged as collateral are classified as other assets - guarantee deposits paid, please refer to Note 6(16).

(2) Receivables

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Notes receivable	\$ 310,202	\$ 449,191	\$ 377,188
Premiums receivable	498,790	462,426	389,880
Interest receivable	34,999,775	37,545,955	37,491,724
Investments receivable	3,997,929	1,471,839	211,704
Other receivables	6,598,313	3,757,969	4,286,328
Overdue receivable	<u>5,694,412</u>	<u>5,415,997</u>	<u>4,461,257</u>
Subtotal	52,099,421	49,103,377	47,218,081
Less : Allowance for bad debts	(5,723,176)	(5,403,048)	(4,498,272)
	<u>\$ 46,376,245</u>	<u>\$ 43,700,329</u>	<u>\$ 42,719,809</u>

- A. The Consolidated Company transacts with a variety of counterparties all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote. The Consolidated Company is not holding any collateral except interest receivable from loans.
- B. Without consideration of the collateral held or other credit enhancements, the maximum credit risk exposure amount that best represents the receivables held by the Consolidated Company and the information relating to credit risk of those receivables are provided in Note 13(3).
- C. The aging analysis of receivables is as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Not past due / Up to 3 months	\$ 46,894,958	\$ 44,224,502	\$ 43,288,522
3 to 6 months	340,942	384,587	349,633
6 to 12 months	798,291	902,905	981,092
Over 12 months	<u>4,065,230</u>	<u>3,591,383</u>	<u>2,598,834</u>
	<u>\$ 52,099,421</u>	<u>\$ 49,103,377</u>	<u>\$ 47,218,081</u>

(3) Financial assets at fair value through profit or loss

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Financial assets mandatorily measured at fair value through profit and loss			
Derivative instruments	\$ 110,357,468	\$ 1,727,960	\$ 937,202
Listed stocks	207,355,819	200,814,541	198,727,994
Preferred stocks	12,128,807	12,004,394	12,011,280
Beneficiary certificates	335,368,311	350,256,110	347,440,987
Financial debentures	23,172,060	23,347,589	23,666,829
Structured time deposits	16,156,103	15,179,101	15,102,405
Foreign stocks	108,816,669	113,042,191	123,053,238
Foreign beneficiary certificates	211,092,067	278,742,353	273,862,222
Foreign bonds	7,238,086	8,314,224	8,603,886
Foreign asset securitisation	1,749,322	1,893,533	1,901,349
	<u>\$ 1,033,434,712</u>	<u>\$ 1,005,321,996</u>	<u>\$ 1,005,307,392</u>

The above-mentioned financial assets which are designated as applying overlay approach are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Listed stocks	\$ 207,355,819	\$ 200,814,541	\$ 198,727,994
Beneficiary certificates	335,368,311	350,256,110	347,440,987
Financial debentures	23,172,060	23,347,589	23,666,829
Structured time deposits	16,156,103	15,179,101	15,102,405
Foreign stocks	108,816,669	113,042,191	123,053,238
Foreign beneficiary certificates	211,092,067	278,742,353	273,862,222
Foreign bonds	7,238,086	8,314,224	8,038,752
Foreign asset securitisation	1,749,322	1,893,533	1,901,349
	<u>\$ 910,948,437</u>	<u>\$ 991,589,642</u>	<u>\$ 991,793,776</u>

A. The derivative instruments held by the Consolidated Company are as follows:

	<u>June 30, 2025</u>	
<u>Financial assets</u>	<u>Carrying amount</u>	<u>Notional amount (Note 1)</u>
Cross currency swaps	\$ 53,775,772	\$ 800,116,559
Non-delivery forwards (Note 2)	56,581,696	791,699,100
	<u>\$ 110,357,468</u>	<u>\$ 1,591,815,659</u>
<u>Financial liabilities</u>		
Cross currency swaps	\$ 677,201	\$ 51,606,723
Non-delivery forwards (Note 2)	10,714,128	365,394,800
	<u>\$ 11,391,329</u>	<u>\$ 417,001,523</u>

December 31, 2024		
Financial assets	Carrying amount	Notional amount (Note 1)
Non-delivery forwards (Note 2)	\$ 1,727,960	\$ 173,963,700
Financial liabilities		
Cross currency swaps	\$ 36,282,616	\$ 1,012,173,687
Non-delivery forwards (Note 2)	25,034,837	839,849,220
	<u>\$ 61,317,453</u>	<u>\$ 1,852,022,907</u>
June 30, 2024		
Financial assets	Carrying amount	Notional amount (Note 1)
Cross currency swaps	\$ 73,112	\$ 32,709,600
Non-delivery forwards (Note 2)	864,090	101,892,000
	<u>\$ 937,202</u>	<u>\$ 134,601,600</u>
Financial liabilities		
Cross currency swaps	\$ 34,856,272	\$ 1,041,263,382
Non-delivery forwards (Note 2)	18,764,879	747,972,500
	<u>\$ 53,621,151</u>	<u>\$ 1,789,235,882</u>

Note 1: Notional amount is translated into thousands of New Taiwan dollars using the exchange rates prevailing at the end of the reporting period.

Note 2: As of June 30, 2025, December 31, 2024 and June 30, 2024, the notional amount sold in New Taiwan dollars are \$103,048,400, \$173,963,700 and \$73,660,500, respectively.

- B. The derivative instruments held by the Consolidated Company were for the purpose of hedging the exchange rate risk on foreign investments and interest rate risk on domestic/foreign investments. The derivative instruments are not applied to hedge accounting.
- C. The Consolidated Company entered into derivative contracts with financial institutions with good credit quality, which comply with regulatory requirements and reviewed by the Consolidated Company on a regular basis. In addition, for all derivative transactions that the Consolidated Company engaged in, in order to avoid foreign exchange risk and interest rate risk, the Consolidated Company has entered into master netting arrangements with counterparties. Information on offsetting derivative instruments and credit enhancement is provided in Note 6(9).
- D. The Consolidated Company has entered into master netting agreements or similar arrangements with counterparties for structured deposits. For detailed information on the offsetting of financial assets and liabilities, please refer to Note 6(9).
- E. Details of reclassification between profit or loss and other comprehensive income when financial assets were designated using overlay approach are as follows:

	For the three months ended June 30,	
	2025	2024
(Loss) gain reported under IFRS 9	(\$ 41,495,962)	\$ 32,460,339
Less: Gain that would have been reported if applied IAS 39	14,355,516	29,438,194
(Loss) gain on reclassification of financial assets at fair value through other comprehensive income using overlay approach	(\$ 55,851,478)	\$ 3,022,145
Effects of income tax benefit (expense) on other comprehensive income	\$ 8,635,790	(\$ 312,631)

	For the six months ended June 30,	
	2025	2024
(Loss) gain reported under IFRS 9	(\$ 50,422,501)	\$ 73,614,227
Less: Gain that would have been reported if applied IAS 39	41,828,411	57,871,555
(Loss) gain on reclassification of financial assets at fair value through other comprehensive income using overlay approach	(\$ 92,250,912)	\$ 15,742,672
Effects of income tax benefit (expense) on other comprehensive income	\$ 14,121,485	(\$ 2,889,522)

F. The Consolidated Company has no financial assets at fair value through profit or loss pledged to others.

G. Amounts recognised in profit or loss in relation to financial assets and liabilities at fair value through profit or loss are listed below:

	For the three months ended June 30,	
	2025	2024
Gain on valuation	\$ 95,450,742	\$ 5,352,532
Gain (loss) on disposal	18,794,508	(22,706,330)
Interest income	253,857	(21,347)
Dividend income	8,561,053	7,674,382
	\$ 123,060,160	(\$ 9,700,763)
	For the six months ended June 30,	
	2025	2024
Gain (loss) on valuation	\$ 66,429,730	(\$ 71,353,611)
Gain (loss) on disposal	620,903	(9,853,455)
Interest income	509,817	190,729
Dividend income	15,356,326	13,919,216
	\$ 82,916,776	(\$ 67,097,121)

(4) Financial assets at fair value through other comprehensive income

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Equity instruments			
Listed stocks	\$ 5,696,157	\$ 5,835,092	\$ 6,151,855
Unlisted stocks	<u>275,073</u>	<u>313,618</u>	<u>288,334</u>
Subtotal	<u>5,971,230</u>	<u>6,148,710</u>	<u>6,440,189</u>
Debt instruments			
Government bonds	31,800,081	29,407,243	29,601,919
Corporate bonds	12,885,308	12,702,816	12,673,403
Financial debentures	13,256,557	11,626,310	11,366,123
Foreign bonds	176,903,012	186,616,189	205,009,737
Foreign asset securitisation	<u>10,293,807</u>	<u>10,083,191</u>	<u>9,804,589</u>
Subtotal	245,138,765	250,435,749	268,455,771
Statutory deposits	(<u>378,600</u>)	(<u>378,600</u>)	(<u>378,600</u>)
Total	<u>\$ 250,731,395</u>	<u>\$ 256,205,859</u>	<u>\$ 274,517,360</u>

- A. The Consolidated Company has classified equity instruments, that are not held for trading, as financial assets designated at fair value through other comprehensive income.
- B. For the six months ended June 30, 2025 and 2024, considering the fair value, market trend of investment objects, as well as its investment strategy and operating capital requirement, the Consolidated Company sold certain stocks classified as financial assets designated at fair value through other comprehensive income. The fair value of the sold stocks amounted to \$16,609 and \$0, respectively, and the cumulative gain (loss) on disposal amounted to \$260 and \$0, respectively. The cumulative gain (loss) on disposal had been reclassified from other equity interest to retained earnings. Additionally, due to the dissolution and liquidation of a company which the Consolidated Company held as equity instrument and designated at fair value through other comprehensive income, derecognised the fair value of unlisted stocks amounted to \$332 and \$0, respectively, and the cumulative gain (loss) on disposal amounted to \$13 and \$0, respectively, which had been reclassified from other equity to retained earnings.
- C. Amounts recognised in profit or loss and comprehensive income in relation to financial assets at fair value through other comprehensive income are listed below:

	For the three months ended June 30,	
	2025	2024
<u>Equity instruments at fair value</u>		
<u>through other comprehensive income</u>		
Fair value changes recognised in other comprehensive income	(\$ 137,823)	\$ 397,920
Cumulative gain reclassified to retained earnings due to derecognition	\$ 177	\$ -
Dividend income recognised in profit or loss		
Held by the end of the reporting period	\$ 77,743	\$ 23,145
Derecognised during the reporting period	22	-
	<u>\$ 77,765</u>	<u>\$ 23,145</u>
<u>Debt instruments at fair value</u>		
<u>through other comprehensive income</u>		
Fair value changes recognised in other comprehensive income	\$ 3,600,762	(\$ 5,479,390)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment loss (reversal of impairment loss)	1,371	1,498
Reclassified due to derecognition	(49,973)	(75,959)
	<u>\$ 3,552,160</u>	<u>(\$ 5,553,851)</u>
Interest income recognised in profit or loss	<u>\$ 2,832,906</u>	<u>\$ 2,972,688</u>

	For the six months ended June 30,	
	2025	2024
<u>Equity instruments at fair value</u>		
<u>through other comprehensive income</u>		
Fair value changes recognised in other comprehensive income	(\$ 160,539)	\$ 609,288
Cumulative gain reclassified to retained earnings due to derecognition	\$ 273	\$ -
Dividend income recognised in profit or loss		
Held by the end of the reporting period	\$ 114,675	\$ 59,962
Derecognised during the reporting period	22	-
	<u>\$ 114,697</u>	<u>\$ 59,962</u>
<u>Debt instruments at fair value</u>		
<u>through other comprehensive income</u>		
Fair value changes recognised in other comprehensive income	\$ 6,981,033	(\$ 9,698,655)
Cumulative other comprehensive income reclassified to profit or loss		
Reclassified due to impairment loss (reversal of impairment loss)	85	10,023
Reclassified due to derecognition	(135,101)	(849,762)
	<u>\$ 6,846,017</u>	<u>(\$ 10,538,394)</u>
Interest income recognised in profit or loss	\$ 5,733,832	\$ 5,798,402

D. Details of the Consolidated Company's financial assets at fair value through other comprehensive income as statutory deposits are provided in Note 6(16).

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 13(3).

(5) Financial assets at amortised cost

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Government bonds	\$ 117,566,579	\$ 120,534,841	\$ 128,021,043
Corporate bonds	19,089,121	21,688,592	21,738,159
Financial debentures	4,200,000	4,000,000	7,600,000
Structured time deposits	34,500,000	34,500,000	34,500,000
Foreign bonds	3,004,452,403	3,287,742,820	3,256,637,123
Foreign asset securitisation	<u>60,614,618</u>	<u>66,761,495</u>	<u>66,173,447</u>
	3,240,422,721	3,535,227,748	3,514,669,772
Loss allowance	(3,620,354)	(4,062,552)	(7,499,620)
Statutory deposits	(24,701,655)	(52,737,610)	(46,379,980)
	<u>\$ 3,212,100,712</u>	<u>\$ 3,478,427,586</u>	<u>\$ 3,460,790,172</u>

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	<u>For the three months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	\$ 29,273,366	\$ 30,703,406
Impairment reversal (loss)	44,762	(49,562)
Gain (loss) on disposal	59,408	(79,384)
	<u>\$ 29,377,536</u>	<u>\$ 30,574,460</u>
	<u>For the six months ended June 30,</u>	
	<u>2025</u>	<u>2024</u>
Interest income	\$ 60,326,656	\$ 60,607,560
Impairment reversal	110,278	344,402
Gain (loss) on disposal	201,895	(574,684)
	<u>\$ 60,638,829</u>	<u>\$ 60,377,278</u>

Gain or loss on disposal of the financial assets at amortised cost are arising from infrequent sale or insignificant in value both individually and in aggregate, sale prior to the approaching maturity date, and early disposal due to increased credit risk.

B. The Consolidated Company has engaged in repurchase agreements. For detailed information on the transfer of related financial assets, please refer to Note 6(8).

C. The Consolidated Company has entered into master netting agreements or similar arrangements with counterparties for structured time deposits. For detailed information on the offsetting of financial assets and liabilities, please refer to Note 6(9).

D. Details of the Consolidated Company's financial assets at amortised cost pledged to others as collateral are provided in Note 6(16).

E. Information relating to credit risk of financial assets at amortised cost is provided in Note 13(3).

(6) Investments accounted for using the equity method

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Associates			
Fuh Hwa Securities Investment Trust Co., Ltd.	\$ 2,742,606	\$ 3,066,419	\$ 2,807,450
Nan Shan Plaza Property Management Co., Ltd.	<u>6,437</u>	<u>6,006</u>	<u>5,292</u>
	<u>\$ 2,749,043</u>	<u>\$ 3,072,425</u>	<u>\$ 2,812,742</u>
		<u>2025</u>	<u>2024</u>
At January 1	\$	3,072,425	\$ 2,816,281
Earnings distribution of investments accounted for using equity method	(	552,770)	(278,184)
Share of profit or loss of investments accounted for using equity method		240,067	268,833
Share of other comprehensive income of investment accounted for using equity method	(	10,679)	<u>5,812</u>
At June 30	<u>\$</u>	<u>2,749,043</u>	<u>\$ 2,812,742</u>

On March 17, 2023, the Consolidated Company acquired a 30.71% equity interest of Fuh Hwa Securities Trust, becoming the single largest shareholder of the company. Though the Consolidated Company designated two representatives to serve as directors of the Fuh Hwa Securities Trust, they only occupy two out of seven director seats and do not have the actual ability to lead the relevant activities, which indicated the Consolidated Company does not have control over but have significant influence on Fuh Hwa Securities Trust.

(7) Structured entities

A. In accordance with IFRS 12, 'Disclosure of Interests in Other Entities', the information about structured entities that are not controlled by the Consolidated Company is listed below:

Type of structured entity	June 30, 2025 Book Value	December 31, 2024 Book Value	June 30, 2024 Book Value	Nature and Purpose
Private funds	\$ 123,196,495	\$ 159,964,290	\$ 158,115,558	An investment fund established and operated by the issuing institution through private placement for certain investors. Through the restricted investing activities of the fund, investors obtain long-term capital gains.
Securitised financial asset products	72,657,747	78,738,219	77,879,385	Transfer of structured entity's asset related risks to investors through the issuance of bonds, in order to provide an investing opportunity for investors.
Real estate securitisation products	12,914,696	16,129,980	16,401,031	Through issuing beneficiary securities, commissioned institutions provide investors with opportunities to participate in gaining profits from real estate market trading, rent and appreciation.
Infrastructure funds	24,889,060	50,957,836	49,397,242	An investment fund established and operated by the issuing institution through private placement for certain investors. Through the restricted investing activities of the fund, investors obtain long-term capital gains.
	<u>\$ 233,657,998</u>	<u>\$ 305,790,325</u>	<u>\$ 301,793,216</u>	

B. The equities of structured entities that are not included in the Consolidated Company's consolidated financial statements are recognised under financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets at amortised cost. The Consolidated Company does not provide financial support or other support to these structured entities. The potential losses of such entities, derived from the maximum exposure amount, are the book values of the held assets. In addition, for market risk exposures resulting from contract clauses that limit investment positions and issuance terms, the Consolidated Company has considered related market risk management approaches. Please refer to Note 13 for details.

(8) Transfer of financial asset

A. The Consolidated Company's government bonds, corporate bonds, and financial debentures sold under repurchase agreements are transferred financial assets that are not derecognised in their entirety. The Consolidated Company cannot sell or pledge such securities within the transfer period; however, related risks and returns are still retained, and thus, they are not derecognised in their entirety.

B. The Consolidated Company's carrying amount of transferred financial assets that are not derecognised in their entirety and related financial liabilities are as follows:

Type of financial asset	June 30, 2025		December 31, 2024		June 30, 2024	
	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities	Carrying amount of transferred financial assets	Carrying amount of related financial liabilities
Financial assets at amortised cost						
Bonds sold under repurchase agreements	<u>\$ 12,314,094</u>	<u>\$ 6,893,476</u>	<u>\$ 5,097,377</u>	<u>\$ 2,822,375</u>	<u>\$ 16,886,181</u>	<u>\$ 9,703,644</u>

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(9) Offsetting financial assets and financial liabilities

A. The Consolidated Company has engaged in financial instruments transactions that do not meet the offsetting criteria in paragraph 42 of IAS 32 'Financial Instruments: Presentation'. However, the Consolidated Company has entered into enforceable master netting arrangements or similar agreements with counterparties, such as derivatives, structured time deposits, reverse repurchase agreements and repurchase agreements. Upon the event of a breach in agreement (default, insolvency, or bankruptcy) by any party, the counterparty may set-off the netting arrangement or pursue legal action against the collateral in accordance with their agreements. The amount received (paid) for the collateral is the fair value of the collateral. However, the offsetting amount is limited to the total amount of recognised financial assets (liabilities).

B. The following table provides related information on enforceable master netting arrangements or similar agreements that are financial assets and liabilities:

June 30, 2025						
Financial Assets						
Description	Gross amounts of recognised financial assets (a)	Offset gross amounts of recognised financial liabilities (b)	Net amount of financial assets presented in balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet		
				Financial instruments (Note 1) (d)	Cash collateral received (e)	Net amount (Note 2) (f)=(c)-(d)-(e)
Derivative instruments and structured time deposits	\$ 161,003,536	\$ -	\$ 161,003,536	\$ 11,020,283	\$ 68,049,894	\$ 81,933,359
Reverse repurchase agreements	665,409	-	665,409	652,330	-	13,079
	<u>\$ 161,668,945</u>	<u>\$ -</u>	<u>\$ 161,668,945</u>	<u>\$ 11,672,613</u>	<u>\$ 68,049,894</u>	<u>\$ 81,946,438</u>

Financial Liabilities

Description	Gross amounts of recognised financial liabilities (a)	Offset gross amounts of recognised financial assets (b)	Net amount of financial liabilities presented in balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet		Net amount (Note 2) (f)=(c)-(d)-(e)
				Financial instruments (Note 1) (d)	Cash collateral pledged (e)	
Derivative instruments	\$ 11,391,329	\$ -	\$ 11,391,329	\$ 11,756,511	\$ -	\$ -
Repurchase agreements	6,893,476	-	6,893,476	12,314,094	-	-
	<u>\$ 18,284,805</u>	<u>\$ -</u>	<u>\$ 18,284,805</u>	<u>\$ 24,070,605</u>	<u>\$ -</u>	<u>\$ -</u>

Note 1: Including enforceable master netting arrangements and non-cash financial collateral.

Note 2: The expressed amount is zero if the amount of received or pledged collateral exceeds the net of recognised financial assets and liabilities.

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December 31, 2024

Financial Assets						
Description	Gross amounts of recognised financial assets (a)	Offset gross amounts of recognised financial liabilities (b)	Net amount of financial assets presented in balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet		Net amount (Note 2) (f)=(c)-(d)-(e)
				Financial instruments (Note 1) (d)	Cash collateral received (e)	
Derivative instruments and structured time deposits	\$ 51,396,724	\$ -	\$ 51,396,724	\$ 8,179,502	\$ -	\$ 43,217,222
Reverse repurchase agreements	860,000	-	860,000	828,659	-	31,341
	<u>\$ 52,256,724</u>	<u>\$ -</u>	<u>\$ 52,256,724</u>	<u>\$ 9,008,161</u>	<u>\$ -</u>	<u>\$ 43,248,563</u>
Financial Liabilities						
Description	Gross amounts of recognised financial liabilities (a)	Offset gross amounts of recognised financial assets (b)	Net amount of financial liabilities presented in balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet		Net amount (Note 2) (f)=(c)-(d)-(e)
				Financial instruments (Note 1) (d)	Cash collateral pledged (e)	
Derivative instruments	\$ 61,317,453	\$ -	\$ 61,317,453	\$ 37,497,068	\$ 4,878,796	\$ 18,941,589
Repurchase agreements	2,822,375	-	2,822,375	5,097,377	-	-
	<u>\$ 64,139,828</u>	<u>\$ -</u>	<u>\$ 64,139,828</u>	<u>\$ 42,594,445</u>	<u>\$ 4,878,796</u>	<u>\$ 18,941,589</u>

Note 1: Including enforceable master netting arrangements and non-cash financial collateral.

Note 2: The expressed amount is zero if the amount of received or pledged collateral exceeds the net of recognised financial assets and liabilities.

June 30, 2024

Financial Assets						
Description	Gross amounts of recognised financial assets (a)	Offset gross amounts of recognised financial liabilities (b)	Net amount of financial assets presented in balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet		
				Financial instruments (Note 1) (d)	Cash collateral received (e)	Net amount (Note 2) (f)=(c)-(d)-(e)
Derivative instruments and structured time deposits	\$ 50,529,005	\$ -	\$ 50,529,005	\$ 5,445,353	\$ -	\$ 45,083,652
Reverse repurchase agreements	820,067	-	820,067	799,053	-	21,014
	<u>\$ 51,349,072</u>	<u>\$ -</u>	<u>\$ 51,349,072</u>	<u>\$ 6,244,406</u>	<u>\$ -</u>	<u>\$ 45,104,666</u>
Financial Liabilities						
Description	Gross amounts of recognised financial liabilities (a)	Offset gross amounts of recognised financial assets (b)	Net amount of financial liabilities presented in balance sheet (c)=(a)-(b)	Related amounts not set off in the balance sheet		
				Financial instruments (Note 1) (d)	Cash collateral pledged (e)	Net amount (Note 2) (f)=(c)-(d)-(e)
Derivative instruments	\$ 53,621,151	\$ -	\$ 53,621,151	\$ 29,722,601	\$ 6,811,904	\$ 17,086,646
Repurchase agreements	9,703,644	-	9,703,644	16,886,181	-	-
	<u>\$ 63,324,795</u>	<u>\$ -</u>	<u>\$ 63,324,795</u>	<u>\$ 46,608,782</u>	<u>\$ 6,811,904</u>	<u>\$ 17,086,646</u>

Note 1: Including enforceable master netting arrangements and non-cash financial collateral.

Note 2: The expressed amount is zero if the amount of received or pledged collateral exceeds the net of recognised financial assets and liabilities.

(10) Investment property

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Measured subsequently using the fair value model	\$ 205,212,310	\$ 205,194,766	\$ 207,132,052
Measured subsequently using the cost model	10,207,296	8,508,132	7,481,160
	<u>\$ 215,419,606</u>	<u>\$ 213,702,898</u>	<u>\$ 214,613,212</u>

A. Measured subsequently using the fair value model

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Right-of-use assets</u>	<u>Prepayments for buildings and land</u>	<u>Total</u>
At January 1, 2025	\$ 63,264,433	\$ 51,172,836	\$ 90,757,497	\$ -	\$ 205,194,766
Additions-from acquisitions	20	-	-	395,995	396,015
Additions-from subsequent expenditures	-	6,073	-	-	6,073
Transferred from property and equipment	80,955	129,466	-	-	210,421
Transferred from prepayments for buildings and lands	395,995	-	-	(395,995)	-
Net gain (loss) from fair value valuation	208,325	(239,532)	(679,198)	-	(710,405)
Adjustment of lease liabilities remeasurement	-	-	116,943	-	116,943
Others	-	(1,503)	-	-	(1,503)
At June 30, 2025	<u>\$ 63,949,728</u>	<u>\$ 51,067,340</u>	<u>\$ 90,195,242</u>	<u>\$ -</u>	<u>\$ 205,212,310</u>

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Right-of-use assets</u>	<u>Prepayments for buildings and land</u>	<u>Total</u>
At January 1, 2024	\$ 66,848,594	\$ 52,259,462	\$ 94,027,873	\$ -	\$ 213,135,929
Additions-from acquisitions	9,131	2,277	-	1,179,136	1,190,544
Additions-from subsequent expenditures	-	131,300	-	-	131,300
Transferred from property and equipment	93,192	112,077	-	-	205,269
Transferred from prepayments for buildings and lands	952,829	226,307	-	(1,179,136)	-
Disposals	(4,022,841)	(1,541,246)	-	-	(5,564,087)
Transferred out from investment property	(707,836)	(82,855)	-	-	(790,691)
Net gain (loss) from fair value valuation	60,840	(305,381)	(817,651)	-	(1,062,192)
Adjustment of lease liabilities remeasurement	-	-	(44,761)	-	(44,761)
Others	-	(69,259)	-	-	(69,259)
At June 30, 2024	<u>\$ 63,233,909</u>	<u>\$ 50,732,682</u>	<u>\$ 93,165,461</u>	<u>\$ -</u>	<u>\$ 207,132,052</u>

The fair value of investment property held by the Consolidated Company is based on valuations performed by independent valuers, following “Regulation on Real Estate Appraisal”. In accordance with “Regulations Governing the Preparation of Financial reports by Insurance Companies”, two or more joint appraisers firms should be appointed for a single item whose valuation amount is more than TWD 1 billion. If the investment properties were acquired before May 11, 2020, valuations are performed using valuation techniques such as income approach, comparison approach and cost approach with reference to market information. Such fair value is based on observable market price, and then adjusted based on the nature, location or condition of the individual asset. If the investment properties were acquired after May 11, 2020, valuations are performed using valuation techniques such as income approach and cost approach according to Regulations Governing the Preparation of Financial Reports by Insurance Enterprise. Information on valuation reports primarily used by the Consolidated Company is as follows:

(a) Appointed joint appraisers firms, appraiser’s name and valuation date are as follows:

Appraiser firm	Appraiser	Valuation date
REPro International Real Estate Appraisers Firm	Tsai, Yu-Hsiang	June 30, 2024, December 31, 2024, and June 30, 2025
	Hsu, Hsiang-Yi	June 30, 2024, December 31, 2024, and June 30, 2025
Sin Yi Real Estate Appraisers Firm	Wang, Shih-Ming	June 30, 2024, December 31, 2024, and June 30, 2025
	Tsai, Wen-Che	June 30, 2024, December 31, 2024, and June 30, 2025
	Chih, Wei-Hsin	June 30, 2024 and June 30, 2025
CCIS Real Estate Joint Appraisers Firm	Chi, Liang-An	June 30, 2024 and December 31, 2024
	Wu, Chih-Hao	June 30, 2024, December 31, 2024, and June 30, 2025
Savills Real Estate Appraiser Firm	Li, Wei-Ru	June 30, 2024 and December 31, 2024
	Tai, Kuang-Ping	June 30, 2024
	Chang, Hung-Kai	June 30, 2024, December 31, 2024, and June 30, 2025
	Chang, Yi-Chih	June 30, 2024, December 31, 2024, and June 30, 2025
Colliers International Real Estate Appraisers Firm	Ye, Shi-Yu	December 31, 2024 and June 30, 2025
	Wu, Cheng-Yeh	June 30, 2024, December 31, 2024, and June 30, 2025
	Ke, Feng-Ru	June 30, 2024, December 31, 2024, and June 30, 2025
Cushman & Wakefield Real Estate Appraisers Firm	Ku, Chien-Hui	June 30, 2024, December 31, 2024, and June 30, 2025
	Lee, Ken-Yuan	June 30, 2024, December 31, 2024, and June 30, 2025
CBRE Real Estate Joint Appraisers Firm	Hu, Chun-Chun	June 30, 2024, December 31, 2024, and June 30, 2025
	Tsai, Chia-He	June 30, 2024, December 31, 2024, and June 30, 2025
	Shih, Fu-Hsueh	December 31, 2024, and June 30, 2025
	Chang, Chih-Chia	December 31, 2024, and June 30, 2025

Appraiser firm	Appraiser	Valuation date
Hong Bang Real Estate Appraisers Firm	Lee, Ching-Tang	December 31, 2024, and June 30, 2025
V-Land International Appraisers Joint Firm	Liang, You-Qi Li, Tai-Li	June 30, 2024 June 30, 2024

(b) Details of appropriateness and reasonability of valuation methods, key assumptions and inputs:

I. Investment properties acquired before May 11, 2020

For the Consolidated Company's properties used as storefront located in a commercial district and offices, due to convenient transportation, active trading and market competitiveness, comparative price and income price are generally informative for value of these properties. Comparison approach is used to analyse based on the transaction price of similar property with substitutability. Income approach is estimated based on rental income and reasonable capitalisation rates.

