

**KGI Life Insurance Co., Ltd.**

**Financial Statements for the  
Years Ended December 31, 2025 and 2024 and  
Independent Auditors' Report**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
KGI Life Insurance Co., Ltd.

### **Opinion**

We have audited the accompanying balance sheets of KGI Life Insurance Co., Ltd. (the "Company") as of December 31, 2025 and 2024, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the financial statements, including the summary of significant accounting policies (together "the financial statements"). In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, its financial performance and cash flows for the year ended December 31, 2025 and 2024, become effective by Financial Supervisory Commission.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's financial statements for the year ended December 31, 2025 are as follows:

#### Fair Value Measurement of Investments with No Active Market Exists

Management uses valuation model to calculate the fair value of financial instruments with no quoted market prices in an active market. Parameters used in valuation model are unobservable inputs. For the fact that the inputs involve material managerial estimation and judgment, we identified the valuation as a key audit matter for the year ended December 31, 2025.

Refer to Notes 4, 5 and 38 for the relevant accounting policies, critical accounting judgments, estimation uncertainty, and disclosures of fair value measurement of financial instruments with no quoted market prices in an active market.

We understood and assessed the Company's internal control related to the evaluation of financial assets with no quoted market prices in an active market and its operation effectiveness. We selected samples from the financial assets with no quoted market prices in an active market and we evaluated and re-performed the appropriateness of the parameters, such as the selection of comparable companies and reasonableness of the financial multipliers used in the valuation models.

#### Assessment of Insurance Liabilities and Liability Adequacy Reserve

As stated in Note 5, management uses actuarial models and several material assumptions when assessing the insurance liabilities and liability adequacy reserve. The assumptions were based on the principles embodied in the relevant laws and regulations, which cover the unique risk exposure, product characteristics and experiences from target markets of KGI Life Insurance Co., Ltd. (the "Company"). The assessment of liability adequacy reserve is in compliance with the relevant norms promulgated by The Actuarial Institute of the Republic of China. When the Company assesses the liability adequacy reserve, the estimated present value of future cash flows of insurance contracts is based on a reasonable estimate of future insurance payments, premium income and related expenses. Since any change in the actuarial model and material assumptions will have a significant influence on insurance liabilities and liability adequacy reserve, we consider them as key audit matters for the year ended December 31, 2025.

Refer to Notes 4, 5, 22 and 37 for the relevant accounting policy, critical accounting judgments, and estimation uncertainty, and disclosures of assessment of insurance liabilities and liability adequacy reserve.

We understood and assessed the Company's internal controls related to insurance liabilities and liability adequacy reserve. We requested and our internal actuarial specialists assisted us in performing our audit procedures regarding insurance liability including the evaluation of the rationale of relevant assumptions and actuarial models adopted by management. As for the liability adequacy reserve, we assessed the reasonableness of the underlying assumptions and outcomes.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Insurance and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2025 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' audit report are Wang-Seng Lin and Yi-Chun Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 5, 2026

Notice to Readers

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

*For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

# KGI LIFE INSURANCE CO., LTD.

## BALANCE SHEETS DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

ASSETS	2025		2024	
	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Notes 4, 6 and 42)	\$ 45,526,446	2	\$ 40,215,185	2
RECEIVABLES (Notes 4, 7 and 42)	21,644,247	1	19,642,374	1
CURRENT TAX ASSETS (Notes 4 and 42)	4,405,857	-	5,759,556	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 42)	479,687,679	19	438,340,762	17
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 4, 9 and 42)	90,704,883	4	66,784,211	3
FINANCIAL ASSETS AT AMORTIZED COST (Notes 4 and 10)	1,583,861,316	62	1,654,369,839	66
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 4, 11 and 42)	2,432,966	-	2,301,619	-
INVESTMENT PROPERTY (Notes 4 and 12)	66,416,880	3	66,457,927	3
LOANS (Notes 4 and 13)	36,984,767	1	36,064,504	1
REINSURANCE ASSETS (Notes 4 and 14)	1,208,702	-	844,147	-
PROPERTY AND EQUIPMENT (Notes 4, 15 and 42)	10,455,389	-	10,621,774	-
RIGHT-OF-USE ASSETS (Notes 4 and 16)	4,678,556	-	4,783,174	-
INTANGIBLE ASSETS (Note 4)	577,571	-	605,748	-
DEFERRED TAX ASSETS (Notes 4 and 34)	19,912,169	1	20,589,197	1
OTHER ASSETS (Notes 17 and 42)	34,679,698	1	22,031,727	1
SEPARATE ACCOUNT PRODUCT ASSETS (Notes 4 and 18)	<u>139,206,808</u>	<u>6</u>	<u>121,432,726</u>	<u>5</u>
TOTAL	<u>\$ 2,542,383,934</u>	<u>100</u>	<u>\$ 2,510,844,470</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
PAYABLES (Notes 19 and 42)	\$ 19,155,331	1	\$ 15,146,731	1
CURRENT TAX LIABILITIES (Notes 4 and 42)	3,288,863	-	6,895	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 20 and 42)	30,770,563	1	21,376,362	1
BONDS PAYABLE (Notes 21 and 42)	30,000,000	1	30,000,000	1
LEASE LIABILITIES (Notes 4 and 16)	1,933,467	-	1,966,072	-
INSURANCE LIABILITIES (Notes 4 and 22)	2,055,943,093	81	2,080,969,848	83
FOREIGN EXCHANGE VALUATION RESERVE (Notes 4 and 23)	43,372,327	2	30,705,210	1
PROVISIONS (Notes 4 and 24)	33,737	-	49,016	-
DEFERRED TAX LIABILITIES (Notes 4 and 34)	16,091,429	1	22,036,509	1
OTHER LIABILITIES (Note 42)	1,752,888	-	1,769,493	-
SEPARATE ACCOUNT PRODUCT LIABILITIES (Notes 4 and 18)	<u>139,206,808</u>	<u>5</u>	<u>121,432,726</u>	<u>5</u>
Total liabilities	<u>2,341,548,506</u>	<u>92</u>	<u>2,325,458,862</u>	<u>93</u>
<b>EQUITY</b>				
Common stock (Note 26)	<u>52,184,896</u>	<u>2</u>	<u>50,684,896</u>	<u>2</u>
Capital surplus (Note 27)	<u>7,481,373</u>	<u>-</u>	<u>7,461,996</u>	<u>-</u>
Retained earnings (Note 28)				
Legal capital reserve	34,909,961	1	30,469,176	1
Special capital reserve	100,887,582	4	86,709,942	4
Unappropriated retained earnings	<u>15,203,550</u>	<u>1</u>	<u>22,175,967</u>	<u>1</u>
	<u>151,001,093</u>	<u>6</u>	<u>139,355,085</u>	<u>6</u>
Other equity	<u>(9,831,934)</u>	<u>-</u>	<u>(12,116,369)</u>	<u>(1)</u>
Total equity	<u>200,835,428</u>	<u>8</u>	<u>185,385,608</u>	<u>7</u>
TOTAL	<u>\$ 2,542,383,934</u>	<u>100</u>	<u>\$ 2,510,844,470</u>	<u>100</u>

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

# KGI LIFE INSURANCE CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
<b>OPERATING REVENUE</b>				
Direct premium income	\$ 165,746,003	69	\$ 161,399,206	61
Deduct: Reinsurance expenses	(2,360,326)	(1)	(2,086,764)	(1)
Net changes in unearned premium reserve	<u>(445,851)</u>	-	<u>(677,097)</u>	-
Retained earned premium (Notes 29 and 42)	162,939,826	68	158,635,345	60
Reinsurance commission received	444,755	-	273,094	-
Fee income (Note 42)	1,711,897	1	1,613,122	1
Net investment incomes (Notes 4, 8, 30, 31 and 42)				
Interest income	64,539,582	27	66,122,418	25
Gains (losses) on financial assets and liabilities at fair value through profit or loss	33,837,737	14	(14,074,361)	(5)
Net gains from derecognition of financial assets at amortized cost	185,318	-	20,293	-
Realized gains on financial assets at fair value through other comprehensive income	765,921	-	789,311	-
Share of profit (loss) of associates and joint ventures accounted for using equity method	182,842	-	(108,857)	-
Foreign exchange (loss) gains	(38,457,474)	(16)	59,266,213	22
Net changes in foreign exchange valuation reserve	(12,667,117)	(5)	(3,430,585)	(1)
Gains on investment property	1,173,347	-	646,545	-
Expected credit impairment losses on investments	(797,949)	-	(663,944)	-
Other net investment incomes (losses)	43,586	-	(22,489)	-
Gains (losses) on reclassification using overlay approach	1,572,270	1	(19,837,824)	(8)
Separate account product revenue (Notes 4 and 18)	<u>25,539,995</u>	<u>10</u>	<u>16,222,857</u>	<u>6</u>
Total operating revenue	<u>241,014,536</u>	<u>100</u>	<u>265,451,138</u>	<u>100</u>
<b>OPERATING COSTS</b>				
Insurance claim payments (Note 42)	(186,681,071)	(77)	(209,396,309)	(79)
Deduct: Claims recovered from reinsures	<u>1,211,400</u>	-	<u>1,184,289</u>	-
Retained claim payments (Note 32)	(185,469,671)	(77)	(208,212,020)	(79)
Net changes in insurance liabilities (Note 22)	4,915,443	2	5,806,041	2
Underwriting expenses	(5,584)	-	(11,507)	-
Commission expenses (Note 42)	(12,486,872)	(5)	(12,497,072)	(5)
Finance costs (Notes 21 and 42)	(1,162,499)	-	(866,587)	-
Other operating costs	(165,746)	-	(161,399)	-
Separate account product expenses (Notes 4 and 18)	<u>(25,539,995)</u>	<u>(11)</u>	<u>(16,222,857)</u>	<u>(6)</u>
Total operating costs	<u>(219,914,924)</u>	<u>(91)</u>	<u>(232,165,401)</u>	<u>(88)</u>
<b>OPERATING EXPENSES (Notes 31, 33 and 42)</b>				
General expenses	(3,228,402)	(2)	(3,283,177)	(1)
Administrative expenses	(4,581,008)	(2)	(4,799,022)	(2)
Employee training expenses	(40,276)	-	(37,143)	-

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# KGI LIFE INSURANCE CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2025		2024	
	Amount	%	Amount	%
Non-investments expected credit impairment losses and reversal	<u>(129)</u>	<u>-</u>	<u>(1,146)</u>	<u>-</u>
Total operating expenses	<u>(7,849,815)</u>	<u>(4)</u>	<u>(8,120,488)</u>	<u>(3)</u>
OPERATING INCOME	<u>13,249,797</u>	<u>5</u>	<u>25,165,249</u>	<u>9</u>
NON-OPERATING INCOME AND EXPENSES (Note 42)	<u>62,694</u>	<u>-</u>	<u>33,247</u>	<u>-</u>
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	13,312,491	5	25,198,496	9
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 34)	<u>2,512,241</u>	<u>1</u>	<u>(3,043,655)</u>	<u>(1)</u>
NET INCOME	<u>15,824,732</u>	<u>6</u>	<u>22,154,841</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME, NET OF TAX (Notes 4 and 35)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	7,103	-	60,454	-
Gain on property revaluation	10,999	-	2,249	-
Valuation gains on equity instruments at fair value through other comprehensive income	4,526,742	2	680,526	-
Income taxes relating to items that are not be reclassified	<u>(872,207)</u>	<u>-</u>	<u>(209,560)</u>	<u>-</u>
Items that are or may be reclassified subsequently to profit or loss				
Gain (losses) on debt instruments at fair value through other comprehensive income	359,372	-	(3,911,084)	(1)
Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	<u>(1,305)</u>	<u>-</u>	<u>(345)</u>	<u>-</u>
Other comprehensive (losses) profits reclassified using overlay approach	<u>(1,572,270)</u>	<u>(1)</u>	<u>19,837,824</u>	<u>8</u>
Income taxes relating to items that are or may be reclassified subsequently to profit or loss	<u>(354,706)</u>	<u>-</u>	<u>(1,613,599)</u>	<u>(1)</u>
Other comprehensive income, net of tax	<u>2,103,728</u>	<u>1</u>	<u>14,846,465</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 17,928,460</u>	<u>7</u>	<u>\$ 37,001,306</u>	<u>14</u>

(Continued)

# KGI LIFE INSURANCE CO., LTD.

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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	2025		2024	
	Amount	%	Amount	%
EARNINGS PER SHARE (Note 36)				
Basic earnings per share	<u>\$ 3.03</u>		<u>\$ 4.24</u>	

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

(Concluded)

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024  
(In Thousands of New Taiwan Dollars)**

						Other Equity				
	Common Stock	Capital Surplus	Legal Capital Reserve	Retained Earnings		Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Income for Hedging	Property Revaluation Surplus	Other Comprehensive Income (Loss) Reclassified Using Overlay Approach	Total
				Special Capital Reserve	Unappropriated Retained Earnings					
BALANCE ON JANUARY 1, 2024	\$ 49,206,531	\$ 7,414,749	\$ 28,254,445	\$ 79,155,498	\$ 11,219,583	\$ (2,626,542)	\$ 2,067	\$ 2,290,273	\$ (26,579,549)	\$ 148,337,055
Appropriation of 2023 earnings										
Legal reserve	-	-	2,214,731	-	(2,214,731)	-	-	-	-	-
Special reserve	-	-	-	7,526,487	(7,526,487)	-	-	-	-	-
Stock dividends distributed by the Company	1,478,365	-	-	-	(1,478,365)	-	-	-	-	-
Net income for the year ended December 31, 2024	-	-	-	-	22,154,841	-	-	-	-	22,154,841
Other comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	48,363	(2,657,622)	(345)	1,799	17,454,270	14,846,465
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	22,203,204	(2,657,622)	(345)	1,799	17,454,270	37,001,306
Share-based payment transaction	-	47,247	-	-	-	-	-	-	-	47,247
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	720	(720)	-	-	-	-
Net changes in special reserve	-	-	-	27,957	(27,957)	-	-	-	-	-
BALANCE ON DECEMBER 31, 2024	50,684,896	7,461,996	30,469,176	86,709,942	22,175,967	(5,284,884)	1,722	2,292,072	(9,125,279)	185,385,608
Appropriation of 2024 earnings										
Legal reserve	-	-	4,440,785	-	(4,440,785)	-	-	-	-	-
Special reserve	-	-	-	13,735,182	(13,735,182)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(2,500,000)	-	-	-	-	(2,500,000)
Stock dividends distributed by the Company	1,500,000	-	-	-	(1,500,000)	-	-	-	-	-
Net income for the year ended December 31, 2025	-	-	-	-	15,824,732	-	-	-	-	15,824,732
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	5,683	3,954,285	(1,305)	8,676	(1,863,611)	2,103,728
Total comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	15,830,415	3,954,285	(1,305)	8,676	(1,863,611)	17,928,460
Changes in investments in associates and joint ventures accounted for using equity method	-	8	-	-	-	-	-	-	-	8
Share-based payment transaction	-	19,369	-	-	-	-	-	-	-	19,369
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	(186,390)	186,390	-	-	-	-
Net changes in special reserve	-	-	-	442,458	(440,475)	-	-	-	-	1,983
BALANCE ON DECEMBER 31, 2025	\$ 52,184,896	\$ 7,481,373	\$ 34,909,961	\$ 100,887,582	\$ 15,203,550	\$ (1,144,209)	\$ 417	\$ 2,300,748	\$ (10,988,890)	\$ 200,835,428

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

# KGI LIFE INSURANCE CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before income tax	\$ 13,312,491	\$ 25,198,496
Adjustments to reconcile profit (loss)		
Depreciation expense	622,371	636,814
Amortization expense	358,557	308,275
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(19,084,742)	27,637,657
Net gains on financial assets at fair value through other comprehensive income	(162,215)	(140,562)
Net gains on financial assets at amortized cost	(177,838)	(8,474)
Interest expenses	1,200,039	904,248
Interest income	(64,539,582)	(66,122,418)
Dividend income	(15,294,235)	(14,142,620)
Net changes in insurance liabilities	(25,045,390)	27,067,448
Net changes in foreign exchange valuation reserve	12,667,117	3,430,585
Net changes in provisions	(4,854)	(1,611)
Expected credit impairment losses on investments	797,949	663,944
Expected credit impairment losses on non-investments	129	1,146
Share-based payments	19,369	47,247
Share of (loss) profit of associates and joint ventures accounted for using equity method	(182,842)	108,857
(Gains) losses on reclassification using overlay approach	(1,572,270)	19,837,824
Losses on disposal or scrapping of property and equipment	327	103
Gains on disposal of investment property	(53,380)	(150,319)
Property and equipment transfers into expense	922	1,196
Gains on disposal of investments accounted for using the equity method	(59,767)	-
Impairment losses on non-financial assets	2,981	1,606
Losses on valuation of investment property	126,120	702,527
Gains on lease modification	(397)	(897)
Other items	91	-
Changes in operating assets and liabilities		
Increase in financial assets at fair value through profit or loss	(14,380,961)	(48,262,187)
(Increase) decrease in financial assets at fair value through other comprehensive income	(18,853,355)	1,833,550
Decrease (increase) in financial assets at amortized cost	71,784,827	(52,495,335)
Decrease in notes receivable	17,521	9,966
(Increase) decrease in other receivables	(2,835,731)	3,538,507
Decrease in prepaid expenses and other prepayments	104,513	169,797
Decrease (increase) in refundable deposits	40,202	(43,702)
(Increase) decrease in reinsurance assets	(350,224)	161,474
Decrease (increase) in other assets	2,627	(6,549)
(Decrease) increase in life insurance proceeds payable	(37,317)	37,039
Increase in other payables	3,483,619	606,256
Increase (decrease) in due to reinsurers and ceding companies	510,876	(140,922)

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# KGI LIFE INSURANCE CO., LTD.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars)

	2025	2024
Increase in commissions payable	58,103	202,099
Decrease in accounts collected in advance	(12,424)	(47,310)
Decrease in guarantee deposits received	(60,540)	(7,333,869)
Increase in other liabilities	56,359	152,913
Decrease in provision for employee benefits	(3,322)	(35,335)
Cash flows used in operations	<u>(57,544,276)</u>	<u>(75,672,536)</u>
Interest received	51,990,747	44,994,648
Dividends received	15,476,230	13,897,500
Interest paid	(1,200,039)	(789,194)
Income taxes refunded (paid)	<u>658,492</u>	<u>(697,931)</u>
Net cash flows generated from (used in) operating activities	<u>9,381,154</u>	<u>(18,267,513)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of investments accounted for using equity method	(351,779)	(382,629)
Disposal of investments accounted for using the equity method	382,698	-
Proceeds from capital reduction of investments accounted for using equity method	57,745	-
Acquisition of property and equipment	(406,153)	(296,307)
Acquisition of intangible assets	(250,321)	(267,600)
Increase in loans	(919,586)	(2,098,656)
Acquisition of investment property	(400,560)	(556,956)
Disposal of investment property	<u>405,608</u>	<u>2,979,405</u>
Net cash flows used in investing activities	<u>(1,482,348)</u>	<u>(622,743)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of bonds	-	10,000,000
Cash dividends paid	(2,500,000)	-
Principal repayment of lease liabilities	<u>(87,545)</u>	<u>(98,033)</u>
Net cash flows (used in) generated from financing activities	<u>(2,587,545)</u>	<u>9,901,967</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,311,261</b>	<b>(8,988,289)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>40,215,185</u>	<u>49,203,474</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 45,526,446</u>	<u>\$ 40,215,185</u>

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

(Concluded)

# **KGI LIFE INSURANCE CO., LTD.**

## **NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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### **1. GENERAL INFORMATION**

KGI Life Insurance Co., Ltd. (the “Company”) was incorporated in Taiwan on April 25, 1963, previously known as Overseas Life Corp. The Company was renamed China Life Insurance Co., Ltd. and authorized by Ministry of Finance, R.O.C. and Ministry of Economic Affairs, R.O.C. in January 1981, and was listed on the Taiwan Stock Exchange on February 8, 1995. The renaming of the Company to KGI Life Insurance Co. received approval letters, No. Financial-Supervisory-Securities-Corporate-1120432605 on August 14, 2023 issued by the Financial Supervisory Commission (“FSC”) and No. 11230158800 on November 9, 2023 issued by the Ministry of Economic Affairs. The registered office address of the Company is 3F, 4F, 5F, 6F, 7F, No. 135, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.). The Company mainly engages in the business of life insurance, handles life insurance for overseas foreign currency receipt and payment, and other insurance-related businesses approved by competent authorities. The Company is headquartered in Taipei City, and has branches in Taoyuan City, Taichung City, Chiayi City, Tainan City, Kaohsiung City, Pingtung County and Hualien County.

To enhance operation synergy, the Company accomplished the acquisition of major assets and liabilities from Prudential Corporation Asia Life Taiwan on June 19, 2009. The deal was approved by Financial Supervisory Commission (“FSC”) under Order No. Financial-Supervisory-Securities-Corporate - 09802552211 on June 16, 2009.

The Company established an offshore insurance unit (OIU) on September 14, 2015, following resolution of the board of directors and receiving approval from FSC.

On October 19, 2017, the Board has resolved to pay \$1 to acquire the traditional policies and riders spun off from Allianz Taiwan Life Insurance Co., Ltd. The transaction is approved by FSC on February 27, 2018 and settled on May 18, 2018.

The Company was informed by KGI Financial Holding Co., Ltd. (Former Name: China Development Financial Holding Corp.) (KGI Financial), about the tender offer of the Company’s ordinary shares and the Public Tender Offer Report on August 16, 2017. KGI Financial started the tender offer from August 17, 2017 to September 6, 2017. KGI Financial completed the tender to acquire 25.33% of the Company’s common shares, totaling 880,000,000 shares, on September 13, 2017. The Company became a subsidiary of KGI Financial as defined in the “Financial Holding Company Act”. In addition, the Company was informed by KGI Financial about the second tender offer of the Company’s ordinary shares and the Public Tender Offer Report on January 7, 2021. KGI Financial started the tender offer from January 8, 2021 to February 2, 2021. KGI Financial completed the tender to acquire 21.13% of the Company’s common shares, totaling 1,000,000,000 shares, on February 5, 2021. After the offer, KGI Financial and its subsidiary, KGI Securities (excluding KGI Securities’ borrowing positions for securities undertaking), jointly held 55.95% of the Company’s issued shares. On October 1, 2021, the Company’s shareholder’s meeting approved to enter into a share swap contract with KGI Financial, and carry out the share swap transaction. One common share of the Company will be exchanged into 0.80 common share and 0.73 preferred share of KGI Financial and NT\$11.5 in cash. The record date of share swap was December 30, 2021, the Company was also delisted from the Taiwan Stock Exchange (TWSE) and became a wholly owned subsidiary of KGI Financial at the same day.

## 2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company were authorized to issue in accordance with a resolution of the Company's board of directors on March 5, 2026.

## 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

### Identification of related parties

In accordance with the Q&A "Identification of Related Parties" issued by the ARDF in June 2025, the Company has reassessed its relationship with its managed funds to determine whether it exercises control or significant influence, or if it solely provides key management services to them, the previous identification of related parties based on the Q&A issued by the ARDF in July 2013 was revised. Accordingly, these funds are no longer identified as related parties of the Company, effective from January 1, 2025. Furthermore, in accordance with the Q&A issued by the FSC, comparative information for the year 2024 needs not to be restated, which means the identified and disclosed related party relationships and transactions in prior financial statements are not required to be adjusted retrospectively.

- b. The IFRS Accounting Standards and Regulations Governing the Preparation of Financial Reports by Insurance Enterprises endorsed by the FSC for application starting from 2026

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
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
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
IFRS 17 "Insurance Contracts" (including the 2020 and 2021 amendments to IFRS 17)	January 1, 2023

- 1) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

- a) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

- i. If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,
- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.
- ii. To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.
  - iii. To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.
- b) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

## 2) Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

Contracts referencing nature-dependent electricity are contracts that expose an entity to variability in the underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions. Contracts referencing nature-dependent electricity include both contracts to buy or sell nature-dependent electricity and financial instruments that reference such electricity. When the Company enters into contracts to buy nature-dependent electricity, which exposes the Company to the risk that it would be required to buy electricity during a delivery interval in which the Company cannot use the electricity, and the design and operation of the electricity market require any amounts of unused electricity to be sold within a specified time, the amendments stipulate that such sales are not necessarily inconsistent with the contract being held in accordance with the Company's expected usage requirements. The inconsistency will result in the contract being accounted for as financial instruments otherwise. The Company entered into and continues to hold such a contract in accordance with its expected electricity usage requirements, if the Company has bought, and expects to buy, sufficient electricity to offset the sales of any unused electricity in the same market in which it sold the electricity over a reasonable amount of time.

The amendments also stipulate that, if contracts referencing nature-dependent electricity are designated as hedging instruments in hedges of forecast transactions, for such a hedging relationship the Company is permitted to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility as referenced in the hedging instrument.

For the amendments related to whether contracts referencing nature-dependent electricity are entered into in accordance with expected electricity usage requirements, the Company shall apply retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. For the amendments related to hedge accounting, the Company shall apply prospectively.

3) IFRS 17 “Insurance Contracts” (including the 2020 and 2021 amendments to IFRS 17)

Marks the date of initial adoption of IFRS 17. IFRS 17 establishes the accounting principles governing the recognition, measurement, presentation, and disclosure of insurance contracts, and supersedes IFRS 4 “Insurance Contracts”. The standard applies to insurance contracts issued by an entity (including reinsurance contracts), reinsurance contracts held, and investment contracts with discretionary participation features issued by the entity, provided that it also issues insurance contracts. IFRS 17 prescribes a uniform framework for the measurement of insurance liabilities, encompassing the general measurement model, the variable fee approach, and the premium allocation approach. The variable fee approach is applicable to insurance contracts with direct participation features. Furthermore, where specified criteria are satisfied, groups of insurance contracts may elect to apply the premium allocation approach as a simplified method of measurement.

The general measurement model measures groups of insurance contracts based on current assumptions and incorporates a risk adjustment for non-financial risk to reflect the compensation required for bearing such uncertainty. This model also takes into account prevailing market interest rates, as well as the impact of embedded options and guarantees within insurance contracts on cash flows. Furthermore, it includes a contractual service margin, representing the unearned profit to be recognized by the entity for services to be provided in the future, which is subsequently recognized in profit or loss over the coverage period.

IFRS 17 stipulates that entities shall employ systematic and rational methodologies to allocate insurance acquisition cash flows to respective groups of insurance contracts. Insurance acquisition cash flows disbursed prior to the recognition of the related groups of insurance contracts shall be recognized as assets, and subsequently derecognized once such cash flows are incorporated into the measurement of those groups. At the conclusion of each reporting period, entities are required to perform an impairment assessment of these insurance acquisition cash flow assets.

For provisions established under IFRS 4, please refer to Note 4, Summary of Significant Accounting Policies.

The consolidated entity accounts for the transition in accordance with the provisions of IFRS 17. In principle, it applies the standard retrospectively using the full retrospective approach; however, where such application is impracticable, it elects to adopt either the modified retrospective approach or the fair value approach.

When applying the full retrospective approach, the consolidated entity shall identify, recognize, and measure each group of insurance contracts as of January 1, 2025, as though IFRS 17 had always been in effect. Under the modified retrospective approach, the entity employs reasonable and supportable information to achieve results that approximate, as closely as possible, those of the full retrospective method. When applying the fair value approach, the entity likewise utilizes reasonable and supportable information, and determines, as of January 1, 2025, the contractual service margin or the loss component of the liability for remaining coverage based on the difference between the fair value of the company of insurance contracts and the fulfillment cash flows measured on that date.

Furthermore, prior to the adoption of IFRS 17, the consolidated entity elected, to apply the overlay approach to designated financial assets in order to mitigate the impact and discrepancies arising from the earlier effective date of IFRS 9 relative to IFRS 17. Upon the adoption of IFRS 17, the entity will discontinue the application of the overlay approach.

Upon the retrospective adoption of IFRS 17, coupled with the discontinuation of the overlay approach and the restatement of comparative information, equity as of January 1, 2025 is projected to increase by approximately \$103.7 billion, while equity as of December 31, 2025 is expected to rise by approximately \$44.1 billion.

#### Redesignation of financial assets

On the date of initial application of IFRS 17, entities that have already adopted IFRS 9 may redesignate financial assets that meet the criteria set forth in paragraph C29 of IFRS 17. Furthermore, for financial assets that were derecognized during the comparative period preceding the initial application of IFRS 17, an entity may elect, on an instrument-by-instrument basis, to apply the classification overlay approach as though such assets had been redesignated in accordance with paragraph C29 of IFRS 17 during the comparative period.

The consolidated entity expects to reassess and redesignate the following financial assets on the basis of those held as of January 1, 2026, in light of the facts and circumstances prevailing on that date:

- a) Upon reevaluating its asset management business model, the Company will redesignate certain financial assets previously classified as measured at amortized cost to those measured at fair value through other comprehensive income.
- b) Following a reassessment of its asset management business model, the Company will redesignate certain financial assets previously measured at fair value through other comprehensive income to those measured at amortized cost.
- c) The Company has reclassified certain financial assets originally designated as measured at fair value through profit or loss, redesignating them as measured at fair value through other comprehensive income.

The Company has elected not to restate the comparative information for 2025 in respect of the redesignation of financial assets. Any differences between the prior carrying amounts of such financial assets and their carrying amounts as of the date of initial application will be recognized in opening retained earnings (or other appropriate components of equity) on that date. The aforementioned redesignation and reclassification of financial assets are expected to result in a reduction of equity of approximately \$30.6 billion as of January 1, 2026. When combined with the impact on equity arising from the retrospective adoption of IFRS 17 and the discontinuation of the overlay approach, the net effect is anticipated to be an overall increase in equity of approximately \$13.5 billion.

- 4) Amendments to Regulations Governing the Preparation of Financial Reports by Insurance Enterprises

Please refer to Note 46 (c).

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b><u>New, Amended and Revised Standards and Interpretations</u></b>	<b><u>Effective Date Announced by IASB (Note 1)</u></b>
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 IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note 2)
IFRS 19 “Subsidiaries without Public Accountability: Disclosures” (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”	January 1, 2027

Note 1: Unless stated otherwise, the above new, amended and revised IFRS Accounting Standards or Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: On September 25, 2025, the FSC announced that IFRS 18 will take effect starting from January 1, 2028. Domestic entities could elect to apply IFRS 18 for an earlier period after the endorsement of IFRS 18 by the FSC.

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated.

- 2) IFRS 18 “Presentation and Disclosure in Financial Statements” and consequential amendments

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- a) To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Company shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- b) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- c) Provides guidance to enhance the requirements of aggregation and disaggregation: The Company shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Company shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Company labels items as “other” only if it cannot find a more informative label.
- d) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Company as a whole, the Company shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

In addition, the following consequential amendments have been made to IAS 7 “Statement of Cash Flows”:

- a) The Company shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- b) Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Company has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the other impacts of the above amended standards and interpretations on the Company’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### **4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**

##### **a. Statement of compliance**

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

##### **b. Basis of preparation**

The financial statements have been prepared on a historical cost basis, except for financial instruments and investment property that have been measured at fair value. The financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

c. Foreign currency transactions

The Company's financial statements are presented in its functional currency, NT\$. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies are translated using the closing rate of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is measured. Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of initial transactions.

Apart from the items mentioned below, the exchange differences due to settlement or translation are recognized in profit or loss for the period.

- 1) The foreign currency items which are applicable to IFRS 9 Financial Instrument should be dealt with the accounting policy of financial instruments.
- 2) Exchange differences of monetary items arising from the translation of the net investment in foreign operations are recognized in other comprehensive income. When the investment is disposed of or sold, exchange differences are reclassified from other comprehensive income into profit or loss.

If a gain or loss on a non-monetary item is recognized in other comprehensive income, any foreign exchange component of that gain or loss is also recognized in other comprehensive income. If a gain or loss on a non-monetary item is recognized in profit or loss, any foreign exchange component of that gain or loss is also recognized in profit or loss.

d. Product categories

Insurance contract means the insurer accepts the transfer of significant insurance risk from insurance policyholder and agrees to compensate the policyholder for any damages when a particular uncertain event (insured event) occurs in the future. The definition of a significant insurance risk means any insured event occurs and causes the Company to pay additional significant fees.

Insurance contract with features of financial instruments is the contract that transfers the significant financial risk. The definition of the financial risk refers to one or more specific interest rates, product prices, exchange rates, price index, rate index, credit ratings and indicators, and other variables related to risks of possible changes in the future. If the above variables are non-financial variables, then the variables exist in both sides under the contract.

When the original judgment meets the criteria of the policy under the insurance contract, before the right of ownership and obligations expires or extinguishes, the policy will still be considered as an insurance contract; even if the exposure to insurance risk during the policy period has been significantly reduced. However, if insurance risk following the renewal of an insurance contract with features of financial instruments is transferred to the Company, the Company will reclassify the contract as an insurance contract.

Insurance contracts and insurance contracts with feature of financial instruments can be further broken down into separate categories depending on whether the contracts have discretionary participation feature or not. To have discretionary participation feature means a guaranteed payment from the contract plus contractual rights to receive additional payments.

These contractual rights have the following characteristics:

- 1) Additional payments as a percentage of total contractual payments may be more significant and take up a bigger portion.

- 2) In accordance with the contract, the amount and date of additional payments are at the Company's discretion.
- 3) In accordance with the contract, additional payments are handed out based on one of the following matters:
  - a) Performance of a specific combination of contracts or specific type of contract.
  - b) The investment return of a specific asset portfolio the Company holds.
  - c) Profit and loss from the Company, funds, or other entities.

When embedded derivative products' economic characteristics and risks are no longer closely related to the economic characteristics and risks of the primary contracts, it should be listed separately from the primary contracts and use fair value method to determine its fair value. Also, the profit or loss determined by the fair value method should be recognized in the current period. However, if the embedded derivative product meets the definition of an insurance contract or the whole contract is measured by the fair value method and the profit or loss is recognized in the current period, the Company will not need to separately list the embedded derivative product and the insurance contract.

e. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies time deposits as cash equivalents when they have maturities of less than 12 months and can be readily convertible to known amounts of cash and be subject to an insignificant risk of changes in value.

f. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of financial instrument.

1) Initial recognition and subsequent measurement

The Company accounts for regular way purchase or sales of financial assets measured at fair value on the trade date, and of financial assets measured at amortized cost at the settlement date.

The Company categorized financial assets as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on both of the followings:

- a) The Company's business model for managing the financial assets.
- b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

If both of the following conditions are met, a financial asset is measured at amortized cost and presented as note receivables, receivables, financial assets measured at amortized cost, loans and other receivables etc., on balance sheet as at the reporting date:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- b) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets which are not part of a hedging relationship, are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance). A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or recognition of the impairment gains or losses.

Interest revenue is recognized in profit or loss by calculating via the effective interest method (by applying the effective interest rate to the gross carrying amount) or the followings:

- a) For those financial assets that are purchased or originated credit-impaired, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.
- b) For those financial assets that are not purchased or originated credit-impaired but subsequently became credit-impaired, the Company applies the effective interest rate to the amortized cost of the financial asset.

#### Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and presented as financial asset at fair value through other comprehensive income on balance sheet as at the reporting date:

- a) The financial assets are held within a business model whose objective is achieved by collecting contractual cash flows and for sale.
- b) The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The recognition of gain or loss on a financial asset measured at fair value through other comprehensive income is described as below:

- a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c) Interest revenue is recognized in profit or loss by calculating via the effective interest method (by applying the effective interest rate to the gross carrying amount) or the followings:
  - i. For those financial assets that are purchased or originated credit-impaired, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.
  - ii. For those financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, the Company applies the effective interest rate to the amortized cost of the financial asset.

In addition, upon initial recognition, for those equity instruments within the scope of IFRS 9 but neither categorized as held-for-trading nor applying to contingent consideration recognized by acquirers in IFRS 3 “Business Combination”, the Company elects irrevocably to report the subsequent measurement at fair value in other comprehensive income. Amounts reported in other comprehensive income cannot be subsequently transferred to profit or loss (when disposing of such equity instruments, the Company transfers the accumulated amounts in other equity directly into retained earnings) and are presented as financial assets at fair value through other comprehensive income on the balance sheets. Dividends on investments are recognized in profit or loss, except when the dividends clearly represent certain recovery of investment cost.

#### Financial assets at fair value through profit or loss

Except for those financial assets qualified for aforementioned conditions and classified as financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the other financial assets are measured at fair value through profit or loss and presented as financial assets at fair value through profit or loss on the balance sheets as at the reporting date. However, an entity may irrevocably designate a financial asset at initial recognition to be measured at fair value through profit or loss if doing so would eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing their gains and losses, on different bases (sometimes referred to as “accounting mismatch”).

Such assets are subsequently measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss.

#### 2) Impairment of financial assets

The Company measures expected credit losses and recognizes expected credit losses for loss allowance on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b) The time value of money;
- c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- a) At an amount equal to 12-month expected credit losses: Including the financial asset whose credit risk has not increased significantly since initial recognition or the financial asset determined to have low credit risk at the reporting date; and, additionally, the financial assets which the Company measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

- b) At an amount equal to the lifetime expected credit losses: Including the financial asset whose credit risk has increased significantly since initial recognition or the financial asset that is purchased or originated credit-impaired.

In addition to evaluation mentioned previously, in accordance with the regulation of “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”, the Company is required to record the minimum amounts based upon each of the following category for allowance of uncollectible accounts:

- a) Total amount of 0.5% of the ending balance for the first category of loan assets excluding life insurance loans, automatic premium loans and holding government debts, 2% of the ending balance for the second category of loan assets that should be paid attention, 10% of the ending balance for the third category of loan assets that are expected to recover, 50% of the ending balance for the fourth category of loan assets that are difficult to recover and 100% of the ending balance for the fifth category of loan assets that are not expected to recover are aggregated.
- b) 1% of the ending balance for all the five categories of loan assets excluding life insurance loans, automatic premium loans and holding government debts.
- c) Total unsecured portion of loans overdue and receivable on demand.
- d) If total amount of minimum allowance of uncollectible accounts measured from the categories above are less than the amount in accordance with GAAP, it should refer to the amount in accordance with GAAP as minimum allowance of uncollectible accounts.

To strengthen the ability to bear the loss of specific loan assets, the authority may, if necessary, require the Company to raise loan loss provision for specific loan assets in specified criteria and deadlines.

As at each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 39 for further details on credit risk.

### 3) Financial liabilities

Financial liabilities within the scope of IFRS 9 “Financial Instruments” are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

- a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- a) It eliminates or significantly reduces a measurement or recognition inconsistency; or
- b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

#### Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

#### 4) Derecognition of financial assets and liabilities

##### Financial assets

The Company derecognizes all or part of the financial assets when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset or when it loses its controls to the assets.

When the Company transfers all or part of the financial assets and abandons its controls to the assets, it is regarded as sale within the scope of charging in exchange.

##### Financial liabilities

The Company derecognizes all or part of the financial liabilities when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instrument investments with substantially different terms or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the liability extinguished and the liability recognized is recognized in profit or loss.

#### 5) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

6) Derivative instruments and hedging transactions

The Company engages in derivatives financial instrument transactions, such as forward foreign exchange contracts, interest rate swaps, cross currency swaps, options and futures, to hedge its risks associated with foreign currency and interest rate fluctuations. These derivative instruments are initially recognized at fair value on the day a derivatives contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

7) Interest rate benchmark reform

For financial assets measured at amortized cost or financial liability measured at amortized cost, when the basis for determining cash flow changes due to interest rate benchmark reform indicators, the Company updates the effective interest rate of financial assets or financial liabilities to reflect the gradual changes.

8) Adoption of overlay approach on financial assets

The Company chose to express profit or loss of the designated financial assets in overlay approach in accordance with IFRS 4 “Insurance Contract” since the application of IFRS 9. To those designated financial assets, the Company classifies the amount from profit or loss to other comprehensive income, thus making the profit or loss of the designated financial assets as at the reporting date equal to as if they would have been accounted for under IAS 39. Accordingly, the reclassification amount is the difference of the following items:

- a) The amount of profit or loss of the designated financial assets in accordance with IFRS 9; and
- b) The amount of profit or loss of the designated financial assets as if applied to IAS 39.

A financial asset is eligible for designation under overlay approach if qualifying for the following conditions:

- a) In accordance with IFRS 9, the financial asset is measured at fair value through profit or loss. However, if the Company applies to IAS 39, the financial asset is not measured at fair value through profit or loss collectively; and
- b) The financial asset is not held in respect of activities that is unconnected with contracts within the scope of IFRS 4 “Insurance Contract”.

A Financial asset is eligible for the overlay approach if either of the following conditions is met:

- a) The asset is accounted for on initial recognition; or
- b) The asset now meets the criteria of which is held in respect of activities other than contracts within the scope of IFRS 4 “Insurance Contract” but previously did not.

The Company shall continuously adopt overlay approach to those designated financial assets until derecognition. However, the Company shall remove the designated status when the financial assets held in respect of activities other than contracts within the scope of IFRS 4 “Insurance Contract”. In addition, at the beginning date of any annual reporting year, the Company is permitted to stop applying overlay approach to all designated financial assets; if it does, the change in the accounting policy is accounted for under IFRS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

## 9) Reclassification of financial assets

The Company reclassifies all affected financial assets only when it changes the operating model for managing financial assets. Such changes are determined by the Company's senior management based on the results of external or internal changes and must be material to the operations of the Company and presentable to external parties. The reclassification of financial assets is deferred from the date of reclassification.

### g. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- 1) In the principal market for the asset or liability, or
- 2) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible for the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

### h. Investments accounted for using the equity method

The Company used the equity method for accounting treatment for its associates with material influence and are they recognized at cost on acquisition. The carrying amount of investment in associates includes the goodwill identified in initial investment (less any accumulated impairment loss). From the date of the Company loses the significant influence, the equity method shall cease to be adopted, and use the book value at the time of the change as the cost.

After the acquisition date, the Company will recognize profit/loss according to the Company's share in the associate' profit or loss. Receipt of surplus distribution from the associate will reduce the carrying amount of the investment. When changes in other comprehensive profits and losses of the associate cause changes in the Company's rights and interests, the Company also relatively adjusts the investment book amount.

When the Company's share of losses of the associate equals or exceeds its interest in the associate, the entity discontinues recognizing its share of further losses. The Company only recognizes additional losses and relevant liabilities to the extent that it has incurred legal or constructive obligations or has made payments on behalf of the investee.

i. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

The Company's investment properties are measured at fair value, and gains or losses are recognized in profit or loss in accordance with the requirements of IAS 40 "Investment Property", other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" and paragraph 53 of IAS 40 "Investment Property". If investment properties are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements 34 of IFRS 16.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

When the property meets or do not meet the definition of investment property and there is evidence showing change of use, the Company recognizes the property as investment property or transfers the property out of investment property.

j. Loans

Loans include automatic premium loans, policy loans and secured loans. Among them, automatic premium loans are premiums paid on behalf of the insured in accordance with the insurance contract, policy loans are secured by policies issued by the Company, and secured loans are secured by stocks, chattel, real estate and other loans and overdue receivables approved by the authority.

