

CENTRAL REINSURANCE CORPORATION

2022 Annual General Shareholders' Meeting

Meeting Handbook

May 27, 2022

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2022 ANNUAL SHAREHOLDERS' MEETING (THE "HANDBOOK") OF CENTRAL REINSURANCE CORPORATION (THE "COMPANY"). THIS TRANSLATION IS INTENDED FOR REFERENCE ONLY AND NOTHING ELSE, THE COMPANY HEREBY DISCLAIMS ANY AND ALL LIABILITIES WHATSOEVER FOR THE TRANSLATION. THE CHINESE TEXT OF THE HANDBOOK SHALL GOVERN ANY AND ALL MATTERS RELATED TO THE INTERPRETATION OF THE SUBJECT MATTER STATED HEREIN.

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CENTRAL REINSURANCE CORPORATION

2022 Annual General Shareholders' Meeting

Meeting Time: 9:00 AM on May 27(Friday), 2022

Meeting Location: International Convention Center of Chang Yung-Fa Foundation
No.11, Zhongshan S. Road, Taipei, Taiwan

Attendance: There are _____ shares representing shareholders attending,
reaching ___% of 590,388,750 shares total issued by the Company.

Chairman: Yang, Cheng-Tui, the Chairman of the Board

I. Report the total number of shares represented at this AGM.

II. Chairman calls meeting to order and address.

III. Report Items:

- A. Business Report of the year 2021. (Handbook pages 4-10)
- B. Audit Committee's Review Report of the year 2021. (Handbook page 23)
- C. 2021 Employees' Compensation and Directors' Remuneration Report: The Board of Directors appropriated NT\$25,010,082 as Employees' Compensation in cash and NT\$4,850,000 as Directors' Remuneration pursuant to the Articles of Incorporation.
- D. Reporting on the "Procedures for Use of the Company's funds in Special Projects, Public Utilities and Social Welfare Enterprises" amended by the Board of Directors on March 17, 2022 and submitted to the Financial Supervisory Commission (hereinafter referred to as "FSC") for reference according to the article 6 of "Regulations Governing Use of Insurer's funds in Special Projects, Public Utilities and Social Welfare Enterprises". (Handbook pages 66-71)

IV. Ratification and Discussion Items:

Proposed by the Board of Directors

Proposal 1: Ratification of the 2021 Business Report and Audited Financial Report. (Handbook pages 4-21) Please ratify.

Description: The 2021 Financial Report of the Company have been audited by Ms. Chen, Hsien-I and Ms. Lee, Hsiu-Ling, the CPA of PricewaterhouseCoopers, Taiwan.

Resolution:

Proposed by the Board of Directors

Proposal 2: Ratification of 2021 earnings distribution. (Handbook page 22) Please ratify.

Description:

1. The Company is planning to distribute cash dividend NT\$1.8 per share. The total of cash dividends shall be NT\$1,062,699,750. The cash dividend distribution will be calculated to the nearest NT dollar, the remainder will be recognized as “Other Non-Operating Income” of the Company.
2. If the number of total shares outstanding changed, such that the cash dividends ratio per share should be adjusted, the Chairman of the Board of Directors is authorized to adjust the ratio and deal with relative matters.
3. Subject to the approval of the annual general shareholders’ meeting, the ex-dividend date and payment date for the cash dividend distributions would be decided by the Chairman of the Board.

Resolution:

Proposal 3: It is proposed to amend the “Procedures for Acquiring and Disposing of Assets” referring to the contrast table attached. (Handbook page 24-47) Please discuss.

Description: The amendments are made in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” promulgated on January 28, 2022 per Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the FSC.

Resolution:

Proposal 4: It is proposed to amend the “Articles of Incorporation” referring to the contrast table attached. (Handbook page 48-49) Please discuss.

Description: The major amendments are as follows-

1. In order to increase the procedural flexibility of convening the shareholders’ meeting, the paragraph 2 and 3 of the Article 8 was added in accordance with the Article 172-2 of the Company Act to specify that the Company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority .
2. The wording of the paragraph 2 of the Article 29-1 was amended , and the date of amendment was added in Article 33.

Resolution:

V. Extraordinary Motions.

VI.Meeting Adjournment.

CENTRAL REINSURANCE CORPORATION

Business Report of the year 2021

Central Reinsurance Corporation is the sole domestic professional reinsurance company in Taiwan, mainly engaged in non-life and life reinsurance business for domestic and overseas insurance firms. Adhering to its business philosophy of ethical management, stability and integrity, the Company is devoted to maintaining the good order of the insurance market, diversifying risk for its customers, facilitating the development of insurance industry, and fulfilling its corporate responsibilities. To ensure sustainable development, the Company operates its business based on the principles of sound corporate governance, customer-focused services, effective fund utilization, as well as a business profile that focuses on both sound risk management and stable profitability. In order to enlarge its operational foundation and diversify the risk of geographical concentration, the Company not only diligently grows its domestic market, but also continuously expands its international territory through prudent strategies.

With the collective efforts of all its employees, the Company reports a net income of NT\$2,065,077 thousand for the year of 2021. Appended below is the Company's business report for 2021:

1 Implementation of the Business Plan

1.1 Business Performance:

The gross premium written for the year is NT\$20,899,658 thousand, being NT\$2,268,019 thousand or approximately 12.17% over the budgeted NT\$18,631,639 thousand. An analysis is provided below based on business type:

1.1.1 Non-life Reinsurance: The gross premium written is NT\$17,854,148 thousand, being NT\$2,199,245 thousand or approximately 14.05% over the budgeted NT\$15,654,903 thousand. The difference was mainly due to the increased premium income from health insurance, casualty insurance, and automobile insurance.

1.1.2 Life Reinsurance: The gross premium written is NT\$3,045,510 thousand, being NT\$68,774 thousand or approximately 2.31% over the budgeted NT\$2,976,736 thousand. The difference was mainly due to the increased premium income from life insurance.

1.2 Financial Management:

1.2.1 Capital Management:

As at the end of 2021, the total paid-in capital of the Company is NT\$5,903,888 thousand. Total shareholders' equity before distribution is NT\$16,552,411 thousand. The capital structure of the Company remains strong.

1.2.2 Reserve Adequacy:

In order to build up a solid financial basis and strengthen its solvency, the Company provides adequate reserves. At the end of 2021, the sum of various reserves is NT\$29,247,311 thousand.

1.2.3 Fund Investment:

The investment income is NT\$1,095,430 thousand, being NT\$381,151 thousand or 53.36% over the budgeted NT\$714,279 thousand.

1.3 Credit Ratings:

Based on the Company's strong direct relationships with local clients and solid domestic market position, extremely strong capital adequacy, and diversified and prudent investment profile, both A.M. Best and S&P Global Ratings affirmed the Company's "A" credit rating with stable outlook. Meanwhile, Taiwan Ratings Corp. also confirmed the Company's credit rating of "twAA+".

Good credit ratings not only help the Company develop reinsuring high-quality business, but also prove the Company's strong solvency to fulfill its commitment to clients.

1.4 Sustainable Development:

The Company is committed to the development of reinsurance business and the creation of profits while attaching great importance to specific efforts in Environmental, Social, and Corporate Governance (ESG) aspects to facilitate sustainable development.

In terms of corporate governance, we actively implement a sound operational system, improve operating performance, and maintain robust finance and adequate solvency in order to create a sustainable business environment and safeguard our customers' and all stakeholders' rights and interests. As for our corporate governance achievements, we have ranked among the top 6% to 20% of the listed companies in the Corporate

Governance Evaluation by the Taiwan Stock Exchange for seven consecutive years.

As far as social participation is concerned, we provide underwriting capacities to insurance companies, assume the task of social security, and give emphasis to insurance products related to natural disasters, disadvantaged groups, and the aging society. Meanwhile, we actively cooperate with competent authorities to participate in the development of the policy-oriented business and continue to participate in various charity events to give back to society. During the pandemic period in 2021, the Company cooperated with the government's anti-pandemic measures and won the award for “Providing Relief Application Services by the Insurance Industry in Response to the Pandemic”.

On the environmental sustainability front, we have developed “Risk Management Mechanism” and incorporated climate change risks into our operational strategic plan and decision-making process in accordance to Task Force on Climate-Related Financial Disclosure (TCFD) framework. Moreover, the Company has formulated “Central Reinsurance Corporation - Guidelines for Promoting Energy Conservation/Carbon Reduction”, actively implementing energy conservation and carbon reduction measures, purchasing green products, and making green investments.