For commercial property and right-of-use assets like hypermarket and superficies products, they are primarily leased to others to collect long-term steady rental income. Due to its profitability, in general, its value is mainly based on income price and supplementary based on comparative price or cost.

For the superficies, the main evaluation approaches are the income approach, cost approach, land development analysis and comparison approach. After development of the superficies is completed, the evaluation approach of the building completed from the superficies is changed using the abovementioned evaluation approaches based on its nature.

II. Investment properties acquired after May 11, 2020

Investment property which has been engaged a lease contract with the lease term over one year is evaluated by income approach. Cash flows, analysis period and discount rate included in valuation techniques shall meet the regulations specified in "Regulations Governing the Preparation of Financial reports by Insurance Companies". However, investment property which has not been engaged a lease contract with the lease term over one year or has been terminated or cancelled over one year is evaluated using cost approach. If investment property cannot be assessed based on "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises", it can be measured at replacement cost to assess its fair value. In addition, according to the comments on investment property subsequently measured at fair value released based on "Regulations Governing the Preparation of Financial reports by Insurance Companies", land development analysis approach is not applicable for cost approach, and the fair value shall be recognised based on the regular price referring to the valuation reports issued under "Regulations on Real Estate Appraisal" if regular price is lower than the value assessed based on income approach or cost approach.

Because the right-of-use assets and land are acquired after May 11, 2020 and cannot be assessed based on "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises", they are measured at replacement cost. In addition, for those whose regular price is lower than cost, the fair value is measured at regular price.

III. The key inputs used are listed as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Income approach			
Capitalisation rate	0.63%~4.39%	0.54%~4.36%	0.66%~4.33%
Discount rate	3.00%~4.97%	3.00%~4.97%	3.00%~5.00%
Cost approach			
Comprehensive interest of capital rate	0.10%~14.89%	0.10%~14.89%	0.76%~11.85%

The higher the abovementioned rate, the lower the fair value. On the contrary, the lower the abovementioned rate, the higher the fair value.

(c) Information on lease liabilities for right-of-use assets classified as investment properties is provided in Note 6(13).

(d) For information on investment properties with restricted use, please refer to Note 6(29).

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B. Measured subsequently using the cost model

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Construction in progress</u>	<u>Total</u>
<u>At January 1, 2025</u>				
Cost	\$ 2,156,552	\$ 1,425,465	\$ 5,409,276	\$ 8,991,293
Accumulated depreciation	-	(483,161)	-	(483,161)
	<u>\$ 2,156,552</u>	<u>\$ 942,304</u>	<u>\$ 5,409,276</u>	<u>\$ 8,508,132</u>
<u>2025</u>				
Beginning balance	\$ 2,156,552	\$ 942,304	\$ 5,409,276	\$ 8,508,132
Additions-from acquisitions (Note)	-	1,792	1,720,745	1,722,537
Additions-from subsequent expenditures	-	375	-	375
Disposals-cost	-	(10,222)	-	(10,222)
Disposals-accumulated depreciation	-	10,222	-	10,222
Amortisation of direct lease costs	-	(4,144)	-	(4,144)
Depreciation charge	-	(19,526)	-	(19,526)
Others	-	(78)	-	(78)
Ending balance	<u>\$ 2,156,552</u>	<u>\$ 920,723</u>	<u>\$ 7,130,021</u>	<u>\$ 10,207,296</u>
<u>At June 30, 2025</u>				
Cost	\$ 2,156,552	\$ 1,413,188	\$ 7,130,021	\$ 10,699,761
Accumulated depreciation	-	(492,465)	-	(492,465)
	<u>\$ 2,156,552</u>	<u>\$ 920,723</u>	<u>\$ 7,130,021</u>	<u>\$ 10,207,296</u>

Note: Including the interest expense of lease liabilities amounting to \$233,115.

	<u>Land</u>	<u>Buildings and constructions</u>	<u>Construction in progress</u>	<u>Total</u>
<u>At January 1, 2024</u>				
Cost	\$ 2,156,552	\$ 1,438,487	\$ 2,613,298	\$ 6,208,337
Accumulated depreciation	-	(454,482)	-	(454,482)
	<u>\$ 2,156,552</u>	<u>\$ 984,005</u>	<u>\$ 2,613,298</u>	<u>\$ 5,753,855</u>
<u>2024</u>				
Beginning balance	\$ 2,156,552	\$ 984,005	\$ 2,613,298	\$ 5,753,855
Additions-from acquisitions (Note)	-	2,166	1,753,573	1,755,739
Additions-from subsequent expenditures	-	387	-	387
Disposals-cost	-	(7,645)	-	(7,645)
Disposals-accumulated depreciation	-	7,645	-	7,645
Amortisation of direct lease costs	-	(10,376)	-	(10,376)
Depreciation charge	-	(18,400)	-	(18,400)
Others	-	(45)	-	(45)
Ending balance	<u>\$ 2,156,552</u>	<u>\$ 957,737</u>	<u>\$ 4,366,871</u>	<u>\$ 7,481,160</u>
<u>At June 30, 2024</u>				
Cost	\$ 2,156,552	\$ 1,422,974	\$ 4,366,871	\$ 7,946,397
Accumulated depreciation	-	(465,237)	-	(465,237)
	<u>\$ 2,156,552</u>	<u>\$ 957,737</u>	<u>\$ 4,366,871</u>	<u>\$ 7,481,160</u>

Note: Including the interest expense of lease liabilities amounting to \$284,578.

Because the Consolidated Company cannot reliably determine the fair value of its construction in progress on an on-going basis, constructions in progress is measured at cost. Once the fair value can be reliably determined or when construction is complete, the property is measured at fair value.

- C. For information on the fair value of investment property, please refer to Note 12(2).
D. Rental income from investment property and direct operating expenses arising from investment property are shown below (excluding depreciation):

	For the three months ended June 30,	
	2025	2024
Rental income from investment property	\$ 1,182,814	\$ 1,137,069
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 240,215	\$ 287,324
Direct operating expenses arising from the investment property that did not generate rental income during the period	\$ 50,360	\$ 34,657
	For the six months ended June 30,	
	2025	2024
Rental income from investment property	\$ 2,368,693	\$ 2,266,908
Direct operating expenses arising from the investment property that generated rental income during the period	\$ 497,983	\$ 543,025
Direct operating expenses arising from the investment property that did not generate rental income during the period	\$ 82,203	\$ 81,568

- E. Consolidated Company recognised rental income of the variable lease payments based on operating lease contracts, which are listed as follows:

For the three months ended June 30,		For the six months ended June 30,	
2025	2024	2025	2024
\$ 6,790	\$ 6,834	\$ 14,581	\$ 15,073

For the information on the analysis of due date of the lease receivables under the operating leases of the Consolidated Company as of June 30, 2025, December 31, 2024 and June 30, 2024, please refer to Note 6(14).

- F. The information on investment property, including construction in progress, acquired by the Consolidated Company of June 30, 2025, December 31, 2024 and June 30, 2024, is as follows:
(a) On April 13, 2017, the Consolidated Company signed a construction agreement, “New Land Construction on No. 297, 288, 289, 298, 299, 299-1, 300, 302 and 303 in Xiaobei sections of North District, Tainan City” with Fut Su Construction Co., Ltd., and the total contract price was \$2,467,000. Between 2021 to 2023, the Consolidated Company successively signed incremental agreements, and the total modified contract price was \$3,319,001. On July 1, 2024, the total project settlement amount of \$3,106,261 was confirmed, and the Consolidated Company has paid the full amount.
(b) On March 1, 2023, the Consolidated Company signed a construction agreement of “City Land Development and Registered Superficies of Land Lot No.32 and 33-2, Xinyi Section Four,

Xinyi District, Taipei City Contracts” with Da Cin Construction Co., Ltd., and the total contract price was \$7,638,750. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company has paid \$1,615,699, \$1,050,137 and \$778,047 for the construction, respectively.

(c) On January 18, 2024, the Consolidated Company signed a contract with Mutual Construction Co., Ltd. for a 70-year superficies project on land located at No. 27 and 27-1, Section 4, Xinyi District, Taipei City, with a contract amount of \$16,310,000. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company has paid \$2,239,099, \$1,411,715 and \$876,398 for the construction, respectively.

G. The right-of-use assets of the Consolidated Company were as follows:

(a) On August 13, 2014, the Consolidated Company signed a “Construction and Operation Agreement of Development Project of Shulin Shuxin Section Public-owned Land” with Economic Development Department, New Taipei City Government. The total contract price was based on the valuation reports issued by the real estate appraisers. The Consolidated Company won the bids for the project with \$381,111.

(b) On October 12, 2012, the Consolidated Company signed a “City Land Development and Registered Superficies of Land Lot No. 28, 29 and 30, Xinyi Section Four, Xinyi District, Taipei City Contracts” with Taipei City Government. The contract price is \$28,232,400 determined by referring to the valuation reports issued by the real estate appraisers and by bids.

(c) On December 25, 2012, the Consolidated Company signed a “State-owned Land for Nonpublic Use Superficies Contract” with National Property Administration, Central Taiwan Office, and acquired the Land Lot No. 1021, 1039 and 1041 Lianwu Section, East District, Taichung City. The total contract price was referred to the valuation reports issued by the real estate appraisers and was acquired by bids with \$577,243.

(d) On March 30, 2020, the Consolidated Company signed a “City Land Development and Registered Superficies of Land Lot No. 27 and 27-1, Xinyi Section Four, Xinyi District, Taipei City Contracts” with the National Property Administration, Ministry of Finance. The contract price was \$31,276,000 determined by referring to the valuation reports issued by the real estate appraisers and by bids.

(e) On December 18, 2019, the Consolidated Company signed a “City Land Development and Registered Superficies of Land Lot No.32 and 33-2, Xinyi Section Four, Xinyi District, Taipei City Contracts” with Taipei City Government. The contract price was \$15,981,000 determined by referring to the valuation reports issued by the real estate appraisers and by bids, and the registration of superficies was completed on January 16, 2023.

H. Please refer to Note 9 for the information of aforesaid significant unrecognised contract commitments signed by the Consolidated Company.

(11) Loans

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Life insurance policy loans	\$ 84,328,798	\$ 84,424,581	\$ 82,026,638
Automatic policy loans	15,967,628	16,392,979	16,509,420
Secured loans	8,651,942	9,508,887	10,510,064
Less: Allowance for bad debts	(130,082)	(142,937)	(157,955)
	<u>\$ 108,818,286</u>	<u>\$ 110,183,510</u>	<u>\$ 108,888,167</u>

- A. Without consideration of the collateral held or other credit enhancements, the maximum credit risk exposure in respect of the amount that best represents the loans held by the Consolidated Company and the information relating to credit risk of those loans are provided in Note 13(3).
- B. Life insurance policy loans and automatic policy loans are granted to the policyholders with their life and annuity insurance policies as collateral. Life insurance policy loans and automatic policy loans are approved according to certain limit of surrender charges or policy value reserves. If the amount of policy loans or automatic policy loans plus accrued interest exceeds policy value reserves, the policy will be suspended automatically. Hence, both life insurance policy loans and automatic policy loans have adequate policy value reserves as collateral. However, for the life insurance policy loans with collateral of the account value of investment-linked policy, allowance for bad debts should be made when their account value are not adequate to settle life insurance policy loans because of the dramatic decline in the fair value of investments.
- C. Secured loans are loans collateralized by real estate. In accordance with relevant laws and regulations of secured loans, "mortgage loans guidelines" and related internal operations articles, it can be loaned in the specific amount. All of the secured loans are made with collateral.

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(12) Property and equipment

	Land	Buildings and constructions	Construction in progress	Information equipment	Transportation equipment	Other equipment	Leasehold improvements	Prepayments for buildings and land	Total
<u>At January 1, 2025</u>									
Cost	\$ 10,898,345	\$ 7,888,704	\$ 846,042	\$ 2,092,831	\$ 2,743	\$ 1,073,417	\$ 37,558	\$ 298,545	\$ 23,138,185
Accumulated depreciation	-	(3,235,502)	-	(1,222,514)	(2,740)	(359,252)	(29,348)	-	(4,849,356)
Carrying amount	<u>\$ 10,898,345</u>	<u>\$ 4,653,202</u>	<u>\$ 846,042</u>	<u>\$ 870,317</u>	<u>\$ 3</u>	<u>\$ 714,165</u>	<u>\$ 8,210</u>	<u>\$ 298,545</u>	<u>\$ 18,288,829</u>
<u>2025</u>									
Beginning balance	\$ 10,898,345	\$ 4,653,202	\$ 846,042	\$ 870,317	\$ 3	\$ 714,165	\$ 8,210	\$ 298,545	\$ 18,288,829
Additions-from acquisitions (Note 1)	28	2,682	510,110	19,004	-	57,871	379	1,267,162	1,857,236
Transferred from prepayments for buildings and land	565,162	-	-	-	-	-	-	(565,162)	-
Disposals-cost	-	(14,332)	-	(27,212)	-	(29,310)	(506)	-	(71,360)
Disposals-accumulated depreciation	-	14,332	-	27,212	-	29,310	418	-	71,272
Depreciation charge (Note 2)	-	(93,989)	-	(98,322)	(1)	(105,261)	(1,629)	-	(299,202)
Reclassification	-	1,377	-	(1,377)	-	-	-	-	-
Transfer to investment property -cost	(80,955)	(136,134)	-	-	-	-	-	-	(217,089)
Transfer to investment property -accumulated depreciation	-	6,668	-	-	-	-	-	-	6,668
Revaluation increment of real estate	10,097	15,732	-	-	-	-	-	-	25,829
Ending balance	<u>\$ 11,392,677</u>	<u>\$ 4,449,538</u>	<u>\$ 1,356,152</u>	<u>\$ 789,622</u>	<u>\$ 2</u>	<u>\$ 666,775</u>	<u>\$ 6,872</u>	<u>\$ 1,000,545</u>	<u>\$ 19,662,183</u>
<u>At June 30, 2025</u>									
Cost	\$ 11,392,677	\$ 7,758,029	\$ 1,356,152	\$ 2,083,246	\$ 2,743	\$ 1,101,978	\$ 37,431	\$ 1,000,545	\$ 24,732,801
Accumulated depreciation	-	(3,308,491)	-	(1,293,624)	(2,741)	(435,203)	(30,559)	-	(5,070,618)
Carrying amount	<u>\$ 11,392,677</u>	<u>\$ 4,449,538</u>	<u>\$ 1,356,152</u>	<u>\$ 789,622</u>	<u>\$ 2</u>	<u>\$ 666,775</u>	<u>\$ 6,872</u>	<u>\$ 1,000,545</u>	<u>\$ 19,662,183</u>

Note 1: Including the capitalized amount from depreciation expense of right-of-use assets and interest expense of lease liabilities amounting to \$2,186 and \$2,837, respectively.

Note 2: Including the donation of computer equipment to Nanshan Charity Foundation amounting to \$8.

	Land	Buildings and constructions	Construction in progress	Information equipment	Transportation equipment	Other equipment	Leasehold improvements	Prepayments for buildings and land	Total
<u>At January 1, 2024</u>									
Cost	\$ 10,255,527	\$ 8,051,781	\$ 193,705	\$ 2,145,503	\$ 4,732	\$ 851,124	\$ 33,121	\$ -	\$ 21,535,493
Accumulated depreciation	-	(3,068,615)	-	(1,200,203)	(4,510)	(383,480)	(27,773)	-	(4,684,581)
Carrying amount	<u>\$ 10,255,527</u>	<u>\$ 4,983,166</u>	<u>\$ 193,705</u>	<u>\$ 945,300</u>	<u>\$ 222</u>	<u>\$ 467,644</u>	<u>\$ 5,348</u>	<u>\$ -</u>	<u>\$ 16,850,912</u>
<u>2024</u>									
Beginning balance	\$ 10,255,527	\$ 4,983,166	\$ 193,705	\$ 945,300	\$ 222	\$ 467,644	\$ 5,348	\$ -	\$ 16,850,912
Additions-from acquisitions (Note 1)	-	26,095	205,988	23,825	-	34,676	4,075	298,545	593,204
Transferred from investment property	707,836	82,855	-	-	-	-	-	-	790,691
Disposals-cost	-	(660)	-	(179,441)	(1,118)	(136,871)	(1,565)	-	(319,655)
Disposals-accumulated depreciation	-	660	-	179,441	1,118	136,871	1,533	-	319,623
Depreciation charge (Note 2)	-	(86,017)	-	(103,101)	(146)	(80,404)	(1,479)	-	(271,147)
Transfer to investment property -cost	(93,192)	(115,144)	-	-	-	-	-	-	(208,336)
Transfer to investment property -accumulated depreciation	-	3,067	-	-	-	-	-	-	3,067
Revaluation increment of real estate	28,175	(18,899)	-	-	-	-	-	-	9,276
Others	-	(139,110)	-	-	-	-	-	-	(139,110)
Ending balance	<u>\$ 10,898,346</u>	<u>\$ 4,736,013</u>	<u>\$ 399,693</u>	<u>\$ 866,024</u>	<u>\$ 76</u>	<u>\$ 421,916</u>	<u>\$ 7,912</u>	<u>\$ 298,545</u>	<u>\$ 17,628,525</u>
<u>At June 30, 2024</u>									
Cost	\$ 10,898,346	\$ 7,886,918	\$ 399,693	\$ 1,989,887	\$ 3,614	\$ 748,929	\$ 35,631	\$ 298,545	\$ 22,261,563
Accumulated depreciation	-	(3,150,905)	-	(1,123,863)	(3,538)	(327,013)	(27,719)	-	(4,633,038)
Carrying amount	<u>\$ 10,898,346</u>	<u>\$ 4,736,013</u>	<u>\$ 399,693</u>	<u>\$ 866,024</u>	<u>\$ 76</u>	<u>\$ 421,916</u>	<u>\$ 7,912</u>	<u>\$ 298,545</u>	<u>\$ 17,628,525</u>

Note 1: Including the capitalized amount from depreciation expense of right-of-use assets and interest expense of lease liabilities amounting to \$2,045 and \$2,541, respectively.

Note 2: Including capitalized intangible assets amounting to \$3,655 and the depreciation charge of computer equipment donated to Nanshan Charity Foundation reclassified to donation amounting to \$8.

For information on property and equipment with restricted use, please refer to Note 6(29).

(13) Leasing arrangements—lessee

- A. The Consolidated Company leases various assets including buildings, offices, superficies and other equipment. Rental contracts for buildings, offices and other equipment are typically made for periods of 1 to 20 years. Additionally, the leased land with registered superficies has a rental period of 50 to 70 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Low-value assets comprise of office equipment.
- C. The right-of-use assets of superficies were reported in investment property and right-of-use assets. The carrying amount of investment property is provided in Note 6(10).
- D. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>Buildings</u>	<u>Superficies</u>	<u>Other equipment</u>	<u>Total</u>
<u>At January 1, 2025</u>				
Cost	\$ 2,011,548	\$ 224,421	\$ 50,675	\$ 2,286,644
Accumulated depreciation	(747,905)	(20,766)	(10,527)	(779,198)
Carrying amount	<u>\$ 1,263,643</u>	<u>\$ 203,655</u>	<u>\$ 40,148</u>	<u>\$ 1,507,446</u>
<u>2025</u>				
Beginning balance	\$ 1,263,643	\$ 203,655	\$ 40,148	\$ 1,507,446
Additions	208,307	-	9,340	217,647
Disposals-cost	(234,047)	-	-	(234,047)
Disposals-accumulated depreciation	234,047	-	-	234,047
Depreciation charge (Note)	(213,552)	(2,492)	(8,440)	(224,484)
Lease modifications	805	-	-	805
Ending balance	<u>\$ 1,259,203</u>	<u>\$ 201,163</u>	<u>\$ 41,048</u>	<u>\$ 1,501,414</u>
<u>At June 30, 2025</u>				
Cost	\$ 1,985,905	\$ 224,421	\$ 60,015	\$ 2,270,341
Accumulated depreciation	(726,702)	(23,258)	(18,967)	(768,927)
Carrying amount	<u>\$ 1,259,203</u>	<u>\$ 201,163</u>	<u>\$ 41,048</u>	<u>\$ 1,501,414</u>

Note : Including capitalised property and equipment amounting to \$2,186.

	Buildings	Superficies	Other equipment	Total
<u>At January 1, 2024</u>				
Cost	\$ 1,234,385	\$ 208,493	\$ 67,268	\$ 1,510,146
Accumulated depreciation	(608,277)	(15,947)	(58,886)	(683,110)
Carrying amount	<u>\$ 626,108</u>	<u>\$ 192,546</u>	<u>\$ 8,382</u>	<u>\$ 827,036</u>
<u>2024</u>				
Beginning balance	\$ 626,108	\$ 192,546	\$ 8,382	\$ 827,036
Additions	175,750	-	47,329	223,079
Disposals-cost	(151,715)	-	(48,964)	(200,679)
Disposals-accumulated depreciation	151,715	-	48,964	200,679
Lease modifications	(3,813)	161	-	(3,652)
Depreciation charge (Note)	(173,029)	(2,351)	(5,505)	(180,885)
Adjustment of lease liabilities remeasurement	-	2,739	-	2,739
Ending balance	<u>\$ 625,016</u>	<u>\$ 193,095</u>	<u>\$ 50,206</u>	<u>\$ 868,317</u>
<u>At June 30, 2024</u>				
Cost	\$ 1,254,607	\$ 211,393	\$ 65,633	\$ 1,531,633
Accumulated depreciation	(629,591)	(18,298)	(15,427)	(663,316)
Carrying amount	<u>\$ 625,016</u>	<u>\$ 193,095</u>	<u>\$ 50,206</u>	<u>\$ 868,317</u>

Note : Including capitalised investment property and property and equipment amounting to \$2,045.

- E. The Consolidated Company signed the “Investment contract of Sharon Park and parking lot in Tamsui District, New Taipei City” with Economic Development Department, New Taipei City Government on January 15, 2021. The total contract price was \$62,000 determined by referring to the valuation reports issued by the real estate appraisers and by bid.
- F. The information on profit and loss accounts relating to lease contracts is as follows:

Items affecting profit or loss	For the three months ended June 30,	
	2025	2024
Interest expense on lease liabilities	\$ 90,929	\$ 91,348
Expense on leases of low-value assets	366	-
Loss (gain) on lease modifications	9 (	2,639)
For the six months ended June 30,		
Items affecting profit or loss	2025	2024
Interest expense on lease liabilities	\$ 181,866	\$ 182,212
Expense on leases of low-value assets	732	300
Gain on lease modifications	(6)	(2,593)

G. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company calculated the present value of lease liabilities by using the weighted average incremental borrowing interest rate range from 0.5431% to 3.8890%, from 0.5431% to 3.8890%, and from 0.5226% to 3.8890%, respectively.

H. For the six months ended June 30, 2025 and 2024, the Consolidated Company's total cash outflows for leases are \$4,052,673 and \$4,011,049 respectively.

I. Most of the property lease contracts of the Consolidated Company include the option of terminating the lease in advance, and a few other lease contracts include the option of extending the lease. As the exercise of this option is uncertain, the condition will not be reflected when measuring lease liabilities.

J. The movements of lease liabilities are as follows:

	Investment property- Superficies	Right-of-use assets- Superficies	Right-of-use assets- Others	total
At January 1, 2025	\$28,191,098	\$ 150,031	\$ 1,301,399	\$29,642,528
Additions (Note 1)	-	-	217,879	217,879
Adjustment of lease liabilities remeasurement	116,943	-	-	116,943
Lease modifications and others (Notes 1, 2)	-	-	499	499
Interest expense recognised	403,000	2,848	11,970	417,818
Lease payments	(3,828,102)	(2,573)	(221,266)	(4,051,941)
At June 30, 2025	<u>\$24,882,939</u>	<u>\$ 150,306</u>	<u>\$ 1,310,481</u>	<u>\$26,343,726</u>

	Investment property- Superficies	Right-of-use assets- Superficies	Right-of-use assets- Others	total
At January 1, 2024	\$32,181,278	\$ 132,377	\$ 607,761	\$32,921,416
Additions (Note 1)	-	-	223,159	223,159
Adjustment of lease liabilities remeasurement	(44,761)	2,739	-	(42,022)
Lease modifications and others (Notes 1, 2)	-	161	(6,363)	(6,202)
Interest expense recognised	462,469	2,556	4,306	469,331
Lease payments	(3,823,303)	(2,347)	(185,092)	(4,010,742)
At June 30, 2024	<u>\$28,775,683</u>	<u>\$ 135,486</u>	<u>\$ 643,771</u>	<u>\$29,554,940</u>

Note 1: For the six months ended June 30, 2025 and 2024, the deductible for employees' dormitory amounted to \$232 and \$80 respectively; the deductible for employee dormitory lease termination amounted to \$53 and \$11, respectively.

Note 2: For the six months ended June 30, 2025 and 2024, including exchange loss (gain) of (\$247) and \$54, respectively.

K. The Consolidated Company's lease contracts of multifunction printers contain variable lease payment terms that are linked to the actual use in multifunction printers. For the three months and six months ended June 30, 2025 and 2024, the variable lease payments are \$3,344, \$6,406, \$6,527 and \$6,406, respectively.

(14) Leasing arrangements – lessor

A. The Consolidated Company leases investment property. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Information on gain arising from operating lease agreements for the three months and six months ended June 30, 2025 and 2024, is provided in Note 6(10).