Loan principal or interest arrears more than three months after the settlement period, or less than three months but has executed recourse to the primary and secondary debtor or disposed the collateral, listing under overdue loans.

Collateral received from the overdue loans by actively dunning is recorded at the fair value listed in the related account depending on the nature of the collateral, and measured in the applicable method of that account.

k. Reinsurance

The Company limits exposure to some events that may cause a certain amount of loss by arranging reinsurance in accordance with business needs and the insurance laws and regulations. For reinsurance ceded, the Company may not refuse to fulfill its obligations to the insured even if the reinsurer fails to fulfill their responsibility.

Reinsurance expenses and reinsurance commission income generated from ceded reinsurance business and due to reinsurers and ceding companies are recognized in the same period with income or expense of the related insurance contract. As the net right of holding reinsurance contract includes reinsurance reserve assets, claims recoverable from reinsurers and due from reinsurers and ceding companies, they are recognized according to the method of signed reinsurance contract and related insurance contract liabilities. The assets, liabilities, income and expense of reinsurance contract cannot offset with the income and expense of related insurance liabilities and insurance contract.

The Company holds the right over re-insurer for reinsurance reserve assets, claims recoverable from reinsurers and due from reinsurers and ceding companies, and regularly assess if impairment has occurred to such rights or the rights can no longer be recovered. When objective evidences demonstrate that such rights after initial recognition may lead to the Company not recovering all contractual terms of the amount due, and the potential impact of the above cases that the Company will receive from reinsurer can be measured reliably, then the Company can retrieve an amount that is less than the carrying value of the aforementioned rights, and recognize impairment losses.

For the classification of reinsurance contracts, the Company assesses whether the transfer of significant insurance risk to the re-insurer has occurred. If the transfer of significant insurance risk is not apparent, then the contract is recognized and evaluated with deposit accounting.

For reinsurance contracts that have their significant insurance risk transferred, if the Company can separate and measure the individual deposit component, then the reinsurance contracts need to be recognized separately as the insurance component and the deposit component. That is, the Company receives (or pays) the contract's value minus the insurance component, recognizing it as financial liabilities (or assets), and not as incomes (or expenses). The financial liabilities (or assets) are recognized with the fair value approach and uses the present value of future cash flow as the basis for the fair value approach.

#### 1. Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item, restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets separately with specific useful lives and depreciation. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, Plant and Equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and construction	1-60 years
Computer equipment	3-12 years
Communication and transportation equipment	5-6 years
Other equipment	5 years
Leased assets	Depend on the age or the durable life of lease, whichever is shorter

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively as a change in accounting estimate, if appropriate.

m. Leases

At the day of establishment, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- 1) The right to obtain substantially all of the economic benefits from use of the identified asset; and
- 2) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- 1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- 2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) Amounts expected to be payable by the lessee under residual value guarantees;
- 4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- 5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- 1) The amount of the initial measurement of the lease liability;
- 2) Any lease payments made at or before the commencement date, less any lease incentives received;
- 3) Any initial direct costs incurred by the lessee; and
- 4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use asset applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

#### Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

n. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired through merger, is its fair value as at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Other intangible assets are computer software and are amortized on a straight-line basis over the estimated useful life (1 to 10 years).

o. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

The cash generating unit or group which belongs to goodwill should periodically make an impairment test whether it has a sign of impairment. If the impairment test result suggests recognizing an impairment loss, then first deducting goodwill and the remaining deficiencies should be amortized to other assets depending on the relative proportions of the carrying amount of the asset. Impairment losses relating to goodwill cannot be reversed in the future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

p. Investment-linked insurance products

The Company sells investment-linked insurance products, of which the applicant pays the premium according to the agreed amount less the expenses incurred by the insurer. In addition, the investment distribution is approved by the applicant and then transferred to specific accounts as requested by the applicant. The value of these specific accounts is determined based on their fair value on the applicable date and the net worth is computed in accordance with the relevant regulations and the IFRS Accounting Standards.

In accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, assets and liabilities representing the rights and obligations of the applicants, whether arising from an insurance contract or insurance policy with features of financial instruments, are recognized separately as “separate account product assets” and “separate account product liabilities”. The revenues and expenses of separate account insurance products in accordance with IFRS 4 “Insurance Contracts”, separately recognized as “separate account product revenues” and “separate account product expenses.”

q. Insurance liabilities and reserve for insurance contracts with feature of financial instruments

The Company’s reserved funds for insurance contracts and financial instruments whether with or without discretionary participation feature are made in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises.” Furthermore, they have been validated by the certified actuarial professionals approved by Financial Supervisory Commission. The required amount to be reserved for short-term group insurance is based upon the greater of premium received or calculated premium following the Financial-Supervisory-Securities-Corporate - 11004925801 issued by the FSC. Reserved amount for the rest of other provisions is addressed below:

Moreover, an insurance contract with discretionary participation feature is classified as liability.

1) Unearned premium reserve

For the insurance policy whose term is within one year and has not met the due date or for the injury insurance policy whose term is over one year, the amount of reserve required is based upon the unexpired risk calculation.

2) Reserve for claims

It is a reserve mainly for the reported but not paid claims and unreported claims. The reported but not paid claims reserve is assessed based on relevant information of each case and the amount deposited is further classified by the type of insurance. Unreported claims reserve is calculated and deposited based on the past experiences and expenses occurred and in accordance with the actuarial principles.

3) Reserve for life insurance liabilities

Based on the life table and projected interest rates in the manual provided by the authority for each type of insurance, the dollar amount of life insurance reserve is calculated and deposited according to the calculation method listing on Article 12 of “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and the manual published by each authority of insurance products.

Starting from policy year of 2003, for valid insurance contract whose dividend calculation is stipulated in accordance with Order No. Financial-Supervisory-Insurance-Corporate-11004931041, the downward adjustments of dividend due to the offset between mortality saving (loss) and loss (gain) from difference of interest rates should be recognized and recorded as the increase of reserve for long-term valid contract.

When an insurer that opts to measure investment property at fair value, the value of its insurance liabilities at the same time must also be measured at fair value. If the results of the measurements indicate that the fair value of the insurance liabilities exceeds book value, the life insurer must set aside the difference to reserve for life insurance liabilities. The Company changes its accounting policy for subsequent measurement of investment property from cost to fair value starting from year of 2014. The value of insurance liabilities at the same time is measured at fair value in accordance with Financial-Supervisory-Securities-Corporate - 10302501161 issued by the FSC on March 21, 2014. The results of the measurements indicate that the fair value of the insurance liabilities doesn't exceed book value, therefore insurance liabilities does not have to be increased.

#### 4) Special reserve

- a) For the retained businesses with policy period within 1 year, the special reserve is classified into 2 categories, "Special Catastrophe Reserve" and "Special Reserve for Fluctuation of Risks." The dollar amount of reserve required is addressed as follows:

i. Special catastrophe reserve

All types of insurance should follow the special catastrophe reserve rates set by authorities. Upon occurrence of the catastrophic events, actual claims on retained business in excess of \$30,000 thousand can be withdrawn from the reserve. If the reserve has been set aside for over 15 years, the Company could have its plan of the recovering process of the reserve assessed by certified actuaries and submit the plan to the authority for reference.

ii. Special reserve for fluctuation of risks

When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is less than the anticipated dollar amount need to be paid, the 15% of this difference should be reserved in special reserve for fluctuation of risks. When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is greater than the anticipated dollar amount need to be paid, the exceeded amount can be used to write down the special reserve for fluctuation of risks. If the special reserve for fluctuation of risks for specified type of insurance is not enough to be written down, special reserve for fluctuation of risks for other types of insurance can be used. Also, the type of insurance and total dollar amount written-down should be reported to the authority for inspection purpose. When accumulative dollar amount of special reserve for fluctuation of risks exceeds 30% of self-retention earned premium within one year, the exceeded amount will be recovered.

For special reserves addressed previously, the balance of the annual reserve net of tax needs to be recorded in the special capital reserve under equity.

- b) The Company sells participating life insurance policy. According to the "Rule Governing application of revenue and expenses related to participating/non-participating policy", the Company is required to set aside special reserve for dividend participation based on income before tax and dividend. On the date of declaration, dividend should be withdrawn from this account. Additionally, the effects of the gain or loss from disposal of participating life insurance policy approved as equity instrument investments at fair value through other comprehensive income shall transfer directly into special reserve based on income before tax and dividend. If the special reserve is a negative amount, the Company shall set aside the same amount of special reserve.

c) The net impact from first adoption of fair value in subsequent measurement has been appropriated into dividend reserve for participating policy which relates to investment property. That reserve shall be used only to cover the insufficiency of life insurance liabilities resulting from valid contract's fair value approved by the authority and to set aside additional liabilities for the soundness of financial structure when complying with IFRS 17 "Insurance Contract" in the future implementation. By the time the related assets dispose, the reserve which comes from the changes of fair value due to the cumulative net value-added benefits can be processed according to the related distribution provision of participating policy.

5) Premium deficiency reserve

For the contracts over one year of life, health, or annuities insurance commencing on January 1, 2001, the following rules apply: When the gross premium is less than the valuation net premium, a deficiency reserve is required to be set aside with the value of an annuity, the amount of which shall equal the difference between such premiums and the term of which in years shall equal the number of future annual payments due on such insurance at the date of the valuation.

In addition, for the insurance policy which period is within one year and has not met the due date or accidental insurance policy over one year, the following rules apply: If the probable indemnities and expenses are greater than the aggregate of unearned premium reserves and collectable premiums in the future, the premium deficiency reserve is set aside based on the difference thereof.

6) Other reserve

Pursuant to IFRS 3 "Business Combination", the Company shall set aside other reserve for identifiable assets required and liabilities assumed recorded at fair value in order to reflect the fair value of the insurance contract assumed.

7) Liability adequacy reserve

This is the reserve that is set aside based on the adequacy test of liability required by IFRS 4 "Insurance Contracts".

Liability adequacy test is based on integrated insurance contract and related regulations. This test compares net of reserve for insurance contract, deferred acquisition cost and related intangible assets with anticipated present value of insurance contract cash flow at each reporting date. If net book value is insufficient, recognize all insufficient amounts as liability adequacy reserve.

8) Reserves for insurance contracts with feature of financial instruments

Financial products without discretionary participation features follows "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and Depository Accounting.

r. Foreign exchange valuation reserve

Foreign exchange valuation reserve was appropriated or written-down from the foreign investment assets (do not include foreign currency non-investment-linked life insurance product assets) in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and "Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises". The beginning balance of foreign exchange valuation reserve was \$1,745,679 thousand which has to recognize special capital reserve within three years since 2012 according to the provision. The recognized amount should not be less than one third of the beginning balance net of tax for the first year. The cumulative recognized amount of the first two years should not be less than two thirds of the beginning balance net of tax. In addition, the saving of hedging costs is transferred to special capital reserve each year. If the annual earning is not enough for transfer, then replenish in the later year. The related special reserve is only used for capital increase or offset deficit. According to Article 9 of the

“Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises” and the Order No. Financial-Supervisory-Securities-Corporate - 1090490453 issued by the FSC on February 17, 2020, starting from the earning distribution of 2019, when insurance company set aside special capital reserve according to Article 9 of the “Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises”, it shall set aside 10% of “net profit after tax plus Items other than net profit after tax that are included in the undistributed earnings of the year” as special reserve.

s. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, which probably leads to an outflow of resources embodying economic benefits that is required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

t. Post-employment benefits

The Company set up a pension plan and an independently administered pension fund committee according to Labor Standards Act. The Company deposits retirement reserve according to a certain percentage of wages to the specific account of Bank of Taiwan every month. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year. As the retirement reserves are deposited under the committee’s name in the specific bank account, the reserves are not associated with the Company. Therefore, retirement reserve is not included in the Company’s financial statements.

After the Labor Pension Act became effective, employees can choose to be subject to the pension mechanism under Labor Standards Act or Labor Pension Act. The seniority prior to the enforcement of Labor Pension Act shall be maintained and the Company deposits 6% of the monthly allocated wage based on the monthly wage allocation classification schedule to employees’ personal pension accounts in Bureau of Labor Insurance if employees choose to be subject to the pension mechanism under Labor Pension Act.

Employees who joined before April 1, 2024, in case that an employee’s monthly wage exceeds the upper limit of monthly wage allocation classification schedule, the Company may set aside monthly 6% of the excess portion as retirement reserve. Upon meeting the requirements of the pension plan, the employees are entitled to receive this kind of the retirement reserve.

For the defined contribution plan, the Company recognizes expenses in the period in which the contribution becomes due. The defined benefit plan is recognized based on the actuarial report at the end of the annual reporting period. Remeasurements of the net defined benefit liability (asset) comprise actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset), is recognized as other comprehensive income with a corresponding debit or credit to retained earnings when it occurs. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment, and recognized as an expense at the earlier of the following dates:

- 1) The date of the plan amendment or curtailment occurs; and
- 2) The date that the Company recognizes related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

u. Share-based payment transactions

For the equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The Company has determined the date of the subscription price and the number of shares as the grant-date and recognized the fair value of the equity instruments granted as expenses, with a corresponding increase in equity.

v. Insurance premium income and expenses

For the Company's insurance contract and financial instruments with discretionary participation features, the initial and renewal premium are only recognized as revenue after collection and underwriting procedures, and subsequent session of collection are completed, respectively. In terms of the acquisition cost such as commission expenses and brokerage expenses, the related expenses will be recognized in that period after commencement of the insurance contract.

For non-separate account insurance product that is also classified as financial products without discretionary participation features, the insurance revenue collected is recognized on the balance sheet as "reserves for insurance contracts with feature of financial instruments." The related acquisition costs will be written-down in that period after commencement of the insurance contract under "reserves for insurance contracts with feature of financial instruments."

w. Income taxes

Income tax expense (benefit) is the aggregate amount in respect of current tax and deferred tax which included in profit or loss for the period.

Current income tax

Current income tax liability (asset) for the current and prior period is measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax and the tax relating to items recognized in other comprehensive income or directly in equity shall be recognized in other comprehensive income or directly in equity rather than the profit and loss.

The income tax for unappropriated earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved at the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the balance sheets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflect the tax consequences generated from expected recovery of assets or settlement of liabilities at the end of reporting date. Deferred tax is not recognized in the profit and loss if the related item is not recognized in the profit and loss. Rather, it is recognized in other comprehensive income or directly in equity according to their transaction. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

x. Unconsolidated structured entities

Securitization vehicles such as real estate investment trust and beneficiary certificates of financial asset securitization, asset-backed financings and some investment funds such as private funds are unconsolidated structured entities, and the related information should be disclosed in accordance with IFRS 12 “Disclosure of Interests in Other Entities”.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

a. Judgment

In the process of applying the Company’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

1) Categories of financial assets

The management has to use its judgment to categorize financial assets. Different categories applied will affect measurements of the financial assets, which could have a significant impact on the Company’s financial position and performance.

2) Categories of insurance contracts

The Company identifies the composition of the issued insurance product contracts, decides whether it can be measured individually and determines whether the contract should be separately recognized. In addition, the Company examines whether the insurance contract has a significant insurance risk through review of the effective period of additional payment ratio, to decide the category of insurance products. If the additional payment ratio reaches the pre-set significant standard at any policy period, such contract should be considered having a significant insurance risk. If a single contract provides payment of multiple different insurance events, additional payment will be calculated by the greatest difference between the payment of each insurance event if occurs and the payment of each insurance event if not occurs.

3) Operating lease commitment - the Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on evaluation of the terms for the arrangements, that it retains all the significant risks and rewards of ownership for these properties and takes the contracts as operating leases.

b. Estimates and assumptions

The assumptions about the future and primary sources of uncertainty estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

1) Fair value of financial instruments

Where the fair value of the financial instruments recognized in the balance sheet cannot be derived from an active market or a quoted price, it is determined using a valuation technique. In applying valuation techniques, the Company adopts pricing models in accordance with its procedure for valuation, and uses observable market data as possible. The changes in assumptions of these models will affect the fair value of reported financial instruments. Please refer to Note 38.

2) Fair value of investment property

The fair value of investment property is derived from valuation techniques, including the income approach, comparison method, cost method, etc., and assumptions used in applying valuation techniques will have influence on the fair value of investment property.

3) Impairment assessment of financial assets

The Company adopts expected credit loss model to assess impairment on debt instrument investments not measured at fair value through profit or loss. The measurement consider the credit risk of issuers or counterparties, estimate the future 12-month or the lifetime Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD). The Company also considers the effect of the time value of money to calculate 12-month expected credit losses or the lifetime expected credit losses respectively. The Company has taken historical experiences, market conditions and forward-looking adjustment into account to decide on the assumption and inputs of expected credit loss calculation.

4) Insurance contract liabilities (including investment contract liabilities with discretionary participation feature of financial instruments)

The liability for insurance contracts and investment contracts with discretionary participation feature of financial instruments is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows. The main assumptions used relate to mortality, morbidity, investment returns, and expenses and surrender rates. The Company bases its assumptions on the standards published by the Actuarial Institute of the Republic of China, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics and experiences from target markets.

The best estimates of future investment income from the assets are based on current market returns, as well as expectation about future economic development. Assumptions on future expense are based on current expense level, adjusted for expected expense inflation, if appropriate. Surrender rates are based on the Company's historical experience.

## 5) Income taxes

Uncertainty of income taxes exists on interpretation of complex tax regulations and the amount and timing of future taxable income. The differences between the actual results and the assumptions, or future changes to such assumptions could necessitate future adjustments to tax income and expense already recorded. The Company establishes provision, based on reasonable estimates, for possible consequence of audits by the tax authorities in each country where it operates. The amount of provision is based on various factors, such as experience of previous tax audits and different interpretation of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognized for all carry-forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

## 6. CASH AND CASH EQUIVALENTS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Cash on hand	\$ 557	\$ 401
Revolving funds	5	5
Cash in banks	17,549,619	21,353,685
Time deposits	16,787,032	7,925,840
Cash equivalents - bond with resale agreement	<u>11,189,233</u>	<u>10,935,254</u>
Total	<u>\$ 45,526,446</u>	<u>\$ 40,215,185</u>

## 7. RECEIVABLES

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Notes receivable	\$ 64,711	\$ 82,233
Other receivables		
Interest receivable	18,560,703	18,404,137
Securities settlement receivable	3,438,246	643,283
Financial institutions collection receivable	509,395	669,491
Dividends receivable	634,491	797,559
Others	1,388,527	1,334,967
Overdue receivable	1,860	9,180
Less: Allowance for bad debts - other receivables	<u>(2,953,686)</u>	<u>(2,298,476)</u>
Subtotal	<u>21,579,536</u>	<u>19,560,141</u>
Total	<u>\$ 21,644,247</u>	<u>\$ 19,642,374</u>

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 31 for more details on impairment of receivables. Please refer to Note 39 for more details on credit risk management.

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments	\$ 1,202,813	\$ 2,083,541
Domestic financial debentures	19,674,793	18,642,565
Domestic listed stocks	194,358,584	148,237,750
Domestic preferred stocks	1,143,605	1,155,416
Domestic unlisted stock	3,062,861	2,300,159
Domestic beneficiary certificates	148,984,110	142,449,605
Domestic real estate investment trust	1,300,955	1,477,355
Overseas corporate bonds	4,280,923	4,421,457
Overseas listed stocks	26,837,732	33,157,012
Overseas financial debentures	20,120,329	22,587,186
Overseas beneficiary certificates	58,720,974	61,562,120
Overseas real estate investment trust	<u>-</u>	<u>266,596</u>
Total	<u>\$ 479,687,679</u>	<u>\$ 438,340,762</u>

Financial assets at fair value through profit or loss were not pledged.

The Company elected to express profit or loss of the designated financial assets in overlay approach under IFRS 4 “Insurance Contracts” since its application of IFRS 9. Financial assets designated to apply overlay approach by the Company for investing activities relating to insurance contracts are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Financial assets at fair value through profit or loss:		
Domestic financial debentures	\$ 19,674,793	\$ 18,642,565
Domestic listed stocks	194,358,584	148,237,750
Domestic preferred stocks	1,143,605	1,155,416
Domestic unlisted stocks	3,062,861	2,300,159
Domestic beneficiary certificates	148,984,110	142,449,605
Domestic real estate investment trust	1,300,955	1,477,355
Overseas corporate bonds	4,280,923	4,421,457
Overseas listed stocks	26,837,732	33,157,012
Overseas financial debentures	20,120,329	22,587,186
Overseas beneficiary certificates	58,720,974	61,562,120
Overseas real estate investment trust	<u>-</u>	<u>266,596</u>
Total	<u>\$ 478,484,866</u>	<u>\$ 436,257,221</u>

Reclassification of the financial assets designated to apply overlay approach from profit or loss and other comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Gains due to applying IFRS 9 to profit or loss	\$ 50,459,309	\$ 60,382,308
Less: Gains if applying IAS 39 to profit or loss	<u>(52,031,579)</u>	<u>(40,544,484)</u>
(Losses) gains from adoption of overlay approach	<u>\$ (1,572,270)</u>	<u>\$ 19,837,824</u>

Due to the adoption of the overlay approach, gains on financial assets and liabilities at fair value through profit or loss are increased from \$33,837,737 thousand to \$35,410,007 thousand, and losses on financial assets and liabilities at fair value through profit or loss are increased from \$14,074,361 thousand to \$33,912,185 thousand for the years ended December 31, 2025 and 2024, respectively.

## 9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Debt instrument investments at fair value through other comprehensive income:		
Domestic government bonds	\$ 978,751	\$ 1,134,902
Overseas government bonds	12,657,734	11,553,107
Overseas corporate bonds	21,157,101	17,797,941
Overseas financial debentures	24,445,697	10,187,399
Overseas real estate mortgage bonds	<u>3,262,478</u>	<u>-</u>
Subtotal	<u>62,501,761</u>	<u>40,673,349</u>
Equity instrument investments at fair value through other comprehensive income:		
Domestic listed stocks	2,432,191	2,892,548
Domestic unlisted stocks	1,264,066	1,329,495
Domestic preferred stocks	9,697,662	11,557,011
Overseas unlisted stocks	<u>14,809,203</u>	<u>10,331,808</u>
Subtotal	<u>28,203,122</u>	<u>26,110,862</u>
Total	<u>\$ 90,704,883</u>	<u>\$ 66,784,211</u>

Information on gross carrying amount, allowance loss of investments in debt instrument measured at fair value through other comprehensive income and information related to credit risk is detailed in Note 39.

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Related to investments held at the end of the reporting period	\$ 548,852	\$ 645,712
Dividends recognized during the period	603,051	648,626

Given the investment strategy, the Company disposed of the partial shares in equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2025 and 2024 are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
The fair value of the investments at the date of derecognition	\$ 2,331,437	\$ 49,129
The cumulative unrealized valuation (loss) gain on disposal reclassified from other equity to retained earnings	(186,390)	720

## 10. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Domestic government bonds	\$ 49,986,834	\$ 53,289,099
Domestic corporate bonds	39,349,342	39,648,934
Domestic financial debentures	17,350,000	17,350,000
Domestic structured products	6,500,000	6,500,000
Overseas real estate mortgage bonds	6,371,385	6,865,957
Overseas government bonds	193,721,841	202,467,730
Overseas corporate bonds	514,729,531	538,791,252
Overseas financial debentures	791,949,078	812,707,102
Less: Refundable deposits	(34,558,339)	(21,763,025)
Less: Loss allowance	<u>(1,538,356)</u>	<u>(1,487,210)</u>
<b>Total</b>	<b><u>\$ 1,583,861,316</u></b>	<b><u>\$ 1,654,369,839</u></b>

For the years ended December 31, 2025 and 2024, the carrying amounts and gain (loss) on disposal of the financial assets measured at amortized cost when sold close to the expiration date or sales insignificant in value (either individually or in aggregate):

	<b>For the Year Ended December 31</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Carrying Amount of Derecognition</b>	<b>Current Gain Recognized</b>	<b>Carrying Amount of Derecognition</b>	<b>Current Gain (Loss) Recognized</b>
Domestic government bonds	\$ 3,200,131	\$ 2,604	\$ 11,589,318	\$ 200,264
Overseas corporate bonds	287,756	3,324	792,815	(192,026)
Overseas financial debentures	<u>13,554,510</u>	<u>171,910</u>	<u>739,381</u>	<u>236</u>
	<b><u>\$ 17,042,397</u></b>	<b><u>\$ 177,838</u></b>	<b><u>\$ 13,121,514</u></b>	<b><u>\$ 8,474</u></b>

Please refer to Note 43 for more details on financial assets measured at amortized cost under pledge.

Please refer to Note 39 for the gross carrying amount, allowance loss of financial assets measured at amortized cost and information related to credit risk.

## 11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following table lists the investments accounted for using the equity method of the Company:

<b>Name of Investee Company:</b>	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Investments accounted for using the equity method	<u>\$ 2,432,966</u>	<u>\$ 2,301,619</u>

Please refer to Note 48 (2) for the information on associates' investment.

The investments of individual associates of the Company are not material to the Company, and the aggregate financial information of the Company's investments in associates according to the shares enjoyed was as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Profit or loss from continuing operations	\$ 182,842	\$ (108,857)
Other comprehensive loss (net of tax)	<u>(1,305)</u>	<u>(345)</u>
Total comprehensive income (loss)	<u>\$ 181,537</u>	<u>\$ (109,202)</u>

The investments in associates were not pledged.

## 12. INVESTMENT PROPERTY

The reconciliations from the beginning book value balances to the ending book value balances for investment property measured at fair value model in subsequent period are as follows:

	<b>For the Year Ended December 31, 2025</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Asset - Land</b>	<b>Right-of-use Asset - Superficies of Royalties</b>	<b>Total</b>
Balance on January 1, 2025	\$ 32,342,046	\$ 23,281,293	\$ 1,561,646	\$ 9,272,942	\$ 66,457,927
Additions from subsequent expenditure	-	400,560	-	-	400,560
Gains (losses) generated from adjustment fair value	564,380	(360,524)	9,972	(339,948)	(126,120)
Disposals	(246,304)	(105,924)	-	-	(352,228)
Transfer to property and equipment	(8,095)	(6,076)	-	-	(14,171)
Transfer from property and equipment	<u>27,389</u>	<u>23,523</u>	<u>-</u>	<u>-</u>	<u>50,912</u>
Balance on December 31, 2025	<u>\$ 32,679,416</u>	<u>\$ 23,232,852</u>	<u>\$ 1,571,618</u>	<u>\$ 8,932,994</u>	<u>\$ 66,416,880</u>
	<b>For the Year Ended December 31, 2024</b>				
	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Asset - Land</b>	<b>Right-of-use Asset - Superficies of Royalties</b>	<b>Total</b>
Balance on January 1, 2024	\$ 32,942,958	\$ 23,606,942	\$ 1,584,171	\$ 9,183,816	\$ 67,317,887
Additions from subsequent expenditure	-	556,956	-	-	556,956
Additions from lease contract	-	-	34,387	-	34,387
Gains (losses) generated from adjustment fair value	8,115	(722,368)	(60,196)	71,922	(702,527)
Disposals	(253,320)	(140,879)	-	-	(394,199)
Transfer to property and equipment	(355,707)	(28,650)	-	-	(384,357)
Transfer from property and equipment	<u>-</u>	<u>9,292</u>	<u>3,284</u>	<u>17,204</u>	<u>29,780</u>
Balance on December 31, 2024	<u>\$ 32,342,046</u>	<u>\$ 23,281,293</u>	<u>\$ 1,561,646</u>	<u>\$ 9,272,942</u>	<u>\$ 66,457,927</u>

Development of the vacant land without construction license is measured at cost because its fair value cannot be reliably determined. The reconciliations from the beginning book value balances to the ending book value balances are as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>Land</b>	<b>Land</b>
<u>Costs</u>		
Beginning balance	\$ -	\$ 3,654,175
Disposals	<u>-</u>	<u>(3,654,175)</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>
<u>Accumulated impairment</u>		
Beginning balance	\$ -	\$ 1,219,288
Disposals	<u>-</u>	<u>(1,219,288)</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>

Net carrying amount:

	<b>Land</b>	<b>Buildings</b>	<b>Right-of-use Asset - Land</b>	<b>Right-of-use Asset - Superficies of Royalties</b>	<b>Total</b>
2025.12.31	<u>\$ 32,679,416</u>	<u>\$ 23,232,852</u>	<u>\$ 1,571,618</u>	<u>\$ 8,932,994</u>	<u>\$ 66,416,880</u>
2024.12.31	<u>\$ 32,342,046</u>	<u>\$ 23,281,293</u>	<u>\$ 1,561,646</u>	<u>\$ 9,272,942</u>	<u>\$ 66,457,927</u>

A major part of the Company’s buildings includes main plants, air conditioning, electrical, fire-fighting and elevator equipment.

Valuation has been performed by appraisers from professional valuation agencies, the fair value evaluated according to Real Estate Appraisal Technical Rules. The valuation reports are taken during the reporting period of financial statements are dated on December 31, 2025 and 2024.

December 31, 2025:

- a. Hong Bang Real Estate Appraisers Firm: Li Ching Tang
- b. CCIS Real Estate Joint Appraisers Firm: Wu Chih Hao

December 31, 2024:

- a. Hong Bang Real Estate Appraisers Firm: Li Ching Tang
- b. CCIS Real Estate Joint Appraisers Firm: Wu Chih Hao, Li Wei Ju

The fair value of investment property is treated in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The fair value evaluation should adopt the discounted cash flow method of income approach or cost approach, excluding the investment property already stated on the account prior to May 11, 2020 which was subsequently measured by the fair value model, and the normal price should be used as the basis of fair value assessment.

For investment property acquired before May 11, 2020, the fair value was determined through the support of market evidence. Since the investment property of the Company comprises mainly commercial buildings and residential buildings that are with market liquidity and easy access to similar comparative cases and rental cases in the neighborhood, comparison approach and income approach, of which latter one uses the direct capitalization method, are mainly used for evaluations.

For investment property acquired after May 11, 2020, if a lease contract for more than one year has been entered into, it shall be evaluated by the discounted cash flow method of income approach. The cash flow, analysis period, and discount rate of the evaluation method shall meet the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises; if the investment property did not enter into a lease contract for more than a year or the contract has been terminated, cancelled, or invalidated for more than one year, cost approach should be adopted for evaluation.

The inputs mainly used are as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Income capitalization rate	Mainly 0.0266%-3.45%	Mainly 0.145%-3.6%
Discount rate (Note)	3.05%-4.77%	2.97%-3.77%
Overall capital interest rate (Note)	3.079%-14.28%	0.44%-13.04%

Note: The valuation method of investment property acquired by the Company after May 11, 2020 adopted the discounted cash flow method of income approach and cost approach, and the main parameters used were the discount rate and the overall capital interest rate.

The part of the investment property of the Company that is measured at fair value subsequent to initial recognition, the fair value is categorized at Level 3 of the fair value hierarchy. The fair value of investment property will decrease as the main inputs, income capitalization rate of direct capitalization approach, the discount rate of the discounted cash flow method and the overall capital interest rate, increases. On the contrary, the fair value of investment property will increase if the main input decrease.

The investment properties are held mainly for lease business. All the lease agreements are operating leases. The primary terms of lease agreements are the same as general lease agreements. Rents from property investment are received annually, semi-annually, quarterly, monthly or in lump sum.

Rental income arising from investment properties were \$1,548,672 thousand and \$1,497,891 thousand for the years ended December 31, 2025 and 2024, the related direct operating expenses were \$278,580 thousand and \$269,625 thousand, and the direct operating expenses of investment properties does not generate rental income were \$24,752 thousand and \$38,097 thousand.

As of December 31, 2025 and 2024, no investment properties were pledged as collateral.

### 13. LOANS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Policy loans	\$ 31,350,956	\$ 30,393,849
Automatic premium loans	5,562,606	5,558,750
Secured loans, net	<u>72,327</u>	<u>113,704</u>
Subtotal	36,985,889	36,066,303
Less: Allowance for bad debts - secured loans	<u>(1,122)</u>	<u>(1,799)</u>
<b>Total</b>	<b><u>\$ 36,984,767</u></b>	<b><u>\$ 36,064,504</u></b>

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 31 for more details on loss allowance. Please refer to Note 39 for more details on credit risk management.

### 14. REINSURANCE ASSETS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Claims recoverable from reinsurers	\$ 947,940	\$ 706,045
Due from reinsurers and ceding companies	108,329	-
Reinsurance reserve assets		
Ceded unearned premium reserve	98,212	97,747
Ceded reserve for claims	<u>54,221</u>	<u>40,355</u>
Subtotal	<u>152,433</u>	<u>138,102</u>
<b>Total</b>	<b><u>\$ 1,208,702</u></b>	<b><u>\$ 844,147</u></b>

The above reinsurance assets are not impaired.

### 15. PROPERTY AND EQUIPMENT

	<b>For the Year Ended December 31, 2025</b>							<b>Total</b>
	<b>Land</b>	<b>Buildings</b>	<b>Computer Equipment</b>	<b>Transportation Equipment</b>	<b>Other Equipment</b>	<b>Leasehold Improvements</b>	<b>Prepayment for Equipment and Construction in Progress</b>	
<b>Cost</b>								
Balance on January 1, 2025	\$ 6,335,949	\$ 5,393,725	\$ 877,453	\$ 35,933	\$ 740,793	\$ 69,446	\$ 205,929	\$ 13,659,228
Additions	-	14,088	35,939	2,629	4,846	7,916	340,735	406,153
Derecognition	-	-	(58,489)	(2,257)	(3,080)	-	-	(63,826)
Transfers from investment property	8,095	6,076	-	-	-	-	-	14,171
Transfers to investment property	(30,370)	(18,603)	-	-	-	-	-	(48,973)
Transfers	-	9,102	25,738	1,281	-	-	(117,193)	(81,072)
Balance on December 31, 2025	<u>\$ 6,313,674</u>	<u>\$ 5,404,388</u>	<u>\$ 880,641</u>	<u>\$ 37,586</u>	<u>\$ 742,559</u>	<u>\$ 77,362</u>	<u>\$ 429,471</u>	<u>\$ 13,885,681</u>
<b>Accumulated depreciation</b>								
Balance on January 1, 2025	\$ -	\$ 1,197,198	\$ 429,328	\$ 15,486	\$ 610,922	\$ 35,474	\$ -	\$ 2,288,408
Depreciation	-	263,844	140,282	6,932	44,670	6,688	-	462,416
Derecognition	-	-	(58,196)	(2,257)	(3,046)	-	-	(63,499)
Transfers to investment property	-	(6,079)	-	-	-	-	-	(6,079)
Balance on December 31, 2025	<u>\$ -</u>	<u>\$ 1,454,963</u>	<u>\$ 511,414</u>	<u>\$ 20,161</u>	<u>\$ 652,546</u>	<u>\$ 42,162</u>	<u>\$ -</u>	<u>\$ 2,681,246</u>
<b>Accumulated impairment</b>								
Balance on January 1, 2025	\$ 740,512	\$ 8,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,046
Provision	2,981	-	-	-	-	-	-	2,981
Transfers to investment property	(2,981)	-	-	-	-	-	-	(2,981)
Balance on December 31, 2025	<u>\$ 740,512</u>	<u>\$ 8,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,046</u>

For the Year Ended December 31, 2024								
	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
<u>Cost</u>								
Balance on January 1, 2024	\$ 5,980,242	\$ 5,370,386	\$ 851,843	\$ 35,172	\$ 726,219	\$ 64,930	\$ 213,362	\$ 13,242,154
Additions	-	3,142	57,303	1,049	12,980	5,060	216,773	296,307
Derecognition	-	-	(57,326)	(288)	(6,671)	-	-	(64,285)
Transfers from investment property	355,707	28,651	-	-	-	-	-	384,358
Transfers to investment property	-	(12,881)	-	-	-	-	-	(12,881)
Transfers	-	4,427	25,633	-	8,265	(544)	(224,206)	(186,425)
Balance on December 31, 2024	<u>\$ 6,335,949</u>	<u>\$ 5,393,725</u>	<u>\$ 877,453</u>	<u>\$ 35,933</u>	<u>\$ 740,793</u>	<u>\$ 69,446</u>	<u>\$ 205,929</u>	<u>\$ 13,659,228</u>
<u>Accumulated depreciation</u>								
Balance on January 1, 2024	\$ -	\$ 935,209	\$ 343,106	\$ 8,957	\$ 569,669	\$ 29,302	\$ -	\$ 1,886,243
Depreciation	-	263,972	142,882	6,733	47,909	6,172	-	467,668
Derecognition	-	-	(56,660)	(204)	(6,656)	-	-	(63,520)
Transfers to investment property	-	(1,983)	-	-	-	-	-	(1,983)
Balance on December 31, 2024	<u>\$ -</u>	<u>\$ 1,197,198</u>	<u>\$ 429,328</u>	<u>\$ 15,486</u>	<u>\$ 610,922</u>	<u>\$ 35,474</u>	<u>\$ -</u>	<u>\$ 2,288,408</u>
<u>Accumulated impairment</u>								
Balance on January 1, 2024	\$ 740,512	\$ 8,534	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 749,046
Provision	-	1,606	-	-	-	-	-	1,606
Transfers to investment property	-	(1,606)	-	-	-	-	-	(1,606)
Balance on December 31, 2024	<u>\$ 740,512</u>	<u>\$ 8,534</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 749,046</u>
<u>Net carrying amount:</u>								
2025.12.31	<u>\$ 5,573,162</u>	<u>\$ 3,940,891</u>	<u>\$ 369,227</u>	<u>\$ 17,425</u>	<u>\$ 90,013</u>	<u>\$ 35,200</u>	<u>\$ 429,471</u>	<u>\$ 10,455,389</u>
2024.12.31	<u>\$ 5,595,437</u>	<u>\$ 4,187,993</u>	<u>\$ 448,125</u>	<u>\$ 20,447</u>	<u>\$ 129,871</u>	<u>\$ 33,972</u>	<u>\$ 205,929</u>	<u>\$ 10,621,774</u>

For the years ended December 31, 2025 and 2024, the Company recognized property impairment loss in the amount of \$2,981 thousand and \$1,606 thousand in the non-operating income and expenses of comprehensive income statement.

Property and equipment held by the Company are not pledged.

## 16. LEASES

### a. Company as a lessee

The commercial lease contracts for offices signed by the Company are within 2 to 15 years, vehicles are within 5 to 7 years and equipment are within 1 to 5 years without renewal option. There is no restriction on the Company in these contracts. Furthermore, the Company leases the land for 70 years by creating surface right and the agreement is a non-cancellable operating lease.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

#### 1) Amounts of right-of-use assets recognized in the balance sheet and the statements of comprehensive income

For the Year Ended December 31, 2025						
	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Equipment	Total
<u>Cost</u>						
Balance on January 1, 2025	\$ 545,343	\$ 4,336,575	\$ 379,347	\$ 7,455	\$ 175,855	\$ 5,444,575
Additions	-	-	55,198	-	8,191	63,389
Write off	-	-	(26,450)	-	(171,072)	(197,522)
Balance on December 31, 2025	<u>\$ 545,343</u>	<u>\$ 4,336,575</u>	<u>\$ 408,095</u>	<u>\$ 7,455</u>	<u>\$ 12,974</u>	<u>\$ 5,310,442</u>

(Continued)

For the Year Ended December 31, 2025						
	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Equipment	Total
<u>Accumulated depreciation</u>						
Balance on January 1, 2025	\$ 50,488	\$ 394,361	\$ 74,772	\$ 4,300	\$ 137,480	\$ 661,401
Depreciation	8,440	66,758	50,192	1,192	33,373	159,955
Write off	-	-	(26,450)	-	(163,020)	(189,470)
Balance on December 31, 2025	<u>\$ 58,928</u>	<u>\$ 461,119</u>	<u>\$ 98,514</u>	<u>\$ 5,492</u>	<u>\$ 7,833</u>	<u>\$ 631,886</u>

(Concluded)

For the Year Ended December 31, 2024						
	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Equipment	Total
<u>Cost</u>						
Balance on January 1, 2024	\$ 530,510	\$ 4,354,410	\$ 397,848	\$ 10,898	\$ 172,591	\$ 5,466,257
Additions	17,066	-	63,506	-	3,264	83,836
Write off	-	-	(82,007)	(3,443)	-	(85,450)
Transfers to investment property	(2,233)	(17,835)	-	-	-	(20,068)
Balance on December 31, 2024	<u>\$ 545,343</u>	<u>\$ 4,336,575</u>	<u>\$ 379,347</u>	<u>\$ 7,455</u>	<u>\$ 175,855</u>	<u>\$ 5,444,575</u>
<u>Accumulated depreciation</u>						
Balance on January 1, 2024	\$ 42,222	\$ 328,974	\$ 90,846	\$ 4,953	\$ 99,624	\$ 566,619
Depreciation	8,472	67,009	54,331	1,478	37,856	169,146
Write off	-	-	(70,405)	(2,131)	-	(72,536)
Transfers to investment property	(206)	(1,622)	-	-	-	(1,828)
Balance on December 31, 2024	<u>\$ 50,488</u>	<u>\$ 394,361</u>	<u>\$ 74,772</u>	<u>\$ 4,300</u>	<u>\$ 137,480</u>	<u>\$ 661,401</u>

	Land	Royalty - Surface Rights	Buildings	Transportation Equipment	Other Equipment	Total
<u>Net carrying amount</u>						
2025.12.31	<u>\$ 486,415</u>	<u>\$ 3,875,456</u>	<u>\$ 309,581</u>	<u>\$ 1,963</u>	<u>\$ 5,141</u>	<u>\$ 4,678,556</u>
2024.12.31	<u>\$ 494,855</u>	<u>\$ 3,942,214</u>	<u>\$ 304,575</u>	<u>\$ 3,155</u>	<u>\$ 38,375</u>	<u>\$ 4,783,174</u>

The right-of-use assets recognized as depreciation expense for the years ended December 31, 2025 and 2024 is \$159,955 thousand and \$169,146 thousand.

Depreciation on the right-of-use assets is calculated through a straight-line basis over 2 to 70 years.

- 2) Amounts of lease liabilities recognized in the balance sheet and the statements of comprehensive income

	December 31	
	2025	2024
Land	\$ 1,597,134	\$ 1,605,506
Buildings	329,005	320,998
Transportation equipment	1,997	3,198
Other equipment	<u>5,331</u>	<u>36,370</u>
Total	<u>\$ 1,933,467</u>	<u>\$ 1,966,072</u>

The interest expense on the lease liabilities recognized during the years ended December 31, 2025 and 2024 is \$61,847 thousand and \$62,025 thousand. Please refer to Note 39 (2) liquidity risk analysis for the maturity analysis for lease liabilities as of December 31, 2025 and 2024.

3) Income and costs relating to leasing activities

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
The expenses relating to short-term leases	\$ 2,289	\$ 879
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	206	125

4) Cash outflow relating to leasing activities

For the years ended December 31, 2025 and 2024, the Company's total cash outflows for leases amounted to \$151,887 thousand and \$161,043 thousand, respectively.