2 Budget Implementation and Financial Status

The comparison between the actual and budgeted of 2021 was shown as follows:

NT\$ thousands			
Year 2021	Actual	Budget	Achievement (%)
Operating Revenues	20,440,955	18,185,935	112.40%
Operating Costs	17,476,481	16,322,647	107.07%
Gross Operating Income	2,964,474	1,863,288	159.10%
Operating Expenses	493,509	407,117	121.22%
Net Operating Income	2,470,965	1,456,171	169.69%
Non-Operating Income and Expenses	183	0	100.00%
Income Before Tax	2,471,148	1,456,171	169.70%
Income Tax Expense	406,071	245,342	165.51%
Net Income	2,065,077	1,210,829	170.55%

3 Profitability Analysis

The table below shows an analysis on the profitability ratios of 2021 as compared to those of 2020. The earnings per share (after tax) for 2021 is NT\$3.50, being NT\$0.93 more than the NT\$2.57 of 2020:

Ratio \ Year		2021	2020	Average
Profitability	Return on Assets (%)	4.48	3.70	4.09
	Return on Equity (%)	13.78	11.92	12.85
	Net Operating Income / Paid-In Capital (%)	41.85	30.26	36.06
	Income from Continuing Operations Before Tax/Paid-In Capital (%)	41.86	30.30	36.08
	Net Profit Margin (%)	10.10	8.58	9.34
	Earnings Per Share (After Tax)(NT\$)	3.50	2.57	3.04

4 Research & Development

4.1 Research & Development/Customer Service

4.1.1 The Company endeavors to absorb and adopt the most advanced concepts and technologies from the global market to achieve integrated risk management on a continuous basis. With its experience in risk management, the Company provides relevant consulting services to customers. Meanwhile, the Company also assists the competent authority in facilitating risk management policies and regulations for the industry in accordance with government's initiatives. The collective efforts are hoped to help improving the technical standards of risk management for the whole industry.

4.1.2 In recent years, the possible impact of climate change on environment and economy has become one of the important risks faced by the insurance industry. The Company continues to research and develop risk analysis methods related to climate change in order to strengthen the control of catastrophe accumulation risk and its resilience.

4.1.3 To improve the Company's operational resilience and strengthen its ability to respond to material events, we have adopted the international standard, ISO 22301:2019-Business Continuity

Management (BCM). In the meantime, we have devised operational impact analysis and business continuity management strategies and completed the drill test to ensure that the Company's services will not be interrupted, thereby protecting clients' rights and interests.

4.1.4 In order to align with the strategic plan, strengthen internal control and improve work efficiency, the Company has developed information security management system in accordance with ISO27001/CNS27001 and regulations. With a complete off-site back-up system and business continuity management, the Company is able to ensure the confidentiality, comprehensiveness and availability of information system as well as reduce probable losses from accidents. In future, the Company will continue enhancing information security and making system adjustments and upgrades to align with development plan and accommodate to statutory requirements

4.1.5 By means of market analysis and consumer demand observation, the Company provides tailored services to achieve higher quality standard and build up marketing competitiveness. Various supporting programs are offered to customers on a timely basis, including underwriting and claim management expertise, new product design, and regulatory and actuarial consulting services, etc. The purpose is to solidify customer relationship and create superior business opportunities on an ongoing basis.

4.1.6 To closely suit the needs of customers, strengthen customer service and enhance its professional image, the Company has held a series of "Life Insurance Underwriting and Claims Seminars" in 2021 including Interpretation of Medical Records, Alternative Surgery (New Treatment Methods), Risk Assessment after Organ Transplantation, and Introduction to COVID-19 Disease and Underwriting Assessment. The Company has organized various professional seminars to satisfy our clients' needs for years. Participants were given the opportunities to discuss on the market status and future trends, share information and improve their expertise. The courses and seminars also contributed to the tightening of client relationship for the Company.

4.2 Talent Development

4.2.1 The Company administers the following on-job training through its training system:

- (1) Regular Training: Internally, the Company provides regular training on general knowledge and basic skills, including "Orientation for New Employees", "Compliance Training and Promotion", "Internal Audit and Internal Control Self-inspection Training", "Anti-Money Laundering and Countering the Financing of Terrorism Training", "Personal Information Protection Awareness Training", "Information Safety Awareness", "Employee Confidentiality Obligations and Ethical Corporate Management Training", "Risk Management Training" (including senior executives) and "Fire Safety Training". A total of 1,234 persons have attended the training in 2021.
- (2) Professional Training and Statutory Programs: To enhance the employees' professional knowledge and expertise and elevate their work efficiency, the Company also organizes various job-related courses to accommodate the needs of staff at different business operations and job levels. The Company, in the meantime, has assigned its internal auditors, compliance personnel, anti-money laundering and countering the financing of terrorism personnel, accountants and labor safety personnel to attend relevant external training to meet the statutory requirements. A total of 339 employees have attended the external training in 2021.

4.2.2 On an ongoing basis, the Company encourages its employees to obtain professional licenses for their jobs. So far, a total of 69 employees have acquired domestic or international licenses on non-life/life insurance and financial management.

- (1) Non-life Insurance Underwriters: 24
- (2) Non-life Insurance Claim Adjusters: 8
- (3) Life Insurance Underwriters: 5
- (4) Life Insurance Claim Adjusters: 3
- (5) Fellow of the Actuarial Institute of the R. O. C.: 2
- (6) International Certificates: CPCU 8 persons, ACII 1 person, SOA ASA 2 persons, CAS ACAS 1 person, FALU 1 person, FLMI 4 persons, LOMA ACS 2 persons, LOMA AAPA 1 person, LOMA

ARA 2 persons, FRM 2 persons, ARM 2 persons, CFA 1 person.

4.2.3 To optimize its human resources, the Company endeavors to place employees at the most suitable positions in terms of personal interest and strengths, in the meantime fulfill the Company's human resources strategies. Therefore, during the year, the Company has recruited 25 new employees, arranged job transfer for 6 employees and promoted 21 employees.

CENTRAL REINSURANCE CORPORATION

BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	\$ 17,285,837	35	\$ 15,001,586	35
12000	Accounts receivable	6(2)	282,894	1	454,002	1
14110	Financial assets at fair value through profit or loss	6(3)	7,256,114	15	6,960,392	16
14145	Financial assets at amortized cost	6(4)	11,492,585	23	11,174,625	26
14180	Other financial assets	6(5)	3,083,454	6	499,556	1
14200	Investment property, net	6(7)	385,924	1	446,815	1
15000	Reinsurance contract assets	6(8)	7,373,316	15	6,065,459	14
16000	Property and equipment, net	6(11)	268,554	-	206,513	1
16700	Right-of-use assets		1,337	-	374	-
17000	Intangible assets		7,248	-	5,240	-
17800	Deferred income tax assets	6(17)	234,160	-	175,763	1
18000	Other assets		1,793,526	4	1,723,263	4
TOTAL ASSETS			\$ 49,464,949	100	\$ 42,713,588	100
LIABILITIES AND EQUITY						
21000	Accounts payable	6(12)	\$ 757,107	2	\$ 420,922	1
21700	Current income tax liabilities		276,454	1	105,938	-
23200	Financial liabilities at fair value through profit or loss	6(3)	771	-	32,440	-
23800	Lease liabilities		1,346	-	377	-
24000	Insurance liabilities	6(8)	31,700,204	64	28,491,167	67
27000	Provisions	6(13)	-	-	779	-
28000	Deferred income tax liabilities	6(17)	60,590	-	126,240	1
25000	Other liabilities		116,066	-	126,488	-
TOTAL LIABILITIES			32,912,538	67	29,304,351	69
30000	EQUITY					
31000	Capital					
31100	Common stock	6(14)	5,903,888	12	5,903,888	14
32000	Capital reserve		300,000	-	300,000	-
33000	Retained earnings					
33100	Legal reserve		2,766,037	6	2,463,493	6
33200	Special reserve	6(16)	3,288,295	7	2,757,597	6
33300	Undistributed earnings		1,879,407	4	1,414,347	3
34000	Other equity interest		2,414,784	4	569,912	2
TOTAL EQUITY			16,552,411	33	13,409,237	31
TOTAL LIABILITIES AND EQUITY			\$ 49,464,949	100	\$ 42,713,588	100