C. The maturity analysis of the lease payments under the operating leases is as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
2024	\$ -	\$ -	\$ 2,258,838
2025	2,274,728	4,446,087	4,244,894
2026	4,299,946	4,139,386	3,906,482
2027	3,755,702	3,624,949	3,429,403
2028	3,130,659	3,019,738	2,900,988
2029	2,385,878	2,142,633	2,055,775
2030	2,086,752	1,868,901	1,853,763
After 2031	<u>15,538,334</u>	<u>12,974,547</u>	<u>12,952,125</u>
Total	<u>\$ 33,471,999</u>	<u>\$ 32,216,241</u>	<u>\$ 33,602,268</u>

(15) Intangible assets

Details of intangible assets are as follows:

	<u>Computer software</u>	<u>Goodwill</u>	<u>Licences</u>	<u>Total</u>
<u>At January 1, 2025</u>				
Cost	\$ 12,930,761	\$ 1,075,875	\$ 4,956,012	\$ 18,962,648
Accumulated amortisation	(4,066,182)	-	(2,359,962)	(6,426,144)
Carrying amount	<u>\$ 8,864,579</u>	<u>\$ 1,075,875</u>	<u>\$ 2,596,050</u>	<u>\$ 12,536,504</u>
<u>2025</u>				
Beginning balance	\$ 8,864,579	\$ 1,075,875	\$ 2,596,050	\$ 12,536,504
Additions-acquired separately (Note)	111,701	-	-	111,701
Disposals-cost	(1,875)	-	-	(1,875)
Disposals-accumulated amortisation	1,875	-	-	1,875
Amortisation charge	(395,045)	-	(449,368)	(844,413)
Ending balance	<u>\$ 8,581,235</u>	<u>\$ 1,075,875</u>	<u>\$ 2,146,682</u>	<u>\$ 11,803,792</u>
<u>At June 30, 2025</u>				
Cost	\$ 13,040,587	\$ 1,075,875	\$ 4,956,012	\$ 19,072,474
Accumulated amortisation	(4,459,352)	-	(2,809,330)	(7,268,682)
Carrying amount	<u>\$ 8,581,235</u>	<u>\$ 1,075,875</u>	<u>\$ 2,146,682</u>	<u>\$ 11,803,792</u>
	<u>Computer software</u>	<u>Goodwill</u>	<u>Licences</u>	<u>Total</u>
<u>At January 1, 2024</u>				
Cost	\$ 12,663,078	\$ 1,075,875	\$ 4,956,012	\$ 18,694,965
Accumulated amortisation	(3,450,123)	-	(1,531,578)	(4,981,701)
Carrying amount	<u>\$ 9,212,955</u>	<u>\$ 1,075,875</u>	<u>\$ 3,424,434</u>	<u>\$ 13,713,264</u>
<u>2024</u>				
Beginning balance	\$ 9,212,955	\$ 1,075,875	\$ 3,424,434	\$ 13,713,264
Additions-acquired separately (Note)	212,192	-	-	212,192
Disposals-cost	(104,731)	-	-	(104,731)
Disposals-accumulated amortisation	104,731	-	-	104,731
Amortisation charge	(365,240)	-	(386,172)	(751,412)
Ending balance	<u>\$ 9,059,907</u>	<u>\$ 1,075,875</u>	<u>\$ 3,038,262</u>	<u>\$ 13,174,044</u>
<u>At June 30, 2024</u>				
Cost	\$ 12,770,539	\$ 1,075,875	\$ 4,956,012	\$ 18,802,426
Accumulated amortisation	(3,710,632)	-	(1,917,750)	(5,628,382)
Carrying amount	<u>\$ 9,059,907</u>	<u>\$ 1,075,875</u>	<u>\$ 3,038,262</u>	<u>\$ 13,174,044</u>

Note: Including capitalised depreciation charge of property and equipment amounting to \$0 and \$3,655, and capitalised amortisation charge of intangible assets amounting to \$0 and \$24, for the six months ended June 30, 2025 and 2024, respectively.

(16) Other assets

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Prepayments and temporary debits	\$ 538,104	\$ 732,366	\$ 647,675
Guarantee deposits paid	26,547,605	59,459,438	55,015,230
Others	<u>52,928</u>	<u>57,148</u>	<u>58,345</u>
	<u>\$ 27,138,637</u>	<u>\$ 60,248,952</u>	<u>\$ 55,721,250</u>

A. As of June 30, 2025, December 31, 2024 and June 30, 2024, without consideration of the collateral held or other credit enhancements, the maximum credit risk exposure in respect of the amount that best represents the other assets held by the Consolidated Company are \$26,556,956, \$59,473,427 and \$55,026,844, respectively.

B. The Consolidated Company's guarantee deposits paid are detailed as follows:

- (a) To acquire the case "City Land Development and Registered Superficies of Land Lot No. 28, 29 and 30, Xinyi Section Four, Xinyi District, Taipei City" held by Taipei City Government, the Consolidated Company set \$800,000 certificate of time deposit as (contract) security deposit on September 20, 2012. Because the Consolidated Company met the condition of the contract, a security deposit of \$400,000 was returned in January 2019. As of June 30, 2025, December 31, 2024 and June 30, 2024, the amount of security deposit was \$400,000.
- (b) In response to the commitment to the Council of Labor Affairs, Executive Yuan made by Ruen Chen Investment Holding Co., Ltd. in respect of stock equity trading, the Consolidated Company's life insurance business deposited Government Bonds with par value of \$680,000 under the trust account of Mega International Commercial Bank Co., Ltd. on August 31, 2011.
- (c) Articles 141 and 142 of the Insurance Law require an insurance company to place a statutory deposit with the government equal to 15% of its paid-in capital. The deposit will not be returned until cessation of business and liquidation has been completed. At the end of the financial reporting period, the Consolidated Company deposited Government Bonds in the Central Bank of the Republic of China as follows:

<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
<u>\$ 22,657,000</u>	<u>\$ 22,657,000</u>	<u>\$ 21,307,000</u>

- (d) The Consolidated Company's life insurance business has taken administrative remedy by the statutory period for the adjustment of income tax returns assessed by the National Taxation Bureau. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company's life insurance business deposited Government Bonds amounting to \$978,100, \$275,000 and \$275,000, respectively.
- (e) To acquire the case "City Land Development and Registered Superficies of Land Lot No. 32 and 33-2, Xinyi Section Four, Xinyi District, Taipei City" held by Taipei City Government, the Consolidated Company set a certificate of time deposit of \$800,000 as contract security deposit on December 6, 2019.

- (f) To acquire the case “City Land Development and Registered Superficies of Land Lot No. 520-2 and other 31 lots, Wang Gao Lou Section, Tamsui District, New Taipei City” held by New Taipei City Government, the Consolidated Company set a certificate of time deposit (including subsequent interest) as contract security deposit on January 12, 2021. As of June 30, 2025, December 31, 2024 and June 30, 2024, the deposit amounted to \$46,455, \$46,230 and \$46,230, respectively.
- (g) The Consolidated Company is engaged in trading of derivative instruments and bonds sold under repurchase agreements. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company deposited U.S. Government Bonds amounting to \$765,155, \$29,504,210 and \$24,496,580, respectively, and cash amounting to \$0, \$4,878,796 and \$6,811,904, respectively, as the guarantee. Refer to Notes 6(8) and (9) for details of the offset between guarantee and financial assets and liabilities.
- (h) The Consolidated Company’s property insurance business engaged in insurance bidding business, as of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company’s property business had time deposits of \$20,224, \$20,224 and \$20,180 as the contract security deposit, respectively.
- (i) Except as stated above, the Consolidated Company’s refundable deposits is mainly from leases and property investments, etc.

(17) Insurance products - separate account

- A. The insurance products - separate account classified under assets on insurance products - separate account, liabilities on insurance products - separate account, revenues on insurance products - separate account and expenses on insurance products-separate account are detailed as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Assets on insurance products - separate account			
Cash in bank	\$ 83,890	\$ 107,747	\$ 108,933
Financial assets at fair value through profit or loss	219,798,221	222,727,606	220,756,688
Other receivables	1,341,988	1,485,163	1,114,252
	<u>\$ 221,224,099</u>	<u>\$ 224,320,516</u>	<u>\$ 221,979,873</u>
Liabilities on insurance products - separate account			
Reserves for insurance products - separate account-insurance contracts	\$ 103,734,305	\$ 113,990,465	\$ 125,422,785
Reserves for insurance products - separate account-investment contracts	117,079,128	109,732,855	96,471,338
Other payables	410,666	597,196	85,750
	<u>\$ 221,224,099</u>	<u>\$ 224,320,516</u>	<u>\$ 221,979,873</u>

	For the three months ended June 30,	
	2025	2024
Revenues on insurance products - separate account		
Premiums income	\$ 2,712,516	\$ 2,526,228
Interest income	160	2
Gain on financial assets at fair value through profit or loss and foreign exchange	194,262	5,193,897
	<u>\$ 2,906,938</u>	<u>\$ 7,720,127</u>
Expenses on insurance products - separate account		
Claims and policy benefits payments	\$ 2,411,334	\$ 3,177,231
Surrender charges	2,868,273	3,960,545
Net change of reserves - insurance contracts	(5,303,840)	(2,158,134)
Administration charges and cost of insurance	423,619	418,249
Payment for cash dividends	2,507,552	2,322,236
	<u>\$ 2,906,938</u>	<u>\$ 7,720,127</u>
	For the six months ended June 30,	
	2025	2024
Revenues on insurance products - separate account		
Premiums income	\$ 5,527,619	\$ 5,144,472
Interest income	240	5
Gain on financial assets at fair value through profit or loss and foreign exchange	2,057,038	13,076,134
	<u>\$ 7,584,897</u>	<u>\$ 18,220,611</u>
Expenses on insurance products - separate account		
Claims and policy benefits payments	\$ 5,963,846	\$ 10,131,987
Surrender charges	5,738,911	7,602,149
Net change of reserves - insurance contracts	(9,631,505)	(3,988,669)
Administration charges and cost of insurance	841,919	840,834
Payment for cash dividends	4,671,726	3,634,310
	<u>\$ 7,584,897</u>	<u>\$ 18,220,611</u>

B. The Consolidated Company received sales incentive bonus recognised as fee income from counterparties relative to the above investment-linked insurance products as follows:

For the three months ended June 30,		For the six months ended June 30,	
2025	2024	2025	2024
\$ 482,136	\$ 451,175	\$ 998,305	\$ 877,440

C. On September 17, 2019, the Consolidated Company was penalised by the competent authority because “the Invision” information system violated the Insurance Act and was asked to terminate the business of new investment-linked insurance product contract by the next day of receiving the sanction. Only until the information system of investment-linked insurance product is improved and is verified by the third-party professional institution and reported to the authority for approval, the business of new investment-linked insurance product contract can be restarted. On January 2, 2024, the Consolidated Company was approved by the competent authority to resume the sale of the investment-linked insurance products.

(18) Short-term debts

	June 30, 2025	December 31, 2024	June 30, 2024
Bonds sold under repurchase agreements	\$ 6,893,476	\$ 2,822,375	\$ 9,703,644

A. To fulfil the needs of insurance business, As of June 30, 2025, December 31, 2024 and June 30, 2024, the Consolidated Company transacted bonds sold under repurchase agreements at a contracted interest rate range from 4.45% to 4.53%, of 4.75% and from 5.45% to 5.65%, respectively.

B. Refer to Notes 6(8) and (9) for details of government bonds, corporate bonds, and financial debentures classified as financial assets at amortised cost being pledged as collateral for the liabilities of bonds sold under repurchase agreements which were transacted by the Consolidated Company.

(19) Payables

	June 30, 2025	December 31, 2024	June 30, 2024
Claims and policy benefits payable	\$ 1,522,635	\$ 1,165,731	\$ 1,869,568
Commissions payable	2,247,372	2,391,106	1,841,232
Due to reinsurers and ceding companies	2,009,027	1,350,657	1,930,596
Accrued interests	873,085	1,437,753	400,019
Investments payable	5,515,487	1,572,934	12,735,386
Other payables	5,868,421	7,664,094	5,738,138
	<u>\$ 18,036,027</u>	<u>\$ 15,582,275</u>	<u>\$ 24,514,939</u>

(20) Financial liabilities at fair value through profit or loss

	June 30, 2025	December 31, 2024	June 30, 2024
Financial liabilities at fair value through profit or loss			
Derivative instruments	\$ 11,391,329	\$ 61,317,453	\$ 53,621,151

For the gain or loss on financial liabilities at fair value through profit or loss recognised by the Consolidated Company and related description of derivative instruments, please refer to Note 6(3).

(21) Bonds payable

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Bonds payable	\$ 100,451,400	\$ 87,466,700	\$ 61,040,000
Less: Discount on bonds payable	(164,708)	(188,024)	-
	<u>\$ 100,286,692</u>	<u>\$ 87,278,676</u>	<u>\$ 61,040,000</u>

A. The Consolidated Company's life insurance business was notified through Jin-Guan-Bao-Sho Letter No. 10502064510 of FSC dated May 31, 2016 and Public Announcement of Securities-TPEX-Bond No. 10500152721 of Taipei Exchange dated June 20, 2016 of effective registration and issued the cumulative perpetual subordinated bonds on June 24, 2016. The stipulated terms of issuance are as follows:

- (a) Total issuance amount: NT\$25,000,000 thousand.
- (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
- (c) Issuance period: Perpetual.
- (d) Coupon rate: The coupon rate remains fixed interest rate within ten years from the issuance date. For the issuance dated June 20, 2016, the coupon rate is 3.5%. After the lapse of ten years from the issuance date, if the bonds has not been redeemed, the coupon rate will increase by 1%.
- (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
- (f) Early redemption: After the lapse of ten years from the issuance date, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than twice of statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable.
- (g) Form of issuance: The bond is issued in non-physical form.

B. The Consolidated Company's life insurance business was notified through Jin-Guan-Bao-Sho Letter No. 10602051720 of FSC dated May 31, 2017 and Public Announcement of Securities-TPEX-Bond No. 10600151791 of Taipei Exchange dated June 23, 2017 of effective registration and issued the cumulative perpetual subordinated bonds on June 29, 2017. The stipulated terms of issuance are as follows:

- (a) Total issuance amount: NT\$7,000,000 thousand.
- (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
- (c) Issuance period: Perpetual.
- (d) Coupon rate: The coupon rate remains fixed interest rate within ten years from the issuance date. For the issuance dated June 23, 2017, the coupon rate is 3.45%. After the lapse of ten years from the issuance date, if the bonds has not been redeemed, the coupon rate will increase by 1%.
- (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
- (f) Early redemption: After the lapse of ten years from the issuance date, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than twice

of statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable.

(g) Form of issuance: The bond is issued in non-physical form.

C. The Consolidated Company's life insurance business was notified through Jin-Guan-Bao-Sho Letter No. 10704153520 of FSC dated June 12, 2018 and Public Announcement of Securities-TPEX-Bond No. 10700153831 of Taipei Exchange dated June 29, 2018 of effective registration and issued the cumulative perpetual subordinated bonds on June 29, 2018. The stipulated terms of issuance are as follows:

(a) Total issuance amount: NT\$10,000,000 thousand.

(b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.

(c) Issuance period: Perpetual.

(d) Coupon rate: The coupon rate remains fixed interest rate within ten years from the issuance date. For the issuance dated June 29, 2018, the coupon rate is 3.3%. After the lapse of ten years from the issuance date, if the bonds has not been redeemed, the coupon rate will increase by 1%.

(e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.

(f) Early redemption: After the lapse of ten years from the issuance date, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than twice of statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable.

(g) Form of issuance: The bond is issued in non-physical form.

D. The Consolidated Company's life insurance business was notified through Jin-Guan-Bao-Sho Letter No. 112043641 of FSC dated September 13, 2023 and Public Announcement of Securities-TPEX-Bond No. 11200101871 of Taipei Exchange dated October 19, 2023 of effective registration and issued the first unsecured cumulative subordinated bonds of 2023 on October 26, 2023. The stipulated terms of issuance are as follows:

(a) Total issuance amount: NT\$11,500,000 thousand.

(b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.

(c) Issuance period: 10 years for A bonds and 15 years for B bonds.

(d) Coupon rate: The coupon rate for A bonds is fixed interest rate of 3.75% per annum; and the coupon rate for B bonds is fixed interest rate of 3.88% per annum.

(e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.

(f) Early redemption: After the lapse of ten years from the issuance date of B bonds, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable which is calculated based on the actual number of days.

(g) Form of issuance: The bond is issued in non-physical form.

- E. The Consolidated Company's life insurance business was notified through Public Announcement of Securities-TPEX-Bond No. 11200123751 of Taipei Exchange dated December 27, 2023 of effective registration and issued the second unsecured cumulative subordinated bonds of 2023 on January 4, 2024. The stipulated terms of issuance are as follows:
- (a) Total issuance amount: NT\$3,500,000 thousand.
 - (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
 - (c) Issuance period: 10 years for A bonds and 15 years for B bonds.
 - (d) Coupon rate: The coupon rate for A bonds is fixed interest rate of 3.75% per annum; and the coupon rate for B bonds is fixed interest rate of 3.88% per annum.
 - (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
 - (f) Early redemption: After the lapse of ten years from the issuance date of B bonds, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable which is calculated based on the actual number of days.
 - (g) Form of issuance: The bond is issued in non-physical form.
- F. The Consolidated Company's life insurance business was notified through Public Announcement of Securities-TPEX-Bond No. 11300047181 of Taipei Exchange dated June 24, 2024 of effective registration and issued the first unsecured cumulative subordinated bonds of 2024 on June 28, 2024. The stipulated terms of issuance are as follows:
- (a) Total issuance amount: NT\$4,040,000 thousand.
 - (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
 - (c) Issuance period: 10 years for A bonds and 15 years for B bonds.
 - (d) Coupon rate: The coupon rate for A bonds is fixed interest rate of 3.75% per annum; and the coupon rate for B bonds is fixed interest rate of 3.88% per annum.
 - (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
 - (f) Early redemption: After the lapse of ten years from the issuance date of B bonds, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable which is calculated based on the actual number of days.
 - (g) Form of issuance: The bond is issued in non-physical form.
- G. The Consolidated Company's overseas financing and investing business completed the pricing of US\$700,000 thousand ten-year unsecured cumulative subordinated bonds on September 4, 2024, and the issuance was on September 11, 2024. The stipulated terms of issuance are as follows:
- (a) Total issuance amount: US\$700,000 thousand.
 - (b) Par value: The par value is US\$200 thousand per bond with increments in multiples of US\$1 thousand for amounts exceeding that amount.
 - (c) Issuing price: US\$99.673.

- (d) Issuance period: 10 years.
 - (e) Coupon rate: The coupon rate is fixed interest rate of 5.45% per annum.
 - (f) Effective rate: 5.562%.
 - (g) Method of interest payment: The interest is paid semiannually, calculated using the simple interest of coupon rate from the issuance date.
 - (h) Form of issuance: The bond is issued in non-physical form.
- H. The Consolidated Company's life insurance business was notified through Public Announcement of Securities-TPEX-Bond No. 11300100551 of Taipei Exchange dated November 26, 2024 of effective registration and issued the second unsecured cumulative subordinated bonds of 2024 on December 3, 2024. The stipulated terms of issuance are as follows:
- (a) Total issuance amount: NT\$3,480,000 thousand.
 - (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
 - (c) Issuance period: 10 years for A bonds and 15 years for B bonds.
 - (d) Coupon rate: The coupon rate for A bonds is fixed interest rate of 3.75% per annum; and the coupon rate for B bonds is fixed interest rate of 3.88% per annum.
 - (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
 - (f) Early redemption: After the lapse of ten years from the issuance date of B bonds, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable which is calculated based on the actual number of days.
 - (g) Form of issuance: The bond is issued in non-physical form.
- I. The Consolidated Company's life insurance business was notified through Public Announcement of Securities-TPEX-Bond No. 11400022441 of Taipei Exchange dated April 22, 2025 of effective registration and issued the first unsecured cumulative subordinated bonds of 2025 on April 29, 2025. The stipulated terms of issuance are as follows:
- (a) Total issuance amount: NT\$ 5,000,000 thousand.
 - (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
 - (c) Issuance period: 10 years for A bonds and 15 years for B bonds.
 - (d) Coupon rate: The coupon rate for A bonds is fixed interest rate of 3.75% per annum; and the coupon rate for B bonds is fixed interest rate of 3.88% per annum.
 - (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
 - (f) Early redemption: After the lapse of ten years from the issuance date of B bonds, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable which is calculated based on the actual number of days.
 - (g) Form of issuance: The bond is issued in non-physical form.

- J. The Consolidated Company's life insurance business was notified through Public Announcement of Securities-TPEX-Bond No. 11400031501 of Taipei Exchange dated May 27, 2025 of effective registration and issued the second unsecured cumulative subordinated bonds of 2025 on June 4, 2025. The stipulated terms of issuance are as follows:
- (a) Total issuance amount: NT\$ 10,000,000 thousand.
 - (b) Par value and issuing price: The par value is NT\$1,000 thousand per bond and issued at par value.
 - (c) Issuance period: 10 years for A bonds and 15 years for B bonds.
 - (d) Coupon rate: The coupon rate for A bonds is fixed interest rate of 3.75% per annum; and the coupon rate for B bonds is fixed interest rate of 3.88% per annum.
 - (e) Method of interest payment: The interest is paid once a year, calculated with the simple interest of coupon rate from the issuance date.
 - (f) Early redemption: After the lapse of ten years from the issuance date of B bonds, if the Consolidated Company's life insurance business' capital adequacy ratio after redemption is more than statutory lowest capital adequacy ratio for insurance industry and provided that the competent authority agrees the Consolidated Company to do so, the Consolidated Company will redeem all bonds beforehand at face value along with the interest payable which is calculated based on the actual number of days.
 - (g) Form of issuance: The bond is issued in non-physical form.

(22) Reinsurance contract assets and insurance contract liabilities

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Reinsurance contract assets			
Life insurance	\$ 1,314,560	\$ 1,385,718	\$ 1,357,536
Property insurance	<u>2,215,845</u>	<u>2,005,777</u>	<u>2,235,644</u>
	<u>\$ 3,530,405</u>	<u>\$ 3,391,495</u>	<u>\$ 3,593,180</u>
	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Insurance liabilities			
Life insurance	\$ 4,567,470,152	\$ 4,723,417,485	\$ 4,697,007,601
Property insurance	<u>12,161,316</u>	<u>11,160,427</u>	<u>10,660,613</u>
	<u>\$ 4,579,631,468</u>	<u>\$ 4,734,577,912</u>	<u>\$ 4,707,668,214</u>

A. Life insurance

The components of reinsurance contract assets are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Claims recoverable from reinsurers	\$ 1,045,296	\$ 1,127,904	\$ 1,088,340
Reinsurance reserves assets			
Ceded unearned premium reserves	203,187	181,806	199,887
Ceded claim reserves	<u>66,077</u>	<u>76,008</u>	<u>69,309</u>
	<u>\$ 1,314,560</u>	<u>\$ 1,385,718</u>	<u>\$ 1,357,536</u>

Reinsurance contract assets held by the Consolidated Company's life insurance are neither past due nor impaired, and they all ceded to reinsurers with S&P rating A or above.

The components of insurance contract liabilities are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unearned premium reserves	\$ 21,784,252	\$ 20,907,782	\$ 21,020,627
Claim reserves	11,871,516	11,647,167	11,071,347
Policy reserves	4,522,035,663	4,674,347,813	4,649,132,937
Special reserves	7,481,633	11,121,334	10,250,166
Premium deficiency reserves	4,297,088	5,393,389	5,532,524
	<u>\$ 4,567,470,152</u>	<u>\$ 4,723,417,485</u>	<u>\$ 4,697,007,601</u>

The movements and components of insurance contract liabilities and reinsurance reserves are as follows:

(a) Unearned premium reserves and ceded unearned premium reserves

	<u>2025</u>	<u>2024</u>
Unearned premium reserves:		
At January 1	\$ 20,907,782	\$ 20,056,307
Net change	876,568	964,280
Foreign exchange (gain) loss	(98)	40
At June 30	<u>\$ 21,784,252</u>	<u>\$ 21,020,627</u>
	<u>2025</u>	<u>2024</u>
Ceded unearned premium reserves:		
At January 1	\$ 181,806	\$ 163,841
Net change	22,396	35,701
Foreign exchange (loss) gain	(1,015)	345
At June 30	<u>\$ 203,187</u>	<u>\$ 199,887</u>

(b) Claim reserves and ceded claim reserves

I. The components of claim reserves are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Reported but not paid claim reserves	\$ 4,116,252	\$ 3,951,760	\$ 3,652,055
Incurred but not reported claim reserves	7,755,264	7,695,407	7,419,292
	<u>\$ 11,871,516</u>	<u>\$ 11,647,167</u>	<u>\$ 11,071,347</u>

II. The movements of claim reserves and ceded claim reserves are as follows:

	<u>2025</u>	<u>2024</u>
Claims reserves:		
At January 1	\$ 11,647,167	\$ 10,799,542
Net change	239,017	266,158
Foreign exchange (gain) loss	(14,668)	5,647
At June 30	<u>\$ 11,871,516</u>	<u>\$ 11,071,347</u>
	<u>2025</u>	<u>2024</u>
Ceded claims reserves:		
At January 1	\$ 76,008	\$ 106,704
Net change	(8,839)	(37,829)
Foreign exchange (loss) gain	(1,092)	434
At June 30	<u>\$ 66,077</u>	<u>\$ 69,309</u>

(c) Policy reserves

I. The components of policy reserves are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Insurance contracts	\$ 4,382,204,197	\$ 4,518,207,892	\$ 4,481,958,637
Investment contracts with discretionary participation features	138,634,025	154,890,836	165,952,144
Life policy reserves -catastrophe reserves recovered	-	50,691	50,691
Policy benefit-pending payment to policyholder	1,197,441	1,198,394	1,171,465
	<u>\$ 4,522,035,663</u>	<u>\$ 4,674,347,813</u>	<u>\$ 4,649,132,937</u>

II. The movements of policy reserves are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 4,674,347,813	\$ 4,571,457,717
Net change	14,749,410	16,081,641
Foreign exchange (gain) loss	(97,526,835)	59,784,496
Net change in policy benefits-pending payment to policyholder	(953)	(51,923)
Others	1,581,652	1,861,006
Transfer to reserve for foreign exchange valuation	(39,066,894)	-
Release of policy reserves	(32,048,530)	-
At June 30	<u>\$ 4,522,035,663</u>	<u>\$ 4,649,132,937</u>

III. The related interest expense from the above discount-based insurance contract liabilities are as follows:

For the three months ended June 30,		For the six months ended June 30,	
2025	2024	2025	2024
\$ 38,201,024	\$ 38,408,027	\$ 76,894,455	\$ 76,601,735

IV. The Consolidated Company's reserves of insurance contracts and financial instruments with discretionary participation features are recognised based on "Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises", not valued at fair value. The financial instruments with discretionary participation feature (variable interest rate annuity) reported in each report period by the Consolidated Company, is based on credited interest rate to accumulate the account value. Those financial instruments' discretionary participation feature has no quoted market price and the fair value could not be reliably measured, so no need to disclose those fair value. At the end of each reporting date, except for paid under insurance terms, the Consolidated Company does not plan to sell those financial instruments.

V. In accordance with the Guideline Governing Reserves for change on Foreign Exchange Price by Life Insurance Enterprises and Jin-Guan-Pao-Tzai Letter No. 11304931482 issued by the FSC, the Consolidated Company transferred an amount of \$39,066,894 from policy reserves to reserve for foreign exchange valuation in May 2025. Please refer to Note 6(24) for details.

VI. Pursuant to Jin-Guan-Pao-Tzai Letter No. 11404924811 issued by the FSC, the Consolidated Company released an amount of \$32,048,530 from policy reserves in June 2025. Within this released amount, \$16,000,000 was allocated to reserve for foreign exchange valuation. Please refer to Note 6(24) for details.