5) Other information relating to leasing activities

a) Variable lease payments

Some of the Company's machine equipment lease agreements contain variable lease payment terms that exceed the standard quota. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

b) Extension and termination options

Some of the Company's rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

b. Company as a lessor

Please refer to Note 12 for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 1,536,733	\$ 1,488,753
Income relating to variable lease payments that do not depend on an index or a rate	<u>11,939</u>	<u>9,138</u>
Total	<u>\$ 1,548,672</u>	<u>\$ 1,497,891</u>

The remaining period of commercial property lease contracts the Company signed are within one year to twenty years, and most of these lease contracts contain terms about adjusting rents according to market environment annually. The undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2025 and 2024 are as follow:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Less than one year	\$ 1,574,661	\$ 1,352,846
More than one year but less than two years	1,407,978	1,282,203
More than two years but less than three years	1,261,439	1,103,598
More than three years but less than four years	1,136,340	947,241
More than four years but less than five years	942,935	640,080
More than five years	<u>5,167,208</u>	<u>5,529,237</u>
Total	<u>\$ 11,490,561</u>	<u>\$ 10,855,205</u>

## 17. OTHER ASSETS

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Prepayments	\$ 80,557	\$ 185,070
Refundable deposits	34,577,528	21,822,417
Other assets - others	<u>21,613</u>	<u>24,240</u>
Total	<u>\$ 34,679,698</u>	<u>\$ 22,031,727</u>

a. Guarantee deposits paid comprised:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Insurance operation guarantee deposit	\$ 7,787,359	\$ 7,560,592
Office rental deposit	14,729	14,847
Deposit for derivatives trading	26,770,980	14,244,065
Other guarantee deposits	<u>4,460</u>	<u>2,913</u>
	<u>\$ 34,577,528</u>	<u>\$ 21,822,417</u>

b. According to the Article 141 of the Insurance Act, an insurance enterprise shall post bond at the national treasury in an amount equal to 15% of the total amount of its paid-in capital. According to the Article 142 of the Act, the deposited bond is not to be returned except if the insurer ceases business operations and completes the required liquidation. As of December 31, 2025 and 2024, the Company posted government bond as business guarantee deposit to the special treasury account.

c. As of December 31, 2025 and 2024, transaction deposit for derivatives was \$26,770,980 thousand for government bonds and \$14,244,065 thousand for bank deposits and government bonds, respectively.

## 18. SEPARATE ACCOUNT INSURANCE PRODUCTS

### a. Separate account products assets and liabilities

Items	Assets	
	December 31	
	2025	2024
Cash in bank	\$ 5,402,285	\$ 1,099,041
Financial assets at fair value through profit or loss	133,715,882	120,292,665
Other receivables	<u>88,641</u>	<u>41,020</u>
Total	<u>\$ 139,206,808</u>	<u>\$ 121,432,726</u>

Items	Liabilities	
	December 31	
	2025	2024
Reserve for separate account	\$ 139,165,020	\$ 121,425,377
Other payables	<u>41,788</u>	<u>7,349</u>
Total	<u>\$ 139,206,808</u>	<u>\$ 121,432,726</u>

### b. Separate account products revenues and expenses

Items	Revenues	
	December 31	
	2025	2024
Premium income	\$ 15,925,571	\$ 8,273,628
Gains from financial assets and liabilities at fair value through profit or loss	9,338,056	7,489,744
Interest income	7,211	2,458
Other revenues	231,234	185,690
Foreign exchange gains	<u>37,923</u>	<u>271,337</u>
Total	<u>\$ 25,539,995</u>	<u>\$ 16,222,857</u>

Items	Expenses	
	December 31	
	2025	2024
Insurance claim payments	\$ 5,395,333	\$ 5,628,374
Net change in separate account reserve	17,642,120	8,318,233
Custodian fee	<u>2,502,542</u>	<u>2,276,250</u>
Total	<u>\$ 25,539,995</u>	<u>\$ 16,222,857</u>

- c. The rebate earned for engaging in investment-linked insurance business from counterparties for the years ended December 31, 2025 and 2024 were \$349,654 thousand and \$338,161 thousand, respectively, recognized as fee income.

## 19. PAYABLES

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Life insurance proceeds payable	\$ 79,207	\$ 123,307
Commissions payable	1,839,405	1,781,302
Due to reinsurers and ceding companies	1,266,488	755,613
Other payables		
Salary payable	2,272,660	2,180,860
Tax payable	100,229	100,126
Collection payable	64,475	57,564
Payable on investments	3,746,327	1,071,636
Accrued expense and payable on insurance policies	9,355,534	8,661,934
Others	<u>431,006</u>	<u>414,389</u>
Subtotal	<u>15,970,231</u>	<u>12,486,509</u>
Total	<u>\$ 19,155,331</u>	<u>\$ 15,146,731</u>

## 20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Held for trading:		
Derivatives not designated as hedging instruments		
Swaps and forward foreign exchange contracts	<u>\$ 30,770,563</u>	<u>\$ 21,376,362</u>

## 21. BONDS PAYABLE

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
1 <sup>st</sup> perpetual cumulative subordinated corporate bonds issued in 2020	\$ 10,000,000	\$ 10,000,000
1 <sup>st</sup> unsecured cumulative subordinated corporate bonds issued in 2023	10,000,000	10,000,000
1 <sup>st</sup> unsecured cumulative subordinated corporate bonds issued in 2024	<u>10,000,000</u>	<u>10,000,000</u>
Total	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>

a. The issue was approved by Financial Supervisory Commission (“FSC”) under Order No. Jin-Guan-Bao-Shou-Zi-1090434160 and Taipei Exchange (“TPEX”) under Order No. Cheng-Gui-Chai-Zi-10900142481. The Company issued corporate bond on December 28, 2020. The issuance conditions are as follows:

- 1) Total issuance and face value: The total issuance is NT\$10,000,000 thousand, and the per par value is NT\$1,000 thousand.
- 2) Issue period and method: Perpetual bonds. Fully issued according to the face value.
- 3) Coupon rate: The annual coupon rate is fixed at 2.7%.

- 4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than \$0.5 and rounded off if less than \$0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.
- 5) Redemption right: Ten years after the issuance date, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is one time higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any accrued and unpaid interest payable up to the date of redemption.
- 6) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company's issuance of corporate bonds recognizes in interest expenses, accounted as financial costs, for the years ended December 31, 2025 and 2024 were \$270,000 thousand and \$270,008 thousand, respectively.

- b. The issue was approved by Financial Supervisory Commission ("FSC") under Order No. Jin-Guan-Bao-Shou-Zi-1120424290 and Taipei Exchange ("TPEX") under Order No. Cheng-Gui-Chai-Zi-11200065611. The Company issued corporate bond on July 25, 2023. The issuance conditions are as follows:

- 1) Total issuance and face value: The total issuance is NT\$10,000,000 thousand, and the per par value is NT\$1,000 thousand.
- 2) Issue period and method: 10-year. Fully issued according to the face value.
- 3) Coupon rate: The annual coupon rate is fixed at 3.75%.
- 4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than \$0.5 and rounded off if less than \$0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.
- 5) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company's issuance of corporate bonds recognizes in interest expenses, accounted as financial costs, for the years ended December 31, 2025 and 2024 were \$375,000 thousand and \$375,449 thousand, respectively.

- c. The issue was approved by Financial Supervisory Commission ("FSC") under Order No. Jin-Guan-Bao-Shou-Zi-1130423239 and Taipei Exchange ("TPEX") under Order No. Cheng-Gui-Chai-Zi-11300085681. The Company issued corporate bond on September 13, 2024. The issuance conditions are as follows:

- 1) Total issuance and face value: The total issuance is NT\$10,000,000 thousand. According to the issuance conditions, there are A and B note. The issuance amount of A note is NT\$5,960,000 thousand and B note is NT\$4,040,000 thousand. The per par value is NT\$1,000 thousand.

- 2) Issue period and method: A note is 10 years and B note is 15 years. Both notes will be fully issued according to their face value.
- 3) Coupon rate: The annual coupon rate of A note is fixed at 3.75% and B note is fixed at 3.88%.
- 4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than \$0.5 and rounded off if less than \$0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.
- 5) Redemption right: Ten years after the issuance date of B note, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any unpaid interest payable up to the date of redemption.
- 6) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company's issuance of corporate bonds recognizes in interest expenses, accounted as financial costs, for the years ended December 31, 2025 and 2024 were \$380,252 thousand and \$114,596 thousand, respectively.

## 22. INSURANCE LIABILITIES

As of December 31, 2025 and 2024, movement in reserves of insurance contracts and financial instruments with discretionary participation feature is as follows.

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Reserve for life insurance liabilities	\$ 2,039,523,526	\$ 2,061,261,267
Unearned premium reserve	6,908,636	6,462,112
Reserve for claims	3,961,189	4,392,003
Special reserve	4,600,637	7,531,771
Premium deficiency reserve	949,105	1,009,450
Other reserve	<u>-</u>	<u>313,245</u>
Ending balance	<u>\$ 2,055,943,093</u>	<u>\$ 2,080,969,848</u>

a. Reserve for life insurance liabilities:

	<b>December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Life insurance	\$ 1,708,428,615	\$ 40,375,134	\$ 1,748,803,749	\$ 1,721,494,760	\$ 44,360,343	\$ 1,765,855,103
Health insurance	198,670,122	-	198,670,122	190,313,693	-	190,313,693
Annuity insurance	866,283	88,076,319	88,942,602	798,516	101,520,269	102,318,785
Investment-linked insurance	<u>2,926,175</u>	<u>-</u>	<u>2,926,175</u>	<u>2,599,590</u>	<u>-</u>	<u>2,599,590</u>
Total (Note)	<u>\$ 1,910,891,195</u>	<u>\$ 128,451,453</u>	<u>\$ 2,039,342,648</u>	<u>\$ 1,915,206,559</u>	<u>\$ 145,880,612</u>	<u>\$ 2,061,087,171</u>

Note: Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,039,523,526 thousand as of December 31, 2025.

Total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,061,261,267 thousand as of December 31, 2024.

There is no ceded liability reserve for the above insurance contracts.

Movement in reserve for life insurance liabilities is summarized below:

	<b>For the Year Ended December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Beginning balance	\$ 1,915,206,559	\$ 145,880,612	\$ 2,061,087,171	\$ 1,870,137,937	\$ 165,188,769	\$ 2,035,326,706
Reserve	180,682,971	3,448,679	184,131,650	177,284,138	3,270,156	180,554,294
Recover (Note 1)	(165,056,327)	(20,259,294)	(185,315,621)	(163,258,502)	(23,667,007)	(186,925,509)
(Gains) losses on foreign exchange	(19,942,008)	(618,544)	(20,560,552)	31,077,066	1,088,694	32,165,760
Other (Note 2)	-	-	-	(34,080)	-	(34,080)
Ending balance (Note 3)	<u>\$ 1,910,891,195</u>	<u>\$ 128,451,453</u>	<u>\$ 2,039,342,648</u>	<u>\$ 1,915,206,559</u>	<u>\$ 145,880,612</u>	<u>\$ 2,061,087,171</u>

Note 1: In accordance with Order No. 11404924811 issued by the Financial Supervisory Commission, the Company adjusted the applicable interest and mortality rates used in calculating certain insurance products' reserve liabilities. The difference in reserve liabilities before and after the adjustment may be released, within forty percent of the most recent difference between the fair value of liabilities and the carrying amount of reserve liabilities.

On July 31, 2025, the Company released \$23,402,098 thousand from reserve liabilities and fully appropriated the amount to the Foreign Exchange Price Fluctuation Reserve. Please refer to Note 23(b).

Note 2: In accordance with Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprise, the Company transferred amounts from the liability reserve to the foreign exchange valuation reserve in December 2024. For more details, please refer to Note 23 (b).

Note 3: Total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to \$2,039,523,526 thousand as of December 31, 2025.

Total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to \$2,061,261,267 thousand as of December 31, 2024.

b. Unearned premium reserve:

	December 31					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	\$ 680	\$ -	\$ 680	\$ 723	\$ 1	\$ 724
Individual injury insurance	2,772,377	-	2,772,377	2,518,123	-	2,518,123
Individual health insurance	3,486,798	-	3,486,798	3,308,746	-	3,308,746
Group insurance	566,646	-	566,646	556,902	-	556,902
Investment-linked insurance	82,134	-	82,134	77,616	-	77,616
Annuity insurance	-	1	1	-	1	1
Total	<u>6,908,635</u>	<u>1</u>	<u>6,908,636</u>	<u>6,462,110</u>	<u>2</u>	<u>6,462,112</u>
Less ceded unearned premium reserve:						
Individual life insurance	29,544	-	29,544	17,426	-	17,426
Individual injury insurance	1,176	-	1,176	5,214	-	5,214
Individual health insurance	57,246	-	57,246	50,066	-	50,066
Group insurance	4,945	-	4,945	19,556	-	19,556
Investment-linked insurance	5,301	-	5,301	5,485	-	5,485
Total	<u>98,212</u>	<u>-</u>	<u>98,212</u>	<u>97,747</u>	<u>-</u>	<u>97,747</u>
Net amount	<u>\$ 6,810,423</u>	<u>\$ 1</u>	<u>\$ 6,810,424</u>	<u>\$ 6,364,363</u>	<u>\$ 2</u>	<u>\$ 6,364,365</u>

Movement in unearned premium reserve is summarized below:

	<b>For the Year Ended December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Beginning balance	\$ 6,462,110	\$ 2	\$ 6,462,112	\$ 5,776,294	\$ 2	\$ 5,776,296
Reserve	6,908,647	1	6,908,648	6,462,098	2	6,462,100
Recover	(6,462,110)	(2)	(6,462,112)	(5,776,294)	(2)	(5,776,296)
(Gains) losses on foreign exchange	(12)	-	(12)	12	-	12
Ending balance	<u>6,908,635</u>	<u>1</u>	<u>6,908,636</u>	<u>6,462,110</u>	<u>2</u>	<u>6,462,112</u>
Less ceded unearned premium reserve:						
Beginning balance	97,747	-	97,747	88,798	-	88,798
Increase	98,432	-	98,432	97,505	-	97,505
Decrease	(97,747)	-	(97,747)	(88,798)	-	(88,798)
(Gains) losses on foreign exchange	(220)	-	(220)	242	-	242
Ending balance	<u>98,212</u>	<u>-</u>	<u>98,212</u>	<u>97,747</u>	<u>-</u>	<u>97,747</u>
Net amount	<u>\$ 6,810,423</u>	<u>\$ 1</u>	<u>\$ 6,810,424</u>	<u>\$ 6,364,363</u>	<u>\$ 2</u>	<u>\$ 6,364,365</u>

c. Reserve for claims:

	December 31					
	2025			2024		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance						
Reported but not paid claim	\$ 245,451	\$ 19,406	\$ 264,857	\$ 322,003	\$ 7,483	\$ 329,486
Unreported claim	136	-	136	211	-	211
Individual injury insurance						
Reported but not paid claim	61,345	-	61,345	50,072	-	50,072
Unreported claim	659,806	-	659,806	920,208	-	920,208
Individual health insurance						
Reported but not paid claim	213,681	-	213,681	252,525	-	252,525
Unreported claim	1,613,960	-	1,613,960	1,655,030	-	1,655,030
Group insurance						
Reported but not paid claim	108,179	-	108,179	110,409	-	110,409
Unreported claim	952,923	-	952,923	990,655	-	990,655
Investment-linked insurance						
Reported but not paid claim	39,473	-	39,473	32,511	-	32,511
Unreported claim	-	-	-	-	-	-
Annuity insurance						
Reported but not paid claim	543	46,280	46,823	24	50,866	50,890
Unreported claim	-	6	6	-	6	6
Total	<u>3,895,497</u>	<u>65,692</u>	<u>3,961,189</u>	<u>4,333,648</u>	<u>58,355</u>	<u>4,392,003</u>

(Continued)

**December 31**

	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Less ceded reserve for claims:						
Individual life insurance	\$ 22,379	\$ -	\$ 22,379	\$ 8,392	\$ -	\$ 8,392
Individual injury insurance	3,338	-	3,338	1,088	-	1,088
Individual health insurance	27,504	-	27,504	26,635	-	26,635
Group insurance	1,000	-	1,000	3,800	-	3,800
Investment-linked insurance	-	-	-	440	-	440
Total	<u>54,221</u>	<u>-</u>	<u>54,221</u>	<u>40,355</u>	<u>-</u>	<u>40,355</u>
Net amount	<u>\$ 3,841,276</u>	<u>\$ 65,692</u>	<u>\$ 3,906,968</u>	<u>\$ 4,293,293</u>	<u>\$ 58,355</u>	<u>\$ 4,351,648</u> (Concluded)

Movement in reserve for claims is summarized below:

	<b>For the Year Ended December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Beginning balance	\$ 4,333,648	\$ 58,355	\$ 4,392,003	\$ 3,223,014	\$ 38,971	\$ 3,261,985
Reserve	3,897,747	65,711	3,963,458	4,329,989	58,344	4,388,333
Recover	(4,333,649)	(58,355)	(4,392,004)	(3,223,014)	(38,971)	(3,261,985)
(Gains) losses on foreign exchange	(2,249)	(19)	(2,268)	3,659	11	3,670
Ending balance	<u>3,895,497</u>	<u>65,692</u>	<u>3,961,189</u>	<u>4,333,648</u>	<u>58,355</u>	<u>4,392,003</u>
Less ceded unearned premium reserve:						
Beginning balance	40,355	-	40,355	54,779	-	54,779
Increase	54,520	-	54,520	40,222	-	40,222
Decrease	(40,355)	-	(40,355)	(54,779)	-	(54,779)
(Gains) losses on foreign exchange	(299)	-	(299)	133	-	133
Ending balance	<u>54,221</u>	<u>-</u>	<u>54,221</u>	<u>40,355</u>	<u>-</u>	<u>40,355</u>
Net amount	<u>\$ 3,841,276</u>	<u>\$ 65,692</u>	<u>\$ 3,906,968</u>	<u>\$ 4,293,293</u>	<u>\$ 58,355</u>	<u>\$ 4,351,648</u>

Reported but not paid claims are reserved according to insurance type and claims department's estimates based on each individual case's related information without exceeding promised insurance amount for covered accidents. Those reported but not paid reserve is reasonably assessed, sufficient to reflect actual claims paid. In addition, some types of claims are not expected to close shortly because these claims usually depend on court judgments before the closure. The legal department tracks the development of these claims and reasonably estimates claims reserve. The actuarial department assesses final unreported claims based on past claims experience with consideration of claims development trends for past closed cases, and then develop the final claims based on homogeneous features of each insurance through the loss development triangle method and Bornhuetter-Ferguson Method. Reserve for unreported and unclosed claims changes according to external environment. For example, actual loss rate will lead to fluctuations of claims. The actuarial department will evaluate periodically to make reasonable estimate of claims reserve.

d. Special reserve

	<b>December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Participating policies dividend reserve	\$ 4,292,423	\$ -	\$ 4,292,423	\$ 7,531,771	\$ -	\$ 7,531,771
Dividend risk reserve	<u>308,214</u>	<u>-</u>	<u>308,214</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 4,600,637</u>	<u>\$ -</u>	<u>\$ 4,600,637</u>	<u>\$ 7,531,771</u>	<u>\$ -</u>	<u>\$ 7,531,771</u>

Movement in special reserve is summarized below:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
	<b>Insurance Contract</b>	<b>Insurance Contract</b>
Beginning balance	\$ 7,531,771	\$ 7,284,162
Reserve for participating policies dividend reserve	(873,446)	2,464,137
Recover for participating policies dividend reserve	(2,363,424)	(2,216,528)
Reserve for dividend risk reserve	308,214	-
Disposal gains of participating policies on equity instruments at fair value through other comprehensive income	<u>(2,478)</u>	<u>-</u>
Ending balance	<u>\$ 4,600,637</u>	<u>\$ 7,531,771</u>

e. Special reserve for catastrophe and fluctuation of risks:

	<b>December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Individual life insurance	\$ 2,307	\$ -	\$ 2,307	\$ 2,432	\$ -	\$ 2,432
Individual injury insurance	1,130,194	-	1,130,194	1,093,371	-	1,093,371
Individual health insurance	1,961,240	-	1,961,240	1,844,924	-	1,844,924
Group insurance	4,394,375	-	4,394,375	4,111,214	-	4,111,214
Annuity insurance	<u>-</u>	<u>312</u>	<u>312</u>	<u>-</u>	<u>313</u>	<u>313</u>
Total	<u>\$ 7,488,116</u>	<u>\$ 312</u>	<u>\$ 7,488,428</u>	<u>\$ 7,051,941</u>	<u>\$ 313</u>	<u>\$ 7,052,254</u>

f. Premium deficiency reserve:

	<b>December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Individual life insurance	\$ 873,529	\$ -	\$ 873,529	\$ 925,524	\$ -	\$ 925,524
Individual health insurance	<u>75,576</u>	<u>-</u>	<u>75,576</u>	<u>83,926</u>	<u>-</u>	<u>83,926</u>
Total	<u>\$ 949,105</u>	<u>\$ -</u>	<u>\$ 949,105</u>	<u>\$ 1,009,450</u>	<u>\$ -</u>	<u>\$ 1,009,450</u>

Premium deficiency reserve was not ceded in the above insurance contracts.

Movement in premium deficiency reserve is summarized below:

	<b>For the Year Ended December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Beginning balance	\$ 1,009,450	\$ -	\$ 1,009,450	\$ 1,493,153	\$ -	\$ 1,493,153
Reserve	313,715	-	313,715	126,816	-	126,816
Recover	(360,576)	-	(360,576)	(637,844)	-	(637,844)
(Gains) losses on foreign exchange	<u>(13,484)</u>	<u>-</u>	<u>(13,484)</u>	<u>27,325</u>	<u>-</u>	<u>27,325</u>
Ending balance	<u>\$ 949,105</u>	<u>\$ -</u>	<u>\$ 949,105</u>	<u>\$ 1,009,450</u>	<u>\$ -</u>	<u>\$ 1,009,450</u>

g. Other reserve:

	<b>December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Other	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,245</u>	<u>\$ -</u>	<u>\$ 313,245</u>

Movement in other reserve is summarized below:

	<b>For the Year Ended December 31</b>					
	<b>2025</b>			<b>2024</b>		
	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>	<b>Insurance Contract</b>	<b>Financial Instruments with Discretionary Participation Feature</b>	<b>Total</b>
Beginning balance	\$ 313,245	\$ -	\$ 313,245	\$ 18,097,314	\$ -	\$ 18,097,314
Recover	(313,245)	-	(313,245)	(312,312)	-	(312,312)
Other (Note)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,471,757)</u>	<u>-</u>	<u>(17,471,757)</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 313,245</u>	<u>\$ -</u>	<u>\$ 313,245</u>

The amount of other reserve is generated from the acquisition of the partial traditional insurance policies from Allianz Taiwan Life on May 18, 2018.

Note: In accordance with Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprise, the Company transferred amounts from the liability reserve to the foreign exchange valuation reserve in December 2024. For more details, please refer to Note 23 (b).

h. Liability adequacy reserve

	<b>Insurance Contract and Financial Instruments with Discretionary Participation Feature</b>	
	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Reserve for life insurance liabilities	\$ 2,039,342,648	\$ 2,061,087,171
Unearned premium reserve	6,908,636	6,462,112
Special reserve	4,600,637	7,531,771
Premium deficiency reserve	949,105	1,009,450
Other reserve	<u>-</u>	<u>313,245</u>
Book value of insurance liabilities	<u>\$ 2,051,801,026</u>	<u>\$ 2,076,403,749</u>
Estimated present value of cash flows	<u>\$ 1,602,304,130</u>	<u>\$ 1,633,020,747</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>

Liability adequacy testing methodology is as follows:

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups	Integrated testing	Integrated testing
Assumptions	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2024). As of December 31, 2025, the discount rate was evaluated with consideration of current information.	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2023).

### 23. FOREIGN EXCHANGE VALUATION RESERVE

a. The hedge strategy and risk exposure

The Company consistently adjusts the hedge ratios to establish an adequate risk exposure planning based on the new foreign exchange valuation exposure principle by integrating the exchange rate and interest rate trends of domestic and foreign financial markets. However, changes in the hedge and risk exposure ratios should follow the internal risk control to alert and adjust hedge strategy in advance to meet the optimal hedge considerations.

b. Adjustment in foreign exchange valuation reserve

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 30,705,210	\$ 9,768,788
Reserve		
Compulsory reserve	5,241,770	2,782,748
Extra reserve (Notes 1 and 2)	<u>55,914,649</u>	<u>14,583,909</u>
	61,156,419	17,366,657
Recover	(48,489,302)	(13,936,072)
Transfer from the liability reserve and other reserves (Note 3)	<u>-</u>	<u>17,505,837</u>
Ending balance	<u>\$ 43,372,327</u>	<u>\$ 30,705,210</u>

Note 1: Pursuant to Order No. 11404924811 issued by the Financial Supervisory Commission, the Company completed the required procedures and, upon filing, obtained the FSC's approval under Letter No. 1140426669 and under Letter No. 1140426635. Accordingly, on July 31, 2025, the Company released \$23,402,098 thousand of reserve liabilities and fully appropriated the amount to the Foreign Exchange Valuation Reserve.

Note 2: Pursuant to Order No. 11404924813 issued by the Financial Supervisory Commission, the Company has appropriated 30% of its pre-tax income for the year 2025, amounting to \$5,917,496 thousand, to the Foreign Exchange Valuation Reserve.

Note 3: In accordance with Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprise, the Company transferred amounts from the liability reserve and other reserves to the foreign exchange valuation reserve were in December 2024. The amounts transferred were \$34,080 thousand from the liability reserve and \$17,471,757 thousand from other reserves.

c. Effects due to foreign exchange valuation reserve:

	<b>For the Year Ended December 31, 2025</b>		
<b>Item</b>	<b>Inapplicable Amount</b>	<b>Applicable Amount</b>	<b>Effects</b>
Net income	\$ 25,958,426	\$ 15,824,732	\$ (10,133,694)
Earnings per share (dollar)	4.97	3.03	(1.94)
Foreign exchange valuation reserve	-	43,372,327	43,372,327
Equity	220,185,558	200,835,428	(19,350,130)

  

	<b>For the Year Ended December 31, 2024</b>		
<b>Item</b>	<b>Inapplicable Amount</b>	<b>Applicable Amount</b>	<b>Effects</b>
Net income	\$ 24,899,309	\$ 22,154,841	\$ (2,744,468)
Earnings per share (dollar)	4.77	4.24	(0.53)
Foreign exchange valuation reserve	-	30,705,210	30,705,210
Equity	194,602,044	185,385,608	(9,216,436)

Note: The weighted average number of outstanding shares has been adjusted retrospectively according to the proposal of issuing new shares via capitalization of retained earnings which approved by 2025 annual general shareholders' meeting. For more details, please refer to Notes 26 and 36.

## 24. PROVISIONS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Provisions for employee benefits	\$ 32,570	\$ 42,995
Litigation liabilities	<u>1,167</u>	<u>6,021</u>
Total	<u>\$ 33,737</u>	<u>\$ 49,016</u>

The Company has an official policy to control and manage litigations. When a professional advice has been made and the loss can be reasonably estimated, the Company will make adjustments to recognize losses and any negative effects arising out of any financial claims. As of December 31, 2025, the Company has 70 unresolved legal suits.

## 25. RETIREMENT BENEFIT PLANS

The Company's post-employment benefits are classified into defined contribution plan and defined benefit plan based on start date of employment and personal choice. Employees who start employment after July 1, 2005 apply to defined contribution plan; employees who start employment before July 1, 2005 can choose to apply to defined benefit plan or defined contribution plan. Employees who originally apply to defined benefit plan can change to defined contribution plan before June 30, 2010. Those who have chosen or mandatorily applied to defined contribution plan shall not change to defined benefit plan.

### Defined contribution plan

The part in our pension plan that is made based on the "Labor Pension Act" is attributed to the Defined Contribution Plan. For employees who are applicable to the Labor Pension Act, the Company shall, on a monthly basis, contribute six percent of their monthly wage, prescribed in the Table of Monthly Contribution Wage Classification, to individual accounts of labor pension at the Bureau of Labor Insurance. Should the employees who joined before April 1, 2024, and whose monthly salary be higher than the ceiling amount provided in the Table of Monthly Contributions for Labor Pension, 6% may be withheld by the Company from the excess part as pension reserve on a monthly basis. An employee may receive the pension under this item only when he is eligible according to the pension plan.

Expenses under the defined contribution plans for the years ended December 31, 2025 and 2024 were \$285,016 thousand and \$294,112 thousand, respectively.

### Defined benefit plans

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last six months of the service year. The Company contributes 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March of the following year. The account is managed by the Labor Fund Management Office of the Ministry of Labor, and the Company does not have the authority to influence investment management strategies.

The amounts included in the balance sheet for the defined benefit plan are as follows:

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
The present value of defined benefit obligation	\$ 340,531	\$ 332,991
The fair value of plan assets	<u>(330,082)</u>	<u>(308,760)</u>
Net defined benefit asset	<u>\$ 10,449</u>	<u>\$ 24,231</u>

Changes in defined benefit obligation are as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities (Assets)</b>
January 1, 2024	\$ 405,557	\$ (285,916)	\$ 119,641
Current service cost	594	-	594
Interest expense (income)	<u>6,082</u>	<u>(4,376)</u>	<u>1,706</u>
Subtotal	<u>6,676</u>	<u>(4,376)</u>	<u>2,300</u>
Remeasurements of the net defined benefit liability (asset):			
Actuarial (gain) loss			
Changes in demographic assumptions	(44)	-	(44)
Changes in financial assumptions	5,256	-	5,256
Experience adjustments	<u>(41,057)</u>	<u>(24,609)</u>	<u>(65,666)</u>
Subtotal	<u>(35,845)</u>	<u>(24,609)</u>	<u>(60,454)</u>
Benefits paid	(43,397)	43,397	-
Contributions from the employer	<u>-</u>	<u>(37,256)</u>	<u>(37,256)</u>
December 31, 2024	<u>332,991</u>	<u>(308,760)</u>	<u>24,231</u>
Current service cost	1,194	-	1,194
Interest expense (income)	<u>4,995</u>	<u>(4,663)</u>	<u>332</u>
Subtotal	<u>6,189</u>	<u>(4,663)</u>	<u>1,526</u>
Remeasurements of the net defined benefit liability (asset):			
Actuarial loss (gain)			
Changes in financial assumptions	6,652	-	6,652
Experience adjustments	<u>8,088</u>	<u>(21,843)</u>	<u>(13,755)</u>
Subtotal	<u>14,740</u>	<u>(21,843)</u>	<u>(7,103)</u>
Benefits paid	(13,389)	13,389	-
Contributions from the employer	<u>-</u>	<u>(8,205)</u>	<u>(8,205)</u>
December 31, 2025	<u>\$ 340,531</u>	<u>\$ (330,082)</u>	<u>\$ 10,449</u>

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	<u>December 31</u>	
	<b>2025</b>	<b>2024</b>
Discount rate	1.25%	1.50%
Expected growth rate of salary	0.00%-2.50%	0.00%-2.50%

A sensitivity analysis for significant assumptions as at December 31, 2025 and 2024 is, as shown below:

	<b>Effect on the Present Value of the Defined Benefit Obligation</b>			
	<b>2025</b>		<b>2024</b>	
	<b>Increase Present Value of the Defined Benefit Obligation</b>	<b>Decrease Present Value of the Defined Benefit Obligation</b>	<b>Increase Present Value of the Defined Benefit Obligation</b>	<b>Decrease Present Value of the Defined Benefit Obligation</b>
Discount rate increase by 0.5%	\$ -	\$ 13,120	\$ -	\$ 13,451
Discount rate decrease by 0.5%	13,886	-	14,263	-
Expected growth rate of salary increase by 0.5%	27,529	-	28,365	-
Expected growth rate of salary decrease by 0.5%	-	25,089	-	25,750

The sensitivity analyses may not be representative of an actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Expected contribution within one year	<u>\$ 4,159</u>	<u>\$ 4,149</u>
Average duration of the defined benefit plan	8.1 years	9.3 years

## 26. COMMON STOCK

	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
Shares authorized (in thousands of shares)	<u>5,500,000</u>	<u>5,500,000</u>
Shares authorized	<u>\$ 55,000,000</u>	<u>\$ 55,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>5,218,490</u>	<u>5,068,490</u>
Shares issued (par value of \$10)	<u>\$ 52,184,896</u>	<u>\$ 50,684,896</u>

On June 26, 2024, the Company's Board, acting in lieu of the general shareholders' meeting, resolved to appropriate NT\$1,478,365 thousand from 2023 distributable earnings to issue 147,837 thousand ordinary shares at a par value of NT\$10. The proposal of capital increase has been reported and approved by the competent authority on September 24, 2024 and has taken effect. According to the resolution, October 9, 2024 is the base date for subscription.

On June 12, 2025, the Company's Board, acting in lieu of the general shareholders' meeting, resolved to appropriate NT\$1,500,000 thousand from 2024 distributable earnings to issue 150,000 thousand ordinary shares at a par value of NT\$10. The proposal of capital increase has been reported and approved by the competent authority on September 24, 2025 and has taken effect. According to the resolution, October 21, 2025 is the base date for subscription.

## 27. CAPITAL SURPLUS

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Additional paid-in capital	\$ 7,179,692	\$ 7,179,692
Share-based payment	266,805	247,436
Treasury stock transactions	34,867	34,867
Changes in equity of associates and joint ventures accounted for using equity method	<u>9</u>	<u>1</u>
Total	<u>\$ 7,481,373</u>	<u>\$ 7,461,996</u>

Pursuant to the Company Act, the capital surplus shall not be used except for covering the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company, that can be replenished at a fixed ratio of the paid-in capital every year. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them. When distributing cash dividends, it shall comply with relevant requirements and apply for approval from the competent authority before the shareholders' meeting in accordance with the regulation of the Order No. Financial-Supervisory-Securities-Corporate-10202501991 issued by the FSC on February 8, 2013.

The capital surplus - share-based payment were given by the parent company to the employees of the Company.

## 28. RETAINED EARNINGS AND APPROPRIATION OF EARNINGS

### a. Legal capital reserve

Pursuant to the Insurance Act and the Articles of Incorporation of the Company, during earning distribution, the Company should set aside 20% of the Company's after-tax net income in advance as legal capital reserve until the total amount of the legal capital reserve equals the issued share capital. According to the regulations of the Company Act, if the Company incurs no loss, the Company's board of directors may distribute the portion of its legal reserve which exceeds 25% of the issued share capital by issuing new shares or by cash to its original shareholders. In addition, according to the regulations of the Order No. Financial-Supervisory-Securities-Corporate-10202501991 issued by the FSC on February 8 2013, if an insurance company has no losses and intends to set aside legal reserve under Article 145-1 of the Insurance Act as cash dividends in proportion to the shareholders' original shareholding, it shall comply with relevant requirements and apply for approval from the competent authority before the shareholders' meeting in accordance with the Company Act.

b. Special capital reserve

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Special reserve from recovered fluctuation risk reserve	\$ 6,871,597	\$ 6,534,230
Catastrophe risk reserve and fluctuation risk reserve	7,488,428	7,052,254
Net decrease in other equity	11,218,230	11,218,230
Special reserve for the foreign exchange valuation reserve	34,943,910	26,371,285
Special reserve for investment properties at fair value model	9,050,504	9,547,166
Special reserve for gains or losses on derecognition of unexpired debt instrument	16,174,858	17,243,392
Other	<u>15,140,055</u>	<u>8,743,385</u>
Total	<u>\$ 100,887,582</u>	<u>\$ 86,709,942</u>

1) Special reserve from recovered contingency risk reserve

Pursuant to “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” established by the Ministry of Finance, R.O.C., the recovered fluctuation risk reserve, which provisions of Paragraph 3 of Article 20, Paragraph 1, are appropriated as special capital reserve in accordance with Order No. Financial-Supervisory-Insurance-Corporate-0910074195, after obtaining approval at the stockholders’ meeting in the following year.

2) Catastrophe risk reserve and fluctuation risk reserve

The Company set aside special reserves for catastrophe and fluctuation of risks for the retained businesses with policy period within 1 year in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”. Please refer to Note 4 (17) for the set-aside and release calculation. The after-tax amount of reserve and release for the special reserve is converted to special reserve at the end of current year.

3) Net decrease in other equity

In accordance with the Order No. Financial-Supervisory-Securities-Corporate-11004920441 issued by the FSC on June 11, 2021, when distributing distributable surplus, the Company makes a special surplus reserve of the same amount as the undistributed surplus of the previous period in respect of the net reduction of other equity incurred in the current year. For the accumulated net deductions from other equity items of prior years, a special reserve shall be appropriated from prior years’ undistributed earnings in an equal amount. The reversal surplus can be distributed when the balance of other equity is reversed. According to the official letter No. 11104942741 issued by the FSC on November 4, 2022, when distributing distributable surplus, financial assets classified as fair value through other comprehensive income are reclassified to financial assets measured at amortized cost. The changes of fair values should be recognized as a reduction in other equity, and the amount incurred during the year should be allocated to special surplus reserves. The reversal surplus can be distributed when the balance of the fair value changes of reclassified financial assets (including disposals) combined to other equity is reversed.

4) Special reserve for the foreign exchange valuation reserve

The Company adopts foreign exchange reserve mechanism and hence be required by law to provide special reserve. Please refer to Note 4 (18).

5) Special reserve for investment properties at fair value model

The Company changed its accounting policy for subsequent measurement of investment property from cost to fair value starting from 2014. In order to ensure the soundness and stability of the financial structure of the insurance industry, the Order No. Financial-Supervisory-Securities-Corporate-10402501001 issued by the FSC on January 23, 2015, the balance of \$8,394,443 thousand after deducting the liability provision of the valid contract for the fair value assessment approved by the competent authority after deducting the net impact of the first use of the fair value model in a subsequent measurement of investment property should be included in the special surplus reserve. In accordance with the Order No. Financial-Supervisory-Securities-Corporate-11304903961, should set aside special surpluses for “net after-tax impact of the first use of the fair value model in subsequent measurement” and “changes in after-tax accumulative net gain of fair value in subsequent periods” on investment property, the special reserve should not be distributed. The special capital reserve can only be used as a subsequent replenishment of the effective contract, and the insurance contract liability shall be replenished in accordance with IFRS 17 “Insurance Contracts”, the fair value assessment of the liabilities of valid insurance contracts in the life insurance industry and other valuation methods specified by the competent authority. Subsequently disposed of the investment property, if the aforementioned special reserve is used to make up the insurance contract liability, the proportion of the original special reserve may be reversed after approval by the competent authority.

6) Special reserve for gains or losses on derecognition of unexpired debt

In accordance with the Order No. Financial-Supervisory-Securities-Corporate-11204939731 issued by the FSC on November 13, 2023, the Company set aside or withdraw special capital reserve based on gains or losses arising from derecognition of the unexpired bond investments since January 1, 2019. Except the one that the remaining maturity period cannot be determined, can be amortized in 10 years, the remaining should be amortized through maturity period and released as a distributable surplus on an annual basis.

Changes of gains or losses arising from derecognition of the unexpired bond investments through 2025 are shown below:

	<b>Amount</b>
Gains or losses arising from derecognition of the unexpired bond investments	
Beginning balance	\$ 16,174,858
Current period provision amount based on realized capital gain \$148,505 and deduction of tax \$29,701	118,804
Amount that can be amortized in current period	<u>1,039,383</u>
Ending Balance	<u>\$ 15,254,279</u>

As of December 31, 2025, the special capital reserve based on the mechanism is \$16,174,858 thousand. The Company will withdraw special capital reserve of \$920,579 thousand following resolution of the Board of Directors’ meeting (the Board of Directors entitled to execute stockholders’ meeting functions) in 2026. The balance will be \$15,254,279 thousand after withdrawing the special reserve.

The balance of amortizable amount in the end of previous year and set aside or withdraw in current year are shown below:

Year	Amortizable Amount in the End of Previous Year (1)	Current Year Set Aside or Withdraw Amount (2)	Amortizable Amount in the End of Current Period (1) + (2)
2025	\$ 1,023,668	\$ 15,715	\$ 1,039,383
2026	1,007,620	13,728	1,021,348
2027	978,182	13,728	991,910
2028	959,819	11,904	971,723
2029	880,075	7,509	887,584
2030	824,914	4,833	829,747
2031	756,573	4,833	761,406
2032	736,294	4,833	741,127
2033	734,491	4,833	739,324
2034	734,211	4,833	739,044
2035-2044	6,046,906	28,670	6,075,576
2045-2054	1,305,642	3,385	1,309,027
2055-2114	<u>186,463</u>	<u>-</u>	<u>186,463</u>
Total (Note)	<u>\$ 16,174,858</u>	<u>\$ 118,804</u>	<u>\$ 15,254,279</u>

Note: Evaluation is based on 2025, total of (1) + (2) column does not include the amount of 2025.

7) Other

The Company set aside a special reserve, in accordance with the “Personal Insurance Industry’s Matters Needing Attention in Handling Interest Rate Change Insurance Products”.

In accordance with the Financial-Supervisory-Securities-Corporate-10302153881 dated February 10, 2015, the increase in retained earnings arising from the recognition of bargain purchase gains by insurance enterprises as a result of mergers and acquisitions shall be set aside as special surplus reserves of the same amount, and shall not be reversed within one year. After the expiration of one year, the special surplus reserve may be used to cover accumulated deficits. If the value of underlying asset of the merger and acquisition is similar to the value at the time of the merger and acquisition, and no unexpected significant impairment has occurred, the special surplus reserve may be capitalized.

In accordance with the Financial-Supervisory-Securities-Corporate-11304908291 dated April 26, 2024, from 2021 fiscal year, the Company shall, at end of each business year, set aside equal amount of special capital reserve for net income after tax that is part of the accidental death and disability payment of personal travel insurance, according to the “Standard Rates of Accidental Death and Disability Payment of Personal Travel Insurance”.

In accordance with the Financial-Supervisory-Securities-Corporate-1100498861 dated March 26, 2021, from 2020 fiscal year, the Company set aside special reserve for after-tax net profit of the current year that is part of the disability assistance insurance. If the net profit after tax in the current year is not enough to be set aside, it shall be supplemented in subsequent years. If there is a loss in the disability assistance insurance in subsequent years, it may be reversed from the special capital reserve.

The Company set aside a special capital reserve in accordance with the Financial-Supervisory-Securities-Corporate-10302077080, Financial-Supervisory-Securities-Corporate-1090414517, Financial-Supervisory-Securities-Corporate-1110416064 and Financial-Supervisory-Securities-Corporate-1140418829, respectively.

- c. According to the Articles of Incorporation of the Company, the information about earnings distribution is as follows:

The Company adopts residual dividend policy in order to keep expanding the business scale and increase profitability, meet the demands for capital and long-term financial plan of the Company, and pursue sustainable and stable development.