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

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31				Changes Percentage (%)
		2021		2020		
Items	Notes	AMOUNT	%	AMOUNT	%	
41000	Operating revenues					
41100	Gross premiums written	\$ 20,899,658	102	\$ 18,407,855	104	14
51100	Less: Reinsurance premiums ceded	(1,453,861)	(7)	(1,324,739)	(7)	10
51310	Net change in unearned premium reserve	(454,873)	(2)	(657,697)	(4)	(31)
41130	Retention earned premiums	18,990,924	93	16,425,419	93	16
41300	Reinsurance commission revenue	328,925	2	343,754	2	(4)
41400	Overriding commission revenue	23,271	-	21,872	-	6
41500	Net gain from investment					
41510	Interest income	403,780	2	479,256	3	(16)
41521	Gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss	2,870,927	14	1,436,526	8	100
41526	Realized gain or loss on financial assets at amortized cost	48,410	-	(90)	-	(53889)
41550	Foreign exchange (loss) gain	(369,159)	(2)	(511,225)	(3)	(28)
41570	Gain (loss) on investment property	15,051	-	18,761	-	(20)
41585	Expected credit impairment and reversal of profit from investments	627	-	(170)	-	(469)
41600	Gain (loss) upon reclassification of applying overlay approach	(1,874,206)	(9)	(567,537)	(3)	230
	Total net gain from investment	1,095,430	5	855,521	5	28
41800	Other operating revenues	2,405	-	10,357	-	(77)
	Total operating revenues	20,440,955	100	17,656,923	100	16
51000	Operating costs					
51200	Reinsurance claims paid	(10,023,133)	(49)	(10,162,084)	(58)	(1)
41200	Less: Reinsurance claims recovery	697,770	3	685,892	4	2
51260	Retention reinsurance claims paid	(9,325,363)	(46)	(9,476,192)	(54)	(2)
51300	Net changes in other insurance liabilities	(2,518,768)	(12)	(1,179,773)	(7)	113
51500	Reinsurance commission expenses	(5,588,191)	(28)	(4,811,110)	(27)	16
51700	Financial cost	(19)	-	(5)	-	280
51800	Other operating costs	(44,140)	-	(49)	-	89982
	Total operating costs	(17,476,481)	(86)	(15,467,129)	(88)	13
58000	Operating expenses					
58100	Selling expenses	(308,033)	(1)	(274,857)	(1)	12
58200	Administration expenses	(184,870)	(1)	(128,207)	(1)	44
58300	Training expenses	(606)	-	(424)	-	43
58400	Expected credit impairment reversal from non-investments	-	-	8	-	(100)
	Total operating expenses	(493,509)	(2)	(403,480)	(2)	22
	Net operating income	2,470,965	12	1,786,314	10	38
59000	Non-operating income and expenses	183	-	2,322	-	(92)
62000	Income from continuing operations before tax	2,471,148	12	1,788,636	10	38
63000	Income tax expense	(406,071)	(2)	(272,907)	(1)	49
64000	Income from continuing operations after tax	2,065,077	10	1,515,729	9	36
66000	Net income	\$ 2,065,077	10	\$ 1,515,729	9	36

(Continued)

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31				Changes
		2021		2020		Percentage
Items	Notes	AMOUNT	%	AMOUNT	%	(%)
83000	Other comprehensive income					
83100	Items may not be reclassified to profit or loss subsequently					
83110	Remeasurements of defined benefit plans	6(13)				
		\$ 912	-	(\$ 3,766)	-	(124)
83180	Income tax relating to the items may not be reclassified to profit or loss subsequently	6(17)				
		(182)	-	753	-	(124)
83200	Items may be reclassified to profit or loss subsequently					
83210	Exchange differences on translation of foreign financial statements					
		(102,492)	-	(170,502)	(1)	(40)
83295	Other comprehensive income (loss) upon reclassification of applying overlay approach	6(3)				
		1,874,206	9	567,537	3	230
83280	Income tax relating to items that may be reclassified	6(17)				
		73,158	-	1,713	-	4171
	Total other comprehensive income for the year (after tax)					
		1,845,602	9	395,735	2	366
85000	Total comprehensive income for the year					
		\$ 3,910,679	19	\$ 1,911,464	11	105
Earnings per share						
97500	Basic and Diluted (in NT dollars)	\$ 3.50		\$ 2.57		

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

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF CHANGES IN EQUITY
(Expressed in thousands of New Taiwan dollars)

	Notes	Common Stock	Capital Reserve	Legal Reserve	Special Reserve	Undistributed Earnings	Other Equity Interest		Total Equity
							Exchange Differences on Translation of Foreign Financial Statements	Other Comprehensive Income (Loss) upon Reclassification of Applying Overlay Approach	
<u>2020</u>									
Balance at January 1, 2020		\$ 5,903,888	\$ 300,000	\$ 2,242,647	\$ 2,358,192	\$ 1,053,232	(\$ 69,352)	\$ 240,516	\$ 12,029,123
Net income for the year		-	-	-	-	1,515,729	-	-	1,515,729
Other comprehensive income (loss) for the year		-	-	-	-	(3,013)	(136,402)	535,150	395,735
Total comprehensive income (loss)		-	-	-	-	1,512,716	(136,402)	535,150	1,911,464
Distributions of 2019 earnings									
Legal reserve		-	-	220,846	-	(220,846)	-	-	-
Cash dividends	6(16)	-	-	-	-	(531,350)	-	-	(531,350)
Appropriation for special reserve for the year		-	-	-	399,405	(399,405)	-	-	-
Balance at December 31, 2020		<u>\$ 5,903,888</u>	<u>\$ 300,000</u>	<u>\$ 2,463,493</u>	<u>\$ 2,757,597</u>	<u>\$ 1,414,347</u>	<u>(\$ 205,754)</u>	<u>\$ 775,666</u>	<u>\$ 13,409,237</u>
<u>2021</u>									
Balance at January 1, 2021		\$ 5,903,888	\$ 300,000	\$ 2,463,493	\$ 2,757,597	\$ 1,414,347	(\$ 205,754)	\$ 775,666	\$ 13,409,237
Net income for the year		-	-	-	-	2,065,077	-	-	2,065,077
Other comprehensive income (loss) for the year		-	-	-	-	730	(81,993)	1,926,865	1,845,602
Total comprehensive income (loss)		-	-	-	-	2,065,807	(81,993)	1,926,865	3,910,679
Distributions of 2020 earnings									
Legal reserve		-	-	302,544	-	(302,544)	-	-	-
Cash dividends	6(16)	-	-	-	-	(767,505)	-	-	(767,505)
Appropriation for special reserve for the year	6(16)	-	-	-	530,698	(530,698)	-	-	-
Balance at December 31, 2021		<u>\$ 5,903,888</u>	<u>\$ 300,000</u>	<u>\$ 2,766,037</u>	<u>\$ 3,288,295</u>	<u>\$ 1,879,407</u>	<u>(\$ 287,747)</u>	<u>\$ 2,702,531</u>	<u>\$ 16,552,411</u>

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

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Year ended December 31	
	2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Profit before tax	\$ 2,471,148	\$ 1,788,636
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	8,587	8,428
Amortization	4,065	4,081
Provision for loss allowance of reinsurance contract assets	881	6,559
Provision for bad debt	452	-
(Gain) loss on valuation of financial assets and liabilities at fair value through profit or loss	(1,714,171)	(671,495)
Interest expense	19	5
Interest income	(407,377)	(481,235)
Dividend income	(68,087)	(88,048)
Net change in reserves	2,973,641	1,837,470
Expected credit (reversal) impairment on investments	(627)	170
Expected credit (reversal) impairment on non-investments	-	(8)
Loss upon reclassification of applying overlay approach	1,874,206	567,537
Unrealized foreign exchange loss	115,317	364,668
Changes in operating assets and liabilities		
Changes in operating assets		
Accounts receivable	164,606	(151,465)
Financial assets at fair value through profit or loss	1,387,184	(299,887)
Financial assets at amortized cost	(462,115)	1,379,469
Other financial assets	(2,583,898)	(399,556)
Reinsurance contract assets	(1,081,529)	(584,304)
Other assets	(40,662)	(404,900)
Changes in operating liabilities		
Accounts payable	336,185	(35,621)
Provisions	133	(20,998)
Other liabilities	(10,422)	56,392
Cash inflow generated from operations	2,967,536	2,875,898
Interest received	425,855	514,563
Dividend received	67,238	88,139
Interest paid	(19)	(5)
Income tax paid	(286,626)	(493,053)
Net cash flows from operating activities	3,173,984	2,985,542
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of property and equipment	(8,975)	(7,907)
Acquisition of intangible assets	(6,073)	(455)
Acquisition of investment property	(355)	(426)
Net cash flows used in investing activities	(15,403)	(8,788)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayments of principal portion of lease liabilities	(401)	(234)
Payment of cash dividends	(767,505)	(531,350)
Net cash flows used in financing activities	(767,906)	(531,584)
Effects of exchange rate changes	(106,424)	(47,356)
Net increase in cash and cash equivalents	2,284,251	2,397,814
Cash and cash equivalents at beginning of year	15,001,586	12,603,772
Cash and cash equivalents at end of year	\$ 17,285,837	\$ 15,001,586

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

INDEPENDENT AUDITORS' REPORT

PWCR21000417

To Central Reinsurance Corporation

Opinion

We have audited the accompanying balance sheets of Central Reinsurance Corporation (the “Company”) as of December 31, 2021 and 2020, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the 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 generally accepted auditing standards in 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 Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2021 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Recognition of reinsurance revenue

Description

For the accounting policy for reinsurance revenue, please refer to Note 4(25) of the financial statements; for critical accounting estimates and assumptions of reinsurance revenue, please refer to Note 5(2) of the financial statements.