(d) Special reserves

I. The components of special reserves are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Reserves for real estate appreciation	\$ -	\$ 1,354,257	\$ 1,354,257
Dividend payment reserves	7,481,633	9,767,077	8,895,909
	<u>\$ 7,481,633</u>	<u>\$ 11,121,334</u>	<u>\$ 10,250,166</u>

II. The movements of special reserves are as follows:

	2025	2024
At January 1	\$ 11,121,334	\$ 9,352,030
Net change	(2,285,444)	898,136
Transfer to reserve for foreign exchange valuation	(1,354,257)	-
At June 30	<u>\$ 7,481,633</u>	<u>\$ 10,250,166</u>

III. In accordance with the Guideline Governing Reserves for change on Foreign Exchange Price by Life Insurance Enterprises and Jin-Guan-Pao-Tzai Letter No. 11304931482 issued by the FSC, the Consolidated Company transferred an amount of \$1,354,257 from the special reserves for real estate appreciation to the reserves for foreign exchange

valuation in May 2025. Please refer to Note 6(24) for details.

(e) Premium deficiency reserves

	<u>2025</u>	<u>2024</u>
At January 1	\$ 5,393,389	\$ 6,201,833
Net change	(1,036,015)	(740,625)
Foreign exchange (gain) loss	(60,286)	71,316
At June 30	<u>\$ 4,297,088</u>	<u>\$ 5,532,524</u>

B. Property insurance

(a) Reinsurance contract assets are shown below:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Claims recoverable from reinsurers	\$ 95,434	\$ 175,969	\$ 247,468
Due from reinsurers and ceding companies	452	855	1,113
Overdue receivable	87	311	332
Reinsurance contract assets reserves			
Ceded unearned premium reserves	1,048,293	853,849	897,790
Ceded claim reserves	1,072,149	976,140	1,090,601
Subtotal	<u>2,216,415</u>	<u>2,007,124</u>	<u>2,237,304</u>
Less: Allowance for loss	(570)	(1,347)	(1,660)
	<u>\$ 2,215,845</u>	<u>\$ 2,005,777</u>	<u>\$ 2,235,644</u>

I. Reinsurance contract assets neither overdue nor impaired were rated with S&P BBB+ or above, so it expects that the probability of default is remote.

II. Amount of reinsurance contract assets and aging analysis that were past due but not impaired or impaired are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
31-90 days	\$ 18,634	\$ 95,163	\$ 70,764
91-180 days	798	19,401	4,402
181-270 days	367	167	1,061
Over 271 days	87	311	332
	<u>\$ 19,886</u>	<u>\$ 115,042</u>	<u>\$ 76,559</u>

Aging of above claims recoverable from reinsurers, due from reinsurers and ceding companies were classified based on settlement date, reclassified as overdue receivables in 9 months.

III. Changes in allowance for loss on reinsurance contract assets are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 1,347	\$ 2,649
Reversal of loss	(777)	(989)
At June 30	<u>\$ 570</u>	<u>\$ 1,660</u>

(b) Insurance contract liabilities are shown below:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Unearned premium reserves	\$ 5,460,097	\$ 5,036,196	\$ 4,701,850
Claim reserves	4,210,780	3,667,888	3,537,942
Special reserves	2,490,439	2,456,343	2,420,821
	<u>\$ 12,161,316</u>	<u>\$ 11,160,427</u>	<u>\$ 10,660,613</u>

I. Movements of unearned premium reserves and ceded unearned premium reserves are as follows:

	<u>2025</u>		
	<u>Unearned premium reserves</u>	<u>Ceded unearned premium reserves</u>	<u>Net amount</u>
At January 1	\$ 5,036,196	\$ 853,849	\$ 4,182,347
Provision	5,460,097	1,048,293	4,411,804
Recovery	(5,036,196)	(853,849)	(4,182,347)
At June 30	<u>\$ 5,460,097</u>	<u>\$ 1,048,293</u>	<u>\$ 4,411,804</u>
	<u>2024</u>		
	<u>Unearned premium reserves</u>	<u>Ceded unearned premium reserves</u>	<u>Net amount</u>
At January 1	\$ 4,369,375	\$ 1,132,196	\$ 3,237,179
Provision	4,701,850	897,790	3,804,060
Recovery	(4,369,375)	(1,132,196)	(3,237,179)
At June 30	<u>\$ 4,701,850</u>	<u>\$ 897,790</u>	<u>\$ 3,804,060</u>

II. Claim reserves and ceded claim reserves

Item	June 30, 2025		
	Claim reserves	Ceded claim reserves	Retention
Reported but not paid claim reserves	\$ 2,131,347	\$ 454,957	\$ 1,676,390
Incurred but not reported claim reserves	2,079,433	617,192	1,462,241
	<u>\$ 4,210,780</u>	<u>\$ 1,072,149</u>	<u>\$ 3,138,631</u>
Item	December 31, 2024		
	Claim reserves	Ceded claim reserves	Retention
Reported but not paid claim reserves	\$ 1,772,504	\$ 382,857	\$ 1,389,647
Incurred but not reported claim reserves	1,895,384	593,283	1,302,101
	<u>\$ 3,667,888</u>	<u>\$ 976,140</u>	<u>\$ 2,691,748</u>
Item	June 30, 2024		
	Claim reserves	Ceded claim reserves	Retention
Reported but not paid claim reserves	\$ 1,745,559	\$ 504,144	\$ 1,241,415
Incurred but not reported claim reserves	1,792,383	586,457	1,205,926
	<u>\$ 3,537,942</u>	<u>\$ 1,090,601</u>	<u>\$ 2,447,341</u>

Movements of claim reserves and ceded claim reserves are as follows:

	2025		
	Claim reserves	Ceded claim reserves	Net amount
At January 1	\$ 3,667,888	\$ 976,140	\$ 2,691,748
Provision	4,210,780	1,072,149	3,138,631
Recovery	(3,667,888)	(976,140)	(2,691,748)
At June 30	<u>\$ 4,210,780</u>	<u>\$ 1,072,149</u>	<u>\$ 3,138,631</u>
	2024		
	Claim reserves	Ceded claim reserves	Net amount
At January 1	\$ 3,184,074	\$ 1,121,607	\$ 2,062,467
Provision	3,537,942	1,090,601	2,447,341
Recovery	(3,184,074)	(1,121,607)	(2,062,467)
At June 30	<u>\$ 3,537,942</u>	<u>\$ 1,090,601</u>	<u>\$ 2,447,341</u>

III. Special reserves

Insurance type	June 30, 2025	December 31, 2024	June 30, 2024
Compulsory insurance	\$ 2,420,324	\$ 2,386,228	\$ 2,350,706
Others	70,115	70,115	70,115
	<u>\$ 2,490,439</u>	<u>\$ 2,456,343</u>	<u>\$ 2,420,821</u>

(i) Movements of special reserves are as follows:

	2025		
	Compulsory insurance	Others	
		Catastrophe reserves	Risk-volatility reserves
At January 1	\$ 2,386,228	\$ 12,471	\$ 57,644
Provision	34,096	-	-
At June 30	<u>\$ 2,420,324</u>	<u>\$ 12,471</u>	<u>\$ 57,644</u>
	2024		
	Compulsory insurance	Others	
		Catastrophe reserves	Risk-volatility reserves
At January 1	\$ 2,319,420	\$ 12,471	\$ 57,644
Provision	31,286	-	-
At June 30	<u>\$ 2,350,706</u>	<u>\$ 12,471</u>	<u>\$ 57,644</u>

(ii) Pursuant to “Notes for Strengthening Catastrophe Reserves of Property Insurance Enterprises”, effective January 1, 2013, special reserves recognised under liabilities before December 31, 2012 shall first be used to make up required catastrophe reserves and risk claim reserves for commercial earthquake insurance and typhoon/flood insurance except for reserves for other types of insurance like compulsory automobile liability insurance, nuclear energy insurance, government-directed housing earthquake insurance, commercial earthquake insurance and typhoons/flood insurance. These reserves shall then be recognised under liabilities. The remaining, net of income tax, shall be recognised as special reserves under stockholders’ equity in accordance with IAS 12. According to the eighth point of the Notes, upon occurrence of the catastrophic events, when the actual claim of retention business exceeds expected claim minus the offsetting amount for special catastrophe reserves or total accumulative provision amount was sufficient, the risk-volatility reserves should be written-off or recovered in accordance with the third point in the “Regulations Governing the Setting Aside of Liability Reserves of Commercial Earthquake Insurance and Typhoon and Flood Insurance”. Additionally, according to “Note for Strengthening Reserves of Pool Members Residential Earthquake” and “Regulations Governing the setting Aside of Liability Reserves Provision of Nuclear Energy Insurance”, effective January 1, 2013, special reserves that has been set aside shall be retained under special reserves for insurance liability.

To the Consolidated Company, in case that the Subsidiary had considered not to apply the abovementioned notices, the effects on the net income, earnings per share, special reserves and total equity are listed below:

Item	For the six months ended June 30, 2025		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 14,391,193	\$ 14,391,193	\$ -
Earnings per share (unit : NT dollars)	0.98	0.98	-
Special reserves	9,901,957	9,972,072	70,115
Total equity	297,937,309	297,881,217	(56,092)

Item	For the six months ended June 30, 2024		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 25,588,155	\$ 25,588,155	\$ -
Earnings per share (unit : NT dollars)	1.74	1.74	-
Special reserves	12,600,872	12,670,987	70,115
Total equity	374,288,875	374,232,783	(56,092)

(iii) Starting from October 1, 2024, the Consolidated Company's property insurance business should monthly provision NT\$15 for each insurance policy as reserves from the business fees of insurer of property insurance according to the Compulsory Automobile Liability Insurance Act Article 2, Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises Article 24-2, Item 1 which was authorised and set by Insurance Act Article 145, Item 2 and Article 148-3, Item 2. If the annual net premium had deficiency when property insurance industry engaged in this business, it should be offset by the reserves first, if it is not sufficient, it should be executed according to Compulsory Automobile Liability Insurance Act and Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises.

(23) Reserves for insurance with nature of financial instruments

The Consolidated Company issued financial instruments without discretionary participation features. As of June 30, 2025, December 31, 2024 and June 30, 2024, the details of and adjustment from change in the reserves for insurance with nature of financial instruments are as follows:

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Investment-linked product	\$ 1,263,251	\$ 1,273,246	\$ 1,186,250
		<u>2025</u>	<u>2024</u>
At January 1		\$ 1,273,246	\$ 956,348
Net provision of statutory reserves		1,513	223,179
Foreign exchange (gain) loss		(11,508)	6,723
At June 30		<u>\$ 1,263,251</u>	<u>\$ 1,186,250</u>

(24) Reserve for foreign exchange valuation

A. In accordance with the “Regulation Governing the Setting Aside of Various Reserves by Insurance Enterprises”, the Consolidated Company set aside reserve for foreign exchange valuation under liabilities. Movements are as follows:

	<u>2025</u>	<u>2024</u>
At January 1	\$ 23,273,154	\$ 8,675,002
Provision		
Compulsory provision	3,896,956	2,229,479
Additional provision	25,121,489	19,816,313
Subtotal	29,018,445	22,045,792
Recovery	(67,593,902)	(8,253,258)
Transferred from policy reserves and special reserves	40,421,151	-
At June 30	<u>\$ 25,118,848</u>	<u>\$ 22,467,536</u>

In accordance with the Guideline Governing Reserves for exchange on Foreign Exchange Price by Life Insurance Enterprises and Jin-Guan-Pao-Tzai Letter No. 11304931482 issued by the FSC, the Consolidated Company obtained approval to apply the new regulations of reserve for foreign exchange valuation in May 2025. The amounts reclassified from policy reserves and special reserves to reserve for foreign exchange valuation were \$39,066,894 and \$1,354,257, respectively. Please refer to Note 6(22) for details.

In accordance with Jin-Guan-Pao-Tzai Letter No. 11404924811 issued by the FSC, the Consolidated Company released an amount of \$32,048,530 from policy reserves in June 2025. Included in this released amount, \$16,000,000 was allocated to reserve for foreign exchange valuation. Please refer to Note 6(22) for details.

B. The accounts eligible or ineligible for the reserve for foreign exchange valuation are as follows:

Item	For the six months ended June 30, 2025		
	Ineligible amount	Eligible amount	Impact
Net income	(\$ 16,469,173)	\$ 14,391,193	\$ 30,860,366
Earnings per share (unit: NT dollars)	(1.12)	0.98	2.10
Reserve for foreign exchange valuation	-	25,118,848	25,118,848
Total equity	285,685,853	297,881,217	12,195,364
Item	For the six months ended June 30, 2024		
	Ineligible amount	Eligible amount	Impact
Net income	\$ 36,622,183	\$ 25,588,155	(\$ 11,034,028)
Earnings per share (unit: NT dollars)	2.49	1.74	(0.75)
Reserve for foreign exchange valuation	-	22,467,536	22,467,536
Total equity	392,253,291	374,232,783	(18,020,508)

(25) Provisions

	June 30, 2025	December 31, 2024	June 30, 2024
Provisions for employee benefits	\$ 3,452,278	\$ 3,490,720	\$ 3,581,836
Other provisions	235,799	245,118	232,662
	<u>\$ 3,688,077</u>	<u>\$ 3,735,838</u>	<u>\$ 3,814,498</u>

A. Provisions of the Consolidated Company include employee benefits, lawsuits, claims and dispute on labor insurance. Employee benefits and dispute on labor insurance are described in Note 6(26).

B. The details of other provisions are listed below:

	2025	2024
At January 1	\$ 245,118	\$ 229,634
Provisions	1,786	4,308
Recovery	(11,105)	(1,280)
At June 30	<u>\$ 235,799</u>	<u>\$ 232,662</u>

The actual amount and timing of payment of the above lawsuits, claims and new labor pension dispute between agents depends on each result of lawsuit, the policyholder's further requests or the competent authority's decision. The Consolidated Company uses professional legal advice or the percentage of occurrence to estimate the reasonability of provisions.

(26) Post-employee benefits

A. Defined benefit plans

The Consolidated Company has a defined benefit pension plan (the "Plan"), starting from April, 1998 in accordance with the "Labor Standards Law", covering all regular employees' service years prior to the enforcement of the "Labor Pension Act" on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Benefits under the Plan are based on participants' length of service and average salaries at

the time of retirement, with a benefit ceiling of 45 months of salary. The Consolidated Company makes a monthly provision and contributes an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. The remaining is recorded as accrued pension cost. The retirement fund balance is not included in the financial statements.

The Consolidated Company also sets up an employee welfare measure of group term life insurance, which applies to all employees who were on board before April 17, 2009. Upon retirement, the renewal of group term life insurance will be the same as at the time of retirement during the first year, and decrease by 50% of insurance after the year of retirement. It is valid for employees' whole life and all of the insurance payments are shouldered by the Consolidated Company.

For the three months ended June 30,		For the six months ended June 30,	
2025	2024	2025	2024
\$ 34,671	\$ 33,587	\$ 69,342	\$ 67,174

Note: Including capitalised construction in progress and intangible assets amounting to \$0 and \$52 for the six months ended June 30, 2025 and 2024, respectively.

Expected contributions to the defined benefit pension plans of the Consolidated Company in 2025 amount to \$80,377.

B. Defined contribution plans

Effective July 1, 2005, the Consolidated Company has established a defined contribution pension plan (the "New Plan") in accordance with the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Consolidated Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. Pension expenses recognised by the Consolidated Company are as follows:

For the three months ended June 30,		For the six months ended June 30,	
2025	2024	2025	2024
\$ 82,453	\$ 82,403	\$ 164,789	\$ 162,157

Effective February 24, 2012, the Consolidated Company has provided labor insurance for certain field agents in accordance with order issued by the Bureau of Labor Insurance. For those field agents who have been enrolled in labor insurance under the order issued by the Bureau of Labor Insurance, the Consolidated Company is supposed to make contribution of labor pension for them accordingly. Thus, the above amounts include labor pension costs of those field agents.

The Consolidated Company has established the Employees' Retirement Fund Supervisory Committee (the "Committee"), based on the Employees' Retirement Fund Custody and Distribution Guidelines (the "Guidelines") in August, 2005 that apply to appointed managers, to administer the retirement fund. The Consolidated Company makes a monthly provision equal to at least 6% of appointed managers' salaries to the retirement fund for the Committee to handle.

The Consolidated Company recognised pension expenses as follows:

For the three months ended June 30,		For the six months ended June 30,	
2025	2024	2025	2024
\$ 3,986	\$ 3,595	\$ 8,029	\$ 7,442

Note: Including pension expenses capitalised in construction in progress and intangible assets amounting to \$395 and \$461 for the six months ended June 30, 2025 and 2024, respectively.

C. Regarding the issue that some field agents requested the Consolidated Company's life insurance business to appropriate pension funds for them:

The Consolidated Company's life insurance business has always assigned work to the agents since 1970 and it is affirmed through 54 rulings rendered by civil courts that the relationship between field agents and the Consolidated Company's life insurance business is not a labor contractual relationship. However, a few agents claimed that it is a labor contractual relationship and hence legal disputes over Labor Standards Act, Labor Pension Act, Labor Insurance Act, Employment Insurance Act, and National Health Insurance Act have been raised. Earlier the administrative court dismissed the petition of the Consolidated Company's life insurance business for related administrative remedy. The administrative court, however, interprets the laws inconsistently with the abovementioned rulings rendered by the civil court and thus gives rise to conflict between the two adjudicative bodies.

In addition, the Executive Yuan had revoked the penalty decisions made by the Department of Labor, Taipei City Government with 5 petition decisions while Taipei City Government also revoked the penalty decisions made by the Department of Labor, Taipei City Government with 2 petition decisions.

It indicates that what a few field agents contested is legally contentious. To end the disputes, the Consolidated Company's life insurance business petitioned for the interpretation by Grand Justices. On October 21, 2016, the Judicial Yuan Interpretation No. 740 was released and stated that whether the labor contract entered by an insurance agent and the assigning company falls under the labor contract stipulated in subparagraph 6 of Article 2 of Labor Standards Act depends on whether the labor debtor (insurance agent) is able to decide the method of labor (including working hours) and whether he/she bears the business risk (e.g. the payment is based on the premium accrued from the policy he/she solicited), instead of determining the nature of contract in compliance with the provisions of Regulations Governing the Supervision of Insurance Solicitors.

As the J.Y. Interpretation illustrates, the relationship between the Consolidated Company's life insurance business and the agents does not fall under the definition of labor contract provided in the Labor Standards Act and thus related regulations such as Labor Standards Act does not apply. The Consolidated Company's life insurance business is not obliged to appropriate pension funds for field agents. The Consolidated Company's life insurance business respects the J.Y. Interpretation, complies with the substance of the interpretation, and follows the appropriate proceedings to settle the disputes.

(27) Other liabilities

	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Advance receipts and temporary credits	\$ 1,254,699	\$ 1,587,152	\$ 1,292,037
Guarantee deposits received	69,050,700	1,028,066	1,098,644
Accrued policy dividends	<u>26,971,834</u>	<u>27,433,850</u>	<u>26,113,441</u>
	<u>\$ 97,277,233</u>	<u>\$ 30,049,068</u>	<u>\$ 28,504,122</u>

(28) Equity

A. Capital

As of June 30, 2025, December 31, 2024 and June 30, 2024, the Company's authorised capital both amounted to \$180,000,000, whereas paid-in capital are \$146,992,460, \$146,992,460 and \$138,219,000, respectively. All stocks issued by the Company are common stocks with par value at NT \$10. All proceeds from shares issued have been collected.

On June 19, 2024, the shareholders' meeting resolved to increase capital from undistributed earnings by \$8,773,460, by issuing 877,346 thousand shares, with an ex-right date set for August 5, 2024.

B. Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserves is insufficient. As of June 30, 2025, all the capital surplus is the premium on issuance of shares exceeding par value.

C. Retained earnings and earnings distribution

(a) The Company's Articles of Incorporation provided that where a profit is accrued during the year, the earnings should be reserved to pay all taxes and dues and offset accumulated deficit. Then set aside legal reserves and appropriate special reserves out of the remaining earnings in accordance with the laws and regulations of competent authority. For the accumulated amount of debit balance on other equity interest of prior periods, the same amount of special reserves should be provisioned from prior undistributed earnings. The distribution plan for the remaining plus beginning undistributed earnings shall be proposed by the Board of Directors and resolved by the stockholders at the stockholders' meeting. The dividend distribution of the Company is based on a strong foundational structure, well-maintained capital adequacy ratio and focused on the benefit of stockholders. The percentage between stock dividend and cash dividend is adjusted based on the actual annual earnings and capital position in the current year.

Legal reserves can be used for covering accumulated deficit. The use of legal reserves for the issuance of new stocks or cash to shareholders is permitted, provided that the distribution of the reverse is limited to the portion in excess of 25% of the Company's paid-in capital. Information about the appropriation of earnings by the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

For information relating to employees' compensation (bonus), please refer to Note 6(36).

(b) On June 11, 2025 and June 19, 2024, the Company held the shareholders' meetings and approved the appropriation of earnings for the year ended December 31, 2024, as well as the appropriation of earnings and the capitalisation of earnings for the year ended December 31, 2023, respectively.

	<u>2024</u>		<u>2023</u>			
Legal reserve	\$	8,501,464	\$	4,326,405		
Special reserve		34,005,859		8,532,158		
Capitalisation of earnings		-		8,773,460		
(c) Special reserve under equity						
	<u>June 30, 2025</u>		<u>December 31, 2024</u>		<u>June 30, 2024</u>	
Catastrophe reserves and risk claim reserves	\$	37,982,515	\$	36,711,073	\$	35,884,654
Reserve for foreign exchange valuation		65,590,550		52,344,245		52,344,245
Reserve for real estate appreciation recovery		5,417,029		5,417,029		5,417,029
The net affected amounts of adoption of the fair value of investment property		16,914,322		18,651,344		18,651,344
Gain from disposal of the financial debt instruments before their maturities		59,386,817		63,678,280		63,678,280
Debit balance on other equity interest		50,072,334		25,540,433		25,540,433
Variable interest rate products		7,929,252		7,929,252		7,929,252
Others		9,250,010		9,225,125		9,091,733
	\$	<u>252,542,829</u>	\$	<u>219,496,781</u>	\$	<u>218,536,970</u>

I. Catastrophe reserves and risk claim reserves

(i) The net movement of special reserves after tax

The additional provision of special reserves should be recognised to “special reserves under equity” after tax. In addition, when the special reserves are insufficient to write off or recover with respect to the amounts that can be written-off or recovered, the “special reserves under equity” is used to write-off or recover the deficiency.

(ii) Risk claim reserves recovered

Pursuant to regulations on appropriation of provisions for insurance industry, the Company recovered after-tax balance of special reserves for hazard change. In accordance with Tai-Tsai-Bao Letter No. 0920700594 issued by Ministry of Finance on January 24, 2003, the amount is classified as special reserves under equity after being recognised at the shareholders’ meeting in the next year. Any other appropriation or purpose of use is subject to an approval.

II. Reserve for foreign exchange valuation

(i) According to the Guidance for Reserve for Foreign Exchange Valuation of Life Insurance Enterprises, life insurance enterprises should recognise the saved hedging cost to the special reserves under equity annually. The special reserves under equity can be made in the subsequent years when the earnings of current year are

insufficient. The aforementioned special reserves under equity only can be reversed to increase capital or offset against accumulated deficit.

- (ii) According to the Guidance for Reserve for Foreign Exchange Valuation of Life Insurance Enterprises and Jin-Guan-Bao-Tsai Letter No.1090490453, the Company shall set aside 10% of after-tax net income and the amount of other profit (or loss) items adjusted to the current year's undistributed earnings in the current year as a special reserves except upon obtaining approval from FSC.
- (iii) According to the "Regulation Governing the Setting Aside of Various Reserves for Insurance Enterprises", the initial amount of reserves for foreign exchange amounting to \$3,486,612 has been entirely transferred to special reserves under equity.

III. Reserve for real estate appreciation

In accordance with Jin-Guan-Bao-Tsai Letter No. 10102515281 dated November 30, 2012, the Company recovered an amount from real estate value-added special reserves for the year ended December 31, 2013 amounting to \$5,417,029, which has been transferred to special reserves under equity as approved at shareholders' meeting in 2014.

IV. Fair value measurement of investment property

According to Jin-Guan-Bao-Tsai Letter No. 10402501001 dated January 23, 2015 and Jin-Guan-Zheng-Fa Letter No. 10901500221 dated March 30, 2021, the life insurance enterprises should set aside special reserves from the remainder of \$12,143,233 for net effect of subsequent measurement of investment property arising from first-time adoption of fair value model less additional liability reserves that should be set aside for valid contract fair value assessment. The remainder is used only for making up the insufficient amount of liability reserves in the subsequent periods based on the valid contract fair value assessment as approved by the competent authority and stabilizing financial structure in provision of additional reserves in connection with the second phase of IFRS 4, 'Insurance Contracts' in the future. In addition, in pursuant to Jin-Guan-Bao-Tsai Letter No. 10904917647 dated May 11, 2020, the aforementioned letter was revoked. The life insurance enterprises should set aside special reserves from net effect of subsequent measurement of investment property arising from first-time adoption of fair value model and net cumulative incremental gains after tax arising from changes in fair value in subsequent periods, which is not allowed to distribute under the regulation specified in Jin-Guan-Bao-Tsai Letter No. 10904917647, and the special reserves are used only for making up the insufficient amount of insurance contract liabilities in the subsequent periods based on the valid contract in accordance with IFRS 17, the life insurance business's fair value assessment on valid insurance contract liabilities and other designated valuation method. If the investment property whose special reserves had been used to make up the insufficient amount of insurance contract liabilities can be reversed based on the its original provision ratio after having approval. If the reversed special reserves would be included in the earnings distribution, it should be in accordance with Jin-Guan-Bao-Tsai Letter No. 10202501992.

V. Gain from disposal of the financial debt instruments before their maturities

In accordance with Jin-Guan-Bao-Tsai Letter No. 11204939731 dated November 13, 2023, beginning from January 1, 2019, once the Company disposes the financial debt

instruments before their maturities, the disposal gain and loss, after tax, it should be fully transferred from retained earnings to special reserves, which should be amortised and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity period cannot be determined.

- (i) Financial assets not measured at fair value.
- (ii) Financial assets whose changes are recognised in other comprehensive income measured at fair value.
- (iii) Financial assets whose changes are recognised in profit or loss measured at fair value and applied overlay approach.

Fund beneficiary certification, short-term notes and bills, equity preference share and position of segregate asset in relation to participating policy or floating-rate insurance policy can be excluded in the abovementioned unmatured debt instruments.

For the year ended December 31, 2023, the net reversal for special reserves amounted to \$4,687,044 in accordance with regulations and self-assessment, which had been approved at the shareholders' meeting in 2024. Additionally, the net reversal amount of \$4,291,463 for the year ended December 31, 2024, based on legal requirements and self-assessment, has been reserved after the resolution of the shareholders' meeting 2025. After the reversal, the accumulated balance of special reserves after reversal was \$59,386,817.

As of June 30, 2025, December 31, 2024 and June 30, 2024, in accordance with the regulations mentioned above, the special reserves will be provisioned and the balances will be \$59,386,817, \$63,678,280 and \$63,678,280, respectively.

VI. Debit balance on other equity interest

According to Jin-Guan-Bao-Tsai Letter No. 10102508861, the Company shall set aside special reserves from the debit balance on other equity items at the end of the reporting period before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. According to Jin-Guan-Bao-Tsai Letter No. 11004920441 starting from the distribution of 2021 earnings, the Company should provision from prior undistributed earnings for the accumulated amount of the debit balance on other equity interest of the prior periods as special reserves which could not be distributed. Additionally, according to Jin-Guan-Bao-Tsai Letter No. 11104942741, when distributing earnings, the changes in the fair value from reclassified financial assets were accounted into the debit balance on other equity interest, while the special reserves are provisioned according to the amount incurred in the current year. Subsequently, when the total debit changes (including disposals) in the fair value from reclassification of financial assets and debit balance on other equity interest is reversed, the reversed amount could be included in the distributable earnings.