Where the Company has surplus earnings after the settlement of account at the end of fiscal year, it shall first cover the losses in the previous fiscal years and pay the taxes by laws. After setting aside legal reserve and special reserve as provided in laws or reversing special reserve and may distribute preferred stock dividends thereafter, the balance, if applicable, shall be added to beginning retained earnings as the unappropriated retained earnings, thirty to one hundred percent of which shall be distributed as dividends for common shares. The proposal of surplus earnings distribution shall be submitted by the board of directors to the shareholders' meeting for approval. In case the unappropriated retained earnings is less than NT\$0.5 each share, it may be reserved and not distributed on the basis of canon of economy.

According to the Company's business plans, the surplus earnings distribution shall be based on the capital required and retained for distributing stock dividends, but it may reserve a proportion for distribution in the form of cash dividends. Where cash dividends are distributed in that year, the total amount of cash dividends shall not be less than ten percent of the total amount of dividends. The proportion of the preceding stock dividends and cash dividends may be adjusted appropriately, depending on that year's actual profits and capital condition. The board of directors shall draw up the proposal and submit to the shareholders' meeting for deciding the most appropriate dividend policy.

- d. Pursuant to the Order No. Financial-Supervisory-Securities-Corporate-10202501992 issued by the FSC on February 8, 2013, if the life insurance industry appropriates earnings by distributing cash dividends (not including preferred stocks in liability type), it should report to the FSC and the FSC will review the plan based on the soundness of individual company's finance and business.

For related information about earnings appropriation resolved by the board of directors' meeting (the board of directors entitled to execute stockholders' meeting functions), please refer to the "Market Observation Post System" website of the Taiwan Stock Exchange Corporation.

- e. Earnings appropriation for the year of 2024 was resolved by the Board of directors' meeting (the board of directors entitled to execute stockholders' meeting functions) on June 12, 2025. Earnings appropriation for the year of 2023 was resolved by the Board of directors' meeting (the board of directors entitled to execute stockholders' meeting functions) on June 26, 2024, as follows:

	<b>Appropriation of Earnings</b>	
	<b>2024</b>	<b>2023</b>
Set aside legal capital reserve	\$ 4,440,785	\$ 2,214,731
Set aside special capital reserve	13,763,139	7,380,558
Cash dividend	2,500,000	-
Cash dividends per share (NT\$)	0.49	-
Stock dividend	1,500,000	1,478,365
Stock dividends per share (NT\$)	0.30	0.30

Please refer to Note 33 for more details on employees' compensation and remuneration to directors.

## 29. RETAINED EARNED PREMIUM

	<b>For the Year Ended December 31, 2025</b>		
	<b>Insurance Contract</b>	<b>Investment Contracts with Discretionary Participation Feature</b>	<b>Total</b>
Direct premium income	\$ 162,871,680	\$ 2,874,323	\$ 165,746,003
Reinsurance premium income	-	-	-
Premium income	<u>162,871,680</u>	<u>2,874,323</u>	<u>165,746,003</u>
Less:			
Reinsurance expenses	2,360,326	-	2,360,326
Net changes in unearned premium reserve	<u>445,852</u>	<u>(1)</u>	<u>445,851</u>
Subtotal	<u>2,806,178</u>	<u>(1)</u>	<u>2,806,177</u>
Retained earned premium	<u>\$ 160,065,502</u>	<u>\$ 2,874,324</u>	<u>\$ 162,939,826</u>

	<b>For the Year Ended December 31, 2024</b>		
	<b>Insurance Contract</b>	<b>Investment Contracts with Discretionary Participation Feature</b>	<b>Total</b>
Direct premium income	\$ 159,567,351	\$ 1,831,855	\$ 161,399,206
Reinsurance premium income	-	-	-
Premium income	<u>159,567,351</u>	<u>1,831,855</u>	<u>161,399,206</u>
Less:			
Reinsurance expenses	2,086,764	-	2,086,764
Net changes in unearned premium reserve	<u>677,097</u>	<u>-</u>	<u>677,097</u>
Subtotal	<u>2,763,861</u>	<u>-</u>	<u>2,763,861</u>
Retained earned premium	<u>\$ 156,803,490</u>	<u>\$ 1,831,855</u>	<u>\$ 158,635,345</u>

## 30. INTEREST INCOME

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Interest income		
Financial assets at fair value through other comprehensive income	\$ 2,153,963	\$ 2,049,575
Financial assets at amortized cost	59,452,197	61,338,206
Loans	1,769,477	1,732,396
Other	<u>1,163,945</u>	<u>1,002,241</u>
Total	<u>\$ 64,539,582</u>	<u>\$ 66,122,418</u>

### 31. EXPECTED CREDIT IMPAIRMENT LOSSES ON INVESTMENTS AND NON-INVESTMENTS

	<u>For the Year Ended December 31</u>	
	2025	2024
Operating revenue - expected credit impairment losses on investment		
Financial assets at fair value through other comprehensive income	\$ 2,711	\$ (2,560)
Financial assets at amortized cost	795,463	668,197
Other receivables	452	(763)
Loans	(677)	(930)
Subtotal	<u>797,949</u>	<u>663,944</u>
Operating expenses - expected credit impairment losses on non-investment		
Other receivables	<u>129</u>	<u>1,146</u>
Total	<u>\$ 798,078</u>	<u>\$ 665,090</u>

Please refer to Note 39 for more detail on credit risk.

### 32. RETAINED CLAIM PAYMENTS

	<u>For the Year Ended December 31, 2025</u>		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct insurance claim payments	\$ 166,583,995	\$ 20,097,076	\$ 186,681,071
Reinsurance claim payments	<u>-</u>	<u>-</u>	<u>-</u>
Insurance claim payments	166,583,995	20,097,076	186,681,071
Less: Claims recovered from reinsures	<u>1,211,400</u>	<u>-</u>	<u>1,211,400</u>
Retained claim payments	<u>\$ 165,372,595</u>	<u>\$ 20,097,076</u>	<u>\$ 185,469,671</u>
	<u>For the Year Ended December 31, 2024</u>		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct insurance claim payments	\$ 185,970,454	\$ 23,425,288	\$ 209,395,742
Reinsurance claim payments	<u>567</u>	<u>-</u>	<u>567</u>
Insurance claim payments	185,971,021	23,425,288	209,396,309
Less: Claims recovered from reinsures	<u>1,184,289</u>	<u>-</u>	<u>1,184,289</u>
Retained claim payments	<u>\$ 184,786,732</u>	<u>\$ 23,425,288</u>	<u>\$ 208,212,020</u>

### 33. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION

a. Summary statement of employee benefits, depreciation and amortization expenses is as below:

	<b>For the Year Ended December 31, 2025</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total Amount</b>
Employee benefits expense			
Payroll expense	\$ 4,372,801	\$ 3,503,563	\$ 7,876,364
Labor and health insurance	-	574,214	574,214
Pension	-	286,543	286,543
Remuneration to directors	-	324,303	324,303
Other employee benefits expense	<u>-</u>	<u>269,569</u>	<u>269,569</u>
Total	<u>\$ 4,372,801</u>	<u>\$ 4,958,192</u>	<u>\$ 9,330,993</u>
Depreciation	<u>\$ -</u>	<u>\$ 622,371</u>	<u>\$ 622,371</u>
Amortization	<u>\$ -</u>	<u>\$ 358,557</u>	<u>\$ 358,557</u>

	<b>For the Year Ended December 31, 2024</b>		
	<b>Operating Costs</b>	<b>Operating Expenses</b>	<b>Total Amount</b>
Employee benefits expense			
Payroll expense	\$ 4,718,948	\$ 3,886,331	\$ 8,605,279
Labor and health insurance	-	555,596	555,596
Pension	-	296,413	296,413
Remuneration to directors	-	255,293	255,293
Other employee benefits expense	<u>-</u>	<u>254,615</u>	<u>254,615</u>
Total	<u>\$ 4,718,948</u>	<u>\$ 5,248,248</u>	<u>\$ 9,967,196</u>
Depreciation	<u>\$ -</u>	<u>\$ 636,814</u>	<u>\$ 636,814</u>
Amortization	<u>\$ -</u>	<u>\$ 308,275</u>	<u>\$ 308,275</u>

Note 1: Other employee benefits expenses consist of meals, group insurance, training and employee benefits, etc.

Note 2: The average number of employees for the years ended December 31, 2025 and 2024 were 6,243 and 6,163, respectively, of which the average number of directors who do not serve concurrently as employees were both 8.

Note 3: The average employee benefits of 2025 and 2024 are \$1,445 thousand and \$1,578 thousand, respectively. The average employee salaries of 2025 and 2024 are \$1,263 thousand and \$1,398 thousand, decrease 10% in average.

Note 4: In accordance with Article 14-4 of the Securities and Exchange Act, the Company has an audit committee composed of all independent directors. The remuneration of the directors is included in the above summary table.

Note 5: The Company's various remuneration policies is as below:

<b>Personnel</b> <b>Item</b>	<b>Director</b>	<b>Senior Manager</b>	<b>Employee</b>
Remuneration policy	Refer to the industry levels and consider other factors such as the Company's future risk, based on each Director's involvement in the Company's operations, contribution and responsibility.	Pay relatively reasonable remuneration for the positions in accordance with the management duties each manager takes, the returns on the Company's operations and his performance, meanwhile, in consideration of market conditions to attract and retain professional management talents and the relativity and reasonability of future risks.	Pay relatively reasonable remuneration for the positions in accordance with the duties the employees take, the returns on the Company's operations and his performance, meanwhile, in consideration of market conditions to attract and retain talents and the relativity and reasonability of future risks.
Standards and portfolios	<p>a. The remuneration package for Directors of the Company is as follows:</p> <ol style="list-style-type: none"> <li>1) Compensation: The remuneration of directors is based on the Company's Articles of Incorporation.</li> <li>2) Remuneration: Remuneration is namely the fixed monthly remuneration paid to Directors, including monthly Director remuneration and functional committee remuneration.</li> <li>3) Business execution expenses: Expenses incurred in the performance of official duties, including attendance fees, travel expenses, business promotion expenses, postage and telecommunication expenses, and various allowances.</li> </ol>	<p>The remuneration package for the managers of the Company is as follows:</p> <ol style="list-style-type: none"> <li>a. Regular salary: Payment made on basis of the duties of each rank.</li> <li>b. Variable salary: <ol style="list-style-type: none"> <li>1) Year-end Bonus: The Company shall determine the distribution of year-end bonus based on objective and subjective conditions, the Company's profitability, and individual performance.</li> <li>2) Performance bonus: Payment allocated on basis of the Company's performance appraisal results and in accordance with the return on the Company's operations and performance of the managers, meanwhile, in consideration of general market levels in the industry and the relativity and reasonability of future risks.</li> </ol> </li> </ol>	<p>The remuneration package for the employees of the Company is as follows:</p> <ol style="list-style-type: none"> <li>a. Regular salary: Payment made on basis of the duties of each rank.</li> <li>b. Variable salary: <ol style="list-style-type: none"> <li>1) Year-end Bonus: The Company shall determine the distribution of year-end bonus based on objective and subjective conditions, the Company's profitability, and individual performance.</li> <li>2) Performance bonus: Payment allocated on basis of the Company's performance appraisal results and in accordance with the return on the Company's operations and performance of the employees, meanwhile, in consideration of general market levels in the industry and the relativity and reasonability of future risks.</li> </ol> </li> </ol>

(Continued)

Personnel Item	Director	Senior Manager	Employee
		<p>3) Compensation to employees: More than 0.5% of annual profits the Company earns, if any, will be appropriated in compliance with the Articles of Incorporation and shared to employees in accordance with their performance. However, an amount to cover the accumulative losses of the Company shall be reserved before such allocation in proportion.</p> <p>4) Stock-based incentive programs: Incentive programs are designed in accordance with the Company's policies and talent retention strategies in order to attract more talents and enhance employees' loyalty.</p> <p>c. Employee benefits: Retirement pension, telecommunications allowance, group insurance, employee health checkup, etc.</p>	<p>3) Compensation to employees: More than 0.5% of annual profits the Company earns, if any, will be appropriated in compliance with the Articles of Incorporation and shared to employees in accordance with their performance. However, an amount to cover the accumulative losses of the Company shall be reserved before such allocation in proportion.</p> <p>4) Stock-related incentive programs: Incentive programs are designed in accordance with the Company's policies and talent retention strategies in order to attract more talents and enhance employees' loyalty.</p> <p>c. Employee benefits: Retirement pension, telecommunications allowance, group insurance, employee health checkup, etc.</p>
The procedures for determining remuneration	The procedures for determining the Directors' remuneration are carried out in accordance with the Company's "Guidelines for the Payment of Directors' Remuneration"; the establishment and amendments of such Guidelines are approved by the Remuneration Committee and then submitted to the Board of Directors for approval.	<p>a. To participate in "Market Salary Survey" held by external consulting agents every year in order to obtain market salary levels for reference of remuneration determination of the Company.</p> <p>b. Regular appraisal of remuneration of managers by the Remuneration Committee.</p>	To participate in "Market Salary Survey" held by external consulting agents every year in order to obtain market salary levels for reference of remuneration determination of the Company.

(Continued)

Personnel Item	Director	Senior Manager	Employee
The interrelationship between the business performance and future risks	<p>a. Pursuant to Article 32 of the Company’s Articles of Incorporation and Article 5 of Regulations Governing Remuneration of Directors, if the Company makes profit for the given fiscal year, it shall allocate no more than 3 percent to be the compensation of directors. The compensation of directors shall only be given to directors.</p> <p>b. Pursuant to Article 24 of the Company’s Articles of Incorporation and Article 4 of the Regulations Governing Remuneration of Directors, the remuneration of directors and independent directors shall be determined based on the directors’ participation and contribution to the Company’s business operations, the duties they undertake, with reference to the remuneration standards of domestic and foreign industries, and taking into consideration the Company’s future risks.</p> <p>c. The remuneration of independent directors is fixed, and independent directors are not eligible to participate in the annual distribution of directors’ remuneration in accordance with the Articles of Incorporation.</p>	<p>a. The Company appraises the performance of senior managers on an annual basis, and determines the appraisal results in accordance with their performance and links such results to performance bonuses at the end of the year.</p> <p>b. The evaluation items for a manager’s performance include financial indicators (such as net profit, first year premium equivalent (FYPE), other comprehensive income, etc.) and non-financial indicators (such as corporate governance and regulatory compliance, etc.)</p>	The Company appraises the performance of employees on an annual basis, and determines the appraisal results in accordance with their performance and links such results to performance bonuses at the end of the year.

(Continued)

Personnel Item	Director	Senior Manager	Employee
	<p>d. Pursuant to Article 7 of the Regulations Governing Remuneration of Directors, the Board of Directors may conduct a performance appraisal on individual director every year, if the score of the individual director's performance evaluation questionnaire is below "Good", the fixed remuneration received by the director must be reexamined.</p> <p>e. Paragraph 2 of Article 7 of the Company's Regulation Governing the Performance Assessment of the Board of Directors specifies the subject of performance appraisal on individual director. It covers six main aspects, including understanding of the Company's goals and missions, awareness of a director's duties, level of participation in the Company's business operations, internal networking and communication, director expertise and continuous individual development, and internal control. In addition, in accordance with the latter paragraph of Article 8 of the same regulations, the result of individual director's performance evaluation shall also be used as the reference for determining their individual remuneration.</p>		

(Concluded)

- b. The information regarding employees' compensation and remuneration to directors within the Articles of Incorporation of the Company is as follows:

Where the Company makes profits, it shall allocate no less than 0.5 percent of the profits to be the remuneration of employees, and no more than 3 percent to be the remuneration of directors. But the Company shall reserve the amount of money to be used to cover its losses if it still has accumulated losses, and later it shall allocate the remuneration in proportion for employees and directors. The preceding remuneration of employees may be given in the form of share certificates or cash. The remuneration of directors shall only be given to non-independent directors.

For related information on employees' compensation and remuneration to directors approved by the board of directors meeting, please refer to the "Market Observation Post System" website of the Taiwan Stock Exchange Corporation.

Based on profit for the years ended December 31, 2025 and 2024, the Company estimated the amounts of the employees' compensation to be \$276,000 thousand and \$200,000 thousand, respectively, remuneration to directors to be \$219,000 thousand and \$180,000 thousand, respectively, recognized as operating expenses. The differences between the estimated amounts and the actual distributed amounts resolved by board of directors meeting will be recognized as profit or loss of the next year.

On February 25, 2025, the board of directors meeting resolved to distribute \$200,000 thousand of employees' compensation and \$180,000 thousand of remuneration to directors for the year ended December 31, 2024. No differences exist between the estimated amount on the 2024 financial statement and the actual amount were recognized as expense of 2024.

### 34. INCOME TAXES

- a. The major components of income tax expense (benefit) are as follows:

#### Income tax expense recognized in profit or loss

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Current income tax		
In respect of the current year	\$ 4,021,877	\$ 305,723
Adjustments for prior year	(11,642)	(12,924)
Deferred income tax		
Deferred tax (benefit) expense relating to origination and reversal of temporary differences	(8,649,130)	5,272,582
Deferred tax expense (benefit) relating to origination and reversal of tax loss and tax credit	2,151,157	(2,274,531)
Others	<u>(24,503)</u>	<u>(247,195)</u>
Total income tax (benefit) expense	<u>\$ (2,512,241)</u>	<u>\$ 3,043,655</u>

#### Income tax expense recognized in other comprehensive income

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Deferred tax		
Unrealized valuation gains of equity instrument investments at fair value through other comprehensive income	\$ 868,464	\$ 197,019
Unrealized gains (losses) of debt instrument investments at fair value through other comprehensive income	63,365	(769,955)
Other comprehensive profits reclassified using overlay approach	291,341	2,383,554
Remeasurements on defined benefit plans	1,420	12,091
Property revaluation surplus	<u>2,323</u>	<u>450</u>
Income tax expense relating to components of other comprehensive income	<u>\$ 1,226,913</u>	<u>\$ 1,823,159</u>

Income tax charged directly to equity

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Current income tax		
Derecognition of equity instrument investments at fair value through other comprehensive income	\$ (27,015)	\$ -
Deferred tax		
Valuation gains of equity instrument investments at fair value through other comprehensive income	27,015	-
Deferred tax benefit relating to origination and reversal of tax loss	<u>496</u>	<u>-</u>
Income tax charged directly to equity	<u>\$ 496</u>	<u>\$ -</u>

Reconciliation between tax expense (benefit) and the product of accounting profit multiplied by applicable tax rates is as follows:

	<b><u>For the Year Ended December 31</u></b>	
	<b>2025</b>	<b>2024</b>
Income from continuing operations before income tax	<u>\$ 13,312,491</u>	<u>\$ 25,198,496</u>
Tax at the domestic rates applicable to profits in the country concerned	\$ 2,662,498	\$ 5,039,699
Tax effect of revenues exempt from taxation	(7,341,069)	(5,585,430)
Tax effect of expenses not deductible for tax purposes	18,813	11,794
Income tax impact of deferred income tax assets or liabilities	(1,837,429)	2,283,197
Adjustments in respect of current income tax of prior periods	(11,642)	(12,924)
Additional income tax under the Alternative Minimum Tax Act	3,688,286	-
Tax effect of tax-exempt income governed by Article 42 of the Income Tax Act	-	1,256,087
Undedicated foreign investment withholding tax	323,685	275,283
Others	<u>(15,383)</u>	<u>(224,051)</u>
Total income tax (benefit) expense recognized in profit or loss	<u>\$ (2,512,241)</u>	<u>\$ 3,043,655</u>

b. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2025

	<b>Beginning Balance</b>	<b>Recognized in Profit or Loss</b>	<b>Recognized in Other Comprehensive Income</b>	<b>Recognized Directly in Equity</b>	<b>Others</b>	<b>Ending Balance</b>
<u>Temporary differences</u>						
Depreciation difference for tax purpose	\$ 101,840	\$ (1,705)	\$ -	\$ -	\$ -	\$ 100,135
Revaluations of financial assets and liabilities at fair value through profit or loss	3,962,740	2,068,987	-	-	-	6,031,727
Gains (losses) on reclassification using overlay approach and revaluation of financial assets at fair value through other comprehensive income	863,685	-	(1,223,170)	(27,015)	-	(386,500)
Expected credit impairment losses of financial assets at amortized cost	691,277	166,835	-	-	-	858,112
Provisions	1,204	(971)	-	-	-	233
Net defined benefit liability	25,275	(665)	(1,420)	-	-	23,190
Compensated absences payable	32,343	2,046	-	-	-	34,389
Unrealized gains on foreign exchange	(19,401,117)	6,587,177	-	-	-	(12,813,940)
Land value increment tax	(7,194)	-	-	-	-	(7,194)
Fair value adjustment for investment property	(1,696,086)	(149,855)	(2,323)	-	-	(1,848,264)
Fair value adjustment for property and equipment	14,040	1,784	-	-	-	15,824
Gain on bargain purchase	(8,979)	-	-	-	-	(8,979)
Unused tax losses	<u>13,973,660</u>	<u>(2,151,157)</u>	<u>-</u>	<u>(496)</u>	<u>-</u>	<u>11,822,007</u>
Deferred tax expense		<u>\$ 6,522,476</u>	<u>\$ (1,226,913)</u>	<u>\$ (27,511)</u>	<u>\$ -</u>	
Net deferred tax (liabilities) assets	<u>\$ (1,447,312)</u>					<u>\$ 3,820,740</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$ 20,589,197</u>					<u>\$ 19,912,169</u>
Deferred tax liabilities	<u>\$ (22,036,509)</u>					<u>\$ (16,091,429)</u>

For the year ended December 31, 2024

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Others	Ending Balance
<u>Temporary differences</u>						
Depreciation difference for tax purpose	\$ 102,837	\$ (997)	\$ -	\$ -	\$ -	\$ 101,840
Revaluations of financial assets and liabilities at fair value through profit or loss	(2,746,295)	6,709,035	-	-	-	3,962,740
Gains (losses) on reclassification using overlay approach and revaluation of financial assets at fair value through other comprehensive income	2,674,303	-	(1,810,618)	-	-	863,685
Expected credit impairment losses of financial assets at amortized cost	541,527	149,750	-	-	-	691,277
Provisions	1,526	(322)	-	-	-	1,204
Net defined benefit liability	44,433	(7,067)	(12,091)	-	-	25,275
Compensated absences payable	30,408	1,935	-	-	-	32,343
Unrealized gains on foreign exchange	(7,419,286)	(11,981,831)	-	-	-	(19,401,117)
Land value increment tax	(7,194)	-	-	-	-	(7,194)
Fair value adjustment for investment property	(1,798,023)	102,387	(450)	-	-	(1,696,086)
Fair value adjustment for property and equipment	12,317	1,723	-	-	-	14,040
Gain on bargain purchase	(8,979)	-	-	-	-	(8,979)
Unused tax losses	<u>14,365,813</u>	<u>2,274,531</u>	<u>-</u>	<u>-</u>	<u>(2,666,684)</u>	<u>13,973,660</u>
Deferred tax expense		<u>\$ (2,750,856)</u>	<u>\$ (1,823,159)</u>	<u>\$ -</u>	<u>\$ (2,666,684)</u>	
Net deferred tax assets (liabilities)	<u>\$ 5,793,387</u>					<u>\$ (1,447,312)</u>
Reflected in balance sheet as follows:						
Deferred tax assets	<u>\$ 17,773,544</u>					<u>\$ 20,589,197</u>
Deferred tax liabilities	<u>\$ (11,980,157)</u>					<u>\$ (22,036,509)</u>

c. The information of the unused tax losses of the Company:

Year of Occurrence	Remaining Creditable Amount	Expiry Year
2022	<u>\$ 56,368,158</u>	2032
2023	<u>\$ 8,150,206</u>	2033
2024	<u>\$ 9,627,051</u>	2034

d. Unrecognized deferred tax assets

As of December 31, 2025 and 2024, deferred tax assets that have not been recognized.

e. The assessment of income tax returns

As of December 31, 2025, the income tax returns of the Company have been assessed and approved up to the year of 2021, 2020 not yet assessed.

### 35. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	<b>For the Year Ended December 31, 2025</b>			
	<b>Arising During the Period</b>	<b>Reclassification Adjustments During the Period</b>	<b>INCOME TAX BENEFIT (EXPENSE)</b>	<b>Other Comprehensive Income (Loss) Net of Tax</b>
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements on defined benefit plans	\$ 7,103	\$ -	\$ (1,420)	\$ 5,683
Property revaluation surplus	10,999	-	(2,323)	8,676
Valuation gains (losses) on equity instrument investments at fair value through other comprehensive income	4,526,742	-	(868,464)	3,658,278
To be reclassified to profit or loss in subsequent periods:				
Gains (losses) on debt instrument investments at fair value through other comprehensive income	521,587	(162,215)	(63,365)	296,007
Other comprehensive profits (losses) reclassified using overlay approach	34,270,058	(35,842,328)	(291,341)	(1,863,611)
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive loss that will be reclassified to profit or loss	<u>(1,305)</u>	<u>-</u>	<u>-</u>	<u>(1,305)</u>
<b>Total</b>	<b><u>\$ 39,335,184</u></b>	<b><u>\$(36,004,543)</u></b>	<b><u>\$ (1,226,913)</u></b>	<b><u>\$ 2,103,728</u></b>
	<b>For the Year Ended December 31, 2024</b>			
	<b>Arising During the Period</b>	<b>Reclassification Adjustments During the Period</b>	<b>INCOME TAX BENEFIT (EXPENSE)</b>	<b>Other Comprehensive Income (Loss) Net of Tax</b>
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements on defined benefit plans	\$ 60,454	\$ -	\$ (12,091)	\$ 48,363
Property revaluation surplus	2,249	-	(450)	1,799
Valuation gains (losses) on equity instrument investments at fair value through other comprehensive income	680,526	-	(197,019)	483,507
To be reclassified to profit or loss in subsequent periods:				
(Losses) gains on debt instrument investments at fair value through other comprehensive income	(3,770,522)	(140,562)	769,955	(3,141,129)

(Continued)

	<b>For the Year Ended December 31, 2024</b>			
	<b>Arising During the Period</b>	<b>Reclassification Adjustments During the Period</b>	<b>Income Tax Expense</b>	<b>Other Comprehensive Income Net of Tax</b>
Other comprehensive profits (losses) reclassified using overlay approach	\$ 45,736,937	\$(25,899,113)	\$ (2,383,554)	\$ 17,454,270
Share of other comprehensive loss of associates and joint ventures accounted for using equity method, components of other comprehensive loss that will be reclassified to profit or loss	<u>(345)</u>	<u>-</u>	<u>-</u>	<u>(345)</u>
Total	<u>\$ 42,709,299</u>	<u>\$(26,039,675)</u>	<u>\$ (1,823,159)</u>	<u>\$ 14,846,465</u> (Concluded)

### 36. EARNINGS PER SHARE

Basic earnings per share is calculated as net income attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding for the period.

**Unit: NT\$ Per Share**

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Basic earnings per share	<u>\$ 3.03</u>	<u>\$ 4.24</u>
Earnings used in the computation of basic earnings per share	<u>\$ 15,824,732</u>	<u>\$ 22,154,841</u>
Weighted average number of ordinary shares used in the computation of basic earnings per share	<u>5,218,490</u>	<u>5,218,490</u>

When calculating earnings per share, the impact of stock dividends was included and EPS was adjusted retrospectively. The base date of issuances of stock dividends was set on October 21, 2025. The adjusted EPS is as follows:

**Unit: NT\$ Per Share**

	<b>Before Adjusted Retrospectively</b>	<b>After Adjusted Retrospectively</b>
	<b>For the Year Ended December 31, 2024</b>	<b>For the Year Ended December 31, 2024</b>
Basic earnings per share	<u>\$ 4.37</u>	<u>\$ 4.24</u>

### 37. INFORMATION OF INSURANCE CONTRACTS

#### a. Objectives, policies, procedures and methods of insurance contracts risk management

##### 1) Framework of risk management, organization structure and responsibilities:

The board of directors should ensure the effectiveness of risk management and bear the ultimate responsibility for risk management, responsible for formulating the Company's overall risk appetite and risk tolerance, review and approve the Company's risk management objectives and strategies. "Risk Management Committee" is set under the board of directors. Various risk management report and related issues are first reported to risk management committee and finally approved by the board of directors. Besides the risk management committee, the Company set up an assets and liability management unit to strengthen the risk management organization and structure.

In addition, the Company establishes the risk management department independent to the business units, which is responsible for the implementation of various risk management measures and the fulfillment of each risk management mechanism, including monitoring the daily risks, measuring and evaluating related issues, assisting the board to develop Company's risk appetite, executing the risk management policies approved by the board of directors. Moreover, the business units should be responsible for the risks identification, report the risk exposure, measure the impact of risks, review the various risks and limits regularly, and make sure that the internal control procedures of each unit are implemented effectively in accordance with related regulations and the Company's risk management policy.

##### 2) Risk management policies, procedures and methods:

According to risk management policies, the Company sets an effective mechanism to proceed identification, measurement, monitoring, reporting and response to risk, establishes clear objectives for risk management, controls approaches and attribution of responsibility to make sure that each operational risk is controlled under the tolerable range, making the largest surplus and profits for shareholders. The Company follows the principle of centralized management and specialization, and assigns responsible department to manage various risks. In addition, the Company develops management guidelines or management mechanism for various types of risk and regularly issues risk reports to monitor the various risks.

##### 3) Risk management policies, procedures and methods related to reserves:

Reserve-related risks refer to risks that various reserves are unable to deal with future obligations due to understatement of liability for premium business. The Company sets and implements the appropriate risk management system for the insurance business reserves and related risks.

##### 4) Risk management policies, procedures and methods related to matching assets and liabilities:

Risks related to matching assets and liabilities indicate risks arising from inconsistent movement of assets and liabilities. The Company sets appropriate asset-liability management system based on the attributes and complexity of insurance liability risks. The system allows the Company to form, implement, monitor and correct related strategies within the tolerable range. The contents include the following items:

- a) Risk identification related to matching of assets and liabilities
- b) Risk measurement related to matching of assets and liabilities
- c) Risk responses related to matching of assets and liabilities

b. Information of insurance risks

1) Sensitivity of insurance risks - insurance contracts and financial instruments with discretionary participation features:

Insurance companies set aside various reserves according to the legal requirements and regularly conduct adequacy test of liability to assess the adequacy of insurance liabilities of the Company as a whole.

For the insurance contracts and financial instruments with discretionary participation features underwritten by the Company, the main risks include mortality, morbidity, surrender, expense and investment returns rate. When doing the liability adequacy test, various actuarial assumptions are made based on available information at assessment point for all insurance contracts and provision of financial instruments with discretionary participation feature, to assess whether the insurance liability of the Company is adequate. If the test result indicates the insurance liability is not adequate, then set aside the insufficient amount as liability adequacy reserve according to the provision. The reserve will affect current profit and loss.

As of December 31, 2025, assuming a 5% change in mortality, morbidity, surrender and expenses, and a decrease in investment return of 0.1%, all insurance contracts and financial instruments with discretionary participation feature will not cause the Company's insurance liability inadequate.

2) Interpretation for concentration of insurance risks

- a) The Company's insurance business is mainly in Taiwan, Republic of China and there is no significant difference in insurance risk between each region. The Company had set tolerable cumulative risk limits for each risk unit and incident. Insurance risks that exceed the limits will be transferred through reinsurance. Please refer to Note 22 for concentration of risk before and after the reinsurance for the Company.
- b) Furthermore, according to "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises", the annual increased special capital reserve, after deduction of taxes, for catastrophe and fluctuation of risks for abnormal changes in loss ratio and claims of each type of insurance needs to be recognized in special capital reserve under equity in accordance with IAS 12.

3) Claim development trend

a) Direct business loss development trend

Accident Year	Development Year																		Reserve Claims
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
2008	\$ 2,170,100	\$ 2,736,556	\$ 2,776,542	\$ 2,781,989	\$ 2,786,399	\$ 2,792,187	\$ 2,798,032	\$ 2,798,807	\$ 2,799,546	\$ 2,800,435	\$ 2,802,449	\$ 2,803,020	\$ 2,803,856	\$ 2,804,061	\$ 2,805,453	\$ 2,805,535	\$ 2,806,094	\$ 2,806,154	
2009	2,243,111	2,870,648	2,924,110	2,934,461	2,936,046	2,939,451	2,940,095	2,940,209	2,940,748	2,941,322	2,941,824	2,941,957	2,941,970	2,942,857	2,942,909	2,944,087	2,944,349	-	-
2010	2,574,879	3,071,401	3,132,443	3,137,874	3,143,299	3,143,963	3,144,299	3,144,902	3,145,167	3,145,541	3,145,762	3,146,132	3,146,191	3,146,199	3,146,520	3,146,695	-	-	-
2011	2,610,108	3,276,928	3,328,279	3,342,075	3,346,106	3,350,438	3,351,824	3,354,243	3,354,835	3,355,901	3,356,774	3,357,014	3,357,047	3,357,188	3,357,216	-	-	-	-
2012	2,345,575	2,953,776	3,029,335	3,045,381	3,048,828	3,051,256	3,054,748	3,056,337	3,057,879	3,058,682	3,059,236	3,059,611	3,059,734	3,059,907	-	-	-	-	-
2013	2,267,213	2,964,954	3,028,400	3,040,442	3,045,355	3,053,040	3,054,855	3,055,997	3,057,193	3,058,524	3,059,470	3,060,252	3,060,472	-	-	-	-	-	-
2014	3,448,229	4,203,186	4,284,682	4,298,217	4,303,753	4,317,090	4,321,020	4,323,776	4,325,954	4,328,274	4,330,418	4,330,770	-	-	-	-	-	-	-
2015	3,530,488	4,420,482	4,498,438	4,510,113	4,516,573	4,518,832	4,521,127	4,521,956	4,523,231	4,524,716	4,525,730	-	-	-	-	-	-	-	-
2016	3,721,820	4,648,280	4,743,133	4,757,525	4,763,372	4,765,519	4,769,820	4,772,620	4,774,602	4,776,480	-	-	-	-	-	-	-	-	-
2017	4,320,234	5,400,952	5,537,543	5,552,592	5,557,933	5,563,170	5,565,627	5,568,554	5,570,717	-	-	-	-	-	-	-	-	-	-
2018	4,775,948	5,950,536	6,060,673	6,078,878	6,086,102	6,095,198	6,099,182	6,101,061	-	-	-	-	-	-	-	-	-	-	-
2019	5,257,484	6,776,954	6,904,733	6,935,395	6,946,476	6,954,266	6,959,796	-	-	-	-	-	-	-	-	-	-	-	-
2020	5,208,589	6,557,028	6,720,337	6,751,342	6,765,621	6,772,122	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	5,729,794	7,330,220	7,532,048	7,564,144	7,573,676	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	8,258,280	10,368,910	10,611,981	10,647,560	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	7,970,387	10,226,388	10,449,660	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	8,870,315	11,479,987	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	9,618,049	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																			\$ 3,438,142
																			448,315
																			74,732
																			<u>\$ 3,961,189</u>

Note: This table does not include long term life insurance

Add: Long term insurance claims  
 Claim reserve for discount on no claim  
 Reserve for claims balance

b) Retained business loss development trend

Accident Year	Development Year																		Reserve Claims
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
2008	\$ 2,128,556	\$ 2,682,784	\$ 2,721,905	\$ 2,719,002	\$ 2,723,312	\$ 2,728,970	\$ 2,734,682	\$ 2,735,440	\$ 2,736,162	\$ 2,737,031	\$ 2,739,000	\$ 2,739,557	\$ 2,740,394	\$ 2,740,598	\$ 2,741,991	\$ 2,742,073	\$ 2,742,632	\$ 2,742,691	
2009	2,204,858	2,820,114	2,862,350	2,868,022	2,869,572	2,872,900	2,873,529	2,873,640	2,874,167	2,874,728	2,875,219	2,875,351	2,875,365	2,876,252	2,876,304	2,877,481	2,877,744	-	-
2010	2,535,358	3,010,157	3,068,543	3,066,830	3,072,133	3,072,782	3,073,109	3,073,699	3,073,958	3,074,324	3,074,544	3,074,914	3,074,973	3,074,981	3,075,302	3,075,478	-	-	-
2011	2,561,841	3,214,455	3,260,383	3,266,408	3,270,348	3,274,581	3,275,936	3,278,301	3,278,879	3,279,945	3,280,818	3,281,058	3,281,091	3,281,232	3,281,260	-	-	-	-
2012	2,304,504	2,897,464	2,967,538	2,976,431	2,979,800	2,982,173	2,985,586	2,987,140	2,988,681	2,989,484	2,990,038	2,990,414	2,990,536	2,990,710	-	-	-	-	-
2013	2,227,515	2,908,429	2,966,622	2,971,604	2,976,405	2,983,916	2,985,691	2,986,833	2,988,029	2,989,360	2,990,306	2,991,088	2,991,308	-	-	-	-	-	-
2014	3,387,852	4,123,055	4,197,276	4,200,902	4,206,313	4,219,348	4,223,278	4,226,033	4,228,211	4,230,531	4,232,676	4,233,028	-	-	-	-	-	-	-
2015	3,468,881	4,336,525	4,407,051	4,408,435	4,414,314	4,416,573	4,418,868	4,419,697	4,420,972	4,422,457	4,423,472	-	-	-	-	-	-	-	-
2016	3,657,093	4,560,257	4,647,033	4,649,868	4,655,715	4,657,862	4,662,163	4,664,810	4,666,791	4,668,669	-	-	-	-	-	-	-	-	-
2017	4,244,930	5,298,470	5,424,716	5,439,766	5,445,107	5,450,344	5,452,800	5,455,727	5,457,891	-	-	-	-	-	-	-	-	-	-
2018	4,692,869	5,837,265	5,946,601	5,964,806	5,972,030	5,981,126	5,985,110	5,986,990	-	-	-	-	-	-	-	-	-	-	-
2019	5,165,606	6,658,675	6,786,454	6,817,116	6,828,197	6,835,987	6,841,516	-	-	-	-	-	-	-	-	-	-	-	-
2020	5,136,641	6,454,169	6,616,159	6,647,164	6,661,443	6,667,944	-	-	-	-	-	-	-	-	-	-	-	-	-
2021	5,640,880	7,192,041	7,393,867	7,425,964	7,435,496	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2022	8,190,602	10,249,283	10,487,130	10,522,709	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2023	7,845,303	10,052,478	10,275,723	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2024	8,774,022	11,329,616	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2025	9,541,044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																			\$ 3,422,668
																			409,568
																			74,732
																			<u>\$ 3,906,960</u>

Note: This table does not include long term life insurance

Add: Long term insurance claims  
 Claim reserve for discount on no claim  
 Reserve for claims balance

The Company recognizes claim reserve for reported claims (reported but not paid) and unreported claims (incurred but not reported). Due to uncertainty, estimation, and judgment involved in recognition, there is a high degree of complexity in claim reserves. Any changes of the estimation or judgment are treated as the changes of the accounting estimates and can be recognized as profit and loss in current year. The Company was not notified of some claims in time. Also, the expected payment for unreported claims involves major subjective judgment and estimation on the past experience. Thus, it is uncertain that the estimated claim reserve on the balance sheet date will be equal to the final settled amount of claim payments. The claim reserve recorded on the book is estimated based on the current available information. However, the final amount probably will differ from the original estimates because of the follow-up development of the claim events.

The charts above show the development trend of claim payments (not including cases whose payment and time will be confirmed within a year). The accident year is the actual year for the occurrence of the insurance claim events; the x-axis is the year of the development for the settlement cases. Each slash represents the cumulative amount of compensation for each accident event at the end of the year. The occurred claims include decided and undecided claims which represent the accumulated estimated dollar amounts need to be paid for each accident year as time passes. It is possible that the circumstances and trends affecting dollar amount of recognition for claim reserve in the current year will be different from those in the future. Thus, the expected future payment amount for the settlement cases cannot be determined by the charts above.

#### 4) Credit risk:

For insurance contracts undertaken by the Company, the credit risk comes from reinsurers who fail to fulfill their obligation of reinsurance contracts, causing the Company to be exposed to the risk of financial loss. If the Company disputes with the reinsurers, then it may lead to impairment of reinsurance assets. In addition, the account receivables of insurance brokers and agents also have credit risk.

The Company's highest risk exposure for the reinsurance contracts are the carrying amount of reinsurance assets. In order to manage that risk and avoid credit losses, the Company decides to deal with reinsurance companies that have good credits. The Company sets related selection standard, makes regular assessment and monitors the reinsurers' financial business condition, credit status and rating. Also, it will adjust the business scope and scale based on the circumstances to prevent from over concentration of credit risk.

#### 5) Liquidity risk:

As of December 31, 2025 and 2024, the maturity analysis of liquidity risk for insurance contract liabilities are as follows:

<b>December 31, 2025</b>	<b>Within 1 Year</b>	<b>1 to 3 Years</b>	<b>3 to 5 Years</b>	<b>5 to 15 Years</b>	<b>Over 15 Years</b>
Insurance liabilities of investment contracts with discretionary participation features	\$ 38,726,218	\$ 60,029,656	\$ 122,794,989	\$ 649,764,940	\$ 4,584,449,744
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

December 31, 2024	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 15 Years	Over 15 Years
Insurance liabilities of investment contracts with discretionary participation features	\$ 18,056,627	\$ 60,351,298	\$ 117,726,952	\$ 644,484,882	\$ 4,581,775,022
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

- Note:
1. This table estimates net cash flow of all related insurance liabilities at its starting point.
  2. The actual maturity date will change according to the exercise of termination right by the policyholders.
  3. The table cannot match with the liabilities of balance sheet because the above contracts use the undiscounted contractual cash flow analysis. In addition, it includes the cash inflows of future renewal premiums.
  4. In addition to the analysis of the above table, the Company uses both the estimated of the expected less and more than 12 months to analyze assets and liabilities. Please refer to Note 40.

6) Market risk:

Pursuant to the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”, when the Company measures insurance liabilities, it sets aside the reserve by using the discount rate required by the authorities. Since the discount rate assumption does not move in the same direction with the interest rate, changes in market risks have no significant influence on the Company’s profit or loss and equity for insurance contracts. However, changes in market risks may have influence on liability adequacy test evaluated based on available information. But, it has little influence on the adequacy of current recognized insurance liabilities.