The Company's reinsurance revenue accounts for 102% of its operating revenues. The Company estimates reinsurance revenue based on an accrual basis; that is, once reinsurance contracts are signed, the Company elects the ceding company's annual forecasted reinsurance information and then calculates the revenue proportion to be recognized in each month based on previous experience of actual statements. Thereafter, when actual statements are received, original estimates are reversed and actual statements are accrued. The Company then evaluates the reason for differences between actual statements and estimated amounts to adjust the estimated revenues of remaining period, accordingly. Because reinsurance revenue is material to the financial statements and the recognition of reinsurance revenue involves management's professional judgement, we have thus included the recognition of reinsurance revenue as one of the key audit matters in our audit.

How our audit addressed the matter

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

1. Obtained an understanding and assessed the Company's policies, internal controls, and processing procedures related to the recognition of reinsurance revenue.
2. On a sample basis, tested the effectiveness of internal controls related to the recognition of reinsurance revenue, including:
 - (1) Checking the accuracy and completeness of recording reinsurance contracts into their system.
 - (2) Checking the consistency of reinsurance revenue recorded in the system with the related information provided by the ceding company.
 - (3) Checking the revenue proportion allocated to each month during the contract period and recognized amounts used by management to determine their accuracy.
 - (4) Checking the accuracy of actual statements and recorded reversal of estimates.
 - (5) Checking whether management had provided clear reasons for its adjustments on the amounts of estimated revenues of each quarter and checked whether such adjustments were appropriately approved.
3. On a sample basis, checked information of actual statements to assess the reasonableness of the Company's adjustments to estimated reinsurance revenue.

Estimation of claims reserve

Description

For the accounting policy for claims reserve (under insurance liabilities), please refer to Note 4(20) of the financial statements; for critical accounting estimates and assumptions of claims reserve, please refer to Note 5(2) of the financial statements; for details on claims reserve, please refer to Note 6(8) of the financial statements.

The Company's claims reserve accounts for 64% of its insurance liabilities. Aside from statutorily required insurances, the Company estimates the ultimate loss ratio and provisions claims reserve based on assessment factors such as information provided by the ceding company, claim development factors, contract type, insurance risk characteristics, market information, and judgement for the experience of claims and underwriting. Because claims reserve is material to the financial statements and the methods and assumptions for calculating claims reserve involve management's professional judgement, we have thus included the estimation of claims reserve as one of the key audit matters in our audit.

How our audit addressed the matter

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

1. On a sample basis, checked the accuracy and completeness of financial information used in calculating claims reserve.
2. Used the work of actuarial specialists to assist us in assessing the reasonableness of Incurred-But-Not-Reported losses reserve (including assumed and ceded claims reserve), including:
 - (1) On a sample basis, examined the rationale of the method for calculating the Incurred-But-Not-Reported losses reserve.
 - (2) On a sample basis, examined the rationale of the assumptions used by the Company.
 - (3) On a sample basis, recalculated Incurred-But-Not-Reported losses reserve under the assumptions used by the Company to ensure the accuracy of the reserves recognized by the Company.
3. Tested a selection of material claims that were Reported-But-Not-Paid and assessed the reasonableness of the claims reserve for such cases.

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 Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, 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 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 generally accepted auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from error or fraud 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 generally accepted auditing standards in the Republic of China, we exercise professional judgement 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 of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chen, Hsien-I

Chen, Hsien-I

Hsin-Ly Lee

Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2022

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

CENTRAL REINSURANCE CORPORATION
Earnings Distribution Plan
For the Year of 2021

(Unit: NT\$)

Items	Total	Grand Total
Unappropriated retained earnings of previous years		344,298,756
Add : The remeasurements of defined benefit plans(Note 1)	729,885	
Add : Net income of 2021	2,065,077,075	
Less : Legal reserve	(413,161,392)	
Less : Special reserve(Note 2)	(530,698,555)	1,121,947,013
Retained earnings in 2021 available for distribution		1,466,245,769
Distributable item :		
Shareholders' dividends— Cash dividends: NT\$1.8 per share	1,062,699,750	1,062,699,750
Unappropriated retained earnings		403,546,019

Note 1:Pursuant to Article 11 of the Rules for the Preparation of Financial Reports by Insurance Institutions, the Company defined the remeasurements of defined benefit plans transferred to retained earnings.

Note 2:According to the Insurance regulations, the provision for equalization reserve NT\$530,698,555 of the year 2021 had been recognized as special reserve.

Note 3:The surplus of year 2021 is allocated by priority .

Audit Committee's Review Report

TO : 2022 Annual General Meeting of Shareholders
Central Reinsurance Corporation (Central Re)

The Board of Directors has prepared the Company's 2021 business report, financial report, and proposal for distribution of earnings. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report.

The above business report, financial report, and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of Central Re. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Central Reinsurance Corporation

Convener of the Audit Committee: Chou, Yu-Cheng

March 17, 2022

CENTRAL REINSURANCE CORPORATION

Comparison Table for the Procedures for Acquiring and Disposing of Assets Before and After Amendments

After amendment	Before amendment	Reason for amendment
Article 5 Appraisal Procedures The acquisition or disposal of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be approved by audit committee and submitted to the board of directors for	Article 5 Appraisal Procedures The acquisition or disposal of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be approved by audit committee and submitted to the board of directors for	To delete Subparagraph 3 of Paragraph 1, Paragraph 2 and Paragraph 3 regarding a CPA perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of the ROC in accordance with the Order No. Financial-Supervisory- Securities-Corporate- 1110380465 of the Financial Supervisory Commission on 2022/1/28 which amend the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” (hereinafter “the Regulations”). The Article 5 added external experts issue an appraisal reports or opinions shall comply with the self-regulatory rules of the industry associations to which

After amendment	Before amendment	Reason for amendment
resolution in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2.Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3.Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant (CPA) shall be engaged to render a <u>specific</u> opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.	resolution in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction. 2.Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3.Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant (CPA) shall be engaged to <u>perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of the ROC (hereinafter referred to as "ARDF")</u> and render a <u>concrete</u> opinion regarding the reason for the discrepancy and the	they belong is include a CPA perform the appraisal.

After amendment	Before amendment	Reason for amendment
(2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period, certified or reviewed by a CPA for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the	appropriateness of the transaction price: (1)The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2)The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4.No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser. The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period, certified or reviewed by a CPA for reference in appraising the transaction	

After amendment	Before amendment	Reason for amendment
event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations of the Financial Supervisory Commission (hereinafter referred to as “FSC”). Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of the Company’s paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price. The calculation of the transaction amounts referred to in the preceding three paragraph shall be done in accordance with Paragraph 2 of Article 6 and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current	price, and if the dollar amount of the transaction is 20 percent of the Company’s paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations of the Financial Supervisory Commission (hereinafter referred to as “FSC”). Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of the Company’s paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall	

After amendment	Before amendment	Reason for amendment
transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. Where the Company acquires or disposes of assets through court auction procedures, the certified documentation issued by the court may be substituted for appraisal reports or CPA opinion.	engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <u>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> The calculation of the transaction amounts referred to in the preceding three paragraph shall be done in accordance with Paragraph 2 of Article 6 and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount. Where the Company acquires or disposes of assets through court auction procedures, the certified documentation issued by the court may be substituted for appraisal reports or CPA opinion.	
Article 6 Items and Standards of Public Disclosure Under any of the following	Article 6 Items and Standards of Public Disclosure Under any of the following	Considering the pure of foreign government bonds and the similarity between

After amendment	Before amendment	Reason for amendment
circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations two hours before the beginning of trading hours on the next business day following the date of occurrence of the event: 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprise. 2.Merger, demerger,	circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations two hours before the beginning of trading hours on the next business day following the date of occurrence of the event: 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprise. 2.Merger, demerger,	exchange traded notes and exchange traded funds, to amend the item 1 and item 2 of Subparagraph 6 of Paragraph 1 in accordance with Article 31 of the Regulations, and the Company may exempt from publicly announcement.