VII. Variable interest rate products

In accordance with Jin-Guan-Bao-Tsai Letter No. 10804963711 dated January 16, 2020, beginning from July 1, 2020, if the Company still has distributable earnings after the appropriation of the abovementioned special reserves, it should set aside the special reserves in an amount equal to 20% of after-tax increase in variable interest rate product assets' value exceeding the reserves in each current-year segregate account. If the Company will appropriate the gain and loss from disposal of the segregate account's

financial debt instruments before their maturities, based on Jin-Guan-Bao-Tsai Letter No. 11204939731 dated November 13, 2023, to this year's special reserves, the amount should be excluded from this year's calculation for Jin-Guan-Bao-Tsai Letter No. 11204939731's special reserves. The cap of this special reserves will be equal to the differences, net of tax, between the current year's asset value and the reserves in the segregate account. In the future, if the balance of this reserves exceeds the cap, the difference between the balance and the cap can be reversed by the Company in that financial year. The aforementioned asset value needs to exclude unrealised gain or loss on financial assets at fair value through other comprehensive income and gain or loss on reclassification using overlay approach.

VIII. Others

(a) Special reserves for Fintech development

According to Jin-Guan-Bao-Tsai Letter No.10502066461 dated July 13, 2016, insurance companies are required to appropriate 0.5% to 1% of annual net income as special reserves for the years ended December 31, 2016 to 2018. And from the next year of appropriating special reserves, the companies can reverse to the extent not beyond the same amount of special reserves where expenses incurred for employees trainings and protection of employees' right. However, in pursuant to Jin-Guan-Pao-Tsai Letter No. 10804932431 dated July 30, 2019, the companies are no longer required to set aside the special reserves starting from 2019. And the special reserves set aside in the previous years can be used for the aforementioned expenditures.

(b) Dividend offset reserves

According to Jin-Guan-Bao-Tsai Letter No. 10600012450, the Company has reclassified \$729,626, which was the after-tax amount of dividend offset reserves resulting from the transfer of assets and liabilities by the Chaoyang branch on May 2, 2017 (\$879,067 before-tax), from insurance contract liabilities into special reserves. Any change in dividend offset reserves in the following reporting periods will also be recognised in special reserves in an after-tax amount. The special reserves mentioned above should neither be distributed as dividends nor used in other purposes without the approval of the component authority.

(c) Disability support insurance products

In accordance with Jin-Guan-Bao-Tsai Letter No. 11004908861 dated March 26, 2021, beginning from the year ending 2020, the life insurance business should recognise special reserves for all its net profit after tax from disability insurance. If current net profit is insufficient to cover the amount, it should be made in the subsequent years. In the subsequent years, if there is a deficit generated from disability support insurance, the special reserves could be reversed in the originally recognised amount.

(d) Travel accident insurance

In accordance with Jin-Guan-Bao-Tsai Letter No. 11304908291 dated April 26, 2024, to strengthen the financial structure of the insurance industry, the insurance companies must, at the end of each fiscal year, act in accordance with the “Table of Standard Premiums for Accident, Death, and Disability Benefits under Individual Travel Accident Insurance” to provision premium income as special reserves. This provision amount is calculated as follows: 10% of total premium income, which is calculated from insurance amount and number of insurance days, minus 20% of nominal tax.

(e) Other special reserves under equity

The Company provisioned special reserves of 2021 according to the approval of the FSC Insurance Bureau to strengthen the solvency of the Company.

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D. Other equity interest

	Exchange differences on translation of foreign operation	Unrealised gain or (loss) on financial assets at fair value through other comprehensive income	Unrealised revaluation increments	Other comprehensive gain or (loss) on reclassification using overlay approach	Total
January 1, 2025	\$ 6,238	(\$ 39,124,951)	\$ 250,140	(\$ 71,516,228)	(\$ 110,384,801)
Amounts recognised in other comprehensive income	(65,763)	6,820,494	25,829	(92,250,912)	(85,470,352)
Amounts included in equity adjustment items of associates accounted for using equity method	(11,252)	573	-	-	(10,679)
Amounts reclassified to profit or loss	-	(135,016)	-	-	(135,016)
Disposal of equity instruments at fair value through other comprehensive income	-	(273)	-	-	(273)
Effect on income tax	-	(1,271,053)	(3,147)	14,121,485	12,847,285
June 30, 2025	<u>(\$ 70,777)</u>	<u>(\$ 33,710,226)</u>	<u>\$ 272,822</u>	<u>(\$ 149,645,655)</u>	<u>(\$ 183,153,836)</u>
	Exchange differences on translation of foreign operation	Unrealised gain or (loss) on financial assets at fair value through other comprehensive income	Unrealised revaluation increments	Other comprehensive gain or (loss) on reclassification using overlay approach	Total
January 1, 2024	(\$ 6,242)	(\$ 22,573,394)	\$ 221,965	(\$ 57,900,432)	(\$ 80,258,103)
Amounts recognised in other comprehensive income	4,411	(9,089,367)	28,175	15,742,672	6,685,891
Amounts included in equity adjustment items of associates accounted for using equity method	5,578	234	-	-	5,812
Amounts reclassified to profit or loss	-	(839,739)	-	-	(839,739)
Effect on income tax	-	1,804,024	-	(2,889,522)	(1,085,498)
June 30, 2024	<u>\$ 3,747</u>	<u>(\$ 30,698,242)</u>	<u>\$ 250,140</u>	<u>(\$ 45,047,282)</u>	<u>(\$ 75,491,637)</u>

(29) Income tax

A. Components of income tax (benefit) expense are as follows:

	For the three months ended June 30,	
	2025	2024
Current income tax		
Current tax on profits for the period	\$ 2,552,227	(\$ 582,415)
Prior year income tax underestimation (overestimation)	209	(38,444)
Foreign tax paid	(2,025,150)	697,621
Land value increment tax	-	19,700
Deferred tax		
Origination and reversal of temporary differences	(3,886,492)	792,642
Income tax (benefit) expense	<u>(\$ 3,359,206)</u>	<u>\$ 889,104</u>
	For the six months ended June 30,	
	2025	2024
Current income tax		
Current tax on profits for the period	\$ 2,552,227	\$ 58,625
Prior year income tax (overestimation) underestimation	(307,253)	9,735
Foreign tax paid	155,391	735,079
Land value increment tax	-	121,601
Deferred tax		
Origination and reversal of temporary differences	(2,192,832)	629,376
Income tax expense	<u>\$ 207,533</u>	<u>\$ 1,554,416</u>

- B. The income tax (benefit) expense relating to components of other comprehensive income is as follows:

	For the three months ended June 30,	
	2025	2024
Unrealised gain or loss on financial assets at fair value through other comprehensive income	\$ 626,457	(\$ 938,751)
Other comprehensive income on reclassification under the overlay approach	(8,635,790)	312,631
Revaluation increment of real estate	3,147	-
	<u>(\$ 8,006,186)</u>	<u>(\$ 626,120)</u>
	For the six months ended June 30,	
	2025	2024
Unrealised gain or loss on financial assets at fair value through other comprehensive income	\$ 1,271,053	(\$ 1,804,024)
Other comprehensive income on reclassification under the overlay approach	(14,121,485)	2,889,522
Revaluation increment of real estate	3,147	-
	<u>(\$ 12,847,285)</u>	<u>\$ 1,085,498</u>

- C. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority. However, the Company has taken administrative remedy by the statutory period for the adjustment of income tax returns assessed by the National Taxation Bureau for the years ended December 31, 2016 to 2021. The Company has set government bonds and land as collateral for the corporate income tax adjustments determined by the tax authorities for the years 2016, 2017, 2020 and 2021. The restriction on the land was lifted on February 4, 2025.

The income tax returns of the Consolidated Company's property insurance business through 2022 have been assessed and approved by the Tax Authority.

- D. The Consolidated Company recognised deferred tax assets given that the future taxable income is sufficient for deductible temporary difference after taking into account future income growth and rate of return.
- E. For some subsidiaries of the Consolidated Company, the Pillar Two income tax legislation has been enacted in the countries where they are registered, including Singapore. The enacted Pillar Two income tax legislation does not have a significant impact on the current income tax expense of the Consolidated Company. The Consolidated Company will continue to assess the impact of the Pillar Two income tax legislation on its future financial performance.

(30) Earnings per share

Earnings per share of the Consolidated Company with simple capital structure are as follows:

	For the three months ended June 30,	
	2025	2024
Net income	\$ 21,991,002	\$ 12,108,098
Weighted average shares outstanding (unit: thousand shares)	14,699,246	14,699,246
Earnings per share (unit: NT dollars)	\$ 0.15	\$ 0.82

	For the six months ended June 30,	
	2025	2024
Net income	\$ 14,391,193	\$ 25,588,155
Weighted average shares outstanding (unit: thousand shares)	14,699,246	14,699,246
Earnings per share (unit: NT dollars)	\$ 0.98	\$ 1.74

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(31) Retention earned premium income

For the three months ended June 30, 2025

	Life insurance		Property insurance		Total
	Insurance contracts	Investment contracts with discretionary participation features	Compulsory insurance	Elective insurance	
Premiums income	\$ 61,418,800	\$ 475,672	\$ 200,770	\$ 2,352,011	\$ 64,447,253
Reinsurance premium written	-	-	67,756	13,955	81,711
Less:					
Reinsurance premium ceded	(1,217,048)	-	(82,571)	(471,038)	(1,770,657)
Net change in unearned premiums reserves	(554,463)	(60)	(4,974)	(67,626)	(627,123)
Retention earned premium income	<u>\$ 59,647,289</u>	<u>\$ 475,612</u>	<u>\$ 180,981</u>	<u>\$ 1,827,302</u>	<u>\$ 62,131,184</u>

For the three months ended June 30, 2024

	Life insurance		Property insurance		Total
	Insurance contracts	Investment contracts with discretionary participation features	Compulsory insurance	Elective insurance	
Premiums income	\$ 62,094,217	\$ 594,056	\$ 189,567	\$ 2,073,984	\$ 64,951,824
Reinsurance premium written	-	-	62,028	9,369	71,397
Less:					
Reinsurance premium ceded	(1,152,782)	-	(77,947)	(404,877)	(1,635,606)
Net change in unearned premiums reserves	(354,100)	(123)	(2,325)	(196,070)	(552,618)
Retention earned premium income	<u>\$ 60,587,335</u>	<u>\$ 593,933</u>	<u>\$ 171,323</u>	<u>\$ 1,482,406</u>	<u>\$ 62,834,997</u>

For the six months ended June 30, 2025

	Life insurance		Property insurance		
	Insurance contracts	Investment contracts with discretionary participation features	Compulsory insurance	Elective insurance	Total
Premiums income	\$ 126,232,588	\$ 1,114,245	\$ 400,165	\$ 4,711,191	\$ 132,458,189
Reinsurance premium written	-	-	135,316	24,506	159,822
Less:					
Reinsurance premium ceded	(2,429,956)	-	(164,334)	(823,175)	(3,417,465)
Net change in unearned premiums reserves	(854,159)	(13)	(6,444)	(223,013)	(1,083,629)
Retention earned premium income	<u>\$ 122,948,473</u>	<u>\$ 1,114,232</u>	<u>\$ 364,703</u>	<u>\$ 3,689,509</u>	<u>\$ 128,116,917</u>

For the six months ended June 30, 2024

	Life insurance		Property insurance		
	Insurance contracts	Investment contracts with discretionary participation features	Compulsory insurance	Elective insurance	Total
Premiums income	\$ 129,206,157	\$ 1,522,843	\$ 381,494	\$ 4,073,260	\$ 135,183,754
Reinsurance premium written	-	-	129,705	21,257	150,962
Less:					
Reinsurance premium ceded	(2,285,710)	-	(156,716)	(602,811)	(3,045,237)
Net change in unearned premiums reserves	(928,415)	(164)	(7,199)	(559,682)	(1,495,460)
Retention earned premium income	<u>\$ 125,992,032</u>	<u>\$ 1,522,679</u>	<u>\$ 347,284</u>	<u>\$ 2,932,024</u>	<u>\$ 130,794,019</u>

(32) Retention claims and policy benefits payments

	For the three months ended June 30, 2025				
	Life insurance		Property insurance		
	Insurance contracts	Investment contracts with discretionary participation features	Compulsory insurance	Elective insurance	Total
Claims and policy benefits payments	\$ 83,298,957	\$ 7,280,116	\$ 133,975	\$ 874,986	\$ 91,588,034
Reinsurance claims paid	-	-	57,139	3,086	60,225
Less:					
Claims recovered from reinsurers	(484,088)	-	(77,314)	(53,843)	(615,245)
Retention claims and policy benefits payments	<u>\$ 82,814,869</u>	<u>\$ 7,280,116</u>	<u>\$ 113,800</u>	<u>\$ 824,229</u>	<u>\$ 91,033,014</u>

	For the three months ended June 30, 2024				
	Life insurance		Property insurance		
	Insurance contracts	Investment contracts with discretionary participation features	Compulsory insurance	Elective insurance	Total
Claims and policy benefits payments	\$ 83,213,986	\$ 9,685,643	\$ 128,698	\$ 957,463	\$ 93,985,790
Reinsurance claims paid	-	-	53,471	2,947	56,418
Less:					
Claims recovered from reinsurers	(451,793)	-	(75,165)	(197,447)	(724,405)
Retention claims and policy benefits payments	<u>\$ 82,762,193</u>	<u>\$ 9,685,643</u>	<u>\$ 107,004</u>	<u>\$ 762,963</u>	<u>\$ 93,317,803</u>

For the six months ended June 30, 2025

	Life insurance		Property insurance		Total
	Insurance contracts	Investment contracts	Compulsory insurance	Elective insurance	
		with discretionary participation features			
Claims and policy benefits payments	\$ 156,582,947	\$ 15,290,979	\$ 239,521	\$ 1,675,585	\$ 173,789,032
Reinsurance claims paid	-	-	117,088	15,184	132,272
Less:					
Claims recovered from reinsurers	(1,048,283)	-	(139,202)	(137,651)	(1,325,136)
Retention claims and policy benefits payments	<u>\$ 155,534,664</u>	<u>\$ 15,290,979</u>	<u>\$ 217,407</u>	<u>\$ 1,553,118</u>	<u>\$ 172,596,168</u>

For the six months ended June 30, 2024

	Life insurance		Property insurance		Total
	Insurance contracts	Investment contracts	Compulsory insurance	Elective insurance	
		with discretionary participation features			
Claims and policy benefits payments	\$ 155,500,904	\$ 18,463,971	\$ 246,422	\$ 1,831,314	\$ 176,042,611
Reinsurance claims paid	-	-	114,975	3,838	118,813
Less:					
Claims recovered from reinsurers	(875,042)	-	(146,253)	(466,919)	(1,488,214)
Retention claims and policy benefits payments	<u>\$ 154,625,862</u>	<u>\$ 18,463,971</u>	<u>\$ 215,144</u>	<u>\$ 1,368,233</u>	<u>\$ 174,673,210</u>

(33) Interest income

	For the three months ended June 30,	
	2025	2024
Cash and cash equivalents	\$ 719,624	\$ 653,576
Financial assets at fair value through other comprehensive income	2,832,906	2,972,688
Financial assets at amortised cost	29,273,366	30,703,406
Loans	1,292,739	1,310,785
Refundable deposits of derivative instruments	65,296	81,229
	<u>\$ 34,183,931</u>	<u>\$ 35,721,684</u>

	For the six months ended June 30,	
	2025	2024
Cash and cash equivalents	\$ 1,287,501	\$ 1,342,538
Financial assets at fair value through other comprehensive income	5,733,832	5,798,402
Financial assets at amortised cost	60,326,656	60,607,560
Loans	2,597,610	2,621,076
Refundable deposits of derivative instruments	124,587	126,428
	<u>\$ 70,070,186</u>	<u>\$ 70,496,004</u>

(34) Expected credit loss (reversal) from investments and non-investments

	For the three months ended June 30,	
	2025	2024
Operating revenue-expected credit loss from investments		
Debt instrument investments measured at fair value through other comprehensive income	\$ 1,371	\$ 1,498
Financial assets at amortised cost	(44,762)	49,562
Bond interest receivable	484,571	530,570
Loans and loan interest receivable	(16,972)	(16,466)
Lease payments receivable	8,536	171
	<u>432,744</u>	<u>565,335</u>
Operating expense-expected credit reversal from non-investments		
Receivable (excluding bond interest receivable and loan interest receivable)	(8,645)	(2)
Expected credit loss	<u>\$ 424,099</u>	<u>\$ 565,333</u>

	For the six months ended June 30,	
	2025	2024
Operating revenue-expected credit loss from investments		
Debt instrument investments measured at fair value through other comprehensive income	\$ 85	\$ 10,023
Financial assets at amortised cost	(110,278)	(344,402)
Bond interest receivable	808,703	839,686
Loans and loan interest receivable	(27,141)	(28,582)
Lease payments receivable	9,573	1,553
	<u>680,942</u>	<u>478,278</u>
Operating expense-expected credit reversal from non-investments		
Receivable (excluding bond interest receivable and loan interest receivable)	(4,485)	(9,744)
Expected credit loss	\$ 676,457	\$ 468,534
(35) Finance costs		
	For the three months ended June 30,	
	2025	2024
Debt instrument investments	\$ 932,578	\$ 502,727
Default interest for claims	17,931	16,761
Bonds sold under repurchase agreements	97,221	127,674
Lease liabilities	5,986	2,402
Refundable deposits of derivative instruments	404,615	1,675
	<u>\$ 1,458,331</u>	<u>\$ 651,239</u>
	For the six months ended June 30,	
	2025	2024
Debt instrument investments	\$ 1,817,880	\$ 1,003,043
Default interest for claims	33,862	31,183
Bonds sold under repurchase agreements	139,188	206,974
Lease liabilities	11,981	4,321
Refundable deposits of derivative instruments	404,829	35,584
	<u>\$ 2,407,740</u>	<u>\$ 1,281,105</u>

(36) Employee benefit expenses, depreciation and amortisation

	For the three months ended June 30,	
	2025	2024
Employee benefit expenses		
Salaries	\$ 1,809,846	\$ 1,847,020
Employees' insurance	114,773	109,768
Pension	120,906	119,422
Others	66,603	57,303
	<u>\$ 2,112,128</u>	<u>\$ 2,133,513</u>
Depreciation and amortisation (Note)	<u>\$ 696,428</u>	<u>\$ 622,809</u>

	For the six months ended June 30,	
	2025	2024
Employee benefit expenses		
Salaries	\$ 3,538,288	\$ 3,465,089
Employees' insurance	284,354	266,116
Pension	241,765	236,260
Others	136,561	139,037
	<u>\$ 4,200,968</u>	<u>\$ 4,106,502</u>
Depreciation and amortisation (Note)	<u>\$ 1,385,431</u>	<u>\$ 1,216,112</u>

Note: Including depreciation charge of investment properties measured subsequently using the cost model, which is classified as gain or loss on investment property.

- A. As of June 30, 2025 and 2024, the Consolidated Company had 5,015 and 4,946 employees, respectively. The number of directors that were not concurrently employed were both 17.
- B. The Consolidated Company's Articles of Incorporation provided that the annual income, after deducting accumulated deficit, if any, shall be appropriated by no lower than 0.5% as employees' compensation for the Consolidated Company. For the three and six months ended June 30, 2025 and 2024, the employees' compensation was accrued at (\$57,676), \$74,225, \$2,603 and \$130,576, respectively. The amount was estimated with 0.5% based on the profitability of the Consolidated Company. There was no difference between the amounts resolved by the Board of Directors in 2024 amounting to \$219,207 and the amounts recognised in the 2024 financial statements. The employees' compensation was distributed by cash. Information about employees' compensation of the Consolidated Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(37) Supplemental cash flow information

Investing activities with partial cash payments:

	For the six months ended June 30,	
	2025	2024
Acquisition of investment property	\$ 1,890,304	\$ 2,584,978
Acquisition of property and equipment	1,852,213	588,618
Increase in intangible assets	111,701	208,513
Add: Payable at beginning of period - investment property	196,857	565,292
Add: Payable at beginning of period - property and equipment	1,013	1,004
Add: Payable at beginning of period - intangible assets	1,545	9,501
Less: Payable at ending of period - investment property (	260,196)	(152,203)
Less: Payable at ending of period - intangible assets (2,734)	(2,810)
Cash payments	<u>\$ 3,790,703</u>	<u>\$ 3,802,893</u>

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7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Consolidated Company</u>
Ruen Chen Investment Holding Co., Ltd.	Consolidated Company's parent
Ruentex Development Co., Ltd.	Entity having significant influence
Ruentex Industries Co., Ltd.	Entity having significant influence
Pou Chen Corporation	Entity having significant influence
Nan Shan Plaza Property Management Co., Ltd.	Consolidated Company's affiliate
Fuh Hwa Securities Investment Trust Co., Ltd.	Consolidated Company's affiliate
Huei Hong Investment Co., Ltd.	Other related party
Chang Chun Investment Co., Ltd.	Other related party
Yi Tai Investment Co., Ltd.	Other related party
Ruentex Interior Design Inc.	Other related party
Ruentex Management & Maintenance Co., Ltd.	Other related party
Ruentex Engineering & Construction Co., Ltd.	Other related party
Ruentex Materials Co., Ltd.	Other related party
Ruen Fu Newlife Corp.	Other related party
Kompass Global Sourcing Solutions Ltd.	Other related party
Ruentex Security Co., Ltd.	Other related party
Ruentex Xu-Zhan Development Co., Ltd.	Other related party
Ruentex Construction Development Co., Ltd.	Other related party
Ruentex Bai-Yi Development Co., Ltd.	Other related party
Ruentex Construction Co., Ltd.	Other related party
Ruentex Innovative Development Co., Ltd.	Other related party
Runyang Construction Co., Ltd.	Other related party
Ruen Shin Healthcare Co., Ltd.	Other related party
Shing Yen Construction Development Co., Ltd.	Other related party
Nan Shan Life Charity Foundation	Other related party
Sunny Friend Environmental Technology Co., Ltd.	Other related party
OBI Pharma Inc.	Other related party
Taimed Biologics Inc.	Other related party
Gogoro Network (Cayman), Taiwan Branch	Other related party
Gogoro Taiwan Ltd.	Other related party
GoPocket Taiwan Ltd.	Other related party
Gogoro Taiwan Sales and Services Ltd.	Other related party
GoShare Taiwan Ltd.	Other related party
Directors, key management and its close relatives	Key management and its close relatives

(2) Significant transactions and balances with related parties

Significant related party transactions and balances are as follows:

A. Premium income

	For the three months ended June 30,	
	2025	2024
Significant influence entities	\$ 6,067	\$ 3,511
Consolidated Company's affiliates	6	7
Key management and its close relatives	18,347	16,326
Other related parties	52,736	12,639
	<u>\$ 77,156</u>	<u>\$ 32,483</u>

	For the six months ended June 30,	
	2025	2024
Significant influence entities	\$ 27,049	\$ 7,340
Consolidated Company's affiliates	8	8
Key management and its close relatives	49,915	43,553
Other related parties	62,432	23,669
	<u>\$ 139,404</u>	<u>\$ 74,570</u>

There is no significant difference between related party and non-related party in terms of underwriting and collection.

B. Fee income

	For the three months ended June 30,	
	2025	2024
Consolidated Company's affiliates	<u>\$ 15,089</u>	<u>\$ 22,697</u>

	For the six months ended June 30,	
	2025	2024
Consolidated Company's affiliates	<u>\$ 33,304</u>	<u>\$ 46,410</u>

C. Donations (shown as administrative expenses)

	For the three months ended June 30,	
	2025	2024
Other related parties	<u>\$ 257</u>	<u>\$ 245</u>

	For the six months ended June 30,	
	2025	2024
Other related parties	<u>\$ 20,493</u>	<u>\$ 20,485</u>

D. Key management compensation

	For the three months ended June 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 163,480	\$ 155,895
Post-employment benefits	8,413	7,858
	<u>\$ 171,893</u>	<u>\$ 163,753</u>
	For the six months ended June 30,	
	2025	2024
Salaries and other short-term employee benefits	\$ 336,928	\$ 327,617
Post-employment benefits	16,548	15,534
	<u>\$ 353,476</u>	<u>\$ 343,151</u>

E. Other receivables (shown as receivables)

	June 30, 2025	December 31, 2024	June 30, 2024
Consolidated Company's affiliates	\$ 91,393	\$ 94,474	\$ 100,803

F. Balance of funds managed by related parties

	June 30, 2025	December 31, 2024	June 30, 2024
Consolidated Company's affiliates	\$ 33,765,563	\$ 37,640,002	\$ 37,704,731

The dividend income generated by the fund are as follows:

	For the three months ended June 30,	
	2025	2024
Consolidated Company's affiliates	\$ 368,709	\$ 359,382
	For the six months ended June 30,	
	2025	2024
Consolidated Company's affiliates	\$ 736,336	\$ 723,408

G. Secured loans

Balances of secured loans lent to key management and its close relatives are as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Key management and its close relatives	\$ 25,598	\$ 26,765	\$ 30,952

The related interest income on the loans are as follows:

	For the three months ended June 30,	
	2025	2024
Key management and its close relatives	\$ 142	\$ 166
	For the six months ended June 30,	
	2025	2024
Key management and its close relatives	\$ 269	\$ 329

There is no significant difference between related party and non-related party in terms of secured loans.

H. Bonds payable

	June 30, 2025	December 31, 2024	June 30, 2024
Significant influence entities	\$ 310,000	\$ 310,000	\$ 310,000
Other related party	500,000	500,000	500,000
	<u>\$ 810,000</u>	<u>\$ 810,000</u>	<u>\$ 810,000</u>

The interest expense and interest payable resulting from the abovementioned bonds payable are listed as follows:

(a) Interest expense

	For the three months ended June 30,	
	2025	2024
Significant influence entities	\$ 2,667	\$ 2,698
Other related party	4,303	4,352
	<u>\$ 6,970</u>	<u>\$ 7,050</u>
	For the six months ended June 30,	
	2025	2024
Significant influence entities	\$ 5,380	\$ 5,396
Other related party	8,678	8,703
	<u>\$ 14,058</u>	<u>\$ 14,099</u>

(b) Interest payable

	June 30, 2025	December 31, 2024	June 30, 2024
Significant influence entities	\$ 208	\$ 5,678	\$ 208
Other related party	336	9,158	336
	<u>\$ 544</u>	<u>\$ 14,836</u>	<u>\$ 544</u>

(3) Commitments

A. The Consolidated Company committed to the Financial Supervisory Commission, Executive Yuan on August 29, 2011, that it will not enter into any of the following transactions with Ruen Chen unless the regulatory agency approves it:

- (a) Provide loans to Ruen Chen and its six stockholders (including Ruextax Development Co., Ltd., Ruentax Industries Ltd., Pou Chen Corp., Chang Chun Investment Co., Ltd., Yitai Investment Co., Ltd. and Hue Hong Investment Co., Ltd.), Samuel Yin, Tsai Chi Jui and their related parties (jointly referred herein as “Ruen Chen and its related parties”).
- (b) Invest in common stock, preferred stock and other securities which are issued by Ruen Chen and its related parties.
- (c) Purchase real estate from Ruen Chen and its related parties.
- (d) Co-develop real estate with Ruen Chen and its related parties.

B. Endorsement and Guarantee for Others

In accordance with the provisions of Article 3 of the ‘Directions for Issuance of Bonds with Capital Characteristics by Insurance Companies’, the Consolidated Company's life insurance business provided a guarantee for bonds with capital characteristics issued by Nanshan Life Pte. Ltd.

	June 30, 2025	December 31, 2024	June 30, 2024
Nanshan Life Pte.Ltd.	\$ 20,931,400	\$ 22,946,700	\$ -

8. PLEDGED ASSETS

Please refer to Notes 6(16) and (29) for details.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Commitments

A. The Consolidated Company had signed the design and construction contracts but has not yet recognised the amounts (tax included) as follows:

<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
\$ 22,866,716	\$ 23,290,933	\$ 24,639,619

B. Operating lease agreements

Please refer to Note 6(13).