### 38. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

Financial assets

	<u>December 31</u>	
	2025	2024
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit and loss	\$ 479,687,679	\$ 438,340,762
Financial assets at fair value through other comprehensive income	90,704,883	66,784,211
Financial assets at amortized cost:		
Cash and cash equivalents (exclude cash on hand and revolving funds)	45,525,884	40,214,779
Financial assets at amortized cost	1,583,861,316	1,654,369,839
Receivables	21,644,247	19,642,374
Loans	36,984,767	36,064,504
Refundable deposits	34,577,528	21,822,417
Subtotal	<u>1,722,593,742</u>	<u>1,772,113,913</u>
Total	<u>\$ 2,292,986,304</u>	<u>\$ 2,277,238,886</u>

## Financial liabilities

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Financial liabilities at fair value through profit or loss:		
Held for trading	\$ 30,770,563	\$ 21,376,362
Financial liabilities measured at amortized cost:		
Payables	19,155,331	15,146,731
Bonds payables	30,000,000	30,000,000
Lease liabilities	1,933,467	1,966,072
Guarantee deposits received	<u>378,227</u>	<u>438,768</u>
Subtotal	<u>51,467,025</u>	<u>47,551,571</u>
Total	<u>\$ 82,237,588</u>	<u>\$ 68,927,933</u>

### b. Fair value of financial instruments

1) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Company to measure and disclose fair value of the financial assets and liabilities are as follows:

- a) Fair value of cash and cash equivalents, receivables and payables are approximately equal to the carrying amount due to their short maturity.
- b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value are determined based on market quotation price. (Including listed stocks and beneficiary certificates, etc.)
- c) Fair value of financial instruments with no active market is estimated based on the valuation methods. The estimates and assumptions used are consistent with those made by market participants during the pricing of financial instruments.
- d) The fair value of foreign exchange forward and swap are measured based on the exchange rate provided by an internationally credible price information provider and the forward exchange rate on the maturity date of the individual contract.
- e) Fair value of other financial assets and liabilities are determined based on discounted cash flow analysis. The interest rates and discount rates assumptions mainly refer to related information of similar instruments and yield curve for the duration, etc.
- f) The adjustments of credit risk valuation for the derivative instrument contracts traded over-the-counter are classified as Credit value adjustments (CVA) and Debit value adjustments (DVA), to reflect the probability of default of the counterparty (CVA) and the Company (DVA).

Under the assumption that the Company will not default, the Company determines its credit value adjustment (CVA) by multiplying three factors, probability of default (PD), loss given default (LGD), and exposure at default (EAD) of the counterparty. On the other hand, under the assumption that the counterparty will not default, the Company calculates its debit value adjustment by multiplying three factors, probability of default, loss given default, and exposure at default of the Company. The Company estimates probability of default through internal rating, estimates loss given default by considering suggestions by scholars and foreign financial institutions, and estimates exposure at default through market approach for derivative instruments, to reflect credit risk of the counterparty and the credit quality of the Company.

2) Fair value of financial instruments measured at amortized cost

Other than cash and cash equivalents, receivables, loans, payables, bond payables, lease liabilities and guarantee deposits received whose carrying amount approximates their fair value, the fair value of financial assets and financial liabilities measured at amortized cost is as follows:

	<b>Carrying Amount</b>	
	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial assets</u>		
Financial assets measured at amortized cost	\$ 1,583,861,316	\$ 1,654,369,839
Refundable deposits - bonds	34,558,339	21,763,025

	<b>Fair Value</b>	
	<b>December 31</b>	
	<b>2025</b>	<b>2024</b>
<u>Financial assets</u>		
Financial assets measured at amortized cost	\$ 1,233,413,860	\$ 1,250,488,416
Refundable deposits - bonds	23,513,186	15,041,835

c. Fair value measurement hierarchy

1) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement. Levels 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3 - Unobservable inputs for assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

2) Fair value measurement hierarchy

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

	<b>December 31, 2025</b>			
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Assets measured at fair value</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 225,402,782	\$ 222,339,921	\$ -	\$ 3,062,861
Bonds	44,076,045	7,542,705	36,533,340	-
Swaps and forward foreign exchange contracts	1,202,813	-	1,202,813	-
Others	209,006,039	162,141,793	-	46,864,246
Financial assets at fair value through other comprehensive income				
Stocks	28,203,122	12,129,853	-	16,073,269
Bonds	62,501,761	57,752,022	4,749,739	-
Investment property	66,416,880	-	-	66,416,880
<u>Liabilities measured at fair value</u>				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	30,770,563	-	30,770,563	-
<b>December 31, 2024</b>				
	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<u>Assets measured at fair value</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 184,850,337	\$ 182,550,178	\$ -	\$ 2,300,159
Bonds	45,651,208	10,284,791	35,366,417	-
Swaps and forward foreign exchange contracts	2,083,541	-	2,083,541	-
Others	205,755,676	163,743,415	-	42,012,261
Financial assets at fair value through other comprehensive income				
Stocks	26,110,862	14,449,559	-	11,661,303
Bonds	40,673,349	39,538,447	1,134,902	-
Investment property	66,457,927	-	-	66,457,927
<u>Liabilities measured at fair value</u>				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	21,376,362	-	21,376,362	-

- a) Transfers between Level 1 and Level 2 during the period: None.
- b) Reconciliation for Level 3 of the fair value hierarchy

Reconciliation of opening to closing balances for recurring assets and liabilities measured at fair value within Level 3 of the fair value hierarchy for movements during the period is as follows:

For the year ended December 31, 2025

	Beginning Balance	Total Gains and Losses Recognized		Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
		Recognized in Profit or Loss (Note 1)	Recognized in OCI (Note 2)				
<u>Assets</u>							
Financial assets at fair value through profit or loss							
Stock	\$ 2,300,159	\$ (5,038)	\$ (13,869)	\$ 852,104	\$ (70,495)	\$ -	\$ 3,062,861
Others	42,012,261	(21,672)	681,656	6,132,637	(1,940,636)	-	46,864,246
Financial assets at fair value through other comprehensive income							
Stock	11,661,303	-	4,519,036	-	(107,070)	-	16,073,269
Investment property	66,457,927	(72,740)	-	400,560	(405,608)	36,741	66,416,880

For the year ended December 31, 2024

	Beginning Balance	Total Gains and Losses Recognized		Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
		Recognized in Profit or Loss (Note 1)	Recognized in OCI (Note 2)				
<u>Assets</u>							
Financial assets at fair value through profit or loss							
Stock	\$ 1,657,660	\$ (1,240)	\$ (156,524)	\$ 885,157	\$ (114,957)	\$ 30,063	\$ 2,300,159
Others	32,317,271	(383,476)	4,632,840	6,500,664	(1,055,038)	-	42,012,261
Financial assets at fair value through other comprehensive income							
Stock	10,862,701	-	848,659	-	(50,057)	-	11,661,303
Investment property	67,317,887	(654,489)	-	591,343	(442,237)	(354,577)	66,457,927

Note 1: Presented in “gains (losses) on financial assets and liabilities at fair value through profit or loss/gains (losses) on reclassification using overlay approach/gains (losses) on investment property” in the comprehensive income statement.

Note 2: Presented in “gains (losses) on reclassification using overlay approach/valuation gains (losses) on equity instruments at fair value through other comprehensive income/property revaluation surplus” in the comprehensive income statement.

Note 3: The amount of investment property is related to transfer between property and equipment, no transfer in (out) for fair value level.

Total gains (losses) recognized in profit or loss above contains gains (losses) related to assets on hand for the years ended December 31, 2025 and 2024 is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Total gains and losses		
Recognized in profit or loss	\$ (126,120)	\$ (702,527)
Recognized in other comprehensive income	5,186,823	5,324,975

c) Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

<b>December 31, 2025</b>					
<b>Item</b>	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>	<b>Quantification Information</b>	<b>Relationship Between Inputs and Fair Value</b>	
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value	
		Income approach	Cost of capital	4.58%	The higher the cost of capital, the lower the estimated fair value
	Cash Flow Method	Discount for liquidity	30%	The higher the discount for liquidity, the lower the estimated fair value	
		Discount rate	6.94%	The higher the discount rate, the lower the fair value	
		Black-Scholes Model	Risk-free rate of return	1.13%	The higher the risk-free rate, the lower the fair value of the put option
			Volatility	43.48%	The higher the volatility, the higher the fair value of the put option
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10-30%	The higher the discount for liquidity, the lower the estimated fair value	
		Control premium	10%	The higher the control premium, the higher the estimated fair value	
	Income approach	Cost of capital	4.85%	The higher the cost of capital, the lower the estimated fair value	
		Discount for liquidity	20-30%	The higher the discount for liquidity, the lower the estimated fair value	
	Asset approach	Discount for liquidity and minor interests	0-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value	
	Investment property	Please refer to Note 12			

<b>December 31, 2024</b>				
<b>Item</b>	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>	<b>Quantification Information</b>	<b>Relationship Between Inputs and Fair Value</b>
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
	Cash Flow Method	Discount rate	6.38%	The higher the discount rate, the lower the fair value
	Black-Scholes Model	Risk-free rate of return	1.46%	The higher the risk-free rate, the lower the fair value of the put option
		Volatility	44.27%	The higher the volatility, the higher the fair value of the put option
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10-30%	The higher the discount for liquidity, the lower the estimated fair value
		Control premium	10%	The higher the control premium, the higher the estimated fair value
	Income approach	Cost of capital	6.52%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity, the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Investment property	Please refer to Note 12			

d) Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions and the sources are independent, reliable, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the Company's accounting policies at each reporting date. Also, assessment of fair value for investment property are outsourced to appraisers from professional agencies every half year and they evaluates the effectiveness of fair value on the balance sheet date quarterly and decides whether to re-issue reports or issue review report. The Company's real estate department will review the legality, the rationality and correctness of valuation parameters important to the results from external reports case-by-case.

e) Sensitivity analysis of Level 3 financial assets

The Company considers the fair value measurements of financial instruments to be reasonable. For those classified within Level 3 but not valued by the Company, it is not practicable to reasonably quantify the relationship between significant unobservable inputs and fair value; accordingly, sensitivity analyses of alternative assumptions are not disclosed. For the remaining Level 3 financial instruments valued by the Company, the effects on fair value from a 10% increase or decrease in valuation parameters are as follows:

December 31, 2025

	<b>The Parameters Were to Go Up 10%</b>	<b>The Parameters Were to Go Down 10%</b>
Fair value through profit or loss (FVTPL)	\$ (59,362)	\$ 63,107
Fair value through other comprehensive income (FVOCI)	(75,745)	73,778

December 31, 2024

	<b>The Parameters Were to Go Up 10%</b>	<b>The Parameters Were to Go Down 10%</b>
Fair value through profit or loss (FVTPL)	\$ (11,328)	\$ 11,328
Fair value through other comprehensive income (FVOCI)	(62,460)	61,440

Note: Financial assets measured at fair value through profit or loss, including those using the overlay method.

3) Fair value hierarchy of assets and liabilities not measured at fair value but for which the fair value is disclosed.

	<u>December 31, 2025</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets not measured at fair value but for which the fair value is disclosed</u>				
Financial assets measured at amortized cost				
Bonds	\$ 606,818,352	\$ 626,595,508	\$ -	\$ 1,233,413,860
Refundable deposits				
Bonds	16,733,178	6,780,008	-	23,513,186
	<u>December 31, 2024</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets not measured at fair value but for which the fair value is disclosed</u>				
Financial assets measured at amortized cost				
Bonds	\$ 603,672,817	\$ 646,815,599	\$ -	\$ 1,250,488,416
Refundable deposits				
Bonds	8,749,862	6,291,973	-	15,041,835

d. Offsetting financial assets and financial liabilities

The Company holds financial instruments in accordance with paragraph 42 of IAS 32 recognized by the FSC and the related assets and liabilities are expressed on a net basis on the balance sheet.

The Company may perform transactions not meeting the requirements of offsetting, but has enforceable master netting arrangement or other similar agreements with the counterparties. When both parties agree to settle in net amount, financial assets and financial liabilities could be offset and settled in net amount, and if not, in total amount. However, if any party in the transaction defaults, the other party can choose net settlement.

Related information about above offsetting financial assets and financial liabilities are as follows:

December 31, 2025						
Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement						
Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset of Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)	
			Financial Instruments	Financial Collateral Received		
Derivative financial instrument	\$ 1,202,813	\$ -	\$ 1,202,813	\$ 1,144,677	\$ -	\$ 58,136

December 31, 2025						
Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement						
Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset of Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)	
			Financial Instruments	Financial Collateral Pledged		
Derivative financial instrument	\$ 30,770,563	\$ -	\$ 30,770,563	\$ 1,144,677	\$ 26,770,980	\$ 2,854,906

December 31, 2024						
Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement						
Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset of Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)	
			Financial Instruments	Financial Collateral Received		
Derivative financial instrument	\$ 2,083,541	\$ -	\$ 2,083,541	\$ 1,747,912	\$ 89,820	\$ 245,809

December 31, 2024						
Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement						
Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset of Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)	
			Financial Instruments	Financial Collateral Pledged		
Derivative financial instrument	\$ 21,376,362	\$ -	\$ 21,376,362	\$ 1,747,912	\$ 14,244,065	\$ 5,384,385

e. Reclassification of financial assets

The bond portfolios held by the Company classified as financial asset measured at fair value through other comprehensive income is an business model invested to strengthen the solvency of the liabilities, and must take into account the collection of interest and principal and capital gains. However, under the extremely rare scenario of aggressive interest rate hikes by the central banks in many countries around the world, the Company's management of cash flow from such portfolios has changed from taking into account both the collection of contractual cash flow and capital gains from disposing of assets to receiving contractual cash flow. Not only has the proportion of disposals decreased quarterly, but also the capital gains from disposal decreased significantly. In response to changes in the Company's management and business model of the portfolio, the management decided to reclassify the financial assets based on the results of external and internal changes on September 30, 2022, and October 1, 2022 was the date of reclassification.

In accordance with IFRS 9, the measurement classification of financial assets is reclassified from fair value through other comprehensive income to financial assets measured at amortized cost. The financial assets shall be reclassified at the fair value on the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortized cost.

The impact of the aforesaid reclassification on financial report as of the reclassification date is that the financial assets measured at fair value through other comprehensive profits and losses decreased by \$128,095,306 thousand, the financial assets measured at amortized cost increased by \$167,607,578 thousand; the deferred income tax assets decreased by \$7,070,854 thousand; and other comprehensive income and other equity increased by \$32,441,418 thousand.

The fair value of the aforesaid financial assets that were reclassified and not yet derecognized as of December 31, 2025 and 2024, were \$122,447,306 thousand and \$122,687,448 thousand, respectively.

If the aforesaid financial assets have not been reclassified, these assets (including disposals) should be accounted for as losses in other comprehensive income for financial year 2024, with a total amount of \$5,660,173 thousand (after-tax amount of \$4,709,485 thousand). In addition, the unrealized gain or loss on the fair value measurement of financial assets at fair value through other comprehensive income decreased by \$5,607,976 thousand (after-tax amount of \$4,667,956 thousand).

If the aforesaid financial assets have not been reclassified, these assets (including disposals) should be accounted for as gains in other comprehensive income for financial year 2025, with a total amount of \$6,142,702 thousand (after-tax amount of \$5,062,908 thousand). In addition, the unrealized gain or loss on the fair value measurement of financial assets at fair value through other comprehensive income increased by \$6,150,970 thousand (after-tax amount of \$5,071,711 thousand).

### **39. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives are primarily managing risks arising from holding financial assets. According to the Company's risk management policies, the main financial risks is market risk, credit risk and liquidity risk. The Company has established guidelines related to the management of the financial risk. The following is the definition, source, management procedures of the risk and methods used to measure the risk:

#### **a. Credit risk analysis**

- 1) Credit risk is the risk that an issuer or a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities and financing activities (primarily loans, financial instrument investments and receivables).

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all issuers or counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. To lower certain issuers' or counter parties' credit risk, credit enhancing instruments will be taken at the appropriate time.

For financial instrument investments, low credit risk is the premise of initial purchase, and at each reporting date, the Company shall assess if the financial instrument investments still qualify for conditions of low credit risk in order to determine the measurement method for allowance for losses. The Company disposes investments at the appropriate time (e.g., when credit risk significantly increases) to lower credit loss. In addition, the Company has built a credit risk model to assess the maximum possible loss on credit positions resulting from changes of credit rating or default. Moreover, based on issuer's region, industry and credit ratings within portfolios, the Company evaluates credit risk and concentration risk, respectively.

The Company determines risk-influencing factors based on 5P Principles for loans, and according to the extent of influence, each P is given different weight to calculate each borrower's credit rating. Credit rating evaluates the reasonableness of loan purpose, the region of collateral, loan-to-value, the customer's credit report, the interest-paying history records, financial conditions and debt-paying ability, etc. and the Company approves the credit rating through multiple layers to control loan risk. Once delay of payment occurs, the Company will actively collect as stated in procedure manual to avoid financial loss.

The Company evaluates expected credit loss in accordance with IFRS 9. Except for those receivables whose allowance for loss is measured at lifetime expected credit loss, the Company shall assess whether the credit risk has increased significantly since initial recognition at each reporting date for other debt instrument investments not measured at fair value through profit or loss whose premise of initial purchase is low credit risk and grouped under different classes of credit risk in order to determine the measurement method of allowance for loss. The primary consideration to determine whether the credit risk increases significantly includes objective evidence such as external credit rating, changes in class interval or other market information, etc. The consideration of credit impairment includes the occurrence of default, overdue payment of interest or principal of debt instrument for more than 90 days, major financial difficulties or bankruptcy or financial reorganization of issuer or the combination of matters that may turn financial assets into credit impairment, etc. If it is determined that the credit risk of a financial asset at reporting date is low, it can be assumed that the credit risk has not increased significantly. The Company measures the allowance based on the 12-month expected credit loss amount; for financial assets with a significant increase in credit risk or impairment already happened, the allowance for loss is measured by the amount of expected credit losses during the duration.

Besides, the measurement of expected credit losses is to the future 12-month or the lifetime Probability of default (PD), Loss given default (LGD), Exposure at default (EAD) of the issuer or the counterparty and the effect of the value of money, and to calculate 12-month expected credit losses or the lifetime expected credit losses respectively.

Default rate is the rate that a default occurs on issuers or counter parties. Loss given default is the loss rate resulted from the default of issuers or counter parties. The Company used the default rate and loss given default published by external credit assessment institutions, and calculated based on adjustments of forward-looking macroeconomics or of market conditions factors.

Exposure at default is measured at the amortized cost of financial assets with accrued interests and receivables. For loans, exposure at default is the total of debtor's outstanding balance at the time of calculation, interest and accrued expense.

Allowance for losses for certain receivables is recognized at lifetime expected credit losses. Past default records and prevailing information are taken into consideration for lifetime expected credit losses. The expected credit loss rate is calculated based on the overdue days of receivables.

2) Financial assets credit risk concentration analysis

- a) The largest credit risk exposure of the financial debt instrument investments held by the Company or deposit in the bank is listed in accordance with the regional distribution as follows:

December 31, 2025

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	\$ 41,029,910	\$ 4,080,303	\$ 415,671	\$ -	\$ -	\$ 45,525,884
Financial assets at fair value through profit or loss	26,688,051	5,652,692	9,115,453	2,619,849	-	44,076,045
Financial assets at fair value through other comprehensive income	978,750	4,615,558	11,488,325	45,419,128	-	62,501,761
Financial assets measured at amortized cost	119,469,004	444,495,832	370,453,457	644,652,486	4,790,537	1,583,861,316
Refundable deposits - bonds	<u>7,787,359</u>	<u>-</u>	<u>-</u>	<u>26,770,980</u>	<u>-</u>	<u>34,558,339</u>
Total	<u>\$ 195,953,074</u>	<u>\$ 458,844,385</u>	<u>\$ 391,472,906</u>	<u>\$ 719,462,443</u>	<u>\$ 4,790,537</u>	<u>\$ 1,770,523,345</u>
Proportion	<u>11.07%</u>	<u>25.92%</u>	<u>22.11%</u>	<u>40.63%</u>	<u>0.27%</u>	<u>100.00%</u>

December 31, 2024

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	\$ 36,966,806	\$ 2,661,214	\$ 586,759	\$ -	\$ -	\$ 40,214,779
Financial assets at fair value through profit or loss	25,774,860	8,336,076	8,902,900	2,637,372	-	45,651,208
Financial assets at fair value through other comprehensive income	1,134,902	3,052,800	6,572,854	29,912,793	-	40,673,349
Financial assets measured at amortized cost	123,595,482	459,313,715	384,969,833	681,684,046	4,806,763	1,654,369,839
Refundable deposits - bonds	<u>7,560,592</u>	<u>-</u>	<u>-</u>	<u>14,202,433</u>	<u>-</u>	<u>21,763,025</u>
Total	<u>\$ 195,032,642</u>	<u>\$ 473,363,805</u>	<u>\$ 401,032,346</u>	<u>\$ 728,436,644</u>	<u>\$ 4,806,763</u>	<u>\$ 1,802,672,200</u>
Proportion	<u>10.82%</u>	<u>26.26%</u>	<u>22.25%</u>	<u>40.41%</u>	<u>0.26%</u>	<u>100.00%</u>

- b) Regional distribution of the largest credit risk exposure for secured loans (excluding policy loan and automatic premium loan) is as follows:

December 31, 2025

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	\$ 42,736	\$ 13,864	\$ 14,605	\$ 71,205
Overdue receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 42,736</u>	<u>\$ 13,864</u>	<u>\$ 14,605</u>	<u>\$ 71,205</u>
Proportion	<u>60.02%</u>	<u>19.47%</u>	<u>20.51%</u>	<u>100.00%</u>

December 31, 2024

<b>Location</b>	<b>Northern Areas: Taipei and Eastern Counties</b>	<b>Central Area: Taichung to Changhua and Nantou</b>	<b>Southern Area: Counties Below Tainan</b>	<b>Total</b>
Secured loans	\$ 60,381	\$ 23,215	\$ 28,309	\$ 111,905
Overdue receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 60,381</u>	<u>\$ 23,215</u>	<u>\$ 28,309</u>	<u>\$ 111,905</u>
Proportion	<u>53.96%</u>	<u>20.74%</u>	<u>25.30%</u>	<u>100.00%</u>

3) Changes in the loss allowance

The reconciliations in loss allowance of financial assets measured at fair value through other comprehensive income are as follows:

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>	<b>The Loss Allowances Measured in Accordance with IFRS 9</b>
Balance as of January 1, 2025	\$ 1,717	\$ -	\$ -	\$ 1,717
Changes due to financial instruments recognized as at beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(153)	-	-	(153)
Originated or purchased new financial assets	1,907	-	-	1,907
Changes in models/risk parameters	1,064	-	-	1,064
Effects of exchange rate changes and others	<u>(107)</u>	<u>-</u>	<u>-</u>	<u>(107)</u>
Balance as of December 31, 2025	<u>\$ 4,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,428</u>

(Continued)

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>	<b>The Loss Allowances Measured in Accordance with IFRS 9</b>
Balance as of January 1, 2024	\$ 4,278	\$ -	\$ -	\$ 4,278
Changes due to financial instruments recognized <u>as at beginning</u>				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(829)	-	-	(829)
Originated or purchased new financial assets	136	-	-	136
Changes in models/risk parameters	(1,966)	-	-	(1,966)
Effects of exchange rate changes and others	<u>98</u>	<u>-</u>	<u>-</u>	<u>98</u>
Balance as of December 31, 2024	<u>\$ 1,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,717</u> (Concluded)

The reconciliations in loss allowance of financial assets measured at amortized cost are as follows:

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>	<b>The Loss Allowances Measured in Accordance with IFRS 9</b>
Balance as of January 1, 2025	\$ 183,566	\$ -	\$ 1,303,644	\$ 1,487,210
Changes due to financial instruments recognized <u>as at beginning</u>				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(5,874)	-	(6,151)	(12,025)
Originated or purchased new financial assets	6,610	-	38	6,648 (Continued)

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>	<b>The Loss Allowances Measured in Accordance with IFRS 9</b>
Changes in models/risk parameters	\$ 62,649	\$ -	\$ 57,857	\$ 120,506
Effects of exchange rate changes and others	<u>(8,456)</u>	<u>-</u>	<u>(55,527)</u>	<u>(63,983)</u>
Balance as of December 31, 2025	<u>\$ 238,495</u>	<u>\$ -</u>	<u>\$ 1,299,861</u>	<u>\$ 1,538,356</u>
Balance as of January 1, 2024	\$ 223,423	\$ 64,130	\$ 1,175,793	\$ 1,463,346
<u>Changes due to financial instruments recognized as at beginning</u>				
Transfer to 12-month ECLs	64,130	(64,130)	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(3,220)	-	(5,334)	(8,554)
Originated or purchased new financial assets	987	-	35	1,022
Changes in models/risk parameters	(111,816)	-	51,786	(60,030)
Effects of exchange rate changes and others	<u>10,062</u>	<u>-</u>	<u>81,364</u>	<u>91,426</u>
Balance as of December 31, 2024	<u>\$ 183,566</u>	<u>\$ -</u>	<u>\$ 1,303,644</u>	<u>\$ 1,487,210</u> (Concluded)

The reconciliations in loss allowance of other receivables related to financial assets measured at fair value through other comprehensive income and measured at amortized costs are as follows:

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>	<b>The Loss Allowances Measured in Accordance with IFRS 9</b>
Balance as of January 1, 2025	\$ 2,003	\$ -	\$ 2,289,041	\$ 2,291,044
<u>Changes due to financial instruments recognized as at beginning</u>				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(46)	-	-	(46)
Originated or purchased new financial assets	61	-	755,101	755,162
Changes in models/risk parameters	524	-	-	524
Effects of exchange rate changes and others	<u>(87)</u>	<u>-</u>	<u>(93,779)</u>	<u>(93,866)</u>
Balance as of December 31, 2025	<u>\$ 2,455</u>	<u>\$ -</u>	<u>\$ 2,950,363</u>	<u>\$ 2,952,818</u>
Balance as of January 1, 2024	\$ 2,227	\$ 539	\$ 1,407,955	\$ 1,410,721
<u>Changes due to financial instruments recognized as at beginning</u>				
Transfer to 12-month ECLs	539	(539)	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(72)	-	-	(72)
Originated or purchased new financial assets	4	-	787,359	787,363
Changes in models/risk parameters	(806)	-	-	(806)
Effects of exchange rate changes and others	<u>111</u>	<u>-</u>	<u>93,727</u>	<u>93,838</u>
Balance as of December 31, 2024	<u>\$ 2,003</u>	<u>\$ -</u>	<u>\$ 2,289,041</u>	<u>\$ 2,291,044</u>

For the years ended December 31, 2025 and 2024, the change in loss allowance for the debt instrument investments measured at fair value through other comprehensive income and measured at amortized cost mostly came from the impact of recent financial environment, forward-looking factors used for estimation, the derecognition and acquisition of investments.

The expected loss rate for the investment in the debt instruments of the above-mentioned financial assets and the loss allowance for other receivables is as follows:

December 31, 2025

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>
Financial asset measured at fair value through other comprehensive income	0.00%-0.02%	-	-
Financial assets measured at amortized cost	0.00%-0.24%	-	6.21%-9.79%
Other receivables	0.00%-0.24%	-	100%

December 31, 2024

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>
Financial asset measured at fair value through other comprehensive income	0.00%-0.02%	-	-
Financial assets measured at amortized cost	0.00%-0.28%	-	5.88%-9.39%
Other receivables	0.00%-0.28%	-	100%

The Company has taken into account the relevant impact of war between Russia and Ukraine and had recognized appropriate provision for impairment. In the future, the Company will closely monitor the situation in Russia and Ukraine, and review the possible impacts on the Company's investment positions.

The reconciliations in loss allowance of loans are as follows:

	12-month ECLs	Lifetime ECLs (Collectively Assessed)	Lifetime ECLs (Individually Assessed)	The Loss Allowances Measured in Accordance with IFRS 9	Impairment Difference Recognized in Accordance with “Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans”	Total
Balance as of January 1, 2025	\$ 2	\$ 93	\$ 43	\$ 138	\$ 1,661	\$ 1,799
Changes due to financial instruments recognized as at <u>beginning</u>						
Transfer to lifetime ECLs	-	-	-	-	-	-
Transfer to 12-month ECLs	-	-	-	-	-	-
Derecognition of financial assets at current period	-	-	-	-	-	-
Impairment difference recognized in accordance with “Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans”	-	-	-	-	(611)	(611)
Effects of exchange rate changes and others	<u>-</u>	<u>(57)</u>	<u>(9)</u>	<u>(66)</u>	<u>-</u>	<u>(66)</u>
Balance as of December 31, 2025	<u>\$ 2</u>	<u>\$ 36</u>	<u>\$ 34</u>	<u>\$ 72</u>	<u>\$ 1,050</u>	<u>\$ 1,122</u>
Balance as of January 1, 2024	\$ 2	\$ 101	\$ 53	\$ 156	\$ 2,573	\$ 2,729
Changes due to financial instruments recognized as at <u>beginning</u>						
Transfer to lifetime ECLs	-	-	-	-	-	-
Transfer to 12-month ECLs	-	-	-	-	-	-
Derecognition of financial assets at current period	-	-	(4)	(4)	-	(4)
Impairment difference recognized in accordance with “Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans”	-	-	-	-	(912)	(912)
Effects of exchange rate changes and others	<u>-</u>	<u>(8)</u>	<u>(6)</u>	<u>(14)</u>	<u>-</u>	<u>(14)</u>
Balance as of December 31, 2024	<u>\$ 2</u>	<u>\$ 93</u>	<u>\$ 43</u>	<u>\$ 138</u>	<u>\$ 1,661</u>	<u>\$ 1,799</u>

For account receivables arising from other transactions, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. The movement of loss allowance of receivables is as follows:

	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Beginning balance	\$ 7,432	\$ 6,287
Increase in the amount for the current period	129	1,145
Amounts written off	<u>(6,693)</u>	<u>-</u>
Ending balance	<u>\$ 868</u>	<u>\$ 7,432</u>

- 4) The total book value of each financial instrument and categories for credit quality
- a) Financial asset measured at fair value through other comprehensive income, financial assets measured at amortized cost and other receivables

December 31, 2025

	<b>12-month ECLs</b>	<b>Lifetime ECLs (Credit Risk Has Increased Significantly)</b>	<b>Lifetime ECLs (Credit Risk Has Been Reduced)</b>	<b>Total</b>
<u>Investment grade</u>				
Financial assets measured at fair value through other comprehensive income	\$ 66,196,263	\$ -	\$ -	\$ 66,196,263
Financial assets measured at amortized cost	1,596,686,745	-	-	1,596,686,745
Other receivables	13,381,579	-	-	13,381,579
<u>Non-investment grade</u>				
Financial assets measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,023,581	-	16,247,685	23,271,266
Other receivables	141,360	-	2,950,363	3,091,723

December 31, 2024

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	Total
<u>Investment grade</u>				
Financial assets measured at fair value through other comprehensive income	\$ 44,724,513	\$ -	\$ -	\$ 44,724,513
Financial assets measured at amortized cost	1,653,279,044	-	-	1,653,279,044
Other receivables	13,862,633	-	-	13,862,633

Non-investment grade

Financial assets measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,319,680	-	17,021,350	24,341,030
Other receivables	147,367	-	2,289,041	2,436,408

Note 1: Financial assets measured at amortized cost included those serving as refundable deposits.

Note 2: The Company is graded by referencing the rating of credit rating agencies, and its credit rating is classified as an investment grade if above BBB-, a credit rating below BBB- or no-rated are listed as a non-investment grade.

b) Secured loans and other receivables

December 31, 2025

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	\$ 71,794	\$ 93
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	<u>533</u>	<u>-</u>
Total		<u>\$ 72,327</u>	<u>\$ 93</u>

December 31, 2024

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	\$ 113,029	\$ 142
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	<u>675</u>	<u>-</u>
Total		<u>\$ 113,704</u>	<u>\$ 142</u>

b. Liquidity risk analysis

- 1) Liquidity risks are classified into “funding liquidity risk” and “market liquidity risk.” “Funding liquidity risk” represents that the Company is not able to obtain sufficient funds at a reasonable funding cost to meet the demands within reasonable time. “Market liquidity risk” represents the risk that the Company sells at loss to meet the demand for cash.

The Company assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, the Company manages market liquidity risk cautiously by considering market trading volumes and adequacy of holding positions with symmetric. To decentralize market risk when investment and to maintain investment each aspect (such as asset category, maturity, region, currency and tools) diversification, and also plan strategies for abnormal and emergency capital requirements to facilitate the Company’s operations in the event of liquidity shortfalls still regularly operate to pay emergency and major funding requirements.

The Company regularly monitors market liquidity and formulates plans to use the funds depending on market conditions and funding demand arrangements for liquidity assets portfolio. To deal with possible liquidity risk early, the Company reports duration of assets and liabilities quarterly, creates cash flow model and reviews cash flow status regularly.

- 2) Financial assets held for managing liquidity risk and maturity analysis of non-derivative financial liabilities

- a) Financial assets held for managing liquidity risk

The Company holds cash, highly liquid and superior assets to deal with payment obligation and the potential urgent funds needs to dispatch in the market environment, financial assets for managing liquidity risk are cash holdings, demand deposits, highly liquid time deposits with little risk of change in value, or marketable securities with better liquidity, etc.

- b) Maturity analysis of non-derivative financial liabilities

The analysis of cash outflows to the Company is listed below and based on the residual term from the date of balance sheet to the maturity. The disclosed amount is in accordance with cash flows on contracts, so the partial disclosed items are not the same as related items in the balance sheet.

Non-derivative financial instruments

	<b>In 1 Year</b>	<b>1 to 5 Years</b>	<b>Over 5 Years</b>	<b>Total</b>
<u>December 31, 2025</u>				
Payables	\$ 19,128,766	\$ 26,565	\$ -	\$ 19,155,331
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	127,986	403,697	3,570,589	4,102,272
<u>December 31, 2024</u>				
Payables	15,116,675	30,056	-	15,146,731
Bonds payable	-	-	30,000,000	30,000,000
Lease liabilities	142,787	393,818	3,655,461	4,192,066

c) Maturity analysis of derivative financial liabilities

The Company operates derivatives including foreign exchange derivative instruments (such as swap contracts, foreign exchange forward).

The Company has enough operating capital, including cash and cash equivalents, and highly liquid securities, such as government bonds to pay the investment and liabilities at maturity. Therefore, the risk of liquidity is extremely low. The Company enters into forward contracts and swap contracts derivative financial instruments, whose currencies are highly liquid, so the possibility of selling out and the risk of market liquidity are low. The forward contracts and swap contracts will be operated continually, and the capital is enough to pay for settlement, so the risk of capital liquidity is low.

Maturity structure of derivative financial liabilities is as follows:

		<b>December 31, 2025</b>				
		<b>In 90 Days</b>	<b>91-180 Days</b>	<b>181 Days - 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$	17,661,552	9,554,695	3,554,316	-	30,770,563
		<b>December 31, 2024</b>				
		<b>In 90 Days</b>	<b>91-180 Days</b>	<b>181 Days - 1 Year</b>	<b>Over 1 Year</b>	<b>Total</b>
Financial liabilities at fair value through profit or loss	\$	17,311,422	1,894,076	2,170,864	-	21,376,362

c. Market risk analysis

- 1) Market risk refers to the risk of the losses of asset value arising from the movement of market prices during a certain period of time.

The Company uses various risk analysis methods to identify the sources of market risks, to identify and define the market risk factors of financial products, and to establish appropriate regulations to ensure an effective market risk management. The Company regularly implements warning and limit monitoring operations in accordance with the approved market risk limits and early warning indicators. Over-the-limit risk management process is put in place to properly manage over-the-limit positions.

- 2) Exchange rate risk

The Company's exchange rate risk is mainly from assets and liabilities denominated in foreign currency. Except for assets and liabilities in the same currency which can have natural hedging effect, other foreign currency positions can be affected by foreign exchange risk. The Company adopts foreign exchange swap and forward to avoid exchange rate risk, and is in accordance with relevant laws and internal control mechanism.

- 3) Interest rate risk

Interest rate risk refers to the risk resulting from changes in market rates which causes fluctuations in the fair value of financial instruments. The Company manages interest rate risk by combinations of fixed and floating interest rate products. Because they do not meet the requirements for hedge accounting, hedge accounting is not adopted.

#### 4) Equity price risk

The Company holds equity securities of listed and unlisted companies. The price of such equity securities will be affected by uncertainties about the future value of the underlying investment. The Company diversified its investment and set investment limits for a single equity security to manage price risk of equity securities. Portfolio information of equity securities is required to be regularly reported to senior executives of the Company. The board of directors should authorize the senior executives to review and approve all equity investment decisions.

#### 5) Value at risk

Value at risk is the maximum loss on the portfolio with a given probability defined as the confidence level, over a given period of time. The Company uses 99% VaR to measure the market risk over the next ten days.

VaR model must be able to reasonably and appropriately measure the maximum potential risk of financial instruments and investment portfolio. VaR model must be validated and backtested to show that the model can reasonably and effectively measure the maximum potential risks of the financial instruments or investment portfolio.

#### 6) Stress testing

The Company measures and evaluates potential risks of the occurrence of extreme and abnormal events regularly in addition to VaR model. Stress testing measures the potential impact on the value of the investment portfolio when extreme fluctuations of financial variables occur.

The Company performs stress testing regularly by using “Simple Sensitivity” and “Scenario Analysis” methods. The test is capable of representing the position loss resulted from the movement of a specific risk factor under different kinds of historical scenarios:

##### a) Simple Sensitivity

Simple Sensitivity measures the dollar amount change of the portfolio value from the movement of specific risk factors.

##### b) Scenario Analysis

Scenario Analysis measures the dollar amount changes of the total value of investment positions if stress scenarios occur. The types of scenario include:

##### i. Historical scenario:

Applying the volatilities of risk factors in a specific historical event, the Company can estimate the losses of the current investment portfolio in the same period of time.

##### ii. Hypothetical scenario:

The Company makes hypothesis with rational expectations from the extreme market movements to assess the dollar amount of losses of the investment position by taking into consideration the movement of relevant risk factors.

The Company performs the stress testing with historical and hypothetical scenarios regularly. The Company's risk analysis, early warning, and business management are in accordance with the stress testing report.

### Summarization of Simple Sensitivity

December 31, 2025

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	\$ -	\$ 2,570,437
	-1%	-	(2,570,437)
Interest rate risk (yield curve)	+1BP	-	(294,755)
	-1BP	-	294,720
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	(719,201)
	-1% (NTD depreciates 1% against each foreign currency)	-	719,201

December 31, 2024

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	\$ -	\$ 2,491,614
	-1%	-	(2,491,614)
Interest rate risk (yield curve)	+1BP	-	(253,705)
	-1BP	-	253,752
Exchange risk (foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	-	(818,631)
	-1% (NTD depreciates 1% against each foreign currency)	-	818,631

Note 1: Provision or reversal of reserves for foreign exchange fluctuations was not considered in the change in profit or loss due to foreign currency risk. Since December 2024, the Company has adopted the new foreign exchange valuation reserves framework, the provision or reversal ratio is 100%.

Note 2: Change in equity was not included in the impact on the change in profit or loss.

**40. ASSETS AND LIABILITIES ARE CLASSIFIED BASED ON EXPECTED RECOVERY OR SETTLEMENT WITHIN 12 MONTHS AFTER THE REPORTING DATE AND MORE THAN 12 MONTHS AFTER THE REPORTING DATE**

	<b>December 31, 2025</b>		
<b>Item</b>	<b>Recovery or Settlement within 12 Months</b>	<b>Recovery or Settlement More than 12 Months</b>	<b>Total</b>
<u>Assets</u>			
Cash and cash equivalents	\$ 45,526,446	\$ -	\$ 45,526,446
Receivables	21,644,247	-	21,644,247
Current tax assets	-	4,405,857	4,405,857
Financial assets at fair value through profit or loss	385,684,527	94,003,152	479,687,679
Financial assets at fair value through other comprehensive income	-	90,704,883	90,704,883
Financial assets measured at amortized cost	3,973,652	1,579,887,664	1,583,861,316
Investments accounted for using equity method	-	2,432,966	2,432,966
Investment property	-	66,416,880	66,416,880
Loans	3,050	36,981,717	36,984,767
Reinsurance assets	1,208,702	-	1,208,702
Property and equipment	-	10,455,389	10,455,389
Right of use assets	-	4,678,556	4,678,556
Intangible assets	87	577,484	577,571
Deferred tax assets	6,066,116	13,846,053	19,912,169
Other assets	46,076	34,633,622	34,679,698
Separate account product assets	<u>139,206,808</u>	<u>-</u>	<u>139,206,808</u>
<b>Total assets</b>	<b><u>\$ 603,359,711</u></b>	<b><u>\$ 1,939,024,223</u></b>	<b><u>\$ 2,542,383,934</u></b>
<u>Liabilities</u>			
Payables	\$ 19,128,766	\$ 26,565	\$ 19,155,331
Current tax liabilities	3,281,968	6,895	3,288,863
Financial liabilities at fair value through profit or loss	30,770,563	-	30,770,563
Bonds payable	-	30,000,000	30,000,000
Lease liabilities	67,068	1,866,399	1,933,467
Insurance liabilities	20,002,380	2,035,940,713	2,055,943,093
Foreign exchange valuation reserve	-	43,372,327	43,372,327
Provision	-	33,737	33,737
Deferred tax liabilities	13,833,235	2,258,194	16,091,429
Other liabilities	460,954	1,291,934	1,752,888
Separate account product liabilities	<u>139,206,808</u>	<u>-</u>	<u>139,206,808</u>
<b>Total liabilities</b>	<b><u>\$ 226,751,742</u></b>	<b><u>\$ 2,114,796,764</u></b>	<b><u>\$ 2,341,548,506</u></b>

**December 31, 2024**

Item	Recovery or Settlement within 12 Months	Recovery or Settlement More than 12 Months	Total
<u>Assets</u>			
Cash and cash equivalents	\$ 40,215,185	\$ -	\$ 40,215,185
Receivables	19,642,374	-	19,642,374
Current tax assets	-	5,759,556	5,759,556
Financial assets at fair value through profit or loss	348,377,133	89,963,629	438,340,762
Financial assets at fair value through other comprehensive income	819,705	65,964,506	66,784,211
Financial assets measured at amortized cost	6,173,266	1,648,196,573	1,654,369,839
Investments accounted for using equity method	-	2,301,619	2,301,619
Investment property	-	66,457,927	66,457,927
Loans	5,534	36,058,970	36,064,504
Reinsurance assets	844,147	-	844,147
Property and equipment	-	10,621,774	10,621,774
Right of use assets	-	4,783,174	4,783,174
Intangible assets	178	605,570	605,748
Deferred tax assets	3,995,084	16,594,113	20,589,197
Other assets	87,113	21,944,614	22,031,727
Separate account product assets	<u>121,432,726</u>	<u>-</u>	<u>121,432,726</u>
Total assets	<u>\$ 541,592,445</u>	<u>\$ 1,969,252,025</u>	<u>\$ 2,510,844,470</u>
<u>Liabilities</u>			
Payables	\$ 15,116,675	\$ 30,056	\$ 15,146,731
Current tax liabilities	-	6,895	6,895
Financial liabilities at fair value through profit or loss	21,376,362	-	21,376,362
Bonds payable	-	30,000,000	30,000,000
Lease liabilities	83,217	1,882,855	1,966,072
Insurance liabilities	20,696,136	2,060,273,712	2,080,969,848
Foreign exchange valuation reserve	-	30,705,210	30,705,210
Provision	-	49,016	49,016
Deferred tax liabilities	20,316,804	1,719,705	22,036,509
Other liabilities	563,198	1,206,295	1,769,493
Separate account product liabilities	<u>121,432,726</u>	<u>-</u>	<u>121,432,726</u>
Total liabilities	<u>\$ 199,585,118</u>	<u>\$ 2,125,873,744</u>	<u>\$ 2,325,458,862</u>

#### 41. CAPITAL MANAGEMENT

The Company's main objective of capital management is to make sure the risk-based capital (RBC) ratio and the Company's equity divided by total assets excluding the separate accounts product assets calculated in accordance with "Regulations Governing Capital Adequacy of Insurance Companies" meets the ratio provided by the Insurance Act, to maintain a sound capital structure to protect rights and interests of customers and shareholders.