After amendment	Before amendment	Reason for amendment
acquisition, or transfer of shares. 3.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in “Procedures for Transaction of Financial Derivatives” of the Company. 4.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. 5.Where land is acquired under an arrangement on engaging others to build on the Company’s own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.	acquisition, or transfer of shares. 3.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in “Procedures for Transaction of Financial Derivatives” of the Company. 4.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more. 5.Where land is acquired under an arrangement on engaging others to build on the Company’s own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.	

After amendment	Before amendment	Reason for amendment
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables, or an investment in the Mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: (1) Trading of domestic government bonds <u>or foreign government bonds with a credit rating not lower than Taiwan's sovereign rating.</u> (2) Securities trading on securities exchanges or OTC markets or subscription of <u>foreign government bond or</u> ordinary corporation bond or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds <u>or exchange traded notes.</u>	6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables, or an investment in the Mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances: (1) Trading of domestic government bonds. (2) Securities trading on securities exchanges or OTC markets or subscription of ordinary corporation bond or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds. (3) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by the securities	

After amendment	Before amendment	Reason for amendment
(3)Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by the securities investment trust enterprise. The transaction amount of the preceding paragraph shall be calculated as follows: 1.The amount of any individual transaction. 2.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. “Within the preceding year”	investment trust enterprise. The transaction amount of the preceding paragraph shall be calculated as follows: 1.The amount of any individual transaction. 2.The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year. 3.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year. 4.The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year. “Within the preceding year” as used in preceding Paragraph refers to one year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not	

After amendment	Before amendment	Reason for amendment
as used in preceding Paragraph refers to one year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives transactions engaged in up to the end of the preceding month and file the information in the prescribed format on the information reporting website designated by the FSC by the 10th day of each month. In the event of the items which are required for public announcement contain error or omission and shall be rectified, all the items shall be again publicly announced and reported in entirety two hours before the beginning of trading hours on the next business day following the date of realizing the event. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and	be counted toward the transaction amount. The Company shall compile monthly reports on the status of derivatives transactions engaged in up to the end of the preceding month and file the information in the prescribed format on the information reporting website designated by the FSC by the 10th day of each month. In the event of the items which are required for public announcement contain error or omission and shall be rectified, all the items shall be again publicly announced and reported in entirety two hours before the beginning of trading hours on the next business day following the date of realizing the event. Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the regulations, a public report of relevant information shall be filed on the website designated by the FSC two hours before the beginning of	

After amendment	Before amendment	Reason for amendment
reported in accordance with the regulations, a public report of relevant information shall be filed on the website designated by the FSC two hours before the beginning of trading hours on the next business day following the date of occurrence of the event: 1. Amendment, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed before the scheduled date set forth in the contract. 3. The contents of the originally publicly announced and reported information have changed. The Company acquiring or disposing of assets shall retain all relevant contracts, meeting minutes, memorandum books, appraisal reports and the opinions provided by CPA, attorney, and securities underwriter in the Company headquarters for 5 years at least except where another act provides otherwise.	trading hours on the next business day following the date of occurrence of the event: 1. Amendment, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed before the scheduled date set forth in the contract. 3. The contents of the originally publicly announced and reported information have changed. The Company acquiring or disposing of assets shall retain all relevant contracts, meeting minutes, memorandum books, appraisal reports and the opinions provided by CPA, attorney, and securities underwriter in the Company headquarters for 5 years at least except where another act provides otherwise.	
Article 9 Procedures for	Article 9 Procedures for	1. To include the

After amendment	Before amendment	Reason for amendment
Acquiring or Disposing of Assets with Related Parties The Company acquiring or disposing of assets from or to a related party shall follow the relevant decision making process and evaluate the reasonableness of trading terms in accordance with Article 4, 5, 10, 11 and this Article. Besides, the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall obtain an appraisal report from a professional appraiser or a CPA's opinion. The transaction amount referred in the preceding paragraph shall be calculated in accordance with Paragraph 4 of Article 5. When judging whether the trading counterparty is a related party, in addition to the legal formalities, the substance of the relationship shall be considered. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose	Acquiring or Disposing of Assets with Related Parties The Company acquiring or disposing of assets from or to a related party shall follow the relevant decision making process and evaluate the reasonableness of trading terms in accordance with Article 4, 5, 10, 11 and this Article. Besides, the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall obtain an appraisal report from a professional appraiser or a CPA's opinion. The transaction amount referred in the preceding paragraph shall be calculated in accordance with Paragraph 4 of Article 5. When judging whether the trading counterparty is a related party, in addition to the legal formalities, the substance of the relationship shall be considered. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose	right-of-use assets in accordance with Article 15 of the Regulations. 2.To amend the wording.

After amendment	Before amendment	Reason for amendment
of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and submitted to the board of directors for a resolution in accordance with Article 15: 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a trading counterparty. 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party,	of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and submitted to the board of directors for a resolution in accordance with Article 15: 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a trading counterparty. 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party,	

After amendment	Before amendment	Reason for amendment
information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 10 and Article 11. 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty’s relationship to the company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA’s opinion obtained in accordance with Paragraph 1. 7.Restrictive covenants and other important stipulations associated with the transaction. <u>The Company or a subsidiary of a non-domestic public offering company will have the transaction referred in</u>	information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 10 and Article 11. 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty’s relationship to the company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA’s opinion obtained in accordance with Paragraph 1. 7.Restrictive covenants and other important stipulations associated with the transaction. The transaction amounts referred in the Paragraph 4 shall be calculated in accordance with Paragraph 2 of Article 6 and “within	

After amendment	Before amendment	Reason for amendment
<u>the Paragraph 4 , and the transaction amount is more than 10% of the Company's total assets, the Company may not proceed to enter into a transaction contract or make a payment until the documents listed in the Paragraph 4 have submitted to the shareholders meeting for approval. However, the transaction between the Company and the parent company, subsidiaries, or between its subsidiaries is not subject to this limitation.</u> The transaction amounts referred in the Paragraph 4 <u>and Paragraph 5</u> shall be calculated in accordance with Paragraph 2 of Article 6 and “within the preceding year” as used herein refers to one year preceding the date of occurrence of the current transaction. Transactions that have been approved by audit committee and submitted to the board of directors <u>and shareholders meeting</u> for a resolution need not be counted toward the transaction amount.	the preceding year” as used herein refers to one year preceding the date of occurrence of the current transaction. Transactions that have been approved by audit committee and submitted to the board of directors for a resolution need not be counted toward the transaction amount.	
Article 10 Evaluation Methods of the Transaction	Article 10 Evaluation Methods of the Transaction	To amend the accordance of

After amendment	Before amendment	Reason for amendment
Costs for Acquiring Real Property or right-of-use assets thereof from a Related Party Acquiring a real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means: 1. Based on the price of transaction with the related party plus necessary interest on funding and other costs to be duly borne by the buyer. The necessary interest on funding shall be calculated based on the weighted average of the interest rate on borrowing during the year the Company purchases the property. However such interest rate shall not exceed the maximum lending rate for non-financial institutions published by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan;	Costs for Acquiring Real Property or right-of-use assets thereof from a Related Party Acquiring a real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means: 1. Based on the price of transaction with the related party plus necessary interest on funding and other costs to be duly borne by the buyer. The necessary interest on funding shall be calculated based on the weighted average of the interest rate on borrowing during the year the Company purchases the property. However such interest rate shall not exceed the maximum lending rate for non-financial institutions published by the Ministry of Finance. 2. Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan;	Paragraph 4 due to the Paragraph 5 of Article 9 enacted .