C. As of June 30, 2025, the upper limit of remaining capital commitment for the contracted private placement of the Consolidated Company are US\$2,705,422 thousand and EUR\$327,350 thousand.

(2) Contingencies

The Consolidated Company has contingent liabilities due to lawsuits arising from operating activities. Except for those which the Consolidated Company already estimated the provisions, the Consolidated Company still has several lawsuits in progress, which are handled by appointed attorneys. As of the end of the reporting period, the final results of the lawsuits have not been determined so the possible compensation could not be reliably estimated. For details of the labor pension dispute between agents and the Consolidated Company, please refer to Note 6(26).

10. SIGNIFICANT ACCIDENTAL LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

To strengthen the financial structure and fulfil capital requirements, the Board of Directors of the Consolidated Company resolved to issue the cumulative subordinated bonds with terms of more than 10 years (or 10 years) in full or over several times within a year in the amount of \$5,000,000 on August 7, 2025.

12. FAIR VALUE INFORMATION

(1) Fair value hierarchy

The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Consolidated Company's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Consolidated Company's investment in government bonds, corporate bonds, bank debentures, structured time deposits, and most derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Consolidated Company investment in private fund, real estate securitisation, infrastructure fund, unlisted stocks, financial assets at amortised cost and investment property is included in Level 3.

(2) Fair value

A. For the Consolidated Company's financial instruments that are not measured at fair value and the investment property measured at cost, such as cash and cash equivalents, receivables, loans, payables and bonds payable, the carrying amount is a reasonable approximation of fair value other than those listed below so that the fair value is not disclosed.

Financial assets	June 30, 2025			
	Book value	Level 1	Level 2	Level 3
Financial assets at amortised cost (Note 1)	\$ 3,236,802,367	\$ -	\$ 2,348,081,935	\$ 51,482,547
Investment property (Note 2)	2,999,814	-	-	4,917,500

Financial assets	December 31, 2024			
	Book value	Level 1	Level 2	Level 3
Financial assets at amortised cost (Note 1)	\$ 3,531,165,196	\$ -	\$ 2,518,892,421	\$ 56,444,380
Investment property (Note 2)	3,019,042	-	-	4,881,500

Financial assets	June 30, 2024			
	Book value	Level 1	Level 2	Level 3
Financial assets at amortised cost (Note 1)	\$ 3,507,170,152	\$ -	\$ 2,532,021,646	\$ 56,853,258
Investment property (Note 2)	3,025,345	-	-	4,783,627

Note 1 : Including statutory deposits.

Note 2 : Excluding direct lease cost, investment property measured in the fair value model and those shown under construction in progress.

The methods and assumptions used to value financial instruments and investment property not measured at fair value are summarised below:

- (a) When there is a quoted market price available for financial assets at amortised cost, the fair value is determined using the quoted market price. If there is no quoted market price for reference, the fair value is determined using quoted price offered by the counterparties or theory price in order.
- (b) The valuation method elected primarily by the Consolidated Company is discounted cash flow method. The estimates and assumptions of valuation adopted by the Consolidated Company are the same with the information used by the market participants, and this information is available for the Consolidated Company. The discount rate employed by the Consolidated Company is identical with the rate of return generated by the financial instruments with the same terms and characteristics, such as issuer's creditworthiness, duration and currency of payment.
- (c) The fair value of investment property is based on valuations performed semi-annually by independent estimators, following Regulation on Real Estate Appraisal. Valuations are performed using valuation techniques such as income approach, comparison approach and cost approach with reference to market information. Such fair value is based on observable market price, and then adjusted by the nature, location or condition of individual asset.

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B. The Consolidated Company's financial instruments and investment property measured at fair value are both measured on a recurring basis. Information of fair value hierarchy is as follows:

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 328,301,295	\$ -	\$ -	\$ 328,301,295
Beneficiary certificates	398,374,823	-	148,085,555	546,460,378
Debt instruments	-	28,672,948	3,486,520	32,159,468
Derivative instruments	-	110,357,468	-	110,357,468
Structured time deposits	-	16,156,103	-	16,156,103
Financial assets at fair value through other comprehensive income				
Equity instruments	5,696,157	-	275,073	5,971,230
Debt instruments (Note)	-	234,404,858	10,733,907	245,138,765
Investment property	-	-	205,212,310	205,212,310
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivative instruments	-	11,391,329	-	11,391,329

Note: Including statutory deposits.

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 325,861,126	\$ -	\$ -	\$ 325,861,126
Beneficiary certificates	416,006,906	-	212,991,557	628,998,463
Debt instruments	-	30,054,966	3,500,380	33,555,346
Derivative instruments	-	1,727,960	-	1,727,960
Structured time deposits	-	15,179,101	-	15,179,101
Financial assets at fair value through other comprehensive income				
Equity instruments	5,835,092	-	313,618	6,148,710
Debt instruments (Note)	-	234,575,458	15,860,291	250,435,749
Investment property	-	-	205,194,766	205,194,766
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivative instruments	-	61,317,453	-	61,317,453

Note: Including statutory deposits.

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Financial assets at fair value through profit or loss				
Equity instruments	\$ 333,792,512	\$ -	\$ -	\$ 333,792,512
Beneficiary certificates	411,678,335	-	209,624,874	621,303,209
Debt instruments	-	29,506,956	4,665,108	34,172,064
Derivative instruments	-	937,202	-	937,202
Structured time deposits	-	15,102,405	-	15,102,405
Financial assets at fair value through other comprehensive income				
Equity instruments	6,151,855	-	288,334	6,440,189
Debt instruments (Note)	-	252,873,533	15,582,238	268,455,771
Investment property	-	-	207,132,052	207,132,052
Liabilities				
Financial liabilities at fair value through profit or loss				
Derivative instruments	-	53,621,151	-	53,621,151

Note: Including statutory deposits.

- (a) The methods and assumptions used to value financial instruments and investment property measured at fair value are summarized below:
- I. The sources of the fair value of financial instruments are respectively listed by their characteristics as follows:
 - (i) Equity instruments: Aside from private funds, some real estate securitisation and infrastructure funds which are valued based on the theory price, other equity instruments prioritise using unadjusted closing prices as the basis for measuring market prices of financial products. If there are no closing prices, the fair value is determined by using other pricing conventions.
 - (ii) Domestic debt instruments (including international bonds): Prioritise using public pricing information bulletined by the Taipei Exchange.
 - (iii) Foreign debt instruments: Except callable bonds, securitised products, structured products and securities which the position of single fixed income account for more than 50% of total issuance amount when raising funds, prioritise using the quoted market price as the basis for measuring financial products.
 - II. Except for aforementioned financial instruments with public pricing information, the fair value of other financial instruments is measured by valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the end of reporting date.
 - (i) When assessing non-standard and low-complexity financial instruments, for example, FX swap contracts, cross currency swaps, non-delivery forwards, delivery forwards and interest rate swaps, the Consolidated Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
 - (ii) For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to debt instruments with structured notes and structured time deposit. Certain inputs used in the valuation model are observable at market, and the Consolidated Company must make reasonable estimates based on its assumptions.
 - (iii) The Consolidated Company adopts the net asset value method to measure the fair value of private funds, some securitised products, infrastructure funds and unlisted stocks. The inputs used in the valuation model are unobservable inputs.
 - III. The Consolidated Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Consolidated Company's credit quality.
 - IV. For the valuation methods, key assumptions and inputs used in the investment property measured subsequently using the fair value model, please refer to Note 6(10).
- (b) For the six months ended June 30, 2025 and 2024, there was no transfer between Level 1 and Level 2.

(c) The movement of Level 3 instruments is as follows:

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
January 1, 2025	\$ 216,491,937	\$ 16,173,909
Recognised in profit or loss (Note 1)	-	(950,961)
Recognised in other comprehensive income (Note 2)	(24,910,108)	1,122,404
Acquired in the period	5,669,965	2,141,076
Disposed of in the period and others	(45,679,719)	(1,477,448)
Transfers out from level 3	-	(6,000,000)
June 30, 2025	<u>\$ 151,572,075</u>	<u>\$ 11,008,980</u>
	<u>Investment property</u>	
January 1, 2025	\$ 205,194,766	
Recognised in profit or loss (Note 1)	(710,405)	
Acquired in the period	402,088	
Transferred from property and equipment	210,421	
Adjustment of lease liabilities remeasurement	116,943	
Others	(1,503)	
June 30, 2025	<u>\$ 205,212,310</u>	

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income
January 1, 2024	\$ 227,384,885	\$ 13,020,030
Recognised in profit or loss (Note 1)	-	484,266
Recognised in other comprehensive income (Note 2)	11,740,652 (	355,289)
Acquired in the period	10,709,831	3,168,767
Disposed of in the period and others	(17,145,389) (	447,202)
Transfers out from level 3	(18,399,997)	-
June 30, 2024	<u>\$ 214,289,982</u>	<u>\$ 15,870,572</u>

	Investment property
January 1, 2024	\$ 213,135,929
Recognised in profit or loss (Note 1)	(1,062,192)
Acquired in the period	1,321,844
Transferred from property and equipment	205,269
Disposed of in the period	(5,564,087)
Transferred to property and equipment	(790,691)
Adjustment of lease liabilities remeasurement	(44,761)
Others	(69,259)
June 30, 2024	<u>\$ 207,132,052</u>

Note 1: For the six months ended June 30, 2025 and 2024, the amount of loss recognised for the assets held at the end of the reporting period are \$1,549,680 and \$585,609, respectively.

Note 2: For financial assets at fair value through profit or loss using overlay approach, the gain or loss are recognised in other comprehensive income.

(d) The valuation for financial instruments categorised as Level 3 by the Consolidated Company is valued with an independent source of information to approximate current market condition, which the source is ensured to be reasonable by confirming the independence, accountability, whether it is in line with other information and whether it represents the executable prices. The result of valuation is also ensured by periodically calibrating valuation models, updating inputs of models and making fair value adjustments if necessary. The Consolidated Company's policy of fair value measurement for financial instruments and valuation procedures are formulated with reference to IFRSs and consideration of practical operation. The appraisal of investment property would be done by appointed external appraisers according to the valuation approach and parameter assumptions released by the Financial Supervisory Commission.

(e) The following is the qualitative information of significant unobservable inputs to valuation model used in Level 3 fair value measurement, please refer to Note 6(10) for the investment property.

	Fair value at June 30, 2025	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative					
Private fund	\$ 123,196,495	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Infrastructure fund	24,889,060	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Unlisted stocks	275,073	Adjusted net asset method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Corporate bonds	440,100	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Financial debentures	3,486,520	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Collateralised mortgage obligation	10,293,807	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)

	<u>Fair value at December 31, 2024</u>	<u>Valuation technique</u>	<u>Significant unobservable input</u>	<u>Range (weighted average)</u>	<u>Relationship of inputs to fair value</u>
Non-derivative					
Private fund	\$ 159,964,290	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Real estate securitisation	2,069,431	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Infrastructure fund	50,957,836	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Unlisted stocks	313,618	Adjusted net asset method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Corporate bonds	5,777,100	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Financial debentures	3,500,380	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Collateralised mortgage obligation	9,817,705	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Collateralised mortgage obligation	265,486	Discounted cash flow method	Cash flows	Not applicable	The higher the cash flows, the higher the fair value.
			Discount rate	4.69%-5.89%	The higher the discount rate, the lower the fair value.
			Prepayment speeds	158-249	The prepayment speeds will impact the fair value.

	Fair value at June 30, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative					
Private fund	\$ 158,115,558	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Real estate securitisation	2,112,074	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Infrastructure fund	49,397,242	Net asset value	Net asset value	Not applicable	The higher the net asset value, the higher the fair value
Unlisted stocks	288,334	Adjusted net asset method	Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value
Corporate bonds	5,777,650	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Financial debentures	4,665,108	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)
Collateralised mortgage obligation	9,804,588	Not applicable (Note)	Not applicable (Note)	Not applicable	Not applicable (Note)

Note: Due to no quoted prices in active markets, the counterparty quotes were considered while the relationship between significant unobservable input data and fair value cannot be fully controlled in practice. Therefore, no additional qualitative information on the fair value of the Consolidated Company's investments in debt instruments classified as Level 3 was disclosed.

(f) Sensitivity analysis of the fair value of financial assets and financial liabilities classified as Level 3

The fair value measurement that the Consolidated Company made onto the financial instruments is deemed reasonable. For those financial instruments which are classified in Level 3 and not valued by the Consolidated Company, the relationship between the significant unobservable inputs and fair value can not be completely obtained in practice, therefore, no sensitivity analysis of possible alternative assumptions will be implemented. For those financial instruments which are evaluated by the Consolidated Company, if the movement of valuation or parameter increases or decreases by 1%, the effects to profit or loss for the year or other comprehensive income are as follows:

		June 30, 2025			
		Increase by 1%		Decrease by 1%	
		Effect on	Effect on other	Effect on	Effect on other
		profit or loss	comprehensive income	profit or loss	comprehensive income
Assets					
Financial assets at fair value through profit or loss (Note)	\$	-	\$ 1,480,856	\$	- (\$ 1,480,856)
Financial assets at fair value through other comprehensive income		-	3,895	-	(3,895)
		December 31, 2024			
		Increase by 1%		Decrease by 1%	
		Effect on	Effect on other	Effect on	Effect on other
		profit or loss	comprehensive income	profit or loss	comprehensive income
Assets					
Financial assets at fair value through profit or loss (Note)	\$	-	\$ 2,129,916	\$	- (\$ 2,129,916)
Financial assets at fair value through other comprehensive income		-	10,307	-	(13,999)

		June 30, 2024			
		Increase by 1%		Decrease by 1%	
		Effect on other		Effect on other	
		Effect on	comprehensive	Effect on	comprehensive
		profit or loss	income	profit or loss	income
Assets					
Financial assets at fair value through profit or loss (Note)	\$	-	\$ 2,096,249	\$	- (\$ 2,096,249)
Financial assets at fair value through other comprehensive income		-	3,230	-	(3,230)

Note: For financial assets at fair value through profit or loss using overlay approach, the gain or loss are recognised in other comprehensive income.

13. RISK MANAGEMENT

The Consolidated Company, based on ERM Guideline established Risk Management Policy as a guidance for the Consolidated Company's solid risk management mechanism and practices to ensure capital adequacy, solvency, and stronger business development.

(1) Goals, Policies, and Procedures of Risk Management

Except for the following, there was no significant change in the reporting period. Please refer to Note 13 in the consolidated financial statements for the year ended December 31, 2024.

(2) Insurance Risk

Life insurance

Except for the following, there was no significant change in the reporting period. Please refer to Note 13 in the consolidated financial statements for the year ended December 31, 2024.

A. Insurance risk sensitivities – insurance contracts

In general, the statutory reserves of the insurance contracts issued by the Consolidated Company should be based upon the lock-in principle, that is, the provision of future liabilities is predetermined upon the policy issuance. Hence, the reserves will not fluctuate with future experience unless adjustments are stipulated by the FSC or the liability adequacy test (LAT) shows that it is insufficient. With respect to the insurance portfolio of the Consolidated Company as of June 30, 2025, December 31, 2024 and June 30, 2024, the liabilities will still be adequate even when the mortality, morbidity, withdrawal rates and expense ratios assumptions adversely change by 10% or new investment returns drop by 25 basis points.

B. Credit risk, liquidity risk and market risk of the insurance contracts

The table below shows the net liability cash flow analysis of the insurance portfolio of the Consolidated Company by maturity date. The figures reflect, for the in-force policies as at the valuation date, the estimation of undiscounted total insurance benefit payments, expense and other outflows, net of insurance premiums and other income at each future point of time. The future actual amounts may vary as the actual experience may be different from the expected experience.

Net cash flows used in (provided by) the insurance contracts:

	June 30, 2025	December 31, 2024	June 30, 2024
Under 1 year	\$ 121,210,974	\$ 87,519,561	\$ 72,791,988
1 ~ 3 years	283,812,172	238,299,449	237,689,426
Over 3 years	9,611,360,415	10,242,319,762	10,280,137,578
	<u>\$ 10,016,383,561</u>	<u>\$ 10,568,138,772</u>	<u>\$ 10,590,618,992</u>

The Consolidated Company has insurance contracts that are classified as liabilities on insurance products - separate account. However, such liabilities are repaid based on investment-linked insurance product assets. Therefore, the Consolidated Company has no significant liquidity risk.

With respect to the holder of policy dividend payable, as such liability has no fixed maturity date, it is excluded from the maturity analysis.

Property insurance

Except for the following, there was no significant change in the reporting period. Please refer to Note 13 in the consolidated financial statements for the year ended December 31, 2024. The risk management responsibilities across different units are:

A. Illustration about the insurance risk concentration

The risk of insurance contracts accepted by the Consolidated Company are scattered across all types of insurance and only the car insurance business bear a higher concentration of risk. Nevertheless, the risk does not change significantly given stable experience in the loss of car insurance and risk aversion through ceding reinsurance. As for other types of insurance, there is no such risk concentration.

The insurance risk concentration of the premium revenue from direct underwriting and retained premium earned accrued by the Consolidated Company's car insurance is listed below: (excluding compulsory insurance)

For the three months ended June 30, 2025		
Insurance type	Direct earned gross premium	Self-retained earned premium
Car insurance	\$ 1,272,761	\$ 1,231,462
For the three months ended June 30, 2024		
Insurance type	Direct earned gross premium	Self-retained earned premium
Car insurance	\$ 1,128,696	\$ 968,551
For the six months ended June 30, 2025		
Insurance type	Direct earned gross premium	Self-retained earned premium
Car insurance	\$ 2,558,499	\$ 2,418,157
For the six months ended June 30, 2024		
Insurance type	Direct earned gross premium	Self-retained earned premium
Car insurance	\$ 2,290,468	\$ 1,858,206

B. Sensitivity analysis of insurance risk

The Consolidated Company estimates claim reserves mainly through loss development model and the expected loss rate to each type of insurance. Given that the estimates will be affected by the amendment to the laws, changes in the method of claims payment or future prospect, therefore, the Consolidated Company conducted sensitivity analysis of insurance risk using expected loss rate.

On the basis of one-year retention earned premium income, as of June 30, 2025, December

31, 2024 and June 30, 2024, the profit or loss of the Consolidated Company was barely affected by 5% increase in the calculated final rate of loss.

C. Liquidity risk of insurance contracts

Liquidity risk of insurance contract mainly happens when a Company is unable to realise assets immediately or acquire adequate capital leading to the risk of failure to fulfil obligations from various insurance contract liabilities. To ensure the instantaneity of liquidity risk management, except for regular review toward the matching of assets and liabilities, the Consolidated Company also performs cash flow analysis for the insurance business and its investments and separately reviews revenue and expenditures from the insurance industry and investment. A table of cash flow estimation is also created and used as a basis for fund procurement in order to cope with needs for various fund liquidity. Besides, the Consolidated Company's working capital is sufficient for liquidity requirements, therefore there is no liquidity risk regarding inability to raise funds for meeting contractual obligations.

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D.Claim development trend

The accumulated claim development trend in the past years refer to the development trend of listed claims. Each accident year refers to the year of insured accident happened; the horizontal rows represent development year of the accidents and the diagonal lines represent the accumulated reported claims of each accident year. The incurred claims here include unsettled and settled claims which explain how the Consolidated Company calculates each accident year's claims over time.

(a) Claim development pattern of the Consolidated Company's direct business

The following tables are the reconciliation between the Consolidated Company's accumulated claim and the claim reserves on the balance sheet of the end of reporting periods.

June 30, 2025										
Accident Year	Development Year (Note)									
	1	2	3	4	5	6	7	8	9	10
≤2016	\$ 33,354,491	\$ 33,484,676	\$ 33,484,674	\$ 33,495,275	\$ 33,493,849	\$ 33,493,941	\$ 33,492,766	\$ 33,492,838	\$ 33,492,726	\$ 33,492,355
2017	1,169,894	1,343,278	1,405,293	1,408,669	1,408,629	1,410,220	1,411,152	1,411,118	1,411,069	
2018	1,749,381	2,043,103	2,088,478	2,093,736	2,092,458	2,078,845	2,078,800	2,078,544		
2019	2,427,669	2,692,854	2,700,442	2,670,218	2,673,362	2,676,318	2,675,318			
2020	2,753,598	3,042,918	3,101,186	3,075,680	3,081,582	3,077,555				
2021	2,564,836	2,908,470	2,976,594	3,018,879	3,019,740					
2022	4,990,262	5,572,954	6,024,345	6,038,316						
2023	3,516,206	4,888,639	4,967,704							
2024	2,470,613	2,737,527								
2025 (1 to 6)	1,922,065									
(1)Accumulated Reported claims of direct business										61,420,193
(2)Accumulated Paid claims of direct business										59,358,089
(3)Reported But Not Paid claim reserves of direct business										2,062,104
(4)Not reported claim reserves of direct business										1,926,634
(5)Assumed claim reserves										222,042
(6)Claim reserves of direct business=(3)+(4)+(5)										\$ 4,210,780

Note: The most recent balance in the diagonal refers to accumulated reported claims of direct business for the six months ended June 30, 2025.

December 31, 2024										
Accident Year	Development Year (Note)									
	1	2	3	4	5	6	7	8	9	10
≤2015	\$ 32,990,191	\$ 32,369,852	\$ 32,384,655	\$ 32,382,505	\$ 32,387,667	\$ 32,387,039	\$ 32,387,207	\$ 32,386,032	\$ 32,386,194	\$ 32,386,143
2016	984,639	1,100,021	1,102,169	1,107,608	1,106,810	1,106,734	1,106,734	1,106,644	1,106,583	
2017	1,169,894	1,343,278	1,405,293	1,408,669	1,408,629	1,410,220	1,411,152	1,411,118		
2018	1,749,381	2,043,103	2,088,478	2,093,736	2,092,458	2,078,845	2,078,800			
2019	2,427,669	2,692,854	2,700,442	2,670,218	2,673,362	2,676,318				
2020	2,753,598	3,042,918	3,101,186	3,075,680	3,081,582					
2021	2,564,836	2,908,470	2,976,594	3,018,879						
2022	4,990,262	5,572,954	6,024,345							
2023	3,516,206	4,888,639								
2024	2,470,613									
(1)Accumulated Reported claims of direct business										59,143,020
(2)Accumulated Paid claims of direct business										57,442,983
(3)Reported But Not Paid claim reserves of direct business										1,700,037
(4)Not reported claim reserves of direct business										1,746,167
(5)Assumed claim reserves										221,684
(6)Claim reserves of direct business=(3)+(4)+(5)										\$ 3,667,888

Note: The most recent balance in the diagonal refers to accumulated reported claims of direct business for the year ended December 31, 2024.

June 30, 2024										
Accident Year	Development Year (Note)									
	1	2	3	4	5	6	7	8	9	10
≤2015	\$ 32,990,191	\$ 32,369,852	\$ 32,384,655	\$ 32,382,505	\$ 32,387,667	\$ 32,387,039	\$ 32,387,207	\$ 32,386,032	\$ 32,386,194	\$ 32,386,165
2016	984,639	1,100,021	1,102,169	1,107,608	1,106,810	1,106,734	1,106,734	1,106,644	1,106,633	
2017	1,169,894	1,343,278	1,405,293	1,408,669	1,408,629	1,410,220	1,411,152	1,411,168		
2018	1,749,381	2,043,103	2,088,478	2,093,736	2,092,458	2,078,845	2,078,953			
2019	2,427,669	2,692,854	2,700,442	2,670,218	2,673,362	2,679,991				
2020	2,753,598	3,042,918	3,101,186	3,075,680	3,080,447					
2021	2,564,836	2,908,470	2,976,594	3,013,476						
2022	4,990,262	5,572,954	5,934,275							
2023	3,516,206	4,181,019								
2024 (1 to 6)	1,063,166									
(1)Accumulated Reported claims of direct business										56,935,293
(2)Accumulated Paid claims of direct business										55,257,243
(3)Reported But Not Paid claim reserves of direct business										1,678,050
(4)Not reported claim reserves of direct business										1,636,232
(5)Assumed claim reserves										223,660
(6)Claim reserves of direct business=(3)+(4)+(5)										\$ 3,537,942

Note: The most recent balance in the diagonal refers to accumulated reported claims of direct business for the six months ended June 30, 2024.

(b) Claim development pattern of the Consolidated Company's retention business

The following tables are the claim development pattern as of the end of reporting periods:

June 30, 2025										
Accident Year	Development Year (Note)									
	1	2	3	4	5	6	7	8	9	10
≤2016	\$23,296,781	\$23,442,800	\$23,508,759	\$23,538,339	\$23,539,073	\$23,529,125	\$23,537,991	\$23,537,772	\$23,537,672	\$23,537,368
2017	780,139	924,600	1,010,526	1,026,422	1,025,382	1,026,351	1,026,781	1,026,746	1,026,724	
2018	990,722	1,210,946	1,292,387	1,303,982	1,303,123	1,295,585	1,295,395	1,295,201		
2019	1,383,181	1,608,308	1,668,026	1,659,799	1,663,051	1,665,991	1,665,247			
2020	1,467,417	1,707,557	1,732,302	1,730,693	1,735,995	1,732,535				
2021	1,435,037	1,580,008	1,616,831	1,646,483	1,647,267					
2022	3,754,820	4,116,146	4,363,958	4,378,011						
2023	2,664,721	3,690,512	3,743,334							
2024	2,421,362	2,611,467								
2025 (1 to 6)	1,804,228									
(1)Accumulated Reported claims of retention business										43,441,382
(2)Accumulated Paid claims of retention business										41,764,992
(3)Reported But Not Paid claim reserves of retention business										1,676,390
(4)Not reported claim reserves of retention business										1,462,241
(5)Claim reserves of retention business=(3)+(4)										\$ 3,138,631

Note: The most recent balance in the diagonal refers to accumulated reported claims of retention business for the six months ended June 30, 2025.

December 31, 2024										
Accident Year	Development Year (Note)									
	1	2	3	4	5	6	7	8	9	10
≤2015	\$22,986,396	\$22,398,835	\$22,424,237	\$22,448,673	\$22,452,060	\$22,453,226	\$22,453,333	\$22,452,199	\$22,452,075	\$22,452,036
2016	897,946	1,018,563	1,060,086	1,086,279	1,085,847	1,085,792	1,085,792	1,085,697	1,085,636	
2017	780,139	924,600	1,010,526	1,026,422	1,025,382	1,026,351	1,026,781	1,026,746		
2018	990,722	1,210,946	1,292,387	1,303,982	1,303,123	1,295,585	1,295,395			
2019	1,383,181	1,608,308	1,668,026	1,659,799	1,663,051	1,665,991				
2020	1,467,417	1,707,557	1,732,302	1,730,693	1,735,995					
2021	1,435,037	1,580,008	1,616,831	1,646,483						
2022	3,754,820	4,116,146	4,363,958							
2023	2,664,721	3,690,512								
2024	2,421,362									
(1)Accumulated Reported claims of retention business										41,384,114
(2)Accumulated Paid claims of retention business										39,994,467
(3)Reported But Not Paid claim reserves of retention business										1,389,647
(4)Not reported claim reserves of retention business										1,302,101
(5)Claim reserves of retention business=(3)+(4)										\$ 2,691,748

Note: The most recent balance in the diagonal refers to accumulated reported claims of retention business for the year ended December 31, 2024.

June 30, 2024										
Accident Year	Development Year (Note)									
	1	2	3	4	5	6	7	8	9	10
2015	\$22,986,396	\$22,398,835	\$22,424,237	\$22,448,673	\$22,452,060	\$22,453,226	\$22,453,333	\$22,452,199	\$22,452,075	\$22,452,054
2016	897,946	1,018,563	1,060,086	1,086,279	1,085,847	1,085,792	1,085,792	1,085,697	1,085,687	
2017	780,139	924,600	1,010,526	1,026,422	1,025,382	1,026,351	1,026,781	1,026,796		
2018	990,722	1,210,946	1,292,387	1,303,982	1,303,123	1,295,585	1,295,438			
2019	1,383,181	1,608,308	1,668,026	1,659,799	1,663,051	1,669,224				
2020	1,467,417	1,707,557	1,732,302	1,730,693	1,735,351					
2021	1,435,037	1,580,008	1,616,831	1,643,679						
2022	3,754,820	4,116,146	4,319,315							
2023	2,664,721	3,181,738								
2024 (1 to 6)	1,000,746									
(1)Accumulated Reported claims of retention business										39,410,028
(2)Accumulated Paid claims of retention business										38,168,613
(3)Reported But Not Paid claim reserves of retention business										1,241,415
(4)Not reported claim reserves of retention business										1,205,926
(5)Claim reserves of retention business=(3)+(4)										\$ 2,447,341

Note: The most recent balance in the diagonal refers to accumulated reported claims of retention business for the six months ended June 30, 2024.