The Company implements capital management mainly by monitoring the results of RBC report to ensure its solvency.

#### 42. RELATED PARTY TRANSACTION

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

- a. Name and nature of relationship of the related parties

<u>Name of the Related Parties</u>	<u>Nature of Relationship of the Related Parties</u>
KGI Financial Holding Co., Ltd. (KGI Financial)	Parent company/juristic-person director of the Company (parent company)
CDIB Capital Group	Brother company (other related party)
KGI Securities Co., Ltd.	Brother company (other related party)
KGI Bank	Brother company (other related party)
KGI Securities Investment Trust Co., Ltd.	Brother company (other related party)
KGI Asset Management Co., Ltd.	Other related party
CDIB Capital Management Inc.	Other related party
CDIB & Partners Investment Holding Corporation	Other related party
CDIB Innovation Advisors Corporation Limited	Other related party
CDIB Capital Growth Partners L.P.	Other related party
CDIB Capital Healthcare Ventures II Limited Partnership	Other related party
CDIB CME Fund Ltd.	Other related party
KGI Venture Capital Co., Ltd.	Other related party
Funds managed by KGI Securities Investment Trust Co., Ltd.	Other related party (Note 1)
KGI Insurance Brokers Co., Ltd.	Other related party
KGI Futures Co., Ltd.	Other related party
KGI Finance & Leasing Corporation	Other related party
KGI Securities Investment Advisory Co., Ltd.	Other related party
Soar Taiwan Co., Ltd.	Other related party (Note 2)
CDIB-Innolux II Limited Partnership	Other related party (Note 3)
GPPC Development Corp.	Other related party (Note 4)
GPPC Chemical Corporation	Other related party
CDIB Capital Asia Partners L.P.	Other related party
CDIB Capital International Corporation	Other related party

(Continued)

<u>Name of the Related Parties</u>	<u>Nature of Relationship of the Related Parties</u>
CDIB Capital Global Opportunities Fund L.P.	Other related party
China Development Foundation	Substantial related party
KGI Culture and Arts Foundation	Substantial related party (Note 5)
Others	Directors, the key management personnel with their spouse, the relationship within second degree by consanguinity and KGI Financial's affiliates or substantial related parties (other related party) (Note 6)

(Concluded)

Note 1: On July 11, 2025, the competent authority issued a guideline on the Q&A on Whether the IFRS Q&A in the Determination of Related Parties published by the Accounting Research and Development Foundation the competent authority is applicable retrospectively. The Company has adopted the guidance accordingly in its 2025 financial statements. Upon reassessment of the relationships and transactions with funds managed by KGI SITE prior to the issuance of the aforementioned Q&A, such funds are determined not as related parties. Therefore, there is no requirement to restate comparative period information or to retrospectively adjust the relationships and transactions with related parties previously identified and disclosed in the financial statements.

Note 2: Since January 30, 2024, Soar Taiwan Co., Ltd. has become other related party of the Company.

Note 3: Since March 19, 2024, CDIB-Innolux II Limited Partnership has become other related party of the Company.

Note 4: Since August 23, 2024, GPPC Development Corp. was no longer the related party of the Company.

Note 5: Since March 24, 2025, KGI Culture and Arts Foundation has become substantial related party of the Company.

Note 6: Related parties such as parent company, brother company, and other related parties of the Company as the result of the tender offer by KGI Financial.

b. Significant transactions with the related parties are as follows:

1) Cash in banks

Name	<u>December 31</u>	
	2025	2024
KGI Bank	<u>\$ 7,605,166</u>	<u>\$ 8,277,568</u>

2) Receivables

Name	December 31	
	2025	2024
Other receivables:		
Parent company	\$ 40,815	\$ 39,076
KGI Bank	604,164	773,966
KGI Securities Co., Ltd.	447,960	9,104
Other related parties	<u>42,611</u>	<u>178,945</u>
Total	<u>\$ 1,135,550</u>	<u>\$ 1,001,091</u>

3) Current tax assets

Name	December 31	
	2025	2024
Parent company	<u>\$ 4,375,046</u>	<u>\$ 5,740,385</u>

It is the tax that shall be collected from the parent company arising from the consolidated tax return of income tax between the Company and the parent company and its subsidiaries by the policy jointly declaration of tax.

4) Derivative financial instruments

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (December 31, 2025)	
				Items	Balance
Other related parties	Swap contracts	2025/02/06-2026/02/12	US\$ 420,000	Financial asset at fair value through profit or loss	\$ 208,391
Other related parties	Swap contracts	2025/08/04-2026/08/11	US\$ 630,000	Financial liability at fair value through profit or loss	1,022,442

  

Name	Contract Type	Period	Notional Amount (In Thousands of USD Dollars)	Balance Sheets (December 31, 2024)	
				Items	Balance
Other related parties	Swap contracts	2024/08/20-2025/03/24	US\$ 1,240,000	Financial liability at fair value through profit or loss	\$ 1,114,628

5) Financial assets at fair value through profit and loss

Name	December 31	
	2025	2024
Stocks:		
Other related parties	\$ 1,435,424	\$ 1,443,053
Beneficiary certificates:		
Other related parties	<u>733,578</u>	<u>16,698,444</u>
Total	<u>\$ 2,169,002</u>	<u>\$ 18,141,497</u>

6) Financial assets at fair value through other comprehensive income

	Name	December 31	
		2025	2024
Stocks:			
Other related parties		\$ <u>21,843</u>	\$ <u>29,560</u>

7) Policy loans

	Name	December 31	
		2025	2024
Other related parties		\$ <u>6,464</u>	\$ <u>12,729</u>

8) Other assets

	Name	December 31	
		2025	2024
Prepayments:			
Other related parties		\$ <u>-</u>	\$ <u>5,962</u>

9) Payables

	Name	December 31	
		2025	2024
Commissions payable:			
Other related parties		\$ 83,810	\$ 33,218
Other payables:			
Other related parties		<u>248,830</u>	<u>56,921</u>
Total		\$ <u>332,640</u>	\$ <u>90,139</u>

10) The Company entrusted the parent company to collect and transfer the prepayments for equipment and prepayments expense to non-related parties. As of December 31, 2025 and 2024, the transaction amount of the prepayments for equipment and prepayment expense was \$13,448 thousand and \$18,103 thousand, respectively. For the years ended December 31, 2025 and 2024, the transaction incurred an operating expense of \$1,805 thousand and \$725 thousand, respectively. As of December 31, 2025 and 2024, there was no payable arising from the aforementioned transaction.

11) Current tax liabilities

	Name	December 31	
		2025	2024
Parent company		\$ <u>3,281,968</u>	\$ <u>-</u>

It is the tax that shall be paid to the parent company arising from the consolidated tax return of income tax between the Company and the parent company and its subsidiaries by the policy jointly declaration of tax.

12) Bonds payable

Name	December 31	
	2025	2024
KGI Securities Co., Ltd.	\$ <u>4,850,000</u>	\$ <u>4,850,000</u>

As of December 31, 2025 and 2024, KGI Securities Co., Ltd. held a total face value of \$4,850,000 thousand of corporate bonds issued by the Company, and the interest payable generated amounted to \$1,435 thousand and \$1,435 thousand. The interest expenses in the above transactions attributable to KGI Securities Co., Ltd. amounted to \$130,950 thousand and \$130,954 thousand, for the years ended December 31, 2025 and 2024, respectively.

13) Guarantee deposits received

Name	December 31	
	2025	2024
Parent company	\$ 16,452	\$ 16,452
Other related parties	<u>68,754</u>	<u>68,321</u>
	\$ <u>85,206</u>	\$ <u>84,773</u>

14) Other liabilities

Name	December 31	
	2025	2024
Unearned receipts:		
Other related parties	\$ 339	\$ -
Temporary receipts:		
Parent company	-	328
Other related parties	<u>286</u>	<u>33</u>
Total	\$ <u>625</u>	\$ <u>361</u>

15) Premium income

Name	For the Year Ended December 31	
	2025	2024
Parent company	\$ 3,964	\$ 3,005
Other related parties	<u>218,495</u>	<u>181,765</u>
Total	\$ <u>222,459</u>	\$ <u>184,770</u>

16) Fee income

Name	For the Year Ended December 31	
	2025	2024
Other related parties	\$ <u>10,516</u>	\$ <u>14,131</u>

17) Interest income

	Name	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
	Other related parties	\$ <u>62,010</u>	\$ <u>63,819</u>

18) Financial assets measured at fair value through profit or loss

	Name	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
	Other related parties	\$ <u>124,668</u>	\$ <u>702,182</u>

19) Gains on Investment property

	Name	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
	Parent company	\$ 63,360	\$ 66,691
	KGI Bank	172,141	181,068
	Other related parties	<u>87,217</u>	<u>212,452</u>
	Total	\$ <u>322,718</u>	\$ <u>460,211</u>

According to contracts, leasing periods are generally 3 to 20 years, and rentals are usually paid monthly.

20) Insurance claim payments

	Name	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
	Other related parties	\$ <u>64,074</u>	\$ <u>3,305</u>

21) Commission expenses

	Name	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
	Other related parties	\$ <u>939,616</u>	\$ <u>585,163</u>

22) Professional service fees (recognized in operating expenses)

	Name	<b>For the Year Ended December 31</b>	
		<b>2025</b>	<b>2024</b>
	Other related parties	\$ <u>38,598</u>	\$ <u>42,306</u>

23) Employee training expenses (recognized in operating expenses)

Name	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Parent company	\$ 203	\$ 250
Other related parties	<u>11</u>	<u>8</u>
Total	<u>\$ 214</u>	<u>\$ 258</u>

24) Handling fees (recognized in net investment incomes (losses) or in adjustment for investment cost)

Name	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties	<u>\$ 225,943</u>	<u>\$ 140,158</u>

Other handling fees (recognized in operating expenses)

Name	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties	<u>\$ 37,569</u>	<u>\$ 34,358</u>

25) Donation expenses (recognized in operating expenses)

Name	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Other related parties	<u>\$ 50,000</u>	<u>\$ 21,000</u>

26) Finance costs

Name	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Parent company	\$ 144	\$ 124
KGI Securities Co., Ltd.	131,007	131,007
Other related parties	<u>688</u>	<u>601</u>
Total	<u>\$ 131,839</u>	<u>\$ 131,732</u>

27) Non-operating income and expenses

Name	<b>For the Year Ended December 31</b>	
	<b>2025</b>	<b>2024</b>
Parent company	\$ 3,547	\$ 3,642
KGI Bank	11,028	10,884
Other related parties	<u>7,199</u>	<u>5,028</u>
Total	<u>\$ 21,774</u>	<u>\$ 19,554</u>

The abovementioned transaction terms with related parties do not differ from that with non-related parties.

c. Key management personnel remuneration

Item	For the Year Ended December 31	
	2025	2024
Short-term employee benefits	\$ 745,607	\$ 620,302
Post-employment benefits	6,437	13,141
Share-based payment	<u>16,158</u>	<u>36,799</u>
Total	<u>\$ 768,202</u>	<u>\$ 670,242</u>

**43. PLEDGED ASSETS**

Details of pledged and guaranteed assets are as follows:

Item	December 31	
	2025	2024
Government bonds (recognized as refundable deposits)	\$ 34,558,339	\$ 21,763,025
Cash in bank (recognized as refundable deposits)	<u>19,189</u>	<u>59,392</u>
Total	<u>\$ 34,577,528</u>	<u>\$ 21,822,417</u>

**44. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS**

Investment commitment not yet contributed

As of December 31, 2025, among the investment contracts signed, the upper limit of the amount not yet contributed were NT\$3,139,774 thousand, US\$585,538 thousand and EUR10,217 thousand.

**45. SIGNIFICANT LOSSES FROM DISASTER**

None.

**46. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

a. The Company's issuance of corporate bonds was approved by the Board of Directors on November 20, 2025, and the transaction was approved by the competent authority on December 9, 2025. The Company, having obtained approval under TPEX Order No. Cheng-Gui-Chai-Zi-11400109591, issued the 1st tranche of 2026 unsecured cumulative subordinated corporate bonds on January 26, 2026. The issuance conditions are as follows:

- 1) Total issuance and face value: The total issuance is NT\$10,000,000 thousand. According to the issuance conditions, there are A and B note. The issuance amount of A note is NT\$3,000,000 thousand and B note is NT\$7,000,000 thousand. The per par value is NT\$1,000 thousand.
- 2) Issue period and method: A note is 10 years and B note is 15 years. Both notes will be fully issued according to their face value.

- 3) Coupon rate: The annual coupon rate of A note is fixed at 3.75% and B note is fixed at 3.88%.
  - 4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than \$0.5 and rounded off if less than \$0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.
  - 5) Redemption right: Ten years after the issuance date of B note, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any unpaid interest payable up to the date of redemption.
  - 6) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.
- b. On January 16, 2026, the Company's board of directors approved the bid for the superficies of land parcels No. 428-5, 428-47, 428-83, and 428-197 in Section 2, Sanxing, Xinyi District, Taipei City. The land is administered by the Northern Branch of the National Property Administration, Ministry of Finance. The superficies are granted for a term of 70 years, with an annual ground rent of \$64.07 million. On January 19, 2026, the Company successfully secured the bid for the superficies at a winning price of \$10.1 billion.
  - c. The status of the Company's foreign currency assets corresponding to its New Taiwan Dollar liabilities complies with the interpretation letter No. 0000000287 issued by the Accounting Research and Development Foundation of the Republic of China on December 9, 2025. In accordance with the amendments to the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises," the Board of Directors resolved on February 5, 2026, that for debt instruments measured at amortized cost which are directly held by the Company and for which the foreign exchange risk component has not been designated for hedging: Effective from January 1, 2026, their unrealized exchange differences shall be recognized in exchange gains or losses on a security-by-security basis using the straight-line method over the expected remaining duration. The cumulative net unrealized exchange difference that has not yet been amortized shall be recognized under other assets or other liabilities. Upon the derecognition of the debt instrument, the entire amount shall be recognized in the current period's exchange gains or losses.
  - d. On March 5, 2026, the Company's board of directors approved the acquisition of real estate located in Taoyuan City from British Virgin Islands Success Capital Company Limited Capital Limited, a company incorporated in the Cayman Islands, at a total transaction price of \$6.3 billion.

#### 47. OTHER ITEMS

- a. Foreign currency financial assets and liabilities with significant influence as of December 31, 2025 and 2024 are as follows:

	<b>December 31, 2025</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate (In Dollar)</b>	<b>NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 47,299,901	31.4380	\$ 1,487,014,282
AUD	5,967,523	21.0257	125,471,340
Non-monetary items			
USD	2,322,326	31.4380	73,009,282
<u>Financial liabilities</u>			
Monetary items			
USD	8,950	31.4380	281,363
	<b>December 31, 2024</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate (In Dollar)</b>	<b>NTD</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 46,031,801	32.7810	\$ 1,508,968,481
AUD	5,911,449	20.3947	120,562,221
Non-monetary items			
USD	2,283,879	32.7810	74,867,845
<u>Financial liabilities</u>			
Monetary items			
USD	7,915	32.7810	259,472

The above information is disclosed based on the carrying amount of the foreign currencies, which has been translated to the functional currency.

b. Participation of unconsolidated structured entities

As of December 31, 2025 and 2024, interests in unconsolidated structured entities the Company holds are as follows. The Company does not provide any financial or other support for these structured entities. The estimated maximum exposure amount is the interests the Company holds.

December 31, 2025

	<b>Private Equity Fund</b>	<b>Asset Securitization Product</b>	<b>Total</b>
Assets held by the Company			
Financial assets at fair value through profit and loss	\$ 46,864,246	\$ 1,300,955	\$ 48,165,201
Financial assets at fair value through other comprehensive income	-	3,262,478	3,262,478
Financial assets measured at amortized cost	-	6,371,385	6,371,385
The maximum exposure amount	46,864,246	10,934,818	57,799,064
Financial or other support provided	None	None	

December 31, 2024

	<b>Private Equity Fund</b>	<b>Asset Securitization Product</b>	<b>Total</b>
Assets held by the Company			
Financial assets at fair value through profit and loss	\$ 42,012,262	\$ 1,743,951	\$ 43,756,213
Financial assets at fair value through other comprehensive income	-	-	-
Financial assets measured at amortized cost	-	6,865,957	6,865,957
The maximum exposure amount	42,012,262	8,609,908	50,622,170
Financial or other support provided	None	None	

c. Discretionary account management

1) The Company contracts with securities investment trust business for discretionary investments management: None.

2) As of December 31, 2025 and 2024, the Company's discretionary investments: None.

d. Revenue, cost, expense and profit (loss) sharing between the insurance enterprise and the financial holding company and other subsidiaries in terms of business or trading activities, joint business promotions, sharing of information, and sharing of facilities or premises shall be apportioned to the relative trading companies by direct attribution or the cross selling contract or other reasonable methods (for example: Headcount etc.) according to the nature of the business. Please refer to Note 42 related party transactions.

e. As of December 31, 2025 and 2024, the Company's equity divided by total assets excluding the separate accounts product assets was 8.36% and 7.76%.

#### 48. ADDITIONAL DISCLOSED

a. Information on significant transactions:

- 1) Acquisition of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.
- 2) Disposal of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.
- 3) Transactions with related parties involving main business items reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Note 42.
- 4) Accounts receivable from related parties reaching NT\$100 million or 20% of paid-in or more: Please refer to Table 1.
- 5) Trading in derivative instruments:

As of December 31, 2025 and 2024, the amount (notional amount) that the Company engaged in the contract of derivative instruments transactions is as follows: (Unit: U.S. dollar in thousand)

- Type of derivative instrument held:

	<u>December 31</u>	
	<u>2025</u>	<u>2024</u>
Swap and forward exchange contracts	\$ 26,288,025	\$ 29,634,886

b. Information on investees:

- 1) Information on investee company that the Company exercises significant influence over: Please refer to Table 2.
- 2) If the Company directly or indirectly exercises significant influence over the investee, it shall disclose information on significant transaction with the investee:
  - a) Loans made to others: None.
  - b) Endorsements/guarantees for others: Please refer to Table 3.
  - c) Securities held at the end of the period: Please refer to Table 4.
  - d) Transactions where the aggregate purchases or sales of the same security reaching NT\$100 million or 20% of paid-in capital or more: Please refer to Table 5.
  - e) Acquisition of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.
  - f) Disposal of real estate reaching NT\$100 million or 20% of paid-in capital or more: None.
  - g) Transactions with related parties involving main business items reaching NT\$100 million or 20% of paid-in capital or more: None.
  - h) Accounts receivable from related parties reaching NT\$100 million or 20% of paid-in capital or more: None.
  - i) Trading in derivative instruments: None.

c. Information regarding investment in Mainland China

- 1) The Company set up China Life Insurance Co., Ltd. (Taiwan) Beijing Representative Office in Mainland China, which was approved by FSC on November 2004 and was approved by the China Insurance Regulatory Commission in July 2005. The Beijing representative office was officially established in August 2005.

The original name China Life Insurance Co., Ltd. (Taiwan) Beijing Representative Office was approved by the Beijing Municipal Bureau of Market Supervision and Administration on February 9, 2024, to be renamed KGI Life Insurance Co., Ltd. Beijing Representative Office.

- 2) The Company participated in the equity investment of Pacific-Antna Life Insurance Company Ltd. in Mainland China authorized by FSC on December 30, 2010, and by the Investment Commission of the Ministry of Economic Affairs (MOEAIC) on January 28, 2011, and by the China Insurance Regulatory Commission on April 6, 2011. The Company remitted US\$58,775 thousand on June 24, 2011, completed settlement on June 29, 2011 and obtained 19.9% ownership. The Company shared 100% equity of Pacific-Antna Life Insurance Company Ltd. with China Construction Bank and other financial investors and used the channel and customer resources of China Construction Bank to develop bank insurance business which is to ensure the Company successfully enters the mainland market and increases the Company's long-term value and shareholders' interests. Pacific-Antna Life Insurance Company Ltd. was renamed to CCB Life Insurance Company Ltd. authorized by the China Insurance Regulatory Commission on June 7, 2011. And CCB Life Insurance Company Ltd. made an announcement to change into a company limited by shares from a limited company on December 20, 2016.

The Investment Commission of the Ministry of Economic Affairs (MOEAIC) authorized the Company to increase capital of US\$216,000 thousand CCB Life Insurance Company Ltd. on August 29, 2011 and to remit US\$11,844 thousand on August 30, 2011. The increased share capital case was approved by China Insurance Regulatory Commission on September 28, 2011 and by Shanghai Administration for Industry and Commerce on December 13, 2011. Moreover, the Company remitted US\$179,070 thousand to increase share capital in June 2012, and this increased share capital case was approved by China Insurance Regulatory Commission on July 27, 2012 and by Shanghai Administration for Industry and Commerce on November 5, 2012. MOEAIC authorized the Company to revoke the approved case on August 29, 2011 of US\$25,086 thousand not implemented on October 2, 2017.

On December 29, 2016, the Board has resolved to participate CCB Life Insurance Co., Ltd.'s capital raising plan in exact proportion to its current shareholding. The MOEAIC approved the Company's plan to increase capital investment in CCB Life Insurance Company Ltd. on March 29, 2017 and the Company remitted CNY1,194,000 thousand in April 2019. The capital raising plan was approved by the China Insurance Regulatory Commission on July 21, 2020 and the Shanghai Administration for Industry and Commerce as of October 28, 2020.

- 3) Information on the investee company, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland Area: Please refer to Table 6.

#### **49. SEGMENT INFORMATION**

a. Information on products and services

The Company engaged in life insurance business in accordance with Insurance Act. According to IFRS 8 “Operating Segments”, the Company offers only insurance contract products. The operating executives assign resources on a basis of entire company, therefore the entire company is a single operating segment.

b. Information on the geographical areas

The Company does not have foreign operating segment, therefore no information shall be disclosed.

c. Information on major customer

The Company does not have any one customer whose revenue constitute 10% or more on the income statement, therefore no information shall be disclosed.

**KGI LIFE INSURANCE CO., LTD.**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance (Note 1)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	KGI Bank KGI Financial Holding Co., Ltd.	Brother company	Other receivables \$ 604,164	Note 1	\$ -	-	\$ 511,090	\$ -
		Parent company	Tax receivables 4,375,046	Note 2	-	-	-	-
	KGI Securities Co., Ltd.		Other receivables 40,815	Note 3	-	-	633	-
		Brother company	Other receivables 447,960	Note 4	-	-	444,794	-

Note 1: No turnover rate is available as the receivables were caused by Automated Clearing House (ACH) and the rent receivable of the leased house.

Note 2: No turnover rate is available as the receivables were caused by the policy jointly declaration of tax.

Note 3: No turnover rate is available as the receivables were caused by the rent receivable of the leased office.

Note 4: No turnover rate is available as the receivables were caused by sale of securities and the rent receivable of the leased house.

## KGI LIFE INSURANCE CO., LTD.

INFORMATION ON INVESTEEES  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2025			Net Income (Loss) of the Investee	Recognized Investment Gain (Loss) for the Period	Note
				December 31, 2025	December 31, 2024	Shares	%	Carrying Amount			
The Company	Shenhe Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	\$ -	\$ 199,000	-	-	\$ -	\$ -	\$ 9,573	Note 1
	Fu Bao Yi Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	500,000	500,000	51,984,127	39.68	524,419	2,096	(5,883)	Investments accounted for using equity method
	Taipan Solar Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	421,200	421,200	42,120,000	30.00	437,007	43,406	13,022	Investments accounted for using equity method
	ThrivEnergy Co., Ltd.	Taiwan	Energy technology service industry	216,000	216,000	21,600,000	28.80	210,090	(24,121)	4,722	Investments accounted for using equity method
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture capital	80,139	97,885	28,400,000	20.00	383,079	987,189	197,438	Investments accounted for using equity method
	Guang Bei Company Limited.	Taiwan	Energy technology service industry	264,269	264,269	26,852,452	42.50	271,816	6,465	2,879	Investments accounted for using equity method
	Perpetual New Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	-	160,000	-	-	-	-	(1,152)	Note 2
	Chi He Low Carbon Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	52,000	52,000	5,200,000	40.00	50,892	(1,061)	(384)	Investments accounted for using equity method
	Kai-Hong Energy Co., Ltd.	Taiwan	Investment activities	552,408	250,629	55,240,800	29.00	505,375	(129,865)	(37,661)	Investments accounted for using equity method
Fu Bao Le Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	50,000	-	5,000,000	41.67	50,288	659	288	Investments accounted for using equity method	

Note 1: The Company recognized the investment's profit or loss under the equity method prior to disposal; on December 30, 2025, it divested its entire shareholding in the investee and recorded a disposal gain of \$58,942 thousand, presented under other net investment income.

Note 2: The Company recognized the investment's profit or loss under the equity method prior to disposal; on November 7, 2025, it divested its entire shareholding in the investee and recorded a disposal gain of \$825 thousand, presented under other net investment income.

**KGI LIFE INSURANCE CO., LTD.**

**ENDORSEMENTS/GUARANTEES FOR OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
	Name	Relationship										
Fu Bao Yi Hao Energy Co., Ltd.	Enfinite Capital Taiwan Solar I Co., Ltd.	Parent and Subsidiary	None	\$ 6,644,582	\$ 6,223,770	\$ 6,223,770	\$ -	469	None	Yes	No	No
Fu Bao Le Hao Energy Co., Ltd.	Xiang Guang Energy Co., Ltd.	Parent and Subsidiary	None	2,250,000	2,250,000	34,706	-	1866	None	Yes	No	No

Note: Investee Company's net value of the most recent financial statement is the book balance of the investee company, unaudited by the CPA.

**KGI LIFE INSURANCE CO., LTD.**

**SECURITIES HELD AT THE END OF THE PERIOD**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2025				Note
				Shares/Capital	Carrying Amount (Note 2)	Percentage of Ownership (%)	Fair Value	
CDIB Capital Healthcare Ventures Limited	<u>Stocks</u>							
	Powder Pharmaceuticals, Inc.	None	Financial assets at fair value through profit or loss - non-current	7,192	\$ 4,716	4.99	\$ 4,716	
	Paonan Biotech Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,155,625	51,437	16.07	51,437	
	APrevent Medical Inc.	None	Financial assets at fair value through profit or loss - non-current	1,907,917	55,061	5.98	55,061	
	Steminent Biotherapeutics Inc.	None	Financial assets at fair value through profit or loss - non-current	1,300,000	78,130	1.95	78,130	
	Trust Bio-sonics Inc.	None	Financial assets at fair value through profit or loss - non-current	2,675,690	66,892	6.89	66,892	
	AmMax Bio, Inc.	None	Financial assets at fair value through profit or loss - non-current	602,154	20,256	0.95	20,256	
	Immune-Onc Therapeutics, Inc.	None	Financial assets at fair value through profit or loss - non-current	1,262,442	6,287	1.17	6,287	
	Alar Pharmaceuticals Inc.	None	Financial assets at fair value through profit or loss - non-current	5,301,000	1,585,330	7.94	1,585,330	
TOT BIOPHARM International Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	264,600	2,672	0.03	2,672		
CellMax, Limited	None	Financial assets at fair value through profit or loss - non-current	995,322	5,307	0.41	5,307		

Note 1: Investment adopting the equity method does not need to disclose the fair value.

Note 2: Unaudited by the CPA.

**KGI LIFE INSURANCE CO., LTD.**

TRANSACTIONS WHERE THE AGGREGATE PURCHASES OR SALES OF THE SAME SECURITY REACHING NT\$100 MILLION OR 20% OF PAID IN CAPITAL OR MORE

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
Fu Bao Le Hao Energy Co., Ltd.	Xiang Guang Energy Co., Ltd.	Investments accounted for using equity method	Xiang Guang Energy Co., Ltd.	Subsidiary	100,000	\$ 463	11,800,000	\$ 118,000	-	\$ -	\$ -	\$ -	11,900,000	\$ 119,458

Note: Investments accounted for using the equity method include the investment gains or losses recognized under the equity method.

## KGI LIFE INSURANCE CO., LTD.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period	Remittance for Investment for the Period		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2025	Accumulated Repatriation of Investment Income as of December 31, 2025	Note
					Outward	Inward							
CCB Life Insurance Ltd. (Note 1)	Life insurance	\$ 32,212,967 (CNY 7,120,461 thousand)	Direct investment in Mainland China	\$ 12,880,969	\$ -	\$ -	\$ 12,880,969	\$ 2,990,895 (Note 3)	19.90	\$ - (Note 4)	\$ 14,809,203 (Note 2)	\$ 229,387 (Note 4)	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$12,880,969	\$12,880,969	\$120,501,257

Note 1: The investee company was originally named as Pacific-Antna Life Insurance Company Ltd. On June 7, 2011, the investee company was approved to change the name to CCB Life Insurance Ltd. by China Insurance Regulatory Commission. On December 20, 2016, the investee company announced to restructure as incorporation.

Note 2: The Company classified the investment in the financial assets at fair value through other comprehensive income. The ending carrying amount includes unrealized gains or losses.

Note 3: Investee Company's profit or loss for the period is the book balance of the investee company, unaudited by the CPA.

Note 4: Accumulated cash dividends distributed in previous years.

# KGI LIFE INSURANCE CO., LTD.

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**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF CASH AND CASH EQUIVALENTS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

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<b>Item</b>	<b>Summary</b>	<b>Amounts</b>
Cash on hand		\$ 557
Revolving funds		5
Cash in banks (Note)	Including US\$236,578 thousand, AUD55,415 thousand and CNY177,878 thousand.	17,549,619
Time deposits (Note)	Maturity date on the time deposits falls within 12 months. The interest intervals are between 0.95%-4.15%, including US\$311,287 thousand, AUD10,022 thousand and CNY20,031 thousand.	16,787,032
Bond with resale agreement	Maturity date on bond with resale agreement falls within 3 months. The interest intervals are between 1.45%-1.52%.	<u>11,189,233</u>
		<u>\$ 45,526,446</u>

Note: The foreign exchange rates for converting to Taiwanese Dollars are as follows:  
USD at 31.4380, AUD at 21.0257, and CNY at 4.4958/4.4971.

## KGI LIFE INSURANCE CO., LTD.

## STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Summary	Number of Shares or Bonds	Face Value (NT\$)	Total Value	Interest Rate (%)	Acquisition Cost	Fair Value		Changes in Fair Value Attributable to Changes in Credit Risk	Note
							Unit Price (NT\$)	Total		
Financial assets at fair value through profit or loss										
Domestic listed stocks										
TSMC		37,812,000	10	\$ 378,120		\$ 42,980,005		\$ 58,608,600	None	
Others (Note)						<u>138,451,603</u>		<u>135,749,984</u>	None	Note 2
						181,431,608		194,358,584		
Domestic unlisted stocks										
Domestic beneficiary certificates						3,014,869		3,062,861	None	Note 2
Domestic real estate investment trust						172,817,636		148,984,110	None	Note 2
Domestic preferred stocks						1,500,912		1,300,955	None	Note 2
Domestic financial debentures						1,283,280		1,143,605	None	Note 2
Derivatives						20,540,000		19,674,793	None	Note 2
Overseas listed stocks						-		1,202,813	None	Note 2
Overseas beneficiary certificates						27,997,392		26,837,732	None	Note 2
Overseas corporate bonds						53,055,725		58,720,974	None	Note 2
Overseas financial debentures						4,501,616		4,280,923	None	Note 2
						<u>23,264,120</u>		<u>20,120,329</u>	None	Note 2
						489,407,158		<u>\$ 479,687,679</u>		
Valuation adjustment										
						<u>(9,719,479)</u>				
Net amount										
						<u>\$ 479,687,679</u>				

Note 1: The above financial assets are not pledged.

Note 2: The balance of each securities that does not constitute over 5% of the balance of the major accounting item does not present separately.

## KGI LIFE INSURANCE CO., LTD.

## STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Summary	Shares or Bonds	Face Value (NT\$)	Total Value	Allowance for Losses	Valuation Adjustment for Allowance	Acquisition Cost	Fair Value		Note
								Unit Price (NT\$)	Total	
Domestic listed stocks		-	-	\$ -	NA	\$ 561,196	\$ 1,870,995	-	\$ 2,432,191	Note 2
Domestic government bonds		-	-	-	\$ 9	(15,799)	994,550	-	978,751	Note 2
Domestic unlisted stocks		-	-	-	NA	(99,994)	1,364,060	-	1,264,066	Note 2
Domestic preferred stocks		-	-	-	NA	(192,780)	9,890,442	-	9,697,662	Note 2
Overseas government bonds		-	-	-	219	(1,540,740)	14,198,474	-	12,657,734	Note 2
Overseas corporate bonds		-	-	-	2,176	(1,680,153)	22,837,254	-	21,157,101	Note 2
Overseas financial debentures		-	-	-	1,989	(450,705)	24,896,402	-	24,445,697	Note 2
Overseas real estate mortgage bonds		-	-	-	35	(7,106)	3,269,584	-	3,262,478	Note 2
Overseas unlisted stocks		-	-	-				-		
CCB Life Insurance Co., Ltd.		-	-	-	NA	1,928,234	12,880,969	-	14,809,203	
				\$ -	\$ 4,428	\$ (1,497,847)	\$ 92,202,730		\$ 90,704,883	

Note 1: The above financial assets are not pledged.

Note 2: The balance of each securities that does not constitute over 5% of the balance of the major accounting item does not present separately.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Name of Bonds	Summary	Number of Bonds	Face Value (NT\$)	Total Value	Interest Rate (%)	Allowance for Losses	Unamortized Premiums (Discounts)	Book Value	Note
Domestic government bonds		-		\$ 49,660,400	0.25-3.625	\$ 452	\$ 326,434	\$ 49,986,834	Maturing in 2053, Note 2
Domestic corporate bonds		-		39,350,000	0.45-3.70	11,747	(658)	39,349,342	Maturing in 2050, Note 2
Domestic financial debentures		-		17,350,000	0.45-2.55	2,634	-	17,350,000	Maturing in 2035, Note 2
Domestic structured products		-		6,500,000	0.805-1.10	1,771	-	6,500,000	Maturing in 2032, Note 2
Overseas government bonds		-		179,586,431	1.25-7.75	1,336,624	14,135,410	193,721,841	Maturing in 2110, Note 2
Overseas corporate bonds		-		481,157,227	0-7.625	130,704	33,572,304	514,729,531	Maturing in 2072, Note 2
Overseas financial debentures		-		1,679,030,023	0-7.75	54,356	(887,080,945)	791,949,078	Maturing in 2110, Note 2
Overseas real estate mortgage bonds		-		6,525,121	2.50-5.00	68	(153,736)	6,371,385	Maturing in 2054, Note 2
Less: Refundable deposits						-	-	(34,558,339)	Note 1
Less: Expected credit loss						-	-	(1,538,356)	
						<u>\$ 1,538,356</u>	<u>\$ (839,201,191)</u>	<u>\$ 1,583,861,316</u>	

Note 1: \$7,787,359 thousand is deposited to the Department of the Treasury of CBC as insurance deposits; \$26,770,980 thousand is deposited as margin payments for derivative trading counterparties.

Note 2: The balance of each securities that does not constitute over 5% of the balance of the major accounting item does not present separately.

Note 3: Except for the abovementioned in Note 1, the financial assets listed above are not pledged.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase for the Current Period		Decrease for the Current Period		Ending Balance			Fair Value or Net Worth		Pledged or Lent	Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Proportion	Amount	Unit Price (NT\$)	Total Amount		
Shenhe Energy Co., Ltd.	19,900,000	\$ 208,216	-	\$ 9,573	(19,900,000)	\$ (217,789)	-	-	\$ -	-	\$ -	None	
Fu Bao Yi Hao Energy Co., Ltd.	50,000,000	532,818	1,984,127	-	-	(8,399)	51,984,127	39.68%	524,419	-	524,419	None	
Taipan Solar Co., Ltd.	42,120,000	435,188	-	13,022	-	(11,203)	42,120,000	30.00%	437,007	-	437,007	None	
Thriv Energy Co., Ltd.	21,600,000	205,360	-	4,730	-	-	21,600,000	28.80%	210,090	-	210,090	None	
CDIB Capital Healthcare Ventures Limited	30,174,514	203,386	-	197,438	(1,774,514)	(17,745)	28,400,000	20.00%	383,079	-	383,079	None	
Guang Bei Company Limited	26,426,925	268,937	425,527	2,879	-	-	26,852,452	42.50%	271,816	-	271,816	None	
Perpetual New Energy Co., Ltd.	16,000,000	155,181	-	-	(16,000,000)	(155,181)	-	-	-	-	-	None	
Chi He Low Carbon Co., Ltd.	5,200,000	51,276	-	-	-	(384)	5,200,000	40.00%	50,892	-	50,892	None	
Kai-Hong Energy Co., Ltd.	25,062,900	241,257	30,177,900	301,779	-	(37,661)	55,240,800	29.00%	505,375	-	505,375	None	
Fu Bao Le Hao Energy Co., Ltd.	-	-	5,000,000	50,288	-	-	5,000,000	41.67%	50,288	-	50,288	None	
		<u>\$ 2,301,619</u>		<u>\$ 579,709</u>		<u>\$ (448,362)</u>			<u>\$ 2,432,966</u>		<u>\$ 2,432,966</u>		

Note 1: The increase in the current period includes the newly acquired investment cost, stock dividend and the recognition of investment income under the equity method.

Note 2: The decrease in the current period includes cash dividends, capital reduction, recognition of investment losses under the equity method, and adjustments for changes in equity.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Note
Land	\$ 545,343	\$ -	\$ -	\$ 545,343	
Royalty-surface rights	4,336,575	-	-	4,336,575	
Buildings	379,347	55,198	(26,450)	408,095	
Transportation equipment	7,455	-	-	7,455	
Other equipment	<u>175,855</u>	<u>8,191</u>	<u>(171,072)</u>	<u>12,974</u>	
	<u>\$ 5,444,575</u>	<u>\$ 63,389</u>	<u>\$ (197,522)</u>	<u>\$ 5,310,442</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Beginning Balance</b>	<b>Increase for the Current Period</b>	<b>Decrease for the Current Period</b>	<b>Ending Balance</b>	<b>Note</b>
Land	\$ 50,488	\$ 8,440	\$ -	\$ 58,928	
Royalty-surface rights	394,361	66,758	-	461,119	
Buildings	74,772	50,192	(26,450)	98,514	
Transportation equipment	4,300	1,192	-	5,492	
Other equipment	<u>137,480</u>	<u>33,373</u>	<u>(163,020)</u>	<u>7,833</u>	
	<u>\$ 661,401</u>	<u>\$ 159,955</u>	<u>\$ (189,470)</u>	<u>\$ 631,886</u>	

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN INVESTMENT PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance			Increase for the Current Period			Decrease for the Current Period			Ending Balance			Pledge	Note
	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total		
Measured at fair value:														
Land	\$ 26,921,749	\$ 5,420,297	\$ 32,342,046	\$ 27,389	\$ 564,380	\$ 591,769	\$ (179,813)	\$ (74,586)	\$ (254,399)	\$ 26,769,325	\$ 5,910,091	\$ 32,679,416	None	Note 1
Buildings	17,939,069	5,342,224	23,281,293	413,084	10,999	424,083	(61,692)	(410,832)	(472,524)	18,290,461	4,942,391	23,232,852	None	Note 1
Right-of-use assets - land	1,061,031	500,615	1,561,646	-	9,972	9,972	-	-	-	1,061,031	510,587	1,571,618	None	Note 1
Right-of-use assets - royalty-surface	8,593,429	679,513	9,272,942	-	-	-	-	(339,948)	(339,948)	8,593,429	339,565	8,932,994	None	Note 1
	<u>\$ 54,515,278</u>	<u>\$ 11,942,649</u>	<u>\$ 66,457,927</u>	<u>\$ 440,473</u>	<u>\$ 585,351</u>	<u>\$ 1,025,824</u>	<u>\$ (241,505)</u>	<u>\$ (825,366)</u>	<u>\$ (1,066,871)</u>	<u>\$ 54,714,246</u>	<u>\$ 11,702,634</u>	<u>\$ 66,416,880</u>		

Note 1: For investment property measured at fair value, the amounts listed above are evaluated through independent valuation appraisers. Please refer to Note 12 in financial reports for the approaches and assumptions adopted.

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF LOANS MADE TO OTHERS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	<b>Allowance for Losses</b>	<b>Adjustments of Premiums and Discounts</b>	<b>Net Amount</b>	<b>Note</b>
Policy loans	\$ 31,350,956	\$ -	\$ -	\$ 31,350,956	
Automatic premium loans	5,562,606	-	-	5,562,606	
Secured loans	<u>72,327</u>	<u>(1,122)</u>	<u>-</u>	<u>71,205</u>	
	<u>\$ 36,985,889</u>	<u>\$ (1,122)</u>	<u>\$ -</u>	<u>\$ 36,984,767</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF CLAIMS RECOVERABLE FROM REINSURERS**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Individual health insurance		\$ 695,011	
Individual life insurance		120,347	
Group insurance		91,885	
Investment-linked insurance		30,873	
Individual accident insurance		<u>9,824</u>	
		<u>\$ 947,940</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF DUE FROM AND DUE TO REINSURERS AND CEDING COMPANIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

<b>Summary</b>	<b>Debit Balance</b>	<b>Summary</b>	<b>Credit Balance</b>	<b>Note</b>
Due from reinsurers and ceding companies		Due to reinsurers and ceding companies		
Munich Reinsurance Company	\$ 78,017	RG A Global Reinsurance Company	\$ 881,507	
General Reinsurance AG	19,626	Central Reinsurance Corporation	186,876	
Others (Note)	<u>10,686</u>	Munich Reinsurance Company	125,375	
		Others (Note)	<u>72,730</u>	
	<u>\$ 108,329</u>		<u>\$ 1,266,488</u>	

Note: The balance of each item that does not constitute about 5% of the balance of the major accounting item does not present separately.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGE IN PROPERTY AND EQUIPMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Pledge	Note
Land	\$ 6,335,949	\$ 8,095	\$ (30,370)	\$ 6,313,674	None	
Buildings	5,393,725	29,266	(18,603)	5,404,388	None	
Computer equipment	877,453	61,677	(58,489)	880,641	None	
Transportation equipment	35,933	3,910	(2,257)	37,586	None	
Other equipment	740,793	4,846	(3,080)	742,559	None	
Leasehold improvements	69,446	7,916	-	77,362	None	
Prepayment for buildings and construction in progress	<u>205,929</u>	<u>340,735</u>	<u>(117,193)</u>	<u>429,471</u>	None	
	<u>\$ 13,659,228</u>	<u>\$ 456,445</u>	<u>\$ (229,992)</u>	<u>\$ 13,885,681</u>		

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Note
Buildings	\$ 1,197,198	\$ 263,844	\$ (6,079)	\$ 1,454,963	Note 1
Computer equipment	429,328	140,282	(58,196)	511,414	Note 2
Transportation equipment	15,486	6,932	(2,257)	20,161	Note 3
Other equipment	610,922	44,670	(3,046)	652,546	Note 4
Leasehold improvement	<u>35,474</u>	<u>6,688</u>	<u>-</u>	<u>42,162</u>	Note 5
	<u>\$ 2,288,408</u>	<u>\$ 462,416</u>	<u>\$ (69,578)</u>	<u>\$ 2,681,246</u>	

Note 1: Accrued on a straight-line basis over the estimated economic lives 1-60 years.