After amendment	Before amendment	Reason for amendment
provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with the preceding two Paragraph, in the meantime shall also engage a CPA to review the appraisal and render a specific opinion. Where the Company acquires real property or right-of-use	provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties. Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph. When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with the preceding two Paragraph, in the meantime shall also engage a CPA to review the appraisal and render a specific opinion. Where the Company acquires real property or right-of-use	

After amendment	Before amendment	Reason for amendment
assets thereof from a related party under any of the following circumstances, the acquisition shall be conducted in accordance with Paragraph 4 to <u>6</u> of Article 9 and the preceding three paragraphs do not apply: 1.The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2.More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3.The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on self-owned land or on rented land. 4.The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued	assets thereof from a related party under any of the following circumstances, the acquisition shall be conducted in accordance with Paragraph 4 to <u>5</u> of Article 9 and the preceding three paragraphs do not apply: 1.The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift. 2.More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction. 3.The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on self-owned land or on rented land. 4.The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued	

After amendment	Before amendment	Reason for amendment
shares or authorized capital.	shares or authorized capital.	
Article 11 Procedure for the Respective Results of Evaluations Are Less Than the Transaction Price with Related Parties Where the Company acquires the real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with <u>Article 10</u> are uniformly lower than the transaction price, the following steps shall be taken: 1.A special reserve shall be set aside in accordance with Paragraph 1of Article 41 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the	Article 11 Procedure for the Respective Results of Evaluations Are Less Than the Transaction Price with Related Parties Where the Company acquires the real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with <u>Article 10</u> are uniformly lower than the transaction price, the following steps shall be taken: 1.A special reserve shall be set aside in accordance with Paragraph 1of Article 41 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the	The Chinese wording “ Article ” was amended while the English wording remains unchanged.

After amendment	Before amendment	Reason for amendment
Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company. 2.Independent directors of audit committee shall comply with Article 218 of the Company Act. 3.Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about	Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company. 2.Independent directors of audit committee shall comply with Article 218 of the Company Act. 3.Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus. The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about	

After amendment	Before amendment	Reason for amendment
the transaction, and the FSC has given its consent. When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was a non-arm's-length transaction. Where the following circumstances exist, objective evidence has been submitted and concrete opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, the preceding three paragraphs shall not apply: 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: (1) Where undeveloped land is appraised in accordance with the methods in the preceding Article, and structures according to the related party's construction cost plus	the transaction, and the FSC has given its consent. When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was a non-arm's-length transaction. Where the following circumstances exist, objective evidence has been submitted and concrete opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, the preceding three paragraphs shall not apply: 1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions: (1) Where undeveloped land is appraised in accordance with the methods in the preceding Article, and structures according to the related party's construction cost plus	

After amendment	Before amendment	Reason for amendment
reasonable construction profit are valued in excess of the actual transaction price. The “Reasonable construction profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (2)Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with	reasonable construction profit are valued in excess of the actual transaction price. The “Reasonable construction profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower. (2)Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with	

After amendment	Before amendment	Reason for amendment
standard property market sale or leasing practices. 2.Where the Company acquiring real property , or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the	standard property market sale or leasing practices. 2.Where the Company acquiring real property , or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the	

After amendment	Before amendment	Reason for amendment
preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.	preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.	

CENTRAL REINSURANCE CORPORATION

THE CONTRAST TABLE OF THE AMENDED ARTICLES OF ARTICLES OF INCORPORATION

After amendment	Before amendment	Reason for amendment
Article 8 The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings; — The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company; — The Extraordinary Meeting of the Company may be duly held if necessary. <u>The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.</u> <u>In case a shareholders' meeting is proceeded via visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.</u>	Article 8 The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings; — The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company; — The Extraordinary Meeting of the Company may be duly held if necessary.	In order to increase the procedural flexibility of convening the shareholders' meeting, the article was modified in accordance with Article 172-2 of the Company Act: 1. Paragraph 2 was added to specify that the Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority. 2. Paragraph 3 was added to specify that shareholders taking part in shareholders' meeting via visual communication network shall be deemed to have attended the meeting in person.
Article 29-1 Any profit made by the Company for each fiscal year	Article 29-1 Any profit made by the Company for each fiscal year	Text revisions.

After amendment	Before amendment	Reason for amendment
shall, after deduction of tax, be applied firstly towards making up any losses incurred by the Company in the previous years, secondly retaining twenty (20) percent of the balance thereof as legal reserve, then setting aside or release special reserve in accordance with regulations and adding previous retained earnings for the Board of Directors to make surplus profit proposal for distribution for resolution by the Shareholders' Meeting. Shareholders' dividend may be distributed <u>either all</u> in cash, <u>or in the combination of cash and stocks</u>, with the cash dividend not less than fifty (50) percent of the total amount of distribution.	shall, after deduction of tax, be applied firstly towards making up any losses incurred by the Company in the previous years, secondly retaining twenty (20) percent of the balance thereof as legal reserve, then setting aside or release special reserve in accordance with regulations and adding previous retained earnings for the Board of Directors to make surplus profit proposal for distribution for resolution by the Shareholders' Meeting. Shareholders' dividend may be distributed in cash <u>dividend and stock dividend</u>, with the cash dividend not less than fifty (50) percent of the total amount of distribution.	
Article 33 This Articles of Incorporation entered into force from the date resolved by the Shareholders' Meeting and the same procedure shall apply when it is revised. The history is as follow:..... (9) The 30th amendment was made on May 27, 2016. (10) <u>the 31st amendment is made on May 27, 2022.</u>	Article 33 Omitted.	Add the amended date.

CENTRAL REINSURANCE CORPORATION

ARTICLES OF INCORPORATION

Chapter 1 GENERAL PROVISIONS

Article 1

This Company is incorporated pursuant to the provisions governing a company limited by Shares of the Company Law of Republic of China with the name of 中央再保險股份有限公司 in Chinese and CENTRAL REINSURANCE CORPORATION in English.

Article 2

The Company may engage in the activity of H501031 Reinsurance Business.

Article 3

The office of the Company is located in Taipei, Taiwan, where necessary, the Company may have branches or offices established within or outside the Republic of China as approved by competent authority.

Article 4

The fund management and investment of the Company, in compliance with Insurance Law and related regulations, shall not be subject to the restriction of not exceeding 40 percent of the paid-up capital of the Company pursuant to Article 13 of the Company Law.

Chapter 2 SHARES

Article 5

The total authorized capital of the Company shall be NT\$6,000,000,000 divided into 600,000,000 shares at NT\$10 each. The Board of Directors is hereby authorized to issue the unissued shares in installments.

Article 6

The shares issued by the Company may be paperless and must be registered in the Securities Central Depository Business Institution.

Article 7

Registration of share transfer, within sixty (60) days before the date of Annual General Meeting of the Shareholders, thirty (30) days before the date of Extraordinary Meeting of Shareholders, or five (5) days before the date fixed by the Company for distribution of dividends, bonus or other benefits, shall not be conducted.

Chapter 3 SHAREHOLDERS' MEETING

Article 8

The Shareholders' Meeting of the Company consists of two categories; the Annual General and Extraordinary Meetings;

- The Annual General Meeting shall be duly held within six (6) months after the end of each fiscal year of the Company;
- The Extraordinary Meeting of the Company may be duly held if necessary.

Article 9

Notices to convene the Annual General Meeting shall be given to each shareholder thirty (30) days in advance, and the one to convene the Extraordinary Meeting shall be given fifteen (15) days in advance. Notices of the Shareholders' Meeting shall specify the time and place of the meeting and the particulars of the business to be transacted, and shall be given to all the Shareholders.

Article 10

A shareholder who is unable to attend a Shareholders' Meeting may appoint a proxy to attend and vote on his behalf pursuant to a power of attorney printed and distributed by the Company duly issued by the Shareholder stating the ambit of the proxy's authority.

Article 11

Unless otherwise provided under the Company Law and related regulations, the quorum for a Shareholders' Meeting shall be duly adopted by a majority in the meeting attended by Shareholders who represent a majority of the total issued shares.

Article 12

The shareholders of the Company shall have one voting right for each share, unless otherwise regulated under the relevant laws and regulations.

Article 13

When Shareholders' Meeting is convened by the Board of Directors, its chairman shall be processed in accordance with the provisions in Article 208 of the Company Law.

When the meeting is convened by other party with right of summons other than the Board of Directors, the Chairman shall be undertaken by that party with right of summons. When there are two or more parties with right of summons, one party will be elected from these parties.

Article 14

The resolutions adopted by the Shareholders' Meeting shall be reported in the minutes. The content, distribution and other essentials of the minutes shall be made in accordance with the provision of Article 183 of the Company Law.

Chapter 4 DIRECTORS AND MANAGERS

Article 15

The Company shall have seven to nine (7~9) Directors.

The election of the Directors shall adopt the candidate nomination system provided in the Article 192-1 of the Company Law. The shareholders shall elect the Directors from the list of candidates announced by the Company. The related matters shall be processed according to the relevant regulations.

The total number of shares that should be held by all Directors of the first paragraph shall be subject to the provision established by the Securities Management Institution.

Article 16

The Directors shall be elected at the Shareholders' Meeting from competent persons in accordance with law provisions. They shall have a three-year term of office and are eligible for re-election. The Directors may, according to Article 199 of the Company Law, be discharged at any time by a resolution passed at a Shareholders' Meeting.