(3) Financial risk

Financial risk is the risk when future cash flows are insufficient to pay for insurance contract and investment contract. The Consolidated Company establishes the risk management mechanism and control system for the financial assets, to effectively identify, measure, respond and monitor the Consolidated Company's exposure risks, including credit risk, liquidity risk, market risk, operational risk, etc.

The Consolidated Company undertakes derivative financial instruments such as FX swap contracts, cross currency swaps, non-delivery forwards, delivery forwards and interest rate swaps. The primary purpose is to avoid the exchange rate risk and the interest rate risk from investments. To effectively monitor and control the financial risk, the management considers the changes in the economic environment and the competition of market and adopts different strategies against different financial risks as follows:

A. Credit risk

Credit risk refers to the risk of financial loss to the Consolidated Company arising from default by the clients or counterparties of financial instruments on the contract obligations. As for the securities investment, the Consolidated Company adopts the credit ratings and research reports issued by the external credit rating agencies and public information about the counterparties and issuers with referring to relevant information in the market at the same time. Moreover, the Consolidated Company measures the upper limit for investment in a single issuer and controls the credit risks of the underlying securities, the issuers, and the counterparties so that the credit risks faced by the Consolidated Company can be effectively mitigated. In addition, the Consolidated Company established credit exposure ratio in relation to country and industry to avoid high concentration of credit exposure. For loan business, the Consolidated Company stipulates regulations on credit checking for implementing thorough credit assessment aiming to ensure that the transactional counterparty meets loan standard and provides adequate collaterals and effectively reduce the credit risk.

(a) The Consolidated Company adopts following assumptions to assess whether the credit risk on that instrument has significantly increased since initial recognition:

- I. Receivables, loans and other financial assets at amortised cost (excluding interest receivables from bonds):
 - (i) If the contract payments were overdue for more than 30 days based on the terms, the credit risk of that instrument would be regarded as having significantly increased since initial recognition.
 - (ii) According to the internal and external information, the Consolidated Company identified that there has been a significant increase in credit risk based on its professional judgement on credit risk and the relative historical experience.
- II. Investments in debt instruments at amortised cost and at fair value through other comprehensive income (including interest receivables from bonds):
 - (i) As of balance sheet date, if those debt instruments that have been rated as non-investment grade, and the credit rating have been downgraded for more than 3 notches (including 3 notches) since initial recognition, the Consolidated Company assumes that there has a significant increase in credit risk on the investment objects.

- (ii) As of balance sheet date, if those debt instruments that have been rated as non-investment grade, and the percentage of unrealised valuation loss on those debt investments is more than 50% of their carrying amount for three consecutive months, the Consolidated Company assumes that there has a significant increase in credit risk on the investment objects.
- (b) The definition of the default of financial assets made by the Consolidated Company is consistent with the judgements, which are used to assess whether the credit of financial assets were impaired. If one or several of the followings unfavorable effects incurred, the credit of financial assets is considered as impaired:
 - I. Significant financial difficulty of the issuer or obligor; or
 - II. Default or delinquency in interest or principal repayments; The Consolidated Company adopts the premise under IFRS 9, the default occurs when the contract payments (excluding bond investments) are overdue for more than 90 days.
 - III. The obligee, for economic or contractual reasons relating to the obligor's financial difficulty, granted the obligor a concession that an obligee would not otherwise consider;
 - IV. It becomes probable that the obligor will enter bankruptcy or other financial reorganisation;
 - V. The disappearance of an active market for that financial asset because of financial difficulties of the issuer;
 - VI. Others.
- (c) Measurement of expected credit loss

The Consolidated Company measures the 12-month probability of default for financial instruments that the credit risk has not significantly increased since initial recognition. While for those that the credit risk has significantly increased or credit impairment has occurred since initial recognition, the lifetime probability of default would be measured. The expected credit losses would then be calculated respectively with the multiplication of loss given default, the probability of default mentioned above, and the exposure default while taking the time value of money and forward-looking adjustments into consideration.

 - I. Receivables (excluding interest receivables from bonds and interest receivable from loans) and other financial assets at amortised cost:

The loss given default is assessed based on the internal historical data. In addition, the Consolidated Company weighted the average of probability of default for the past 3 years and takes into consideration the forecast of overseas and domestic economic data in order to measure the predicted 12-month probability of default. Furthermore, since the lifetime of the Consolidated Company's receivables usually is within 12 months, the lifetime probability of default is consistent with the 12-month probability of default. Exposure at default is measured based on the carrying amount of receivables.
 - II. Loans (including interest receivable from loans):

The Consolidated Company established the 3-year average transition matrix based on the historical information of secured loans and takes into consideration the forward-looking economic variables to measure the predicted 12-month probability of default, and calculates the multi-year cumulative probability of default using the transition matrix of the Markov Chain. The Consolidated Company calculates loss given default with discounted cash flows using the effective-interest-rate method, according to both the location of collaterals and the historical recovery rate of secured loans. Exposure at default is measured based on the principle and the carrying amount of interest receivable.

III. Investments in debt instruments at amortised cost and at fair value through other comprehensive income (including interest receivables from bonds):

The Consolidated Company measures the predicted 12-month probability of default using the historical probability of default regularly issued by the international credit rating agencies, which will be adjusted by forward-looking information such as the observable macroeconomics forecast, and calculates the multi-year cumulative probability of default using the transition matrix of the Markov Chain. Loss given default is measured based on the historical probability of default regularly issued by the international credit rating agencies, and exposure at default is measured based on the amortised cost of financial instruments.

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(d) Movements in the Consolidated Company's allowance for credit loss for receivables (excluding bond interest receivable and loan interest receivable) are as follows:

	2025					
	<u>Life time expected credit loss</u>			Difference on impairment recognised according to 'Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises'		Total
	12-months expected credit loss	Significant increase in credit risk (group assessment)	Credit impaired financial assets (Note)			
At January 1	\$ 49,044	\$ -	\$ 5,327,602	\$	1,426	\$ 5,378,072
(Recovery) provision of account receivable at current period	(3,652)	-	817,072	894		814,314
Write-offs - other	-	-	(92)	-	(92)	
Changes in risk parameters	380	-	-	-		380
Changes in exchange	-	-	(492,587)	-	(492,587)	
At June 30	<u>\$ 45,772</u>	<u>\$ -</u>	<u>\$ 5,651,995</u>	<u>\$</u>	<u>2,320</u>	<u>\$ 5,700,087</u>

Note: Including principal and accrued interest of Russian-related debt instruments reclassified to overdue receivables, with allowance for losses amounting to \$5,590,673 and \$5,273,353 as of June 30, 2025 and January 1, 2025, respectively.

2024

	Life time expected credit loss			Difference on impairment recognised according to 'Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises'	Total
	12-months expected credit loss	Significant increase in credit risk (group assessment)	Credit impaired financial assets (Note)		
At January 1	\$ 58,238	\$ -	\$ 3,376,168	\$ 1,082	\$ 3,435,488
(Recovery) provision of account receivable at current period	(14,636)	-	851,476	796	837,636
Write-offs - other	-	-	(77)	-	(77)
Changes in risk parameters	2,509	-	-	-	2,509
Changes in exchange	-	-	191,855	-	191,855
At June 30	<u>\$ 46,111</u>	<u>\$ -</u>	<u>\$ 4,419,422</u>	<u>\$ 1,878</u>	<u>\$ 4,467,411</u>

Note: Including principal and accrued interest of Russian-related debt instruments reclassified to overdue receivables, with allowance for losses amounting to \$4,366,065 and \$3,326,092 as of June 30, 2024 and January 1, 2024, respectively.

(e) Movements in the Consolidated Company's allowance for credit loss for loans are as follows:

	2025			Difference on impairment recognised according to 'Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises'	Total
	Life time expected credit loss				
	12-months expected credit loss	Significant increase in credit risk (group assessment)	Credit impaired financial assets		
At January 1	\$ -	\$ 31	\$ 782	\$ 142,124	\$ 142,937
Changes in financial instruments that have been identified at the beginning of period:					
-Transfer to 12-months expected credit loss	5	(5)	-	-	-
-Derecognition of financial assets at current period	-	(2)	(153)	-	(155)
Difference on impairment recognised according to 'Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises'	-	-	-	(12,667)	(12,667)
Changes in risk parameters	(5)	(24)	(4)	-	(33)
At June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 625</u>	<u>\$ 129,457</u>	<u>\$ 130,082</u>

	2024				
	<u>Life time expected credit loss</u>			Difference on impairment recognised according to 'Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises'	Total
	12-months expected credit loss	Significant increase in credit risk (group assessment)	Credit impaired financial assets		
At January 1	\$ -	\$ 85	\$ 1,137	\$ 175,072	\$ 176,294
Changes in financial instruments that have been identified at the beginning of period:					
-Transfer to 12-months expected credit loss	2	(2)	-	-	-
-Derecognition of financial assets at current period	-	(7)	(165)	-	(172)
Difference on impairment recognised according to 'Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises'	-	-	-	(18,119)	(18,119)
Changes in risk parameters	(2)	(42)	(4)	-	(48)
At June 30	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 968</u>	<u>\$ 156,953</u>	<u>\$ 157,955</u>

(f) Movements in the Consolidated Company's allowance for credit loss for debt instrument investments at fair value through other comprehensive income are as follows:

	2025			
	12-months expected credit loss	Life time expected credit loss		Total
		Significant increase in credit risk (group assessment)	Credit impaired financial assets	
At January 1	\$ 53,595	\$ 38,604	\$ 1,270,581	\$ 1,362,780
Changes in financial instruments that have been identified at the beginning of period:				
-Derecognition of financial assets at current period	(2,208)	-	-	(2,208)
Originated or purchased new financial assets	4,753	-	-	4,753
Changes in risk parameters	(1,640)	(899)	-	(2,539)
Changes in exchange and others	(3,756)	(5,487)	(85,055)	(94,298)
At June 30	<u>\$ 50,744</u>	<u>\$ 32,218</u>	<u>\$ 1,185,526</u>	<u>\$ 1,268,488</u>

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	2024			
	12-months expected credit loss	Life time expected credit loss		Total
		Significant increase in credit risk (group assessment)	Credit impaired financial assets	
At January 1	\$ 50,420	\$ 84,606	\$ 1,139,203	\$ 1,274,229
Changes in financial instruments that have been identified at the beginning of period:				
-Derecognition of financial assets at current period	(3,933)	-	-	(3,933)
Originated or purchased new financial assets	9,403	-	-	9,403
Changes in risk parameters	265	(833)	-	(568)
Changes in exchange and others	2,128	1,179	90,402	93,709
At June 30	<u>\$ 58,283</u>	<u>\$ 84,952</u>	<u>\$ 1,229,605</u>	<u>\$ 1,372,840</u>

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(g) Movements in the Consolidated Company's allowance for credit loss for debt instrument investments at amortised cost are as follows:

	2025			
	12-months expected credit loss	Life time expected credit loss		
		Significant increase in credit risk (group assessment)	Credit impaired financial assets	Total
At January 1	\$ 985,058	\$ 2,317,321	\$ 760,173	\$ 4,062,552
Changes in financial instruments that have been identified at the beginning of period:				
-Derecognition of financial assets at current period	(3,612)	-	-	(3,612)
Originated or purchased new financial assets	757	-	-	757
Changes in risk parameters	(27,842)	(8,435)	-	(36,277)
Changes in exchange and others	(82,567)	(270,294)	(50,205)	(403,066)
At June 30	<u>\$ 871,794</u>	<u>\$ 2,038,592</u>	<u>\$ 709,968</u>	<u>\$ 3,620,354</u>

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	2024			
	12-months expected credit loss	Life time expected credit loss		Total
		Significant increase in credit risk (group assessment)	Credit impaired financial assets	
At January 1	\$ 916,568	\$ 5,631,271	\$ 876,077	\$ 7,423,916
Changes in financial instruments that have been identified at the beginning of period:				
-Derecognition of financial assets at current period	(9,547)	(14,952)	(200,225)	(224,724)
Originated or purchased new financial assets	21	-	-	21
Changes in risk parameters	2,467	3,251	-	5,718
Changes in exchange and others	50,796	184,797	59,096	294,689
At June 30	<u>\$ 960,305</u>	<u>\$ 5,804,367</u>	<u>\$ 734,948</u>	<u>\$ 7,499,620</u>

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(h) The expected loss rate of the Consolidated Company's bond interest receivable, debt instrument investments at amortised cost and debt instrument investments at fair value through other comprehensive income(Note) are as follows:

	June 30, 2025		
	12-months expected credit loss	Life time expected credit loss	
		Significant increase in credit risk	Credit impaired financial assets
Bond interest receivables	0.00%-0.31%	0.11%~0.19%	6.93%
Debt instrument investments at fair value through other comprehensive income	0.00%-0.31%	3.98%~4.31%	5.12%~6.29%
Debt instrument investments at amortised cost	0.00%-0.18%	3.41%~6.59%	6.31%~9.52%
	December 31, 2024		
	12-months expected credit loss	Life time expected credit loss	
		Significant increase in credit risk	Credit impaired financial assets
Bond interest receivables	0.00%-0.31%	0.12%~0.19%	6.68%
Debt instrument investments at fair value through other comprehensive income	0.00%-0.31%	4.34%~4.68%	5.00%~6.12%
Debt instrument investments at amortised cost	0.00%-0.19%	2.37%~6.66%	6.15%~9.28%
	June 30, 2024		
	12-months expected credit loss	Life time expected credit loss	
		Significant increase in credit risk	Credit impaired financial assets
Bond interest receivables	0.00%-0.44%	0.12%~1.22%	6.57%
Debt instrument investments at fair value through other comprehensive income	0.00%-0.44%	4.40%~6.64%	4.88%~5.97%
Debt instrument investments at amortised cost	0.00%-0.19%	4.50%~16.14%	5.99%~9.06%

Note: Excluding those transferred to overdue receivables.

- (i) Information on credit risk rating in relation to the total carrying amount of various financial debt instruments and the maximum exposure to credit risk are as follows:

	June 30, 2025				
	12-months expected credit loss	Life time expected credit loss Significant increase in credit risk	Credit impaired financial assets	Allowance for credit loss	Maximum credit risk exposure amount
Bond interest receivables					
Group 1	\$ 25,669,984	\$ -	\$ -	\$ 8,099	\$ 25,661,885
Group 2	1,050,457	789,255	166,596	14,854	1,991,454
	<u>\$ 26,720,441</u>	<u>\$ 789,255</u>	<u>\$ 166,596</u>	<u>\$ 22,953</u>	<u>\$ 27,653,339</u>
Financial assets at fair value through other comprehensive income (Note)					
Group 1	\$ 260,737,734	\$ -	\$ -	\$ 42,451	\$ 260,695,283
Group 2	4,618,428	792,785	22,373,169	1,226,037	26,558,345
	<u>\$ 265,356,162</u>	<u>\$ 792,785</u>	<u>\$ 22,373,169</u>	<u>\$ 1,268,488</u>	<u>\$ 287,253,628</u>
Financial assets at amortised cost (Note)					
Group 1	\$ 3,138,774,073	\$ -	\$ -	\$ 769,489	\$ 3,138,004,584
Group 2	57,178,208	34,913,506	9,556,934	2,850,865	98,797,783
	<u>\$ 3,195,952,281</u>	<u>\$ 34,913,506</u>	<u>\$ 9,556,934</u>	<u>\$ 3,620,354</u>	<u>\$ 3,236,802,367</u>

Group 1: The issuers of the debt instruments who have been rated as investment grade (at least BBB-) by external credit agencies at the balance sheet date.

Group 2: Others.

Note: Including statutory deposits.

	December 31, 2024				
	12-months expected credit loss	Life time expected credit loss		Allowance for credit loss	Maximum credit risk exposure amount
		Significant increase in credit risk	Credit impaired financial assets		
Bond interest receivables					
Group 1	\$ 27,912,803	\$ -	\$ -	\$ 8,852	\$ 27,903,951
Group 2	<u>1,160,776</u>	<u>865,246</u>	<u>182,679</u>	<u>15,967</u>	<u>2,192,734</u>
	<u>\$ 29,073,579</u>	<u>\$ 865,246</u>	<u>\$ 182,679</u>	<u>\$ 24,819</u>	<u>\$ 30,096,685</u>
Financial assets at fair value through other comprehensive income (Note)					
Group 1	\$ 269,752,192	\$ -	\$ -	\$ 43,496	\$ 269,708,696
Group 2	<u>5,576,139</u>	<u>870,129</u>	<u>24,560,948</u>	<u>1,319,284</u>	<u>29,687,932</u>
	<u>\$ 275,328,331</u>	<u>\$ 870,129</u>	<u>\$ 24,560,948</u>	<u>\$ 1,362,780</u>	<u>\$ 299,396,628</u>
Financial assets at amortised cost (Note)					
Group 1	\$ 3,423,659,406	\$ -	\$ -	\$ 868,798	\$ 3,422,790,608
Group 2	<u>62,741,674</u>	<u>38,333,031</u>	<u>10,493,637</u>	<u>3,193,754</u>	<u>108,374,588</u>
	<u>\$ 3,486,401,080</u>	<u>\$ 38,333,031</u>	<u>\$ 10,493,637</u>	<u>\$ 4,062,552</u>	<u>\$ 3,531,165,196</u>

Group 1: The issuers of the debt instruments who have been rated as investment grade (at least BBB-) by external credit agencies at the balance sheet date.

Group 2: Others.

Note: Including statutory deposits.

	June 30, 2024				
	12-months expected credit loss	Life time expected credit loss		Allowance for credit loss	Maximum credit risk exposure amount
		Significant increase in credit risk	Credit impaired financial assets		
Bond interest receivables					
Group 1	\$ 28,103,240	\$ -	\$ -	\$ 9,216	\$ 28,094,024
Group 2	<u>812,044</u>	<u>1,205,561</u>	<u>181,005</u>	<u>21,480</u>	<u>2,177,130</u>
	<u>\$ 28,915,284</u>	<u>\$ 1,205,561</u>	<u>\$ 181,005</u>	<u>\$ 30,696</u>	<u>\$ 30,271,154</u>
Financial assets at fair value through other comprehensive income (Note)					
Group 1	\$ 276,494,892	\$ -	\$ -	\$ 47,527	\$ 276,447,365
Group 2	<u>6,016,768</u>	<u>1,558,245</u>	<u>24,352,396</u>	<u>1,325,313</u>	<u>30,602,096</u>
	<u>\$ 282,511,660</u>	<u>\$ 1,558,245</u>	<u>\$ 24,352,396</u>	<u>\$ 1,372,840</u>	<u>\$ 307,049,461</u>
Financial assets at amortised cost (Note)					
Group 1	\$ 3,405,062,332	\$ -	\$ -	\$ 877,610	\$ 3,404,184,722
Group 2	<u>45,141,558</u>	<u>54,062,201</u>	<u>10,403,681</u>	<u>6,622,010</u>	<u>102,985,430</u>
	<u>\$ 3,450,203,890</u>	<u>\$ 54,062,201</u>	<u>\$ 10,403,681</u>	<u>\$ 7,499,620</u>	<u>\$ 3,507,170,152</u>

Group 1: The issuers of the debt instruments who have been rated as investment grade (at least BBB-) by external credit agencies at the balance sheet date.

Group 2: Others.

Note : Including statutory deposits.

(j) Information on credit risk rating in relation to the total carrying amount of receivables and loans and the maximum exposure to credit risk are as follows:

	June 30, 2025				Maximum credit risk exposure amount
	12-months expected credit loss	Life time expected credit loss		Allowance for credit loss	
		Significant increase in credit risk	Credit impaired financial assets		
Receivables					
Notes receivable	\$ 310,202	\$ -	\$ -	\$ 6,963	\$ 303,239
Premiums receivable (Note)	498,790	-	51,089	10,845	539,034
Interest receivable-bonds	26,720,441	789,255	166,596	22,953	27,653,339
Interest receivable-loans	7,142,797	44	18	136	7,142,723
Interest receivable-others	180,624	-	-	-	180,624
Investment receivable	3,997,929	-	-	-	3,997,929
Other receivables-lease payments receivable (Note)	1,360,419	-	11,439	44,164	1,327,694
Other receivables-others (Note)	5,237,894	-	5,631,884	5,638,115	5,231,663
	<u>\$ 45,449,096</u>	<u>\$ 789,299</u>	<u>\$ 5,861,026</u>	<u>\$ 5,723,176</u>	<u>\$ 46,376,245</u>
Loans	<u>\$ 108,901,981</u>	<u>\$ 39,782</u>	<u>\$ 6,605</u>	<u>\$ 130,082</u>	<u>\$ 108,818,286</u>

Note : Including overdue receivable.

December 31, 2024

	<u>Life time expected credit loss</u>				Maximum credit risk exposure amount
	12-months expected credit loss	Significant increase in credit risk	Credit impaired financial assets	Allowance for credit loss	
Receivables					
Notes receivable	\$ 449,191	\$ -	\$ -	\$ 10,296	\$ 438,895
Premiums receivable (Note)	462,426	-	100,228	13,146	549,508
Interest receivable-bonds	29,073,579	865,246	182,679	24,819	30,096,685
Interest receivable-loans	7,309,069	62	17	157	7,308,991
Interest receivable-others	115,303	-	-	-	115,303
Investment receivable	1,471,839	-	-	-	1,471,839
Other receivables-lease payments receivable (Note)	1,316,583	-	3,157	34,591	1,285,149
Other receivables-others (Note)	2,441,386	-	5,312,612	5,320,039	2,433,959
	<u>\$ 42,639,376</u>	<u>\$ 865,308</u>	<u>\$ 5,598,693</u>	<u>\$ 5,403,048</u>	<u>\$ 43,700,329</u>
Loans	<u>\$ 110,274,036</u>	<u>\$ 43,182</u>	<u>\$ 9,229</u>	<u>\$ 142,937</u>	<u>\$ 110,183,510</u>

Note : Including overdue receivable.

June 30, 2024

	Life time expected credit loss				Maximum credit risk exposure amount
	12-months expected credit loss	Significant increase in credit risk	Credit impaired financial assets	Allowance for credit loss	
Receivables					
Notes receivable	\$ 377,188	\$ -	\$ -	\$ 8,515	\$ 368,673
Premiums receivable (Note)	389,880	-	52,842	12,754	429,968
Interest receivable-bonds	28,915,284	1,205,561	181,005	30,696	30,271,154
Interest receivable-loans	7,074,675	58	26	165	7,074,594
Interest receivable-others	115,115	-	-	-	115,115
Investment receivable	211,704	-	-	-	211,704
Other receivables-lease payments receivable (Note)	1,289,690	-	3,333	34,143	1,258,880
Other receivables-others (Note)	2,996,638	-	4,405,082	4,411,999	2,989,721
	<u>\$ 41,370,174</u>	<u>\$ 1,205,619</u>	<u>\$ 4,642,288</u>	<u>\$ 4,498,272</u>	<u>\$ 42,719,809</u>
Loans	<u>\$ 108,988,075</u>	<u>\$ 45,726</u>	<u>\$ 12,321</u>	<u>\$ 157,955</u>	<u>\$ 108,888,167</u>

Note : Including overdue receivable.

B. Liquidity risk

Liquidity risk means unable to convert the asset into cash or acquire adequate fund and fails to honor obligations when due. The Consolidated Company's working capital is sufficient for daily operations, and the cash and marketable securities held can also contribute to satisfy the cash liquidity needed. The cross currency swaps, FX swap and non-delivery forward contracts and delivery forward contracts are for hedging purpose. When rolling over, transactions are net settled and required amounts are within predictable ranges. Hence, there should be no significant exposure to cash flow risk.

The Consolidated Company has investment contracts without discretionary participation feature that are classified as separate account investment-linked insurance products. Such liabilities are repaid based on separate account investment-linked insurance product assets. Therefore, the Consolidated Company has no significant liquidity risk.

The table below analyses the Consolidated Company's non-derivative financial liabilities and derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date:

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(a) Non-derivative financial liabilities

June 30, 2025				
Contractual undiscounted cash flows				
	Under 1 year	1 ~ 5 years	Over 5 years	Total
Short-term debts	\$ 6,893,476	\$ -	\$ -	\$ 6,893,476
Payables	18,036,027	-	-	18,036,027
Bonds payable (Note)	4,013,956	53,151,413	72,087,917	129,253,286
Guarantee deposits received	68,154,753	605,773	290,174	69,050,700
Lease liabilities	4,864,349	3,770,140	34,169,127	42,803,616
December 31, 2024				
Contractual undiscounted cash flows				
	Under 1 year	1 ~ 5 years	Over 5 years	Total
Short-term debts	\$ 2,822,375	\$ -	\$ -	\$ 2,822,375
Payables	15,582,275	-	-	15,582,275
Bonds payable (Note)	3,553,487	52,026,854	56,654,503	112,234,844
Guarantee deposits received	126,231	615,284	286,551	1,028,066
Lease liabilities	4,300,859	7,195,937	34,224,804	45,721,600
June 30, 2024				
Contractual undiscounted cash flows				
	Under 1 year	1 ~ 5 years	Over 5 years	Total
Short-term debts	\$ 9,703,644	\$ -	\$ -	\$ 9,703,644
Payables	24,514,939	-	-	24,514,939
Bonds payable (Note)	2,169,746	47,223,348	23,760,688	73,153,782
Guarantee deposits received	151,710	566,656	380,278	1,098,644
Lease liabilities	4,305,839	7,144,248	34,604,140	46,054,227

Note: It includes estimated interest so that the disclosed amount does not correspond with relating accounts in the consolidated balance sheet. In addition, the cash flows is counted with ten years for the remaining period under the contract because the bond payable is perpetual.

(b) Derivative financial liabilities

		June 30, 2025				
		Contractual undiscounted cash flows				
		Under 3 months	3 ~ 12 months	1 ~ 5 years	Over 5 years	Total
Net-settled derivatives	(\$	5,342,282)	(\$ 5,244,631)	\$ -	\$ -	(\$ 10,586,913)
Gross-settled derivatives						
Cash inflow		9,240,519	49,391,494	-	-	58,632,013
Cash outflow	(	9,243,191)	(50,076,405)	-	-	(59,319,596)
		December 31, 2024				
		Contractual undiscounted cash flows				
		Under 3 months	3 ~ 12 months	1 ~ 5 years	Over 5 years	Total
Net-settled derivatives	(\$	14,620,329)	(\$ 10,627,091)	\$ -	\$ -	(\$ 25,247,420)
Gross-settled derivatives						
Cash inflow		298,807,332	661,844,630	-	-	960,651,962
Cash outflow	(	317,313,046)	(679,796,943)	-	-	(997,109,989)
		June 30, 2024				
		Contractual undiscounted cash flows				
		Under 3 months	3 ~ 12 months	1 ~ 5 years	Over 5 years	Total
Net-settled derivatives	(\$	12,923,018)	(\$ 6,019,783)	\$ -	\$ -	(\$ 18,942,801)
Gross-settled derivatives						
Cash inflow		281,434,863	706,645,790	-	-	988,080,653
Cash outflow	(	299,246,827)	(723,861,314)	-	-	(1,023,108,141)

C. Market risk

The Consolidated Company's domestic and foreign investments are exposed to market risks, and potential losses resulting from market risks could be partly mitigated through foreign exchange hedge and investment diversification. The Consolidated Company continuously uses market risk management methods such as VaR and sensitivity analysis, along with implementation of risk limits and completely effective measurement and control over the market risk faced by the Consolidated Company to avoid potential losses to the Consolidated Company's assets arising from variations in the market prices of held financial instruments (e.g. market interest rates, exchange rates, stock price, and credit spread).