Note 2: Accrued on a straight-line basis over the estimated economic lives 3-12 years.

Note 3: Accrued on a straight-line basis over the estimated economic lives 5-6 years.

Note 4: Accrued on a straight-line basis over the estimated economic lives 5 years.

Note 5: Accrued on a straight-line basis over the lease terms or the estimated economic lives, whichever is shorter.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF PROPERTY AND EQUIPMENT  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period (Note)	Ending Balance	Note
Land	\$ 740,512	\$ 2,981	\$ (2,981)	\$ 740,512	
Buildings	<u>8,534</u>	<u>-</u>	<u>-</u>	<u>8,534</u>	
	<u>\$ 749,046</u>	<u>\$ 2,981</u>	<u>\$ (2,981)</u>	<u>\$ 749,046</u>	

Note: The decrease in this period is transferred out.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN INTANGIBLE ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Note
Computer software	\$ 605,570	\$ 330,471	\$ (358,557)	\$ 577,484	Note 1
Carbon allowances	<u>178</u>	<u>-</u>	<u>(91)</u>	<u>87</u>	Note 2
	<u>\$ 605,748</u>	<u>\$ 330,471</u>	<u>\$ (358,648)</u>	<u>\$ 577,571</u>	

Note 1: The decrease for the period is all amortization. Accrued on a straight-line basis over the estimated economic lives 1-10 years.

Note 2: The decrease for the current period pertains to utilization for carbon neutrality, due to the indefinite useful life, amortization is not allowed. The Company conducts annual impairment assessments.

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF OTHER ASSETS****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Prepayments	Prepaid expenses	\$ 26,227	
	Imputation tax credit	34,481	
	Other prepayments	<u>19,849</u>	
		<u>80,557</u>	
Refundable deposits	Insurance enterprise deposits	34,558,339	
	Other deposits	<u>19,189</u>	Other deposits including telephone equipment, leases, etc.
		<u>34,577,528</u>	
Other assets - others	Temporary payments and suspense accounts	<u>21,613</u>	
		<u>\$ 34,679,698</u>	

## KGI LIFE INSURANCE CO., LTD.

## STATEMENT OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Summary	Number of Shares or Bonds	Face Value	Total Value	Interest Rate	Fair Value		Changes in Fair Value Attributable to Changes in Credit Risk	Note
						Unit Price (NT\$)	Total		
Derivative	Swaps and forward foreign exchange contracts	-		\$ -			<u>\$ 30,770,563</u>	None	

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF BONDS PAYABLE  
DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Bonds	Entrusted Entity	Issuance Date	Coupon Frequency	Coupon Rate (%)	Amount			Unamortized Premium or Discount	Gross Carrying	Redemption	Pledge	Note
					Total Issuance	Clear Off	End of the Period					
KGI Life Insurance Co., Ltd. 1st Perpetual cumulative Subordinated Corporate Bonds issued in 2020	Taipei Fubon Commercial Bank Co., Ltd.	2020.12.28	Annual	2.70	\$ 10,000,000	\$ -	\$ 10,000,000	\$ -	\$ 10,000,000	Ten years after the issuance date, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is one time higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any accrued and unpaid interest payable up to the date of redemption.	None	
KGI Life Insurance Co., Ltd. 1st Unsecured Cumulative Subordinated Corporate Bonds issued in 2023	Taipei Fubon Commercial Bank Co., Ltd.	2023.7.25	Annual	3.75	10,000,000	-	10,000,000	-	10,000,000	The maturity date of the bonds is July 25, 2033, with principal repayment due in full at maturity.	None	
KGI Life Insurance Co., Ltd. 1st Unsecured Cumulative Subordinated Corporate Bonds for A note issued in 2024	Mega International Commercial Bank Co., Ltd.	2024.9.13	Annual	3.75	5,960,000	-	5,960,000	-	5,960,000	The maturity date of the bonds for A note is September 13, 2034, with principal repayment due in full at maturity.	None	
KGI Life Insurance Co., Ltd. 1st Unsecured Cumulative Subordinated Corporate Bonds for B note issued in 2024	Mega International Commercial Bank Co., Ltd.	2024.9.13	Annual	3.88	<u>4,040,000</u>	<u>-</u>	<u>4,040,000</u>	<u>-</u>	<u>4,040,000</u>	The maturity date of the bonds for B note is September 13, 2039, with principal repayment due in full at maturity. However, ten years after the issuance date, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any accrued and unpaid interest payable up to the date of redemption.	None	
					<u>\$ 30,000,000</u>	<u>\$ -</u>	<u>\$ 30,000,000</u>	<u>\$ -</u>	<u>\$ 30,000,000</u>			

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF CHANGES IN POLICY RESERVE  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Beginning Balance</b>	<b>Net Change in the Current Period (Note 2)</b>	<b>Amount for Other Changes (Note 1)</b>	<b>Ending Balance</b>	<b>Note</b>
Life insurance	\$ 1,765,855,103	\$ 3,122,771	\$ (20,174,125)	\$ 1,748,803,749	
Health insurance	190,313,693	8,357,673	(1,244)	198,670,122	
Annuity insurance	102,318,785	(12,996,634)	(379,549)	88,942,602	
Investment-linked insurance	<u>2,599,590</u>	<u>332,219</u>	<u>(5,634)</u>	<u>2,926,175</u>	
	<u>\$ 2,061,087,171</u>	<u>\$ (1,183,971)</u>	<u>\$ (20,560,552)</u>	<u>\$ 2,039,342,648</u>	

Note 1: Amount for other changes \$20,560,552 thousand are from net gains on foreign exchange.

Note 2: In accordance with Order No. 11404924811 issued by the Financial Supervisory Commission, the Company adjusted the applicable interest and mortality rates used in calculating certain insurance products' reserve liabilities. The difference in reserve liabilities before and after the adjustment may be released, within forty percent of the most recent difference between the fair value of liabilities and the carrying amount of reserve liabilities.

On July 31, 2025, the Company released \$23,402,098 thousand from reserve liabilities and fully appropriated the amount to the Foreign Exchange Price Fluctuation Reserve. Please refer to Note 23(b).

Note 3: Including "Reserve Liabilities - Payable to Policyholders," the total reserve liabilities amounted to \$2,039,523,526 thousand as of December 31, 2025.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN UNEARNED PREMIUM RESERVE  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Total amount:					
Individual life insurance	\$ 724	\$ (44)	\$ -	\$ 680	
Individual injury insurance	2,518,123	254,254	-	2,772,377	
Individual health insurance	3,308,746	178,052	-	3,486,798	
Group insurance	556,902	9,744	-	566,646	
Investment-linked insurance	77,616	4,530	(12)	82,134	
Annuity insurance	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>	
	<u>\$ 6,462,112</u>	<u>\$ 446,536</u>	<u>\$ (12)</u>	<u>\$ 6,908,636</u>	
Ceded:					
Individual life insurance	\$ 17,426	\$ 12,361	\$ (243)	\$ 29,544	
Individual injury insurance	5,214	(4,038)	-	1,176	
Individual health insurance	50,066	7,156	24	57,246	
Group insurance	19,556	(14,611)	-	4,945	
Investment-linked insurance	<u>5,485</u>	<u>(183)</u>	<u>(1)</u>	<u>5,301</u>	
	<u>\$ 97,747</u>	<u>\$ 685</u>	<u>\$ (220)</u>	<u>\$ 98,212</u>	

Note: Amount for other changes \$208 thousand are from net losses on foreign exchange.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN RESERVE FOR CLAIMS  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Total amount:					
Individual life insurance	\$ 329,697	\$ (62,832)	\$ (1,872)	\$ 264,993	
Individual injury insurance	970,280	(249,129)	-	721,151	
Individual health insurance	1,907,555	(79,914)	-	1,827,641	
Group insurance	1,101,064	(39,962)	-	1,061,102	
Investment-linked insurance	32,511	7,339	(377)	39,473	
Annuity insurance	<u>50,896</u>	<u>(4,048)</u>	<u>(19)</u>	<u>46,829</u>	
	<u>\$ 4,392,003</u>	<u>\$ (428,546)</u>	<u>\$ (2,268)</u>	<u>\$ 3,961,189</u>	
Ceded:					
Individual life insurance	\$ 8,392	\$ 14,286	\$ (299)	\$ 22,379	
Individual injury insurance	1,088	2,250	-	3,338	
Individual health insurance	26,635	869	-	27,504	
Group insurance	3,800	(2,800)	-	1,000	
Investment-linked insurance	<u>440</u>	<u>(440)</u>	<u>-</u>	<u>-</u>	
	<u>\$ 40,355</u>	<u>\$ 14,165</u>	<u>\$ (299)</u>	<u>\$ 54,221</u>	

Note: Amount for other changes \$1,969 thousand are from net gains on foreign exchange.

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF CHANGES IN SPECIAL RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Beginning Balance</b>	<b>Net Change in the Current Period</b>	<b>Amount for Other Changes</b>	<b>Ending Balance</b>	<b>Note</b>
Participating policies dividend reserve	\$ 7,531,771	\$ (3,239,348)	\$ -	\$ 4,292,423	
Dividend risk reserve	<u>-</u>	<u>308,214</u>	<u>-</u>	<u>308,214</u>	
	<u>\$ 7,531,771</u>	<u>\$ (2,931,134)</u>	<u>\$ -</u>	<u>\$ 4,600,637</u>	

## KGI LIFE INSURANCE CO., LTD.

## STATEMENT OF CHANGES IN SPECIAL RESERVES (SPECIAL RESERVES FOR CATASTROPHE AND FLUCTUATION OF RISK)

FOR THE YEAR ENDED DECEMBER 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Reserve for the Current Period	Recover for the Current Period	Ending Balance	Note
Individual life insurance	\$ 2,432	\$ 212	\$ (337)	\$ 2,307	
Individual injury insurance	1,093,371	149,035	(112,212)	1,130,194	
Individual health insurance	1,844,924	187,251	(70,935)	1,961,240	
Group insurance	4,111,214	660,217	(377,056)	4,394,375	
Annuity insurance	<u>313</u>	<u>1</u>	<u>(2)</u>	<u>312</u>	
	<u>\$ 7,052,254</u>	<u>\$ 996,716</u>	<u>\$ (560,542)</u>	<u>\$ 7,488,428</u>	

## KGI LIFE INSURANCE CO., LTD.

CALCULATION OF SPECIAL RESERVES (SPECIAL RESERVES FOR CATASTROPHE AND FLUCTUATION OF RISK) ALLOCATED  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Type of Insurance	Earned Premium Retained	Anticipated Dollar Amount Need to Be Paid		Retained Claim	The Special Reserved in the Current Period				Total Reserve
		Expected Loss Rate	Expected Amount for Claims		Reserve Rate	Reserve of Fixed Rate	Less than Expected Reserve for Claims	Tax Effect	
Individual life insurance	\$ 2,069	94%	\$ 1,936	\$ 585	3.00%	\$ 62	\$ 203	\$ 53	\$ 212
Individual injury insurance	3,352,969	78%	2,619,841	1,601,416	1.00%	33,530	152,764	37,259	149,035
Individual health insurance	7,802,108	77%	6,013,641	7,265,528	3.00%	234,063	-	46,812	187,251
Group insurance	8,843,235	82%	7,251,453	3,518,290	3.00%	265,297	559,974	165,054	660,217
Annuity insurance	19	100%	18	14	3.00%	1	1	1	1
	<u>\$ 20,000,400</u>		<u>\$ 15,886,889</u>	<u>\$ 12,385,833</u>		<u>\$ 532,953</u>	<u>\$ 712,942</u>	<u>\$ 249,179</u>	<u>\$ 996,716</u>

## KGI LIFE INSURANCE CO., LTD.

CALCULATION OF SPECIAL RESERVES (SPECIAL RESERVES FOR CATASTROPHE AND FLUCTUATION OF RISK) RECOVERED  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Type of Insurance	The Accumulated Special Reserve in the Prior Period	Special Reserve, Sum of Prior Period Accumulation and Reserve in the Current Period	Special Reserves Recovered in the Current Period				Total Recovery	The Accumulated Special Reserve in the Current Period
			More than Expected Recovery for Claims	More than Recovery of Self-retention Earned Premium	Special Reserves Recovered from Catastrophic Events	Tax Effect		
Individual life insurance	\$ 2,432	\$ 2,644	\$ -	\$ 280	\$ 141	\$ 84	\$ 337	\$ 2,307
Individual injury insurance	1,093,371	1,242,406	-	122,496	17,769	28,053	112,212	1,130,194
Individual health insurance	1,844,924	2,032,175	-	-	88,669	17,734	70,935	1,961,240
Group insurance	4,111,214	4,771,431	-	377,385	93,935	94,264	377,056	4,394,375
Annuity insurance	313	314	-	3	-	1	2	312
	<u>\$ 7,052,254</u>	<u>\$ 8,048,970</u>	<u>\$ -</u>	<u>\$ 500,164</u>	<u>\$ 200,514</u>	<u>\$ 140,136</u>	<u>\$ 560,542</u>	<u>\$ 7,488,428</u>

**KGI LIFE INSURANCE CO., LTD.**
**STATEMENT OF CHANGES IN PREMIUM DEFICIENCY RESERVE  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)**


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Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Total amount:					
Individual life insurance	\$ 925,524	\$ (38,511)	\$ (13,484)	\$ 873,529	
Individual health insurance	<u>83,926</u>	<u>(8,350)</u>	<u>-</u>	<u>75,576</u>	
	<u>\$ 1,009,450</u>	<u>\$ (46,861)</u>	<u>\$ (13,484)</u>	<u>\$ 949,105</u>	

Note: Amount for other changes \$13,484 thousand are from net gains on foreign exchange.

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF CHANGES IN RESERVE FOR FOREIGN EXCHANGE VALUATION RESERVE  
 FOR THE YEAR ENDED DECEMBER 31, 2025  
 (In Thousands of New Taiwan Dollars)

Beginning Balance	Fixed Reserve for the Current Period	Net Change in the Current Period		Total	Transfer from the Liability Reserve and Other Reserves	Ending Balance	Note
		Incremental Reserve for the Current Period	Offset for the Current Period				
<u>\$ 30,705,210</u>	<u>\$ 5,241,770</u>	<u>\$ 55,914,649</u>	<u>\$ (48,489,302)</u>	<u>\$ 12,667,117</u>	<u>\$ -</u>	<u>\$ 43,372,327</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF PROVISIONS**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Provision for employee benefits		\$ 32,570	
Other provisions		<u>1,167</u>	Litigation provision
		<u>\$ 33,737</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF LEASE LIABILITIES****DECEMBER 31, 2025****(In Thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Summary</b>	<b>Lease Period</b>	<b>Discount Rate</b>	<b>Ending Balance</b>	<b>Note</b>
Land	Rent on royalty-surface rights and land	2014/01-2084/01	1.61%-3.50%	\$ 1,597,134	
Buildings	Rent on office and parking lot	2021/09-2038/06	0.6632%-1.9588%	329,005	
Transportation equipment	Business car	2020/06-2029/09	0.5819%-0.9821%	1,997	
Other equipment	Multi-function machine etc.	2020/11-2026/10	0.856%-1.7532%	<u>5,331</u>	
				<u>\$ 1,933,467</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF OTHER LIABILITIES**

**DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Unearned receipts	Unearned premiums	\$ 433,417	
	Other unearned revenue	<u>27,537</u>	
		<u>460,954</u>	
Guarantee deposits received	Real estate lease deposit	<u>378,228</u>	
Other liabilities - other	Temporary receipts and suspense accounts	<u>913,706</u>	
		<u>\$ 1,752,888</u>	

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF RETAINED EARNED PREMIUM  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Types of Insurance	Premium Income	Reinsurance Premium Income	Reinsurance Expenses	Retain Premium	Reserve Method	Net Change in Unearned Premium Reserve	Retained Earned Premium	Note
Individual life insurance	\$ 127,936,281	\$ -	\$ (649,755)	\$ 127,286,526	Note	\$ 12,405	\$ 127,298,931	
Individual injury insurance	3,640,928	-	(36,211)	3,604,717		(258,292)	3,346,425	
Individual health insurance	24,718,439	-	(1,397,775)	23,320,664		(170,896)	23,149,768	
Group insurance	4,254,013	-	(148,896)	4,105,117		(24,355)	4,080,762	
Investment-linked insurance	2,382,316	-	(127,689)	2,254,627		(4,713)	2,249,914	
Annuity insurance	<u>2,814,026</u>	<u>-</u>	<u>-</u>	<u>2,814,026</u>		<u>-</u>	<u>2,814,026</u>	
	<u>\$ 165,746,003</u>	<u>\$ -</u>	<u>\$ (2,360,326)</u>	<u>\$ 163,385,677</u>		<u>\$ (445,851)</u>	<u>\$ 162,939,826</u>	

Note: Unearned premium reserve is calculated based on each individual case: Premium income in the current period multiplies by the percentage of undue days.

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF INTEREST INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Deposits and short-term notes interest		\$ 1,066,530	
Securities interest		61,606,160	
Policy loan interest		1,523,732	
Secured loans interest		2,369	
Automatic premium loans interest		243,376	
Others		<u>97,415</u>	
		<u>\$ 64,539,582</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE  
THROUGH PROFIT OR LOSS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>
Debt instruments	Gains (losses) from transaction	\$ 3,849
	Gains (losses) from valuation	1,734,606
	Dividend income	<u>1,512,728</u>
		<u>3,251,183</u>
Equity instruments	Gains (losses) from transaction	35,839,358
	Gains (losses) from valuation	(3,383,059)
	Dividend income	<u>14,752,994</u>
		<u>47,209,293</u>
Derivatives	Gains (losses) from transaction	(6,347,811)
	Gains (losses) from valuation	<u>(10,274,928)</u>
		<u>(16,622,739)</u>
		<u>\$ 33,837,737</u>

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF REALIZED GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE  
THROUGH OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	<b>Note</b>
Equity instruments		
Dividend income	<u>\$ 603,051</u>	
Debt instrument		
Gains (losses) from transaction	162,215	
Dividend income	<u>655</u>	
	<u>162,870</u>	
	<u>\$ 765,921</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF GAINS (LOSSES) FROM DERECOGNITION OF FINANCIAL ASSETS  
MEASURED AT AMORTIZED COST  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	<b>Note</b>
Debt instruments		
Gains (losses) from transaction	\$ 177,838	
Dividend income	<u>7,480</u>	
	<u>\$ 185,318</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF SHARE OF PROFIT (LOSS) OF ASSOCIATES AND JOINT VENTURES  
ACCOUNTED FOR USING EQUITY METHOD  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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	<b>Amount</b>
Shenhe Energy Co., Ltd.	\$ 9,573
Fu Bao Yi Hao Energy Co., Ltd.	(5,883)
Taipan Solar Co., Ltd.	13,022
Thriv Energy Co., Ltd.	4,722
CDIB Capital Healthcare Ventures Limited	197,438
Guang Bei Company Limited	2,879
Perpetual New Energy Co., Ltd.	(1,152)
Chi He Low Carbon Co., Ltd.	(384)
Kai-Hong Energy Co., Ltd.	(37,661)
Fu Bao Le Hao Energy Co., Ltd.	<u>288</u>
	<u>\$ 182,842</u>

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF OTHER NET INVESTMENT INCOMES (LOSSES)**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>
Gain on disposal of investments accounted for using equity method		\$ 59,767
Security lending expense		(18,420)
Other (Note)		<u>2,239</u>
		<u>\$ 43,586</u>

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF FOREIGN EXCHANGE GAINS (LOSSES)**

**FOR THE YEAR ENDED DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>
Debt instruments		\$ (37,876,203)
Other (Note)		<u>(581,271)</u>
		<u>\$ (38,457,474)</u>

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF GAINS (LOSSES) ON INVESTMENT PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	<b>Note</b>
Rent income	\$ 1,548,672	
Gain on disposal	53,380	
Loss on valuation	(126,120)	
Other expense	(303,332)	
Other income	<u>747</u>	
	<u>\$ 1,173,347</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF EXPECTED CREDIT IMPAIRMENT LOSS AND REVERSAL ON INVESTMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025**

**(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Impairment Losses</b>	<b>Gains on Reversal</b>	<b>Note</b>
Domestic bonds	\$ (4,604)	\$ -	
Overseas bonds	(794,022)	-	
Loans	<u>-</u>	<u>677</u>	
	<u>\$ (798,626)</u>	<u>\$ 677</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF OTHER OPERATING COST  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Amount</b>	<b>Note</b>
Revenue	<u>\$ -</u>	
Cost		
Disbursement on guaranty fund	<u>\$ (165,746)</u>	

## KGI LIFE INSURANCE CO., LTD.

STATEMENT OF RETAINED CLAIM PAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)

Type of Insurance	Claim Payments (Including Claim Expenses)	Reinsurance Claim Payments	Claims Recovered from Reinsures	Retained Claim Payment	Note
Individual life insurance	\$ 150,387,195	\$ -	\$ (155,903)	\$ 150,231,292	
Individual injury insurance	1,632,016	-	(11,378)	1,620,638	
Individual health insurance	13,420,407	-	(886,198)	12,534,209	
Group insurance	3,685,117	-	(119,731)	3,565,386	
Investment-linked insurance	47,318	-	(38,190)	9,128	
Annuity insurance	<u>17,509,018</u>	<u>-</u>	<u>-</u>	<u>17,509,018</u>	
	<u>\$ 186,681,071</u>	<u>\$ -</u>	<u>\$ (1,211,400)</u>	<u>\$ 185,469,671</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF COMMISSION EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Acquisition commission expense			
Individual life insurance		\$ 6,726,694	
Individual injury insurance		562,074	
Individual health insurance		1,811,293	
Group insurance		134,859	
Investment-linked insurance		961,580	
Annuity insurance		<u>1,844</u>	
		<u>10,198,344</u>	
Agent allowance		<u>2,288,528</u>	
		<u>\$ 12,486,872</u>	

**KGI LIFE INSURANCE CO., LTD.**

**STATEMENT OF FINANCE COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Interest expense		<u>\$ 1,162,499</u>	

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF GENERAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Payroll expense		\$ 1,533,415	
Insurances expense		485,483	
Handling fees		420,915	
Other		<u>788,589</u>	Note
		<u>\$ 3,228,402</u>	

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF ADMINISTRATIVE EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Payroll expense		\$ 2,424,312	
Depreciation expense		622,371	
Amortization expense		358,557	
Professional service fees		231,035	
Other		<u>944,733</u>	Note
		<u>\$ 4,581,008</u>	

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

**KGI LIFE INSURANCE CO., LTD.****STATEMENT OF NON-OPERATING INCOME AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(In Thousands of New Taiwan Dollars)**

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<b>Item</b>	<b>Summary</b>	<b>Amount</b>	<b>Note</b>
Revenue			
Recovered bad debts and overdue accounts		\$ 10,673	
Other		<u>61,798</u>	Note
		<u>72,471</u>	
Expense			
Impairment losses and reversal gain on non-financial assets		(2,981)	
Loss on scrapping of assets		(327)	
Other		<u>(6,469)</u>	Note
		<u>(9,777)</u>	
		<u>\$ 62,694</u>	

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

**KGI Life Insurance Co., Ltd.**

**Other Disclosures to the Financial Statements with  
Independent Auditors' Report  
Year Ended December 31, 2025**

## **Independent Auditors' Report Translated from Chinese**

### **AUDIT REPORT OF OTHER DISCLOSURES TO THE FINANCIAL STATEMENTS**

To KGI Life Insurance Co., Ltd.

We have audited the financial statements of KGI Life Insurance Co., Ltd. for the year ended December 31, 2025. Our audit was conducted in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China, and we issued the audit report thereon on March 5, 2026. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The attached "Other Disclosures to the Financial Statements" ("Other Disclosures") was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. We have reviewed that information included in the Other Disclosures was in accordance with the Directions for Reviews of Other Disclosures in Financial Reports.

Based on our review, nothing has come to our attention that causes us to believe that the Other Disclosures to the Financial Statements of KGI Life Insurance Co., Ltd. for the year ended December 31, 2025, do not present fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The financial information disclosed is consistent with the financial statements and does not require any material modification.

The engagement partners on the audit resulting in this independent auditors' report are Wang-Seng, Lin and Yi-Chun, Wu.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 5, 2026

#### **Notice to Readers**

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

*Accordingly, the accompanying financial statements and report of independent accountants 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, Ernst & Young 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.*

# **KGI LIFE INSURANCE CO., LTD.**

## **OTHER DISCLOSURES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2025**

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### **1. BUSINESS**

a. Significant business matters (most recent 5 fiscal years)

- 1) Acquisition or merger: None noted.
- 2) Demerger: None noted.
- 3) Change in management rights (equity) reaching 10% or more: The Company was informed by KGI Financial, about the second tender offer of the Company's ordinary shares and the Public Tender Offer Report on January 7, 2021. KGI Financial started the tender offer from January 8, 2021 to February, 2 2021. KGI Financial completed the tender to acquire 21.13% of the Company's common shares, totaling 1,000,000,000 shares, on February 5, 2021. KGI Financial and its subsidiary, KGI Securities (excluding KGI Securities' borrowing positions for securities undertaking), jointly held 55.95% of the Company's common shares. Also, the Company has signed a share conversion contract with KGI Financial and carried out share conversion through the resolution of the shareholders' meeting on October 1, 2021. The Company exchanged 0.80 shares of common shares, 0.73 shares of Preferred stock and NT\$11.5 in cash for each common share of KGI Financial. The record date of share swap was December 30, 2021, the Company was also delisted from the Taiwan Stock Exchange (TWSE) and became a wholly owned subsidiary of KGI Financial at the same day.
- 4) Transfer of business: None noted.

5) Investments in affiliated enterprises:

Unit: NT\$ Thousands/Number of Shares

Name		2021	2022	2023	2024	2025
Shenhe Energy Co., Ltd.	Number of shares	19,900	19,900	19,900	19,900	-
	Carrying amount	195,563	192,949	207,614	208,216	-
	Shareholding ratio	19.90%	19.90%	19.90%	19.90%	-
Fu Bao Yi Hao Energy Co., Ltd.	Number of shares	37,778	50,000	50,000	50,000	51,984
	Carrying amount	370,195	487,048	529,839	532,818	524,419
	Shareholding ratio	39.68%	39.68%	39.68%	39.68%	39.68%
Taipan Solar Co., Ltd.	Number of shares	45,150	47,130	42,120	42,120	42,120
	Carrying amount	451,243	489,123	428,723	435,188	437,007
	Shareholding ratio	30.00%	30.00%	30.00%	30.00%	30.00%
Thriv Energy Co., Ltd.	Number of shares	-	21,600	21,600	21,600	21,600
	Carrying amount	-	215,860	227,354	205,360	210,090
	Shareholding ratio	-	30.00%	30.00%	30.00%	28.80%
CDIB Capital Healthcare Ventures Limited	Number of shares	-	21,000	7,900	30,175	28,400
	Carrying amount	-	388,705	383,317	203,386	383,079
	Shareholding ratio	-	20.00%	20.00%	20.00%	20.00%
Guang Bei Company Limited	Number of shares	-	20,800	26,427	26,427	26,852
	Carrying amount	-	208,000	262,971	268,937	271,816
	Shareholding ratio	-	41.68%	42.50%	42.50%	42.50%
Perpetual New Energy Co., Ltd.	Number of shares	-	-	8,000	16,000	-
	Carrying amount	-	-	78,685	155,181	-
	Shareholding ratio	-	-	40.00%	40.00%	-
Chi He Low Carbon Co., Ltd.	Number of shares	-	-	-	5,200	5,200
	Carrying amount	-	-	-	51,276	50,892
	Shareholding ratio	-	-	-	40.00%	40.00%
Kai-Hong Energy Co., Ltd.	Number of shares	-	-	-	25,063	55,241
	Carrying amount	-	-	-	241,257	505,375
	Shareholding ratio	-	-	-	29.00%	29.00%
Fu Bao Le Hao Energy Co., Ltd.	Number of shares	-	-	-	-	5,000
	Carrying amount	-	-	-	-	50,288
	Shareholding ratio	-	-	-	-	41.67%

6) Reorganization: None noted.

7) Acquisition or disposal of major assets:

a) Acquisition of major assets:

Unit: NT\$ Thousands

Year of Acquisition	Type of Assets	Total Price for Acquisition	Transaction Counterparts	Purpose for Acquisition
2021	21-30F., No. 118, Ciyun Rd., East Dist., Hsinchu City with 150 parking lots	2,325,000	Land: Ding Jing-Syuan Building: Fong Yi Construction CO., Ltd.	For real estate investment.
2021	No. 356 and No. 358, Gongjian Rd. Xizhi Dist., New Taipei City with 64 parking lots	960,000	Shine Media Company Ltd.	For real estate investment.
2022	5F, 5F-1, 5F-2, 16F, 16F-1, 16F-2 and 19-24F., No. 76, Sec. 2, Dunhua S. Rd., Daan Dist., Taipei City with 38 parking lots at ground floor and basement 1.	3,199,990	Anhung Company Ltd.	For real estate investment.

(Continued)

<b>Year of Acquisition</b>	<b>Type of Assets</b>	<b>Total Price for Acquisition</b>	<b>Transaction Counterparts</b>	<b>Purpose for Acquisition</b>
2022	1-3F, No. 400, No. 406, No. 408, and 4-38F, No. 402, Shizheng Rd., Xitun Dist., Taichung City with 616 parking lots at basement.	\$ 12,050,000	Land: Wang Sen Sheng Building: Fong Yi Construction CO., Ltd.	For real estate investment.
2022	1-20F, No. 235, No. 237, No. 239, No. 241, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City with 316 parking lots	8,350,000	Mercuries Life Insurance Company Ltd.	For real estate investment.
2022	8F., No. 19-2, Sanchong Rd., Nangang Dist., Taipei City with No. 19-14 truck parking lots and 8 parking lots	343,000	CDIB Capital Group	For real estate investment.

(Concluded)

b) Disposal of major assets:

<b>Year of Disposal</b>	<b>Year of Acquisition</b>	<b>Type of Assets</b>	<b>Total Price for Acquisition</b>	<b>Transaction Counterparts</b>	<b>Purpose for Acquisition</b>
2024	1999	No. 163, in the Tiaohe Section, Zhongzheng District, Keelung City, Including 391 parcels of land	\$ 2,550,000	Bai Jia Li Construction Co., Ltd.	To execute investment income.

8) Significant changes in operation method (including sales system) or business activity: None.

b. Remuneration of directors, supervisors, president, and vice presidents in the most recent year

Remuneration of directors, independent directors, president and vice presidents

1) Remuneration of directors and independent directors

Unit: NT\$ Thousands

Title	Name (Note 1)	Remuneration								Total Remuneration (A+B+C+D) and Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio to Net Income (%)		Compensation Paid to Directors from An Invested Company Other than the Company's Subsidiary and Parent Company	
		Base Compensation (A)		Pension Upon Retirement (B)		Bonus to Directors (C)		Allowances (D)		The Company	Companies in the Consolidated Financial Statements	Salary, Bonuses, and Allowances (E)		Pension upon Retirement (F)		Profit Sharing - Employee Bonus (G)				The Company	Companies in the Consolidated Financial Statements		
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements			The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	Cash	Stock	Cash	Stock				
Chairperson	KGI Financial Holding Co., Ltd. Representative: Alan Wang (Note 2)																						
Director	KGI Financial Holding Co., Ltd. Representative: Paul Yang (Note 2)																						
Director	KGI Financial Holding Co., Ltd. Representative: Yu-Ling Kuo (Note 2)	\$ 89,359	\$ 89,359	\$ -	\$ -	\$ 219,000	\$ 219,000	\$ 1,040	\$ 1,040	\$ 309,399 (1.96%)	\$ 309,399 (1.96%)	\$ 72,647	\$ 72,647	\$ 108	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ 382,154 (2.41%)	\$ 382,154 (2.41%)	\$ 269,863	
Director	KGI Financial Holding Co., Ltd. Representative: Jenny Huang (Note 2)																						
Director	KGI Financial Holding Co., Ltd. Representative: Kiki Shih (Note 3)																						
Director	KGI Financial Holding Co., Ltd. Representative: Chung-Pei Li (Note 2)																						
Independent Director	KGI Financial Holding Co., Ltd. Representative: Da-Bai Shen (Note 3)																						
Independent Director	KGI Financial Holding Co., Ltd. Representative: Shin-Hui Yen (Note 3)																						
Independent Director	KGI Financial Holding Co., Ltd. Representative: Cheng-Hsien Tsai (Note 4)																						
Independent Director	KGI Financial Holding Co., Ltd. Representative: Wei-Chuan Kao (Note 2)	12,614	12,614	-	-	-	-	2,290	2,290	14,904 (0.09%)	14,904 (0.09%)	-	-	-	-	-	-	-	-	14,904 (0.09%)	14,904 (0.09%)	4,536	
Independent Director	KGI Financial Holding Co., Ltd. Representative: Shih-Chieh Chang (Note 2)																						
Independent Director	KGI Financial Holding Co., Ltd. Representative: I Huang (Note 2)																						
Independent Director	KGI Financial Holding Co., Ltd. Representative: Tien-Hsing Kung (Note 2)																						

a) The Company's independent directors' remuneration policy, system, standards and structure, and the relationship with the amount of remuneration according to the responsibilities, risks and time invested are described below:

The remuneration of the independent directors of the Company are evaluated based on the directors' participation in the Company's operations, the value of their contributions, and their responsibilities while taking into consideration other domestic or foreign company's remuneration policies in the same industry and the Company's future risk. According to the Company's articles of association, independent directors receive fixed remuneration and do not participate in the distribution of directors' remuneration. The remuneration includes salaries and other bonus that are due for providing services to the Company, and business execution costs include transportation fees and attendance fees.

b) Except as disclosed in the above table, the remuneration received by the Company's directors (council) in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company/in all companies/reinvested enterprises listed in the financial report, etc.): None.

Note 1: Salary and bonus in 2025 for the Directors' drivers excluded from the above is NT\$4,323 thousand. The Company also provided other exclusive personal expenses amounted to NT\$43 thousand.

Note 2: The 24th board of directors of KGI Financial serves a term from June 23, 2025, to June 22, 2028. Among them, directors Chung-Pei Li and independent directors Tien-Hsing Kung, I Huang and Wei-Chuan Kao were newly appointed on June 23, 2025, while directors Alan Wang, Paul Yang, Yu-Ling Kuo, Jenny Huang and independent director Shih-Chieh Chang were reappointed.

Note 3: Director Kiki Shih did not continue as a member of the 24th Board, and independent directors Da-Bai Shen and Shin-Hui Yen did not continue as members of the 24th Board.

Note 4: Cheng-Hsien Tsai resigned as an independent director of the company on April 21, 2025.

Note 5: The estimated amounts of employees' compensation and directors' remuneration for 2025 are NT\$276,000 thousand and NT\$219,000 thousand, respectively. The actual amounts will be determined after approval by the Board of Directors, reported to the shareholders' meeting, and subsequently paid by the Company.

<b>Range of Remuneration</b>				
<b>Range of Remuneration</b>	<b>Name of Directors and Independent Directors</b>			
	<b>Total of (A+B+C+D)</b>		<b>Total of (A+B+C+D+E+F+G)</b>	
	<b>The Company</b>	<b>Companies in the Consolidated Financial Statements (H)</b>	<b>The Company</b>	<b>Parent Company and All Invested Company (I)</b>
Less than NT\$1,000,000	Kiki Shih, Yu-Ling Kuo, Jenny Huang, Paul Yang, Cheng-Hsien Tsai	Kiki Shih, Yu-Ling Kuo, Jenny Huang, Paul Yang, Cheng-Hsien Tsai	Kiki Shih, Jenny Huang, Paul Yang, Cheng-Hsien Tsai	Cheng-Hsien Tsai
NT\$1,000,000 (inclusive) - NT\$2,000,000 (not inclusive)	Da-Bai Shen, Chung-Pei Li Shin-Hui Yen	Da-Bai Shen, Chung-Pei Li Shin-Hui Yen	Da-Bai Shen, Chung-Pei Li Shin-Hui Yen	Da-Bai Shen, Shin-Hui Yen
NT\$2,000,000 (inclusive) - NT\$3,500,000 (not inclusive)	Wei-Chuan Kao, I Huang, Tien-Hsing Kung	Wei-Chuan Kao, I Huang, Tien-Hsing Kung	Wei-Chuan Kao, I Huang, Tien-Hsing Kung	Wei-Chuan Kao, I Huang, Tien-Hsing Kung, Chung-Pei Li
NT\$3,500,000 (inclusive) - NT\$5,000,000 (not inclusive)	Shih-Chieh Chang	Shih-Chieh Chang	Shih-Chieh Chang	-
NT\$5,000,000 (inclusive) - NT\$10,000,000 (not inclusive)	-	-	-	Shih-Chieh Chang
NT\$10,000,000 (inclusive) - NT\$15,000,000 (not inclusive)	-	-	-	Kiki Shih
NT\$15,000,000 (inclusive) - NT\$30,000,000 (not inclusive)	-	-	-	-
NT\$30,000,000 (inclusive) - NT\$50,000,000 (not inclusive)	-	-	-	Jenny Huang
NT\$50,000,000 (inclusive) - NT\$100,000,000 (not inclusive)	Alan Wang	Alan Wang	Alan Wang, Yu-Ling Kuo	Yu-Ling Kuo
NT\$100,000,000 and above	KGI Financial	KGI Financial	KGI Financial	KGI Financial, Alan Wang, Paul Yang
Total	14	14	14	14

2) Remuneration of President and Vice Presidents (disclosure in order of range of remuneration)

Title	Name (Note 1)	Salary (A)		Pension Upon Retirement (B)		Bonuses and Allowances (C)		Profit Sharing - Employee Bonus (D)				Total Compensation (A+B+C+D) and Ratio to Net Income (%)		Compensation Paid to Directors from An Invested Company Other than the Company's Subsidiary and Parent Company	
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company		Companies in the Consolidated Financial Statements		The Company	Companies in the Consolidated Financial Statements		
								Cash	Stock	Cash	Stock				
President	Yu-Ling Kuo														
Senior Executive Vice President	Eric Su														
Senior Executive Vice President	Andy Lin														
Senior Executive Vice President	Winston Yung														
Executive Vice President	Lauren Hsieh														
Executive Vice President	Angel Lu														
Executive Vice President	Anne Su														
Executive Vice President	Jeff Leu (Note 2)														
Executive Vice President	Janron Sung														
Executive Vice President	Gary Lee (Note 2)														
Executive Vice President	Yao Min Chou														
Senior Vice President	Judith Lin														
Senior Vice President	Yih Ruey Kang (Note 2)														
Senior Vice President	Helen Chen														
Senior Vice President	Share Hsieh														
Senior Vice President	Ming Lung Lin														
Senior Vice President	Yueh Fang Hsu	\$ 166,197	\$ 166,197	\$ 6,437	\$ 6,437	\$ 218,833	\$ 218,833	\$ 52,612	\$ -	\$ 52,612	\$ -	\$ 444,079 (2.81%)	\$ 444,079 (2.81%)	\$ 2,168	
Senior Vice President	Terry Wang														
Senior Vice President	Jina Tsai														
Senior Vice President	Chen Tung Chen (Note 2)														
Senior Vice President	Yi Te Lin														
Senior Vice President	Wen Wen Liu														
Senior Vice President	Jennifer Lin														
Senior Vice President	Rochelle Hsieh														
Senior Vice President	Ya-Ching Lu														
Senior Vice President	Chia Ho Yu														
Senior Vice President	Jimmy Tsai														
Senior Vice President	Jerry Huang (Note 3)														
Senior Vice President	Chyi Wang (Note 4)														
Senior Vice President	Richard Chang (Note 4)														
Senior Vice President	Jimmy Huang (Note 4)														
Senior Vice President	Nick Shih (Note 4)														
Senior Vice President	Chin Chia Liang (Note 4)														
Senior Vice President	Crystal Chen (Note 3)														

Remuneration Range of President and Vice Presidents	Name of President and Vice Presidents	
	The Company	Parent Company and All Invested Company (E)
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive) - NT\$2,000,000 (not inclusive)	Jeff Leu, Gary Lee, Yih Ruey Kang	Jeff Leu, Gary Lee, Yih Ruey Kang
NT\$2,000,000 (inclusive) - NT\$3,500,000 (not inclusive)	Share Hsieh	Share Hsieh
NT\$3,500,000 (inclusive) - NT\$5,000,000 (not inclusive)	Chen Tung Chen, Crystal Chen	Chen Tung Chen, Crystal Chen
NT\$5,000,000 (inclusive) - NT\$10,000,000 (not inclusive)	Anne Su, Janron Sung, Yao Min Chou, Yueh Fang Hsu, Judith Lin, Yi Te Lin, Helen Chen, Wen Wen Liu, Jennifer Lin, Ya-Ching Lu, Chia Ho Yu, Jimmy Tsai, Jerry Huang, Chyi Wang, Richard Chang, Jimmy Huang, Nick Shih, Chin Chia Liang	Anne Su, Janron Sung, Yao Min Chou, Yueh Fang Hsu, Judith Lin, Yi Te Lin, Helen Chen, Wen Wen Liu, Jennifer Lin, Ya-Ching Lu, Chia Ho Yu, Jimmy Tsai, Jerry Huang, Chyi Wang, Richard Chang, Jimmy Huang, Nick Shih, Chin Chia Liang
NT\$10,000,000 (inclusive) - NT\$15,000,000 (not inclusive)	Angel Lu, Terry Wang, Jina Tsai, Rochelle Hsieh	Angel Lu, Terry Wang, Jina Tsai, Rochelle Hsieh
NT\$15,000,000 (inclusive) - NT\$30,000,000 (not inclusive)	Eric Su, Andy Lin	Eric Su, Andy Lin
NT\$30,000,000 (inclusive) - NT\$50,000,000 (not inclusive)	Lauren Hsieh, Ming Lung Lin	Lauren Hsieh, Ming Lung Lin
NT\$50,000,000 (inclusive) - NT\$100,000,000 (not inclusive)	Yu-Ling Kuo, Winston Yung	Yu-Ling Kuo, Winston Yung
NT\$100,000,000 and above		
Total	34	34

Note 1: Salary and bonus in 2025 for the managers' drivers excluded from the above is NT\$9,455 thousand. The Company also provided other exclusive personal expenses amounted to NT\$419 thousand.

Note 2: Vice President Yih Ruey Kang retired on March 25, 2025; Senior Vice President Gary Lee left his position on April 1, 2025; Senior Vice President Jeff Leu left his position on April 3, 2025; Vice President Chen Tung Chen left his position on January 1, 2026.