Article 17

There should be three (3) Independent Directors of the total number of directors as stipulated in Article 15.

Independent and non-independent directors shall be elected at the same time with respective eligible numbers.

The professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination and election and any other matters as required with respect to independent directors shall be in compliance with Securities and Exchange Act and the related regulations.

Article 18

The Directors shall constitute the Board. The Chairman shall be elected at a meeting attended by at least two thirds (2/3) or more of the entire Directors and by a simple majority vote of the Directors present at the meeting and may also elect a Vice Chairman in the same manner.

The Chairman of the Board of Directors shall internally preside at the Meetings

of Shareholders and Meetings of the Board of Directors, and shall externally represent the Company. When the Chairman is on leave of absence or cannot exercise its job for any cause, agency of his/her job shall be handled in accordance with Article 208 of the Company Law.

Article 19

When the number of vacancies in the Board of Directors equals to one third (1/3) of the total number of Directors, the Board of Directors shall convene an Extraordinary Shareholders' Meeting for election of supplementary Directors within sixty (60) days of such occurrence in accordance with the laws. The term of office of the supplementary Directors shall be limited to make up the original term of office.

When an independent director is discharged for any reason, resulting in a shortage of number of directors required under paragraph 1 of Article 17, a by-election for independent director shall be held at the next following shareholders' meeting. When all independent directors have been discharged, the Board of Directors shall convene a shareholders' meeting for by-election within sixty (60) days of such occurrence.

Article 20

For execution of business of the Company, apart from items that are separately specified in related laws or the Articles of Incorporation to be resolved at the Shareholders' Meeting, all items shall be resolved by the Board of Directors.

Article 21

The Company shall establish an audit committee according to Article 14-4 of the Securities and Exchange Act. The exercise of Audit Committee and its members' duties and authorizations and matters relating thereto, shall be in compliance with Securities and Exchange Act and the related regulations.

Article 22

The meeting of the Board of Directors of the Company shall be informed to each Director with a notice stating matters to be discussed seven (7) days prior to convening such meeting. Nevertheless, in case of emergency, the said meeting may be convened immediately.

The notice set forth in the preceding paragraph may be served in the form of written document, e-mail or fax.

The meeting of the Board of Directors shall be attended by the Directors personally. Where a Director is unable to attend a meeting, he or she may authorize another Director to attend on his or her behalf by issuing a power of attorney specifying the notified matters and the ambit of the authorization.

Each Director shall only accept one proxy.

Unless otherwise provided under the related regulations or this Articles of Incorporation, resolutions of the Board of Directors shall be adopted by the approval of a majority of the Directors in a meeting attended by a majority of all the Directors.

A meeting of the Board of Directors may be conducted through video conference, and the Directors who participate in video shall be deemed to have attended the meeting in person.

Article 23

The remuneration of the Directors is authorized to be resolved by the Board of the Directors according to their level of participation of the Company's operation and their value of contribution as well as the normal standard of the industry.

Article 24

The Company may take out liability insurance for all Directors during their terms of offices to cover their legal liability for damages arising from their performance of duties.

The Company may also indemnify within a certain amount to Director(s), who is (are) liable to pay compensation or legal expense, except for those caused by their intentional or gross negligence acts or by a suit brought in accordance with a resolution of the Shareholders' Meeting.

The so-called "a certain amount" in the preceding paragraph is authorized to be resolved by the Board of Directors according to the actual situations.

Article 25

An Audit Division is to be set up under the Board of Directors to perform internal audits with independent and objective spirit, and to report to the Board of Directors on regular basis.

A Chief Auditor shall be appointed to the Audit Division. The appointment, discharge or transfer of the Chief Auditor shall be concurred by more than two thirds (2/3) of the entire directors.

The Audit Division may have one or more auditors. The appointment of auditors shall be proposed by the Chief Auditor and approved by the Chairman of the Board of Directors.

Article 26

The company may appoint managers. Appointment, discharge and the remuneration of the managers shall be made in accordance with the provisions of Article 29 of the Company Law.

Chapter 5 ACCOUNTING

Article 27

Fiscal year of the Company falls between January 1st and December 31st of each year. Before the commencement of each fiscal year, budget and business plan shall be submitted to the Board of Directors Meeting for approval.

Article 28

After the end of each fiscal year of the Company, the Board of Directors shall prepare the following reports and submit in accordance with legal procedures for approval by the shareholders at the Annual General Meeting:

- Business report.
- Financial statements.
- Proposal for profit distribution or loss restitution.

Article 29

Minimum 0.5% of profit of the current year distributable as employees' compensation and not exceed 1% of profit of the current year distributable as remuneration of Directors shall be distributed when the Company have profit. However, the Company's accumulated losses shall have been covered before distributing employees' compensation and remuneration of Directors by the aforementioned principles.

Employees' compensation may be distributed in the form of shares or in cash; Remuneration of Directors shall be distributed in the form of cash only.

The profit set out in the first Paragraph is meaning thereto income before income tax of the current year including the profit of employees' compensation and remuneration of Directors.

The amount of payment of the employees' compensation and the remuneration of Directors and the distribution manner of the employees' compensation shall be adopted by a majority vote at a meeting of the Board of Directors attended by two-third of the total number of directors and then to be reported to the shareholders meeting.

Article 29-1

Any profit made by the Company for each fiscal year shall, after deduction of tax, be applied firstly towards making up any losses incurred by the Company

in the previous years, secondly retaining twenty (20) percent of the balance thereof as legal reserve, then setting aside or release special reserve in accordance with regulations and adding previous retained earnings for the Board of Directors to make surplus profit proposal for distribution for resolution by the Shareholders' Meeting.

Shareholders' dividend may be distributed in cash dividend and stock dividend, with the cash dividend not less than fifty (50) percent of the total amount of distribution.

Chapter 6 MISCELLANEOUS

Article 30

The Company may set up executing units in accordance with business needs where their rule and regulation shall be separately stipulated.

The Board of Directors may set up functional committees in accordance with regulations or business needs. Their Charters shall be made by the Board of Directors.

Article 31

Any matter not provided for by this Articles of Incorporation shall be subject to the Company Law and related regulations.

Article 32

Various operation procedures of the Company shall be separately stipulated by the President where substantial rule and regulation shall be reported to the Board of Directors for approval.

Article 33

This Articles of Incorporation entered into force from the date resolved by the Shareholders' Meeting and the same procedure shall apply when it is revised. The history is as follow:

- (1) These Articles were originally established on October 26, 1967.
- (2) The 1st to the 23rd amendments were made between January 18, 1972 and October 26, 2005.
- (3) The 24th amendment was made on June 15, 2007.
- (4) The 25th amendment was made on June 13, 2008.
- (5) The 26th amendment was made on June 18, 2010.
- (6) The 27th amendment was made on June 15, 2012.
- (7) The 28th amendment was made on June 13, 2013.

- (8) The 29th amendment was made on June 11, 2014.
- (9) The 30th amendment was made on May 27, 2016.

CENTRAL REINSURANCE CORPORATION
Chairman Yang, Cheng-Tui

CENTRAL REINSURANCE CORPORATION

RULES FOR PROCEDURE OF THE SHAREHOLDERS' MEETING

Article 1

The shareholders' meetings of Central Reinsurance Corporation (hereinafter referred to as "the Company") shall be conducted pursuant to these Rules.

For matters not prescribed in these Rules, except where explicitly prescribed by Company Act, the Company's Articles of Incorporation, and other laws and regulations, the chairman shall decide such matters.

Article 2

The shareholders attending the Meeting by themselves or through proxies (hereinafter referred to as "the Shareholders") shall wear the sign-in card and identification document.

The number of shares for attending the meeting shall be counted according to sign-in card signed and submitted by shareholders.

The number of representatives of institutional shareholders attending the shareholders' meeting shall not exceed the total number of current directors of the Company.

Where an institutional shareholder is delegated to attend the shareholders' meeting, such institutional shareholder shall only appoint one (1) representative to attend the meeting.

Article 3

Quorum and votes of shareholders' meeting shall be counted on the basis of number of shares.

The Company shall announce the number of non-voting shares, the number of shares in attendance and other relevant information.

Article 4

Venue of the shareholders' meeting shall be at the place where the Company is located or at any other place where it is convenient for the Shareholders to attend and is suitable for the meeting to be conducted. The meeting shall commence not earlier than 09:00 A.M. or not later than 03:00 P.M.

Article 5

Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings.

All Shareholders shall be notified thirty (30) days in advance of an annual general shareholders' meeting. All Shareholders shall be notified fifteen (15) days in advance of an extraordinary shareholders' meeting.