(a) Interest rate risk

Interest rate risk refers to the risk of changes in value of financial instruments as a result of variations in the market interest rates. Variations in the market interest rates will result in changes in the fair value and future cash flows of bond investments. An increase in market interest rates will cause the fair value of fixed rate bond investments to fall, and the cash flow of floating rate bond investments increase. For the six months ended June 30, 2025, the market prices of some fixed income assets had fluctuations that reflected the recent rise of market interest rates. However, the Consolidated Company mainly pursues stable business and liquidity, and will continue to monitor the interest rate risk.

Sensitivity analysis of interest rate risk provided in the table below is performed for reasonably possible changes in interest rates with other conditions held constant, showing the impact on net income and other comprehensive income (pre-tax).

	June 30, 2025		
	Changes in variables	Effect on profit or loss	Effect on other comprehensive income
Financial assets at fair value through profit or loss (Note)	Increase 1%	\$ -	(\$ 7,062,660)
Financial assets at fair value through other comprehensive income	Increase 1%	-	(27,489,323)
	December 31, 2024		
	Changes in variables	Effect on profit or loss	Effect on other comprehensive income
Financial assets at fair value through profit or loss (Note)	Increase 1%	\$ -	(\$ 7,196,054)
Financial assets at fair value through other comprehensive income	Increase 1%	-	(27,856,506)
	June 30, 2024		
	Changes in variables	Effect on profit or loss	Effect on other comprehensive income
Financial assets at fair value through profit or loss (Note)	Increase 1%	(\$ 14,339)	(\$ 7,248,906)
Financial assets at fair value through other comprehensive income	Increase 1%	-	(29,719,697)

Note: Including financial assets at fair value through profit or loss using overlay approach, the gain or loss are recognised in other comprehensive income.

If the variables adopted in the aforesaid sensitivity analysis of interest rate risk move in opposite direction, variations in profit/loss and other comprehensive income (pre-tax) will also move in reverse.

(b) Price risk

Price risk mainly arises from price volatility of equity instruments (stocks and equity fund) held by the Consolidated Company. However, the Consolidated Company dispersed the price risk through diversified investment portfolio.

Sensitivity analysis of price risk provided in the table below is performed for reasonably possible movement in price with other conditions held constant, showing the impact on net income and other comprehensive income (pre-tax).

	June 30, 2025	
Price risk	Effect on profit or loss	Effect on other comprehensive income (Note)
A price increase by 10%	\$ 1,212,881	\$ 41,051,293
A price decrease by 10%	(1,212,881)	(41,051,293)

	December 31, 2024	
Price risk	Effect on profit or loss	Effect on other comprehensive income (Note)
A price increase by 10%	\$ 1,200,439	\$ 43,574,537
A price decrease by 10%	(1,200,439)	(43,574,537)

	June 30, 2024	
Price risk	Effect on profit or loss	Effect on other comprehensive income (Note)
A price increase by 10%	\$ 1,201,128	\$ 43,987,035
A price decrease by 10%	(1,201,128)	(43,987,035)

Note: Including financial assets at fair value through profit or loss using overlay approach, the gain or loss are recognised in other comprehensive income.

(c) Exchange rate risk

I. Hedging Strategy and Risk Exposure

The Consolidated Company holds many foreign investments, which are denominated in various currencies and may suffer from losses when the fluctuations of exchange rates lead to changes in their fair values. Following the principles that life insurance companies should pursue long-term stable investment income and keeping the reserves for foreign exchange at suitable levels, the Consolidated Company tries to reduce the foreign exchange risk by adopting direct hedges, natural hedges, and other hedging tools compliant with the regulations; quarterly reviewing the currencies, profit or loss, and tenor allocation of the hedges; and dynamically adjusting the risk exposures and hedge ratios to the market conditions. Direct hedges are the direct hedging transactions of the foreign currencies versus USD or TWD, and the hedging tools the Consolidated Company currently uses include FX swap contracts, cross currency swaps, delivery forwards, and non-delivery forwards. On the other hand, natural hedges are to diversify the foreign exchange risks of the entire foreign investment positions by holding a variety of currency exposures, since the different trends among the exposed currencies may bring diversification effects to the Consolidated Company.

II. Sensitivity analysis of foreign exchange risk provided in the table below is performed for reasonably possible changes in foreign exchange rates of monetary assets and liabilities with other conditions held constant, considering foreign exchange derivatives for hedge and excluding insurance contract denominated in foreign currencies, showing the impact on net income and other comprehensive income (changes in the fair value) (pre-tax and excluding considerations for reserve for foreign exchange valuation).

	June 30, 2025	
	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
All currency to TWD increase by 5%	\$ 35,224,487	(\$ 1,243,069)
All currency to TWD decrease by 5%	(35,224,487)	1,243,069
	December 31, 2024	
	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
All currency to TWD increase by 5%	\$ 40,913,539	(\$ 1,397,234)
All currency to TWD decrease by 5%	(40,913,539)	1,397,234
	June 30, 2024	
	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
All currency to TWD increase by 5%	\$ 36,153,187	(\$ 1,259,064)
All currency to TWD decrease by 5%	(36,153,187)	1,259,064

D. Climate - related risks

The Consolidated Company has established a Task Force on Climate-related Financial Disclosures (TCFD) working group, which annually identifies climate-related risks and opportunities. For risks with higher materiality, the group assesses their potential impact on business and finance, devises relevant adaptation or mitigation measures, and integrates climate-related risks into the existing risk management framework. This is done by following the three lines of defense in internal control to ensure that climate-related risks are adequately managed. Additionally, the Consolidated Company has set a climate risk appetite statement to effectively manage potential physical and transition risks in the future. Every year, through the execution of climate scenario analysis, the Consolidated Company measures and monitors the potential financial impacts and climate resilience associated with climate-related risks.

14. OBJECTIVE, POLICY AND PROCEDURE OF CAPITAL MANAGEMENT

The Consolidated Company's primary objectives when managing capital are to safeguard capital adequacy and solvency of the Consolidated Company in order to support the Consolidated Company's sustainable development and continuously create interests for shareholders.

Taiwan insurance enterprises usually measure whether the capital is adequate in accordance with the risk based capital ratio. Pursuant to Article 143-4 of Insurance Act, an insurance enterprise's ratio of self-owned capital to risk-based capital should not be lower than 200%. The Consolidated Company calculates the risk based capital ratio and net worth ratio once every six months to measure and assess the future capital adequacy in accordance with "Regulations Governing Capital Adequacy of Insurance Companies" and other competent authority to ensure that it can continuously meet the statutory capital requirement and medium and long-term operations.

Risk based capital ratio is calculated as self-owned capital divided by risk-based capital. Self-owned capital is the total capital approved by the competent authority, which includes recognised owners' equity and other adjustment items as regulated by the competent authority; risk-based capital is the total capital calculated based on the extent of risk that an insurance enterprise assumes in its actual operations. Net worth ratio is calculated as equity divided by total assets excluding assets on insurance

product - separated account. According to "Regulations Governing Capital Adequacy of Insurance Companies", the Consolidated Company's life insurance business and property insurance business latest two capital adequacy ratios were both above 200%, and the latest two net worth ratios were both above 3%, which met the statutory capital requirement.

15. OTHERS

(1) Assets and liabilities recoverable or payable within 12 months or more than 12 months:

Assets	June 30, 2025		
	Book value	Within 12 months	More than 12 months
Cash and cash equivalents	\$ 176,552,249	\$ 176,552,249	\$ -
Receivables	46,376,245	46,376,245	-
Current tax assets	5,793,587	597,570	5,196,017
Financial assets at fair value through profit or loss	1,033,434,712	985,119,141	48,315,571
Financial assets at fair value through other comprehensive income	250,731,395	1,391,999	249,339,396
Financial assets at amortised cost	3,212,100,712	4,087,291	3,208,013,421
Investments accounted for using equity method	2,749,043	-	2,749,043
Investment property	215,419,606	-	215,419,606
Loans	108,818,286	-	108,818,286
Reinsurance contract assets	3,530,405	3,271,255	259,150
Property and equipment	19,662,183	-	19,662,183
Right-of-use assets	1,501,414	56,610	1,444,804
Intangible assets	11,803,792	-	11,803,792
Deferred tax assets	81,363,042	-	81,363,042
Other assets	27,138,637	473,550	26,665,087
<u>Liabilities</u>			
Short-term debts	\$ 6,893,476	\$ 6,893,476	\$ -
Payables	18,036,027	18,036,027	-
Current tax liabilities	920,570	50,035	870,535
Financial liabilities at fair value through profit or loss	11,391,329	11,391,329	-
Bonds payable	100,286,692	-	100,286,692
Insurance contract liabilities	4,579,631,468	46,270,383	4,533,361,085
Reserve for insurance with nature of financial instruments	1,263,251	-	1,263,251
Reserve for foreign exchange valuation	25,118,848	-	25,118,848
Provisions	3,688,077	-	3,688,077
Lease liabilities	26,343,726	4,863,421	21,480,305
Deferred tax liabilities	28,243,394	-	28,243,394
Other liabilities	97,277,233	69,409,567	27,867,666

Assets	December 31, 2024		
	Book value	Within 12 months	More than 12 months
Cash and cash equivalents	\$ 96,121,054	\$ 96,121,054	\$ -
Receivables	43,700,329	43,700,329	-
Current tax assets	5,948,301	597,570	5,350,731
Financial assets at fair value through profit or loss	1,005,321,996	956,587,549	48,734,447
Financial assets at fair value through other comprehensive income	256,205,859	4,266,564	251,939,295
Financial assets at amortised cost	3,478,427,586	3,209,787	3,475,217,799
Investments accounted for using equity method	3,072,425	-	3,072,425
Investment property	213,702,898	-	213,702,898
Loans	110,183,510	-	110,183,510
Reinsurance contract assets	3,391,495	3,212,914	178,581
Property and equipment	18,288,829	-	18,288,829
Right-of-use assets	1,507,446	65,565	1,441,881
Intangible assets	12,536,504	-	12,536,504
Deferred tax assets	90,612,695	-	90,612,695
Other assets	60,248,952	5,531,855	54,717,097
Liabilities			
Short-term debts	\$ 2,822,375	\$ 2,822,375	\$ -
Payables	15,582,275	15,582,275	-
Current tax liabilities	925,404	54,869	870,535
Financial liabilities at fair value through profit or loss	61,317,453	61,317,453	-
Bonds payable	87,278,676	-	87,278,676
Insurance contract liabilities	4,734,577,912	45,887,041	4,688,690,871
Reserve for insurance with nature of financial instruments	1,273,246	-	1,273,246
Reserve for foreign exchange valuation	23,273,154	-	23,273,154
Provisions	3,735,838	-	3,735,838
Lease liabilities	29,642,528	4,309,111	25,333,417
Deferred tax liabilities	52,533,164	-	52,533,164
Other liabilities	30,049,068	1,713,384	28,335,684

Assets	June 30, 2024		
	Book value	Within 12 months	More than 12 months
Cash and cash equivalents	\$ 80,967,406	\$ 80,967,406	\$ -
Receivables	42,719,809	42,719,809	-
Current tax assets	4,601,285	597,738	4,003,547
Financial assets at fair value through profit or loss	1,005,307,392	956,436,319	48,871,073
Financial assets at fair value through other comprehensive income	274,517,360	2,572,608	271,944,752
Financial assets at amortised cost	3,460,790,172	10,545,915	3,450,244,257
Investments accounted for using equity method	2,812,742	-	2,812,742
Investment property	214,613,212	-	214,613,212
Loans	108,888,167	-	108,888,167
Reinsurance contract assets	3,593,180	3,403,977	189,203
Property and equipment	17,628,525	-	17,628,525
Right-of-use assets	868,317	91,165	777,152
Intangible assets	13,174,044	-	13,174,044
Deferred tax assets	79,812,875	-	79,812,875
Other assets	55,721,250	7,305,323	48,415,927
Liabilities			
Short-term debts	\$ 9,703,644	\$ 9,703,644	\$ -
Payables	24,514,939	24,514,939	-
Current tax liabilities	1,297,085	144,631	1,152,454
Financial liabilities at fair value through profit or loss	53,621,151	53,621,151	-
Bonds payable	61,040,000	-	61,040,000
Insurance contract liabilities	4,707,668,214	44,613,934	4,663,054,280
Reserve for insurance with nature of financial instruments	1,186,250	-	1,186,250
Reserve for foreign exchange valuation	22,467,536	-	22,467,536
Provisions	3,814,498	-	3,814,498
Lease liabilities	29,554,940	4,305,312	25,249,628
Deferred tax liabilities	48,410,574	-	48,410,574
Other liabilities	28,504,122	1,443,746	27,060,376

- (2) The Consolidated Company's businesses involve some non-functional currency operations. The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations are as follows:

June 30, 2025

Assets	Foreign Currency Amount (thousand)	Exchange Rate	New Taiwan Dollars
US Dollars	\$ 124,311,744	29.90	\$ 3,717,198,799
Others (Note)			65,475,549

Liabilities	Foreign Currency Amount (thousand)	Exchange Rate	New Taiwan Dollars
US Dollars	\$ 36,739,428	29.90	\$ 1,098,588,671
Others (Note)			5,980,366

December 31, 2024

Assets	Foreign Currency Amount (thousand)	Exchange Rate	New Taiwan Dollars
US Dollars	\$ 121,921,288	32.78	\$ 3,996,692,399
Others (Note)			87,482,827

Liabilities	Foreign Currency Amount (thousand)	Exchange Rate	New Taiwan Dollars
US Dollars	\$ 34,529,955	32.78	\$ 1,131,902,583
Others (Note)			6,430,436

June 30, 2024

Assets	Foreign Currency Amount (thousand)	Exchange Rate	New Taiwan Dollars
US Dollars	\$ 122,878,986	32.45	\$ 3,987,414,336
Others (Note)			97,844,440

Liabilities	Foreign Currency Amount (thousand)	Exchange Rate	New Taiwan Dollars
US Dollars	\$ 35,205,174	32.45	\$ 1,142,385,833
Others (Note)			7,167,914

Note : The combined amount is disclosed, since the New Taiwan Dollars were under 10% of each account.

- (3) Net worth ratio

As of June 30, 2025, December 31, 2024 and June 30, 2024, the net worth ratio of the Company was calculated by its equity divided by the total assets, excluding assets on insurance products - separate account, which equalled 5.77%, 6.64% and 6.99%, respectively. As of June 30, 2025, December 31, 2024 and June 30, 2024, the net worth ratio of the Consolidated Company's property insurance business was calculated by its equity divided by total assets, which equalled 26.30%, 27.78% and 27.10%, respectively.

(4) Retention limit

The Consolidated Company's property insurance business which's retention limit per unit of risk for each kind of insurance:

Item	Unit: Thousand					
	June 30, 2025		December 31, 2024		June 30, 2024	
One-year residential fire insurance	NT\$	150,000	NT\$	150,000	NT\$	150,000
One-year commercial fire insurance	NT\$	350,000	NT\$	425,000	NT\$	425,000
Long-term commercial fire insurance	NT\$	150,000	NT\$	150,000	NT\$	150,000
In-land transportation insurance	US\$	3,000	US\$	3,000	US\$	3,000
Cargo transportation insurance	US\$	7,000	US\$	7,000	US\$	7,000
General self-owned automobile property insurance	NT\$	100,000	NT\$	100,000	NT\$	100,000
General commercial automobile property insurance	NT\$	100,000	NT\$	100,000	NT\$	100,000
General self-owned automobile liability insurance	NT\$	100,000	NT\$	100,000	NT\$	100,000
General commercial automobile liability insurance	NT\$	100,000	NT\$	100,000	NT\$	100,000
Compulsory self-owned automobile liability insurance	NT\$	1,000	NT\$	1,000	NT\$	1,000
Compulsory commercial automobile liability insurance	NT\$	1,000	NT\$	1,000	NT\$	1,000
Compulsory motorcycle liability insurance	NT\$	1,000	NT\$	1,000	NT\$	1,000
General liability insurance	NT\$	300,000	NT\$	300,000	NT\$	300,000
Professional liability insurance	NT\$	300,000	NT\$	300,000	NT\$	300,000
Engineering insurance	NT\$	350,000	NT\$	425,000	NT\$	425,000
Guarantee insurance	NT\$	200,000	NT\$	200,000	NT\$	30,000
Miscellaneous property insurance	NT\$	150,000	NT\$	150,000	NT\$	150,000
Personal accident insurance	NT\$	40,000	NT\$	40,000	NT\$	40,000
Commercial earthquake insurance	NT\$	350,000	NT\$	425,000	NT\$	425,000
Individual all-risk insurance	NT\$	120,000	NT\$	120,000	NT\$	120,000
Commercial all-risk insurance	NT\$	150,000	NT\$	150,000	NT\$	150,000
Typhoon and flood insurance	NT\$	350,000	NT\$	425,000	NT\$	425,000
Health Insurance	NT\$	30,000	NT\$	30,000	NT\$	30,000
Compulsory mini electric two-wheel vehicle liability insurance	NT\$	1,000	NT\$	1,000	NT\$	1,000
Hull Insurance	NT\$	200,000	NT\$	-	NT\$	-

(5) Information of compulsory automobile liability insurance specific asset segmentation, assets and liabilities and income and cost:

A. The Consolidated Company's property insurance business maintains separate accounts for its compulsory automobile liability insurance (the "insurance") in accordance with the Compulsory Automobile Liability Insurance Act, recording the insurance business and financial condition. As of June 30, 2025, December 31, 2024 and June 30, 2024, the insurance assets and liabilities of the Consolidated Company are as follows:

Item	June 30, 2025	December 31, 2024	June 30, 2024
Assets			
Cash and cash equivalents	\$ 1,044,389	\$ 1,068,827	\$ 1,053,032
Notes receivable	480	368	326
Premiums receivable	2,658	3,449	1,453
Claims recoverable from reinsurers	41,925	39,526	45,259
Financial assets at fair value through other comprehensive income	2,050,322	1,979,429	1,918,340
Ceded unearned premium reserves	211,382	207,274	204,045
Ceded claim reserves	281,862	265,628	234,597
Temporary debits and suspense accounts	2,251	2,670	143
Total Assets	\$ 3,635,269	\$ 3,567,171	\$ 3,457,195
Liabilities			
Claims and policy benefits payable	\$ 763	\$ 1,214	\$ -
Due to reinsurers and ceding companies	10,543	14,697	8,725
Unearned premium reserves	515,603	505,051	495,146
Claim reserves	687,380	657,390	601,423
Special reserves	2,420,324	2,386,228	2,350,706
Temporary credits and suspense accounts	193	1,565	781
Other liabilities	463	1,026	414
Total liabilities	\$ 3,635,269	\$ 3,567,171	\$ 3,457,195

B. For the three months and for the six months ended June 30, 2025 and 2024, the information on the Consolidated Company's property insurance income and cost is as follows:

Item	For the three months ended June 30,	
	2025	2024
Operating income		
Net premium income	\$ 137,679	\$ 129,969
Reinsurance premium income	67,756	62,028
Premium income	205,435	191,997
Less: Reinsurance premiums ceded	(82,571)	(77,947)
Net changes of unearned premium reserves	(4,974)	(2,325)
Retention earned premium income	117,890	111,725
Interest income	10,142	9,863
	<u>\$ 128,032</u>	<u>\$ 121,588</u>
Operating cost		
Claims and policy benefits payments	\$ 133,975	\$ 128,698
Reinsurance claims paid	57,139	53,471
Less: Claim recovered from reinsurers	(77,314)	(75,165)
Retention claims and policy benefits payments	113,800	107,004
Net changes of claim reserves	101	4,403
Net changes of special reserves (Note)	17,369	16,281
	<u>\$ 131,270</u>	<u>\$ 127,688</u>
Item	For the six months ended June 30,	
	2025	2024
Operating income		
Net premium income	\$ 274,003	\$ 261,290
Reinsurance premium income	135,316	129,705
Premium income	409,319	390,995
Less: Reinsurance premiums ceded	(164,334)	(156,716)
Net changes of unearned premium reserves	(6,444)	(7,199)
Retention earned premium income	238,541	227,080
Interest income	20,283	18,996
	<u>\$ 258,824</u>	<u>\$ 246,076</u>
Operating cost		
Claims and policy benefits payments	\$ 239,521	\$ 246,422
Reinsurance claims paid	117,088	114,975
Less: Claim recovered from reinsurers	(139,202)	(146,253)
Retention claims and policy benefits payments	217,407	215,144
Net changes of claim reserves	13,756	11,851
Net changes of special reserves (Note)	34,096	31,286
	<u>\$ 265,259</u>	<u>\$ 258,281</u>

Note: Including the special reserves provisioned from insurer's business expenses, please refer to Note 6(22)B(b) III (iii) for details.

(6) Unqualified reinsurance reserves

A. Summary of unqualified reinsurance contracts are set forth as follows:

The Consolidated Company's property insurance business entered into contracts with insurance companies listed below and the scope of reinsurance is the same as the Company's insurance contracts.

Insurance company	Item
Asia Capital Reinsurance Group Pte. Ltd. HK Branch	Engineering Insurance

B. Among the Consolidated Company's property insurance business' inforce policies, as of June 30, 2025 and 2024, reinsurance premium ceded amounted to \$13 and \$68, respectively.

C. The Consolidated Company's property insurance business' unqualified reinsurance contract assets reserves and its details are as follows :

	June 30, 2025	December 31, 2024	June 30, 2024
Claims recoverable from reinsurers	\$ -	\$ 10	\$ 3
Ceded unearned premium reserves	7	22	34
Ceded reported but not paid claim reserves	192	157	157
	<u>\$ 199</u>	<u>\$ 189</u>	<u>\$ 194</u>

(7) The effects of Russian-Ukrainian conflict

Due to the Russian-Ukrainian conflict which started on February 24, 2022, countries worldwide adopted many economic and financial sanctions on Russia, resulting in an increase in the risk of default on sovereign debts and interest of Russia, and the credit rating was significantly decreased and cancelled by international credit rating agencies. The Consolidated Company has recognised expected credit loss on the credit impaired Russian debt instruments (recognised as financial assets at fair value through other comprehensive income, financial assets at amortised cost and receivables).

16. SUPPLEMENTARY DISCLOSURES

(1) Information of significant transactions

A. Acquisition of real estate reaching \$100,000 or in excess of 20% of the Consolidated Company's capital:

Company who acquired properties	Real Estate Required	Date of the Event	Transaction Amount	Collection of payments	Counterparty	Relationship with the Counterparty	Basis or Reference Used in Setting the Price	Reason for acquisition of real estate and status of the real estate	Other Agreement
The Company	Land: Lot numbers in Juguang Section, Yuanlin City, Changhua County ; 3303 、 3305 、 3307	January 17, 2025 (Note)	\$ 960,703	Payment based on the contract terms	Tailung Plastic Industry Co., Ltd	Nil	Appraisal report of property appraiser	Acquisition of Owner- Occupied and Investment Properties	None

Note :Date of event refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

B. Disposal of real estate reaching \$100,000 or in excess of 20% of the Consolidated Company's capital: None.

C. Related party transactions of main business activities reaching \$100,000 or in excess of 20% of the Consolidated Company's capital:
Please refer to Note 7.

D. Accounts receivable from related parties reaching \$100,000 or in excess of 20% of the Consolidated Company's capital: None.

E. Derivative business transactions: Please refer to Notes 6(3), (20) and 12.

F. Business relationship and significant transactions between parent company and subsidiaries: None.

(2) Information on investees

A. Investees:

Investor company	Investee company	Area	Main operation	Initial investment amount		Held by the end of period			Profit in this period of investee company	Recognised profit on investment in this period	Remarks
				End of this period	End of last year	Number of shares (In thousands)	Ratio	Carrying amount			
The Company	Nan Shan General Insurance Co., Ltd.	R.O.C	Property insurance	\$6,776,893	\$6,776,893	252,400	100%	\$ 6,425,944	\$ 428,541	\$ 356,118	Note 1
The Company	Fuh Hwa Securities Investment Trust Co., Ltd.	R.O.C	Securities investment trust	2,763,845	2,763,845	18,426	30.71%	2,742,606	780,335	239,636	
The Company	Nan Shan Plaza Property Management Co., Ltd.	R.O.C	Apartment and building management service	3,000	3,000	3	30%	6,437	2,517	431	
The Company	Nanshan Life Pte. Ltd.	Singapore	Overseas financing and investing business	654,600	654,600	-	100%	493,761	(60,773)	(60,754)	Note 1 Note 2

Note 1: It has been written when preparing the consolidated financial statements.

Note 2: In accordance with the resolution of the Board of Directors on May 30, 2024, the Consolidated Company established a 100% owned special purpose overseas financing entity, Nanshan Life Pte. Ltd., in Singapore. This entity is dedicated to issuing bonds with capital characteristics and managing the associated funds, and the establishment was completed after permitted by Jin-Guan-Bao-Sho Letter No. 1130140191 of FSC dated July 2, 2024 and the Singapore regulatory authorities on July 26, 2024. The initial capital investment amounted to US\$20,000 thousand.

(3) Information on investments in Mainland China

None.

17. SEGMENT INFORMATION

(1) General information

The Consolidated Company's management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

There is no material change in the basis for formation of entities and division of segments in the Consolidated Company or in the measurement basis for segment information during this period.

(2) Segment and geographical information

	For the three months ended June 30, 2025				
	Life insurance	Property insurance	Overseas financing and investing business	Adjustment and write-off (Note)	Total
Premium income	\$ 61,894,472	\$ 2,759,020	\$ -	(\$ 124,528)	\$ 64,528,964
Segment income (loss)	\$ 2,199,102	\$ 212,894	(\$ 30,160)	(\$ 182,734)	\$ 2,199,102
	For the three months ended June 30, 2024				
	Life insurance	Property insurance	Overseas financing and investing business	Adjustment and write-off (Note)	Total
Premium income	\$ 62,688,273	\$ 2,439,725	\$ -	(\$ 104,777)	\$ 65,023,221
Segment income (loss)	\$ 12,108,098	\$ 31,121	\$ -	(\$ 31,121)	\$ 12,108,098
	For the six months ended June 30, 2025				
	Life insurance	Property insurance	Overseas financing and investing business	Adjustment and write-off (Note)	Total
Premium income	\$ 127,346,833	\$ 5,397,960	\$ -	(\$ 126,782)	\$ 132,618,011
Segment income (loss)	\$ 14,391,193	\$ 427,866	(\$ 60,773)	(\$ 367,093)	\$ 14,391,193
Segment's total assets	\$5,383,427,326	\$ 19,694,175	\$ 21,611,724	(\$ 6,533,818)	\$5,418,199,407
Segment's total liabilities	\$5,085,546,109	\$ 13,933,777	\$ 21,117,962	(\$ 279,658)	\$5,120,318,190
	For the six months ended June 30, 2024				
	Life insurance	Property insurance	Overseas financing and investing business	Adjustment and write-off (Note)	Total
Premium income	\$ 130,729,000	\$ 4,710,529	\$ -	(\$ 104,813)	\$ 135,334,716
Segment income (loss)	\$ 25,588,155	\$ 178,571	\$ -	(\$ 178,571)	\$ 25,588,155
Segment's total assets	\$5,575,961,804	\$ 17,379,619	\$ -	(\$ 5,345,814)	\$5,587,995,609
Segment's total liabilities	\$5,201,729,021	\$ 12,096,327	\$ -	(\$ 62,522)	\$5,213,762,826

Note: Adjustment and write-off are mainly adjustments in line with the journal entry for consolidation purpose.

(3) Major customer information

There is no requirement for additional disclosure since no significant customer accounted for 10% or more of the Consolidated Company's operating revenues.