Note 3: Vice President Jerry Huang arrived his position on February 24, 2025; Vice President Crystal Chen arrived her position on May 26, 2025.

Note 4: Vice Presidents Chyi Wang, Richard Chang, Jimmy Huang, Nick Shih, and Chin Chia Liang were promoted on April 1, 2025; the amounts listed on the chart above included his income for the entire year of 2025.

3) Profit Sharing - Employee Compensation Distributed to Managers and Distribution Situation

Unit: NT\$ Thousands

Item	Title	Name	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Total Amount and Ratio to Net Income (%)
Manager	President	Yu-Ling Kuo	\$ -	\$ 52,612	\$ 52,612	\$ 52,612 (0.33%)
	Senior Executive Vice President	Eric Su				
	Senior Executive Vice President	Andy Lin				
	Senior Executive Vice President	Winston Yung				
	Executive Vice President	Lauren Hsieh				
	Executive Vice President	Angel Lu				
	Executive Vice President	Anne Su				
	Executive Vice President	Janron Sung				
	Executive Vice President	Yao Min Chou				
	Senior Vice President	Judith Lin				
	Senior Vice President	Helen Chen				
	Senior Vice President	Share Hsieh				
	Senior Vice President	Ming Lung Lin				
	Senior Vice President	Yueh Fang Hsu				
	Senior Vice President	Terry Wang				
	Senior Vice President	Jina Tsai				
	Senior Vice President	Yi Te Lin				
	Senior Vice President	Wen Wen Liu				
	Senior Vice President	Jennifer Lin				
	Senior Vice President	Rochelle Hsieh				
	Senior Vice President	Ya-Ching Lu				
	Senior Vice President	Chia Ho Yu				
	Senior Vice President	Jimmy Tsai				
	Senior Vice President	Jerry Huang				
	Senior Vice President	Chyi Wang				
	Senior Vice President	Richard Chang				
Senior Vice President	Jimmy Huang					
Senior Vice President	Nick Shih					
Senior Vice President	Chin Chia Liang					
Senior Vice President	Crystal Chen					

Note: The estimated amounts of the employee Compensation is \$276,000 thousand in 2025. The actual amount will be confirmed after being resolved by the board of directors, reported to the shareholders' meeting, and delivered by the Company.

4) The chairperson, president, or any managerial officer in charge of finance or accounting matters have not in the most recent year held a position at the accounting firm of its attesting CPA or at an affiliated enterprise of such accounting firm.

5) Remuneration to the Chairmen of the board and presidents rehired as consultants after retiring from the insurance enterprise or its affiliate enterprises and related information: None.

c. Labor relations

1) Status of major labor - management agreements and their implementations

a) Employee welfare:

In response to the changing trends and environment, and in line with the concept of human-based management, KGI Life has established complete employee welfare programs, the Employee Welfare Committee and a labor-management communication channel to promote a reasonable working environment. KGI Life appreciates every employee's effort, so we offer the welfare programs that cater to employees' needs, offer a wide range of care and thus allow them to fully focus on their jobs.

b) Employees' education and training:

In order to continuously educate professionals for the varied challenges in the future, KGI Life embraces employees as our most valuable assets. Therefore, in addition to the various managerial and technical training workshops, we also collaborate with the professional education organizations to offer our employees just-in-time knowledge with multiple learning channels. For the purpose of motivation for continuous self-study, KGI Life has created the incentives program of professional qualification examination as well as the subsidy of in-service master's program aimed at promoting lifelong learning and improving professional competency of the employees. We offer complete education and training programs, including:

- i. Educational Training: The scope includes functional training for the management, internal on-the-job training, external professional training, outsourced training, orientation for new staff and compliance training. A digital learning platform will be continued to use to provide a diversified, flexible, convenient and timely learning channel for all employees. Our goal is to cultivate a learning culture for continuous improvement and progress.
- ii. Professional qualification examination incentives and subsidies: We provide professional qualification examination incentives and subsidies for the Actuarial Exams, Certified Internal Auditor, Chartered Financial Analyst, Certified Financial Risk Manager, Fellow Life Management Institute Program, Chartered Life Underwriter, Fellow, Life and Health Claims Designation, R.O.C Claims Adjuster Examination, R.O.C Insurance Underwriter Examination, Certified Anti-Money Laundering Specialists, Anti-Money Laundering and Countering Terrorism Financing Specialists, Certified Financial Planner, Certified Information Systems Auditor, Certified Information Security Manager and Certified Information Systems Security Professional.

c) Retirement programs:

Based on the Company's pension plan, considering both employees' arrived date and personal choice, separates into defined benefit plans (old labor pension plan) and defined contribution plan (new labor pension plan). For employees arrived after July 1, 2005, always apply defined contribution plan; for employees arrived before July 1, 2005, were able to choose between defined benefit plans and defined contribution plan. Employees who originally applied defined benefit plans, were able to choose to transform into defined contribution plan before June 30, 2010; employees who chose or forced to apply defined contribution plan, have no rights to change to defined benefit plans.

i. Defined benefit plans

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. Under the Labor Standards Act, the Company contributes an amount equivalent to certain percentage of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the Labor Retirement Reserve Supervision Committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund and the pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year.

When employees meet the retirement conditions specified in the retirement plan, they should fill out a retirement application form and submit an application to the Company, which will be deal by the Company in accordance with internal authorization plan. After approval, an application for pension payment is submitted to the Bank of Taiwan in the name of the Labor Retirement Reserve Supervision Committee, and the payment check will be forwarded to the retired employee after received.

ii. Defined contribution plan

The part in our pension plan that is made based on the “Labor Pension Act” is attributed to the Defined Contribution Plan. For employees who are applicable to the Labor Pension Act, the Company shall, on a monthly basis, contribute six percent of their monthly wage, prescribed in the Table of Monthly Contribution Wage Classification for Labor Pension, to individual accounts of labor pension at the Bureau of Labor Insurance. After reaching the age of 60, employees can apply for monthly pension or lump-sum pension to the Labor Insurance Bureau in accordance with the “Labor Pension Act”.

Should the employees who joined before April 1, 2024, and whose monthly salary be higher than the ceiling amount provided in the Table of Monthly Contribution Wage Classification for Labor Pension, 6% may be withheld by the Company from the excess part as pension reserve on a monthly basis. An employee may receive the pension under this item only when he is eligible according to the pension plan.

d) Other significant agreements: None.

2) Loss sustained as a result of labor disputes in the most recent fiscal year: On July 11, 2025, a fine of \$20,000 was imposed for a violation of Article 21, Paragraph 2 of the Gender Equality in Employment Act.

3) Results of labor inspection: None.

d. Information security management

1) Information Security Risk Management Organizational Structure, Information Security Management Policy, Specific Management Plans and Resources Invested in Information Security Management:

a) Information Security Risk Management Organizational Structure

Due to the increasingly complex business environment and the extensive impact from global cyber-attacks and financial data security breaches, in order to ensure the security of the Company’s information and communications, protect the rights and interests of customers and employees, and comply with the regulatory requirements of the competent authority, the Company has established an information security committee to examine its information security management system and supervise the operation of the system. In 2018, an independent and dedicated information security unit “Information Security Department” was established to be responsible for planning, monitoring and performing information security management operations, and as required by law, Deputy general manager level supervisor who was in charge of information security policy promotion and resource coordination was appointed as the Chief Information Security Officer, and the overall information security implementation status for the previous year was reported annually to the board of directors. Adhere to the information security concept of maintaining the Company’s operating environment, continuously improving the monitoring and protection level of information security measures, establishing standardized and documented information security control procedures, and enhancing the Company’s information security awareness and information security functions, and assuming responsibility for maintaining the Company’s overall information security, plan the Company’s overall information security blueprint and seek the best balance between information security risk management and the Company’s operating efficiency.

During 2025, the Company identified the top three information security risks as follows:

- i. Email fraud, including business email compromise (BEC), social engineering tactics, and phishing emails.
- ii. Cyberattacks, referring to hacking attempts or unauthorized intrusions targeting the Company's information systems.
- iii. Cybersecurity vulnerability exploitation, leveraging vulnerability intelligence to compromise the Company's information security.

In response to the aforementioned risks, the Company has implemented continuous security controls and monitoring mechanisms to ensure comprehensive risk oversight and to mitigate potential impacts to the greatest extent possible. Furthermore, relevant information is shared within the financial holding company and among the Company's subsidiaries through information security leadership meetings, thereby extending the effectiveness of monitoring across the entire Group and jointly strengthening a more robust information security framework.

b) Information Security Management Policy

On the premise of meeting the regulatory requirements, in order to maintain the normal, safe and stable function of information operations, provide reliable information services, ensure the confidentiality, integrity and availability of the Company's information assets and avoid internal and external threats, whether intentional or accidental, the Company's information security policy is formulated so as to reduce the risk of information operations, in consideration of the Company's business needs, as the highest guiding principle of the Company's overall information security management.

The operation of the Company's information security management system adopts the circular operation mode of "Plan-Do-Check-Act" (PDCA) in accordance with ISO 27001: 2022 standard, to establish the information security management system, and maintain its effective operation and continuous improvement. During year of 2025, the related plans scheduled for the information security management system (ISMS) have been completed, and in December of the same year, the Company successfully passed the ISO 27001: 2022 information security management system (ISMS) surveillance audit with no nonconformities, thereby sustaining the validity of its certification.

c) Specific Management Plans and Resources Invested in Information Security Management

In line with the information security policy and business objectives, and for the purpose of protecting the Company's core assets and customer information, the Company has continuously invested in information security management. In the fiscal year of 2025, information security-related expenditures accounted for approximately 10% of the total IT budget. The Company remains committed to enhancing its information security framework, management systems, and capabilities in threat prevention and incident response. The Company did not have any major information security incidents in 2025. Considering the risks arising from the global attacks of cyber-crime groups and the evolution of emerging technologies, the Company will continue to improve various information security protection measures from all aspects in the future to ensure the security of the information environment required by the Company's business:

i. Governance

- i) The Company continues obtaining ISO 27001 certification in accordance with the introduction of the international security management framework. To ensure the effectiveness of information security control measures, the Company convenes

Information Security Committee meetings in June and December, with regular management reviews carried out by senior executives. These meetings serve to continuously improve management practices and ensure the allocation of necessary resources. 2025 first and second half of the Information Security Committee meetings have been completed in June and December according to the schedule.

Since information security and information management are closely related, the Company holds regular communication meetings between the information security and information systems to ensure that related operations has properly planned security control measures. In 2025, a total of nine meetings were held.

- ii) In order to enhance the management of personal data protection, the Company has introduced a personal data management system and obtained BS10012 certification to ensure the best protection of customers' rights and interests. To ensure information security and response capability, the Company has also invested considerable resources in information security budget and personnel. A Business Continuity Management System (BCMS), aligned with the ISO 22301 framework, has been established and certified. Regular drills are conducted, including offsite work simulations, offsite system backup exercises, data restoration testing, and backup recovery testing. The Company also continues to enhance its offsite backup center to ensure ongoing strengthening of its information security posture and response capabilities.
- iii) The Information Security Department has implemented company-wide information security education and awareness programs to enhance employees' cybersecurity awareness. "Development of AI Applications in the Financial Industry under Information Security Governance Standards" training was conducted for the Board of Directors, Supervisors, and senior management to strengthen their understanding of cybersecurity and AI governance requirements. All employees are required to complete a three-hour information security training course on the Company's e-learning platform. Department-level information security personnel are required to undergo six hours of dedicated training, while all staff in the dedicated information security unit is required to complete at least fifteen hours of training annually through internal programs, domestic training courses, conferences, and overseas training. In 2025, the Company jointly organized "Information Security Month" activities in collaboration with the parent company and other subsidiaries. Nine seminars were held, inviting external cybersecurity experts to share insights and raise awareness on key security topics. A total of 3,070 participants attended cybersecurity training sessions, accumulating approximately 8,900 training hours. The Company remains committed to offering diversified cybersecurity training programs to continuously strengthen staff awareness and capabilities.
- iv) The Company has established relevant regulations on trade secrets, including core policies, responsible units, confidentiality obligations, related rights, and rewards and penalties, in order to continuously manage, maintain and utilize the Company's trade secret-related information and intellectual property rights.

## ii. Technology

Based on the Cybersecurity Framework 2.0 published by the National Institute of Standards and Technology (NIST) of the United States of America, the company has adopted its core six components - Govern, Identify, Protect, Detect, Respond and Recover— as the foundation for its information security architecture. The Company continues to allocate resources to strengthen the information security defense architecture. To effectively assess and mitigate information security risks, the Company conducts ongoing collection of information security threat information, network traffic monitoring, and information security evaluation. These activities support more accurate and effective planning and deployment of cybersecurity controls. To further enhance the Company's cybersecurity capabilities:

- i) The integration and enhancement of the Information and Event Management (SIEM) system: The Company regularly collects and analyzes external threat intelligence to provide early warning of potential security risks, helping related personnel accurately determine the nature and severity of the incident to provide timely response. At the same time, SIEM system functions are expanded to integrate more data sources (e.g., logs, network traffic, behavioral analysis, etc.) to improve the accuracy of security incident detection and establish a rapid response process for high-risk incidents to shorten the response time from detection to resolution, so as to effectively minimize the impact of the incident. As the core of event detection and analysis, SIEM system will be closely integrated with intelligence gathering, fake website downgrade service and zero-trust structure introduction projects to realize all-round monitoring of information security threats.

Throughout the fiscal year of 2025, the Information Security Department's response time for detecting and responding to incidents was less than 12 hours. Real-time notification of such incidents significantly enhances the effectiveness of subsequent tracking and response efforts, ensuring proper management of information security incidents and mitigating their potential impact.

- ii) Conducting Cyber attack and defense drills: In order to respond to external and changeable attack methods and reduce the impact of information operation interruption caused by emergencies or abnormal accidents, the Company regularly conducts disaster recovery drills for core information system, DDoS drills, assessments for computer system information security, external website penetration tests and company-wide social engineering drills to ensure the security of the Company's IT devices, sensitive data, and customers' personal information. The outcomes of the drills conducted for the year ended December 31, 2025 are as follows:

- Strategic Simulation: In March 2025, an internally organized "Major Financial Cybersecurity Incident Response Scenario Exercise" was completed. This exercise employed a scenario-based, participatory tabletop simulation to model decision-making processes. Drawing upon prevalent cyberattack methodologies, including unauthorized intrusions and ransomware incidents, the simulation examined the company's response strategies and procedural workflows. This initiative served to enhance personnel responsiveness and improve the proficiency of incident reporting.

- Technical Exercises: A self-conducted Distributed Denial of Service (DDoS) attack simulation was successfully executed, demonstrating that the company’s defensive mechanisms are capable of effectively mitigating such threats. In November 2025, a disaster recovery drill for core information systems was completed, confirming the company’s ability to execute system failover operations within the prescribed timeframes. In December 2025, a media backup and restoration exercise was conducted, validating the reliability and success of data recovery procedures. Furthermore, in December 2025, a red team engagement was initiated to simulate adversarial intrusion and attack scenarios.
- iii) The Company has established an internal cross-departmental information security threat incident response team and joined the computer information security incident response task force established by KGI Financial in response to the increasingly severe information security threats and the diversification of sources of information and the “Financial Security Action Plan” promoted by the Financial Supervisory Commission R.O.C, in order to take advantage of the resource integration and mutual support within the KGI Financial, the Company is able to grasp and support the emergency response of information security incidents of group members in real time, and join the KGI Financial’s the emergency response of information security incidents of group so as to reduce the damage caused by the incidents. In addition, major information security incidents often do not only affect a single entity. Currently, the Company has joined F-ISAC, the information security information and information correlation analysis platform to strengthen system risk control through the joint defense mechanism of institutional monitoring, and improve cross-organization or cross-domain horizontal reporting and response. The operation mechanism and ability to cooperate and support will be enhanced to reduce the systematic damage caused by major events. Moreover, the Company has, for three consecutive years, earned the distinction of “Outstanding Performance in Threat Intelligence Sharing among F-ISAC Members,” reflecting its sustained excellence.
- iv) In alignment with the Zero Trust Architecture implementation blueprint proposed in 2024, the Company has continued to advance related initiatives and, in 2025, accomplished the following:
- Analysis of Network Micro-Segmentation:
 

In 2025, a comprehensive analysis and evaluation of network micro-segmentation were completed. Leading market solutions were assessed across multiple dimensions, including enforcement layer positioning, visualization capabilities, policy models, environmental compatibility, and implementation costs. Concurrently, the feasibility and inherent limitations of developing an in-house micro-segmentation framework-absent reliance on commercial products, were also examined. Ultimately, self-developed micro-segmentation was found to present significant challenges, such as limited visibility, policy inconsistency, fragmented enforcement layers, and insufficient testing capabilities. To properly allocate resources, the Company has resolved to adopt a commercial solution for its micro-segmentation deployment.

- Digital Identity Authentication for Agents:

In 2025, the Company completed an evaluation of the applicability and technical merits of prevailing FIDO authentication models. Following proof-of-concept assessments of various commercial solutions, and in consideration of the Company’s existing application architecture, it has elected to implement a “Native App-based centralized authentication model” to ensure an optimal user experience alongside the highest standards of security. Procurement has been finalized, and implementation is scheduled to commence in 2026, with phased adoption across all agents.

2) Loss incurred by a significant information and network security incident in the most recent year: None. An independent third party was commissioned to evaluate the overall execution of information security measures. No material anomaly that affects the Company’s overall execution of information security measure was identified.

3) Impact of Information Security Risks on the Company’s Financial Business and Countermeasures:

a) Faced with a complex information security risk environment, the Company has enrolled in e-commerce and information security liability insurance since 2018 to reduce the losses suffered and the risks borne by the Company in the event of major information security incidents.

b) Cybersecurity is an important cornerstone of the Company’s sustainable operation. Through the establishment of a multi-layer information security protection system, the Company has enhanced its protection capabilities in prevention, detection, and handling. To form an umbrella for digital transformation, the Company has continuously refined and strengthened cybersecurity governance and technology. The introduction of a zero-trust frameworks strengthens security incident response mechanism and the improvement of information security management will continue be carried out. These approaches effectively mitigate cybersecurity risks, ensure the safety of customer data, maintain the Company’s reputation and preserve market competitiveness. The implementation of these strategies is not only a response to the current security risks, but also a solid foundation for the Company’s long-term stable development.

e. Changes in president (general manager), chief audit and appointed actuary in the most recent 2 years:

Year Item	2025	2024
President	2025.01.01-2025.12.31 Yu-Ling Kuo	2024.01.01-2024.03.31 Stephanie Hwang 2024.04.01-2024.04.25 Eric Su (Acting President) 2024.04.26-2024.12.31 Yu-Ling Kuo
Audit Supervisor	2025.01.01 - 2025.12.31 Judith Lin	2024.01.01 - 2024.12.31 Judith Lin
Certified Actuary	2025.01.01 - 2025.12.31 Rochelle Hsieh	2024.01.01 - 2024.12.31 Rochelle Hsieh

f. Changes in the method for allocation of all kinds of reserves: None.

g. The insurance enterprise had the situation in the most recent year where its shareholders’ meeting has adopted the resolution to carry out capital increase or decrease or its board of directors (council) has adopted the resolution to issue new shares but the application (or filing) was not approved (or approved for record) by the FSC, or where its application for capital change registration was not approved by the Ministry of Economic Affairs: None.

- h. Cases of claim payment and claim recovery from reinsurer involving amount exceeding NT\$20 million in the most recent 3 years and financial impact analysis therefor: (expressed in thousands of New Taiwan dollars)

For the year of 2023:

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
A	Interest sensitive	2023.01.17	\$ 10,323	\$ 10,323	\$ -	The amount of major cases of claim constitutes merely an insignificant part of the amount of claim for the entire fiscal year. Therefore, there is no material impact on over financial position.
	Interest sensitive	2023.01.12	15,484	15,484	-	
B	Interest sensitive	2023.01.12	20,684	20,684	-	
C	Interest sensitive	2023.01.11	10,762	10,762	-	
	Interest sensitive	2023.01.12	72,057	72,057	-	
D	Life	2023.02.23	28,473	28,473	-	
E	Interest sensitive	2023.03.01	33,370	33,370	-	
	Interest sensitive	2023.03.07	1,775	1,775	-	
F	Life	2023.03.08	32,963	32,963	-	
G	Annuity	2023.03.14	21,498	21,498	-	
H	Universal	2023.03.30	60,874	60,874	-	
I	Life	2023.03.21	81	81	-	
	Life	2023.03.22	18,781	18,781	-	
	Life	2023.03.27	9,343	9,343	-	
J	Annuity	2023.04.20	29,076	29,076	-	
K	Variable	2023.04.17	22,549	22,549	-	
L	Interest sensitive	2023.04.21	85,680	85,680	21,222	
M	Annuity	2023.04.11	81,809	81,809	-	
N	Life	2023.06.12	78,228	78,228	-	
	Life	2023.06.29	11,175	11,175	-	
	Life	2023.09.28	22,351	22,351	-	
	Life	2023.11.06	11,175	11,175	-	
	Life	2023.11.23	11,175	11,175	-	
O	Variable	2023.06.14	24,331	24,331	18,300	
P	Interest sensitive	2023.08.30	25,486	25,486	14,892	
Q	Interest sensitive	2023.08.17	33,299	33,299	-	

(Continued)

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
R	Annuity	2023.08.24	\$ 21,346	\$ 21,346	\$ -	
	Annuity	2023.08.25	1,241	1,241	-	
S	Life	2023.08.29	30,000	30,000	12,693	
T	Interest sensitive	2023.09.12	40,033	40,033	-	
U	Interest sensitive	2023.09.28	20,761	20,761	-	
	Interest sensitive	2023.10.02	22,862	22,862	-	
V	Universal	2023.10.02	26,320	26,320	-	
W	Life	2023.10.05	20,295	20,295	6,207	
X	Endowment	2023.11.07	60,000	60,000	-	
Y	Life	2023.11.24	33,852	33,852	3,964	
Z	Interest sensitive	2023.11.01	48,528	48,528	-	
AA	Life	2023.11.29	20,000	20,000	17,000	
AB	Life	2023.11.30	48,104	48,104	-	
AC	Interest sensitive	2023.11.30	20,312	20,312	8,832	
AD	Interest sensitive	2023.12.28	28,683	28,683	3,254	
AE	Life	2023.12.12	23,534	23,534	-	
AF	Interest sensitive	2023.12.28	20,711	20,711	-	
AG	Interest sensitive	2023.12.08	33,105	33,105	-	
AH	Interest sensitive	2023.12.14	22,906	22,906	-	
AI	Life	2023.12.05	51,525	51,525	-	
AJ	Interest sensitive	2023.12.04	38,874	38,874	-	

(Concluded)

For the year of 2024:

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
AK	Interest sensitive	2024.01.23	\$ 32,708	\$ 32,708	\$ 9,486	The amount of major cases of claim constitutes merely an insignificant part of the amount of claim for the entire fiscal year. Therefore, there is no material impact on over financial position.
AL	Life	2024.01.12	35,789	35,789	-	
AM	Interest sensitive	2024.01.04	22,069	22,069	-	
AN	Life	2024.01.25	24,543	24,543	-	
AO	Annuity	2024.02.05	23,622	23,622	-	
AP	Interest sensitive	2024.02.27	20,543	20,543	-	
AQ	Life	2024.03.15	36,000	36,000	-	
AR	Interest sensitive	2024.03.21	21,624	21,624	-	
		2024.03.20	7,270	7,270	-	
AS	Interest sensitive	2024.03.11	20,480	20,480	-	
AT	Life	2024.03.25	36,463	36,463	-	
AU	Life	2024.03.19	20,000	20,000	-	
AV	Annuity	2024.05.15	188,378	188,378	-	
AW	Life	2024.05.27	35,638	35,638	15,915	
		2024.05.06	43,314	43,314	-	
AX	Interest sensitive	2024.06.05	26,950	26,950	-	
AY	Life	2024.07.12	185,796	185,796	84,417	
AZ	Interest sensitive	2024.07.04	21,754	21,754	-	
		2024.07.01	825	825	-	
BA	Annuity	2024.08.20	23,974	23,974	-	
BB	Interest sensitive	2024.09.16	6,591	6,591	-	
		2024.09.03	110,397	110,397	-	
BC	Interest sensitive	2024.10.18	34,111	34,111	-	
BD	Interest sensitive	2024.10.25	28,581	28,581	-	
BE	Universal	2024.11.08	22,370	22,370	-	
BF	Universal	2024.12.27	69,554	69,554	-	
BG	Interest sensitive	2024.12.20	25,993	25,993	-	
BH	Interest sensitive	2024.12.13	29,009	29,009	7,261	
BI	Life	2024.11.12	21,890	21,890	-	
		2024.12.30	14,758	14,758	-	
		2024.12.27	7,231	7,231	-	

For the year of 2025:

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
BJ	Life	2025.01.22	\$ 20,157	\$ 20,157	\$ 2,384	The amount of major cases of claim constitutes merely an insignificant part of the amount of claim for the entire fiscal year. Therefore, there is no material impact on over financial position.
BK	Life	2025.01.06	32,477	32,477	-	
BL	Variable	2025.01.08	37,668	37,668	-	
BM	Life	2025.02.18	22,097	22,097	2,756	
BN	Life	2025.02.19	26,097	26,097	7,310	
BO	Interest sensitive	2025.03.07	105,487	105,487	-	
BP	Life	2025.03.07	20,275	20,275	-	
BQ	Interest sensitive	2025.03.03	26,153	26,153	-	
BR	Annuity	2025.03.05	20,638	20,638	-	
BS	Interest sensitive	2025.04.14	21,733	21,733	-	
BT	Interest sensitive	2025.04.15	24,330	24,330	5,921	
BU	Interest sensitive	2025.05.09	32,388	32,388	-	
BV	Life	2025.06.05	24,858	24,858	9,505	
BW	Interest sensitive	2025.06.27	24,345	24,345	2,887	
BX	Life	2025.06.18	24,024	24,024	-	
BY	Variable	2025.09.02	24,751	24,751	20,000	
BZ	Interest sensitive	2025.09.25	30,252	30,252	-	
CA	Interest sensitive	2025.10.15	20,977	20,977	-	
CB	Life	2025.10.16	25,048	25,048	-	
CC	Life	2025.10.22	21,063	21,063	2,563	
CD	Interest sensitive	2025.10.30	34,554	34,554	-	
CE	Life	2025.10.27	484	484	-	
		2025.10.29	19,827	19,827	-	
CF	Interest sensitive	2025.11.06	42,262	42,262	5,721	
CG	Universal	2025.11.03	10,730	10,730	-	
		2025.11.05	12,634	12,634	-	
GH	Annuity	2025.11.18	37,777	37,777	-	
CI	Interest sensitive	2025.11.21	42,064	42,064	-	
CJ	Life	2025.12.12	111,625	111,625	2,396	
		2025.12.15	35,002	35,002	2,809	
		2025.12.19	61,687	61,687	1,415	
		2025.12.31	19,766	19,766	982	
CK	Life	2025.12.03	28,657	28,657	-	
CL	Life	2025.12.29	20,000	20,000	-	

- i. The name and credit rating of any reinsurer whose reinsurance expenses for the preceding year accounted for 1% or more of total premium income of the Company: None.
- j. Credit rating information:

The Company entrusted the credit rating company below to execute the financial strength and issuer credit rating. The result is as follows:

Name of the Credit Rating Agency	Date of Rating	Result of Rating	Credit Outlook
Taiwan ratings	2025.08.22	tw AA	Stable
Fitch ratings	2025.11.14	A/AA+(twn)	Stable

## 2. THE MARKET PRICE OF SECURITIES ISSUED, DIVIDEND PAYOUT AND DISTRIBUTION OF OWNERSHIP

- a. Price, net worth, earnings, and dividends per share

Unit: NT\$; Thousand Shares

Items		Year	2024	2025
Price per share	Highest price		Note 1	Note 1
	Lowest price		Note 1	Note 1
	Average price		Note 1	Note 1
Net worth per share	Before distribution		36.58	38.49
	After distribution (Note 2)		35.05	Note 2
Earnings per share	Weighted average shares		5,218,490	5,218,490
	Earnings per share	Before adjustment	4.37	3.03
		After adjustment	4.24	Note 2
Dividends per share	Cash dividends		0.49	Note 2
	Stock dividends	Dividends from retained earnings	0.3	-
		Dividends from capital surplus	-	-
	Accumulated undistributed dividends		-	-
Return on investment	Price/earnings ratio		Note 1	Note 1
	Price/dividend ratio		Note 1	Note 1
	Cash dividend yield		Note 1	Note 1

Note 1: Not applicable since the Company is unlisted.

Note 2: The earnings of 2025 has yet to be resolved by the shareholders' meeting.

- b. Shareholding distribution status

- 1) Ordinary stocks: The Company was converted into a 100% subsidiary of KGI Financial through equity conversion on December 30, 2021. No equity diversification applies.
- 2) Preferred Stock: The Company does not issue preferred stock.

- c. Transfer and pledge of shares owned by directors, supervisors, managers, and major shareholders
- 1) The Company is a 100% owned subsidiary of KGI Financial.
  - 2) Information on transfer of equity interests: None.
  - 3) Information on pledge of equity interests: None.
- d. Related information on shelf registration: None.

### 3. MAJOR FINANCIAL INFORMATION

- a. Condensed balance sheet and income statement

- 1) Balance sheet

Unit: NT\$ Thousands

Item	Year	Financial Summary for the Last Five Years (Note 1)				
		2021	2022	2023	2024	2025
Cash and cash equivalents		\$ 153,787,291	\$ 91,256,425	\$ 49,203,474	\$ 40,215,185	\$ 45,526,446
Receivables		17,038,235	18,163,747	22,786,016	19,642,374	21,644,247
Other financial assets and loans		1,995,420,321	2,085,988,053	2,175,231,214	2,264,318,862	2,260,088,491
Reinsurance assets		891,059	1,016,200	1,011,096	844,147	1,208,702
Property and equipment		12,036,982	10,897,560	10,606,865	10,621,774	10,455,389
Intangible assets		304,998	444,677	461,140	605,748	577,571
Other assets		126,564,613	139,318,188	148,775,398	174,596,380	202,883,088
Total assets		2,306,043,499	2,347,084,850	2,408,075,203	2,510,844,470	2,542,383,934
Payables		13,169,025	12,152,682	14,306,200	15,146,731	19,155,331
Other financial liabilities		10,981,018	17,876,147	25,612,137	51,376,362	60,770,563
Insurance liabilities and reserve for insurance contracts with the nature of financial products		1,992,038,013	2,093,458,284	2,081,203,152	2,111,675,058	2,099,315,420
Provisions		199,799	163,334	146,416	49,016	33,737
Other liabilities		112,645,932	116,774,461	138,470,243	147,211,695	162,273,455
Total liabilities	Before distribution	2,129,033,787	2,240,424,908	2,259,738,148	2,325,458,862	2,341,548,506
	After distribution	2,133,533,787	2,240,424,908	2,259,738,148	2,327,958,862	(Note 2)
Share capital		49,206,531	49,206,531	49,206,531	50,684,896	52,184,896
Capital surplus		7,224,556	7,336,659	7,414,749	7,461,996	7,481,373
Retained earnings	Before distribution	94,990,656	107,555,872	118,629,526	139,355,085	151,001,093
	After distribution	90,490,656	107,555,872	117,151,161	135,355,085	(Note 2)
Other equity		25,587,969	(57,439,120)	(26,913,751)	(12,116,369)	(9,831,934)
Total equity	Before distribution	177,009,712	106,659,942	148,337,055	185,385,608	200,835,428
	After distribution	172,509,712	106,659,942	148,337,055	182,885,608	(Note 2)

Note 1: The above-listed financial information was compiled according to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRS Accounting Standards and has been audited and certified by Certified Public Accountants.

Note 2: The earning distribution of 2025 has yet to be resolved by the shareholders' meeting.

2) Income statement

Unit: NT\$ Thousands

Item	Year	Financial Summary for the Last Five Years (Note 1)				
		2021	2022	2023	2024	2025
Operating revenue		\$ 300,244,299	\$ 239,765,499	\$ 232,723,065	\$ 265,451,138	\$ 241,014,536
Operating costs		(261,277,061)	(216,719,722)	(215,378,081)	(232,165,401)	(219,914,924)
Operating expenses		(7,592,150)	(6,519,551)	(6,651,379)	(8,120,488)	(7,849,815)
Non-operating income and expenses		(28,416)	(10,552)	5,826	33,247	62,694
Net income before tax		31,346,672	16,515,674	10,699,431	25,198,496	13,312,491
Net income		28,540,238	13,159,019	10,177,552	22,154,841	15,824,732
Other comprehensive income (loss) after tax		(29,208,422)	(79,070,158)	31,463,552	14,846,465	2,103,728
Earnings per share (NT\$) (Note 2)		5.47	2.52	1.95	4.24	3.03

Note 1: The above-listed financial information was compiled according to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRS Accounting Standards and has been audited and certified by Certified Public Accountants.

Note 2: The Company's earnings per share were calculated based on the retrospective adjustment after the historical capital increases.

b. Major financial ratios analysis

Item	Year	Financial Analysis for the Last Five Years				
		2021	2022	2023	2024	2025
Financial structure	Debt ratio	92.32%	95.46%	93.84%	92.62%	92.10%
	All insurance liabilities to assets ratio	86.38%	89.19%	86.43%	84.10%	82.57%
	Change ratio of all insurance liabilities	4.81%	5.09%	(0.59%)	1.46%	(0.59%)
	Ratio of net increase amount of all insurance liabilities to premiums	45.66%	64.24%	(8.27%)	18.88%	(7.46%)
	The net worth ratio	8.03%	4.75%	6.47%	7.76%	8.36%
Solvency	Ratio of investment in related enterprises to equity	5.62%	8.23%	9.43%	12.27%	2.38%
	First year premium ratio	101.70%	78.92%	74.66%	110.87%	133.22%
	Renewal premium ratio	79.43%	80.80%	98.14%	108.66%	99.31%
Operating performance	New business expense ratio	10.12%	16.59%	20.93%	17.32%	12.99%
	Change ratio of premium	(18.12%)	(21.08%)	(6.10%)	8.86%	2.69%
	Change ratio of equity	(1.47%)	(39.74%)	39.07%	24.98%	8.33%
	Change ratio of net incomes	83.56%	(53.89%)	(22.66%)	117.68%	(28.57%)
	Fund allocation ratio	99.62%	99.43%	98.42%	100.25%	100.75%
Persistence ratio	13 months	98.42%	97.38%	96.89%	96.86%	97.12%
	25 months	97.71%	96.78%	94.13%	94.44%	95.17%
Profitability	Return on total assets	1.27%	0.58%	0.44%	0.93%	0.66%
	Return on stockholders' equity	16.00%	9.28%	7.98%	13.28%	8.19%
	Ratio of net income from the funds allocation	4.22%	3.86%	3.24%	3.92%	2.13%
	Ratio of Return on Investment	3.95%	3.62%	3.03%	3.64%	1.96%
	Operating income to operating revenues ratio	10.45%	6.89%	4.59%	9.48%	5.50%
	Pre-tax income to revenue	10.44%	6.89%	4.60%	9.49%	5.52%
	Profit ratio	9.51%	5.49%	4.37%	8.35%	6.57%
	Earnings per share (NT\$) (Note 1)	5.47	2.52	1.95	4.24	3.03
Ratio of investment real property and loans extended by mortgage on real property to assets	1.93%	2.96%	2.94%	2.71%	2.63%	

Note 1: The Company's earnings per share were calculated based on the retrospective adjustment after the historical capital increases.

For those items whose rate of change increase or decrease by more than 20% in two years, the analyses are as below:

- a. The decreasing ratio of change in various insurance liabilities and the net increase in various insurance liabilities to premium income is mainly due to the decrease in the net increase of various insurance liabilities.
- b. The decrease in ratio of investment in related enterprises to equity was mainly due to the decrease in scope of classification for certain investment in related enterprises.
- c. The increase in first year premium ratio together with the decrease in the new business expense ratio was mainly due to the increase in first year premium income.
- d. The decrease in the change ratio of premium income was mainly due to the decrease in the net increase of premium income.
- e. The decrease in change ratio of equity was mainly due to a decrease in the equity change compared to the previous period.
- f. The decrease in the change ratio of net incomes was mainly due to the decrease in the net profit change compared to the previous period.
- g. The decrease in ratio of return on total assets, return on stockholders' equity, profit ratio and earnings per share was mainly due to the decrease in net profit during the current year.
- h. The decrease in ratio of net income from the funds allocation and ratio of return on investment was mainly due to the decrease in net investment incomes (losses).
- i. The decrease in ratio of operating income to operating revenues was mainly due to the decrease in operating profit during the current year.
- j. The decrease in pre-tax income to revenue was mainly due to the decrease in pre-tax income during the current year.

Note 2: The equations for calculation are shown below:

- a. Financial structure
  - 1) Debt Ratio = Total liabilities/Total assets
  - 2) All insurance liabilities to assets ratio = all insurance liabilities/total assets
  - 3) Change ratio of all insurance liabilities = (closing balance of all insurance liabilities - opening balance of all insurance liabilities)/opening balance of all insurance liabilities
  - 4) Ratio of net increase of all insurance liabilities to premiums = net increase of all insurance liabilities/Premiums
  - 5) The net worth ratio = Total equity/Total assets excluding the separate accounts product assets

b. Solvency

- 1) Ratio of investment in related enterprises to equity = investment in related enterprises/equity
- 2) First year premium ratio = current first year premiums/first year premiums in the prior period
- 3) Renewal premium ratio = current renewal premiums/renewal premiums in the prior period

c. Operating performance

- 1) New business expense ratio = new business expenses/new business premiums
- 2) Change ratio of premiums = (premiums accumulated for current period - premiums accumulated for prior period) / premiums accumulated for prior period
- 3) Change ratio of equity = (equity for current period - equity for prior period) / the absolute value of equity for prior period
- 4) Change ratio of net income = (net income for current period - net income for prior period) / absolute value of net income for prior period
- 5) Funds allocation ratio = total amount of funds allocation / (insurance liabilities + total equity)
- 6) Persistency ratio (13-month, 25-month) =  $P_{ry} = \frac{BF_x + y/NB'_x}{x} \times 100\%$

d. Profitability

- 1) Ratio or return on total assets = (net income + interest expense\*(1-tax rate)) / average total assets
- 2) Ratio or return on shareholder's equity = net income / average net shareholder's equity
- 3) Ratio of net income from the funds allocation = (current net investment income + disposal of equity instruments at fair value through other comprehensive income) / ((opening utilizable funds + closing utilizable funds - current net investment income - disposal of equity instruments at fair value through other comprehensive income) / 2)
- 4) Ratio of return on Investment =  $2 \times (\text{net investment income} + \text{disposal of equity instruments at fair value through other comprehensive income}) / (\text{opening total assets} + \text{closing total assets} - \text{net investment income} - \text{disposal of equity instruments at fair value through other comprehensive income})$
- 5) Operating income to operating revenue ratio = operating income / operating revenue
- 6) Ratio of before-tax net income to total revenue = before-tax net income / (operating revenue + non-operating revenue)
- 7) Profit ratio = net income / operating revenue
- 8) Earnings per share = net income / weighted average stock shares issued

9) Ratio of investment real property and loans extended by mortgage on property to assets = real property investment and loans extended by mortgage on real property/average total assets

c. Other significant information sufficient to enhance understanding of its financial position, financial performance and cash flows or trends of change: None.

#### 4. REVIEW AND ANALYSIS FOR FINANCIAL POSITION AND FINANCIAL PERFORMANCE

a. Comparative analysis for financial position:

**Unit: NT\$ Thousands**

Item	Year		Difference	
	2025	2024	Amount	%
Cash and cash equivalents	\$ 45,526,446	\$ 40,215,185	\$ 5,311,261	13
Receivables	21,644,247	19,642,374	2,001,873	10
Other financial assets and loans	2,260,088,491	2,264,318,862	(4,230,372)	-
Reinsurance assets	1,208,702	844,147	364,556	43
Property and equipment	10,455,389	10,621,774	(166,385)	(2)
Intangible assets	577,571	605,748	(28,177)	(5)
Other assets	202,883,088	174,596,380	28,286,708	16
Total assets	2,542,383,934	2,510,844,470	31,539,464	1
Payables	19,155,331	15,146,731	4,008,600	26
Other financial liabilities	60,770,563	51,376,362	9,394,201	18
Insurance liabilities and reserve for insurance contracts with the nature of financial products	2,099,315,420	2,111,675,058	(12,359,638)	(1)
Provisions	33,737	49,016	(15,279)	(31)
Other liabilities	162,273,455	147,211,695	15,061,760	10
Total liabilities	2,341,548,506	2,325,458,862	16,089,644	1
Share capital	52,184,896	50,684,896	1,500,000	3
Capital surplus	7,481,373	7,461,996	19,377	-
Retained earnings	151,001,093	139,355,085	11,646,008	8
Other equity	(9,831,934)	(12,116,369)	2,284,435	(19)
Total equity	200,835,428	185,385,608	15,449,820	8

For those items whose rate of change increase or decrease by more than 20% and the amount of change vary by more than \$10 million in two years, the analysis are as below:

- 1) The increase in reinsurance assets was mainly due to the increase in claims recoverable from reinsurers.
- 2) The increase in payables was mainly due to an increase in payables for the purchase of marketable securities.
- 3) The decrease in provisions was mainly due to the reduction in provisions for employee benefits.

b. Analysis for financial performance:

Unit: NT\$ Thousands

Item	Year		Amount in Increase (Decrease)	Percentage of Change (%)
	2025	2024		
Operating revenue	\$ 241,014,536	\$ 265,451,138	\$ (24,436,602)	(9)
Operating costs	219,914,924	232,165,401	(12,250,477)	(5)
Operating expenses	7,849,815	8,120,488	(270,673)	(3)
Operating income	13,249,797	25,165,249	(11,915,452)	(47)
Non-operating income and expenses	62,694	33,247	29,447	89
Income from continuing operations before income tax	13,312,491	25,198,496	(11,886,005)	(47)
Income tax	2,512,241	(3,043,655)	5,555,896	(183)
Net income from continuing operations	15,824,732	22,154,841	(6,330,109)	(29)

For those items whose rate of change increase or decrease by more than 10% in two years, the analysis are as below:

- 1) The decrease in operating income, net income before tax and net income was mainly due to the increase in the exchange losses during the current year.
- 2) The increase in non-operating income and expenses was mainly due to the increase in miscellaneous income.
- 3) The decrease in income tax expenses was mainly due to the decrease in net income before income tax and deferred income tax expenses.

## 5. INFORMATION REGARDING THE COMPANY'S AUDIT FEE

a. CPA fees:

Unit: NT\$ Thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee (Note)	Total
Deloitte & Touche Tohmatsu Limited	LIN, WANG-SHENG	2025.01.01-2025.12.31	\$ 14,220	\$ 11,343	\$ 25,563
	WU, YI-CHUN				

Note: Audit fees include financial statement audit and pre-audit fees for IFRS 17; non-audit fees include tax compliance audit, internal control examination, and other certification and consulting services.

- 1) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.
  - 2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.
- b. Replacement of CPA: None.