Those Shareholders who hold less than 1,000 shares of stock may be notified by means of posting a public announcement on the Market Observation Post System of Taiwan Stock Exchange Corporation.

The subject matters of the meeting shall be explicitly stated in notices and the public announcement. When permitted by the recipients, notification may be done through electronic means.

Article 6

The Shareholders holding at least one percent (1%) of the total number of issued shares of the Company may submit written proposal for discussion in an annual general shareholders' meeting to the Company.

Before the closure of transferring stocks of an annual general shareholders' meeting, the Company shall publicly announce its readiness for acceptance of Shareholders' proposals, its place of acceptance and period of acceptance. The period of acceptance may not be shorter than ten (10) days.

The Shareholders' proposal shall be included in the agenda and stated in the subject of the notification when none of the following circumstances as reviewed by the Board applies:

1. The proposal is not a matter that may be resolved by shareholders' meeting.
2. The proposing Shareholder holds less than one percent (1%) of issued shares at the time of closure of transferring stocks prior to the shareholders' meeting.
3. The proposal was not submitted during the acceptance period publicly announced in the forgoing paragraph.
4. The proposing Shareholder has submitted more than one (1) proposal, or the proposal exceeds three hundred (300) words (including punctuations), or the proposal was not submitted in writing.

The Company shall notify the Shareholders who submitted proposals of the result of processing the proposal prior to the notification of the shareholders' meeting. With regard to the Shareholders' proposals not included in the meeting agenda, the Board shall state in the meeting handbook of the reason why such proposal was not included; No additional agenda will be included and there will not be any reference in the

meeting minutes.

If the Shareholders' proposals included in the meeting agenda according to the Paragraph 3 are similar proposals or are similar to the proposal of the Board of Directors, the chairman shall group the proposals and apply Article 25 of these Rules.

Article 7

The Shareholders who cannot attend a shareholders' meeting in person may issue a proxy printed by the Company stating ambit of authorization to a designated person to attend.

The Shareholders attend a shareholders meeting by proxy shall conduct pursuant to the Company Act and relevant regulations.

Article 8

A meeting handbook shall be prepared when a shareholders' meeting is convened. The meeting handbook and other relevant information concerning the meeting shall be publicly announced.

Time and manner of the public announcement of the preceding paragraph, main provisions of the meeting handbook and other compliance requirements should be processed in accordance with the Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies.

Article 9

Chairman of the Board shall serve as chairman of a shareholders' meeting convened by the Board. If the Chairman has taken leave or cannot act for any reason, the Vice Chairman shall act in his stead. If the Chairman and Vice Chairman have both taken leave or cannot act for any reason, the Chairman shall designate one director to act on his behalf. If the Chairman has not designated any director to act as chairman, the directors shall elect one from themselves to serve as the meeting chairman.

When a shareholders' meeting has been convened by a person with convening powers other than the Board, the convener shall serve as the chairman. If there are two or more conveners, they shall elect one from themselves to serve as the chairman.

Article 10

The Company may designate commissioned lawyers, certified public accountants, or

other relevant personnel to present the shareholders' meeting in a non-voting capacity.

Article 11

The Company shall make an audio or video recording of the entire proceedings of the shareholders' meeting, and shall preserve the recording for at least one (1) year. However, if any shareholder files a lawsuit pursuant to Article 189 of the Company Act, the audio or video recording shall be retained until the final conclusion of the lawsuit.

Article 12

Chairman of the meeting shall declare the meeting open when it's time for meeting. However, chairman of the meeting may declare postponement of the meeting provided that the Shareholders represent not more than half of total number of issued shares, but such postponements are limited to twice and the total postponement time shall not be more than one (1) hour. If twice postponements cannot still constitute a majority, but the Shareholders represent over one third of the total number of issued shares, a tentative resolution may be passed by a majority of those present pursuant to the Paragraph 1 of the Article 175 of the Company Act.

If the Shareholders have been up to more than half of total number of issued shares before the conclusion of that meeting, the chairman may make the proposition to resolve such tentative resolution by vote pursuant to Article 174 of the Company Act.

Article 13

Where a shareholders' meeting is convened by the Board of Directors, its agenda shall be arranged by the Board of Directors. Moreover, the meeting shall proceed on the basis of arranged agenda and cannot be changed without the resolution at the shareholders' meeting.

Where a shareholders' meeting is called by a convener who is entitled to call such meeting other than the Board of Directors, the preceding Paragraph shall be mutatis mutandis applicable.

Unless it has been duly resolved, chairman of the meeting shall not declare the meeting adjourned at discretion before the agenda as set forth in the preceding two Paragraphs (including motions) have been concluded.

After the meeting is over, the Shareholders shall not elect another chairman to preside to continue the meeting at the same place or any other place. However, if the chairman announces adjournment in violation of the Rules, then based on the consent

of more than half of the voting rights of attending Shareholders one person shall be elected as the chairman to continue the meeting.

Article 14

Any Shareholder shall, before speaking at the meeting, present a speaking memo stating summary, shareholder A/C number (or attendance certificate number) and A/C name. Speaking sequence shall be arranged by the chairman of the meeting.

In the event that a Shareholder only presents a speaking memo, but he/she doesn't speak at the meeting, it shall be deemed that he/she speaks nothing at the meeting. If the speaking contents are not same as those indicated on the speaking memo, only the former shall be considered.

When a Shareholder is speaking, other Shareholders may not interfere by speaking unless being authorized by chairman or the Shareholder who is speaking. Chairman shall stop such violation.

Article 15

An attending Shareholder may question about report items on the agenda only after the chairman or person designated by the chairman has read or reported all report items. Each Shareholder may speak once concerning all report items and each instance may not exceed five (5) minutes.

When an attending Shareholder speaks with regard to the matters for recognition and discussion listed on the agenda, and to the motions made in the extraordinary motion session, each Shareholder shall speak no more than twice concerning each motion and each proposition and not exceeding five (5) minutes each time without obtaining the consent of the chairman.

Where a Shareholder speaks over the prescribed time limit or exceeds the bounds of the issue at hand, the chairman is entitled to stop such speaking. The chairman may direct disciplinary personnel (or security personnel) to take necessary measures to maintain order in the meeting place or ensure the smooth progress of the meeting if a speaker still refuses to stop talking or other interfering circumstances occur.

Article 16

When government or an institutional shareholder sends two or more representatives to attend a shareholders' meeting, only one person may speak on each proposition.

Article 17

After an attending Shareholder has spoken, the chairman may personally respond, or designate another relevant person to do so.

Article 18

The chairman may announce an intermission at an appropriate time during a shareholders' meeting.

Article 19

The chairman may announce an end of discussion and put the proposition to a vote when the chairman considers that discussion is adequate to make a resolution. The chairman shall arrange adequate voting time.

Article 20

Except where prescribed by laws and regulations or the Articles of Incorporation of the Company, a Shareholder shall have one voting right for each share.

Article 21

Except where prescribed by laws and regulations or the Articles of Incorporation of the Company, a resolution shall be adopted by a majority vote by attending Shareholders.

The resolution shall be voted on by casting ballots, and the chairman shall decide all voting (including the election votes) to be conducted separately or at the meantime.

Article 22

The election of directors at a shareholders meeting shall be held in accordance with "The Directors Election Rules" of the Company.

Article 23

When a proposition is put to a vote, the chairman shall direct two (2) ballot supervising personnel and several ballot counting personnel to perform duties. However, such ballot supervising personnel must be a Shareholder of the Company.

The result of voting shall be reported on the spot and recorded. Ballot supervising personnel shall seal the ballots, and shall turn them over to the Company for preservation after signing or affixing their seals on them.

Article 24

A ballot shall be deemed invalid when all ballot supervising personnel concur that one of the following situations applies:

1. The ballot used was not prepared by the Board.
2. A blank ballot has been placed in the ballot box.
3. The ballot is illegible due to damage or indistinct writing.
4. The ballot has been altered or bears extraneous written text or symbols.
5. Both consent and oppose have been marked.

Article 25

If a Shareholder disputes any matters such as the voting process, the ballot counting method or the validity of ballots, the ballot supervising personnel shall state the Shareholder's account number, the number of voting rights, and the subject of the dispute, then sign or seal for preservation.

Article 26

If there shall be an amendment or alternative to one proposition, the chairman may combine the amendment or alternative into the original proposition and determine their orders for resolution. If one of the above shall be resolved, the others shall be considered as rejected, upon which no further resolution shall be required.

Article 27

The deliberation conducted at a shareholders' meeting shall be recorded in the meeting minutes. The contents and distribution of minutes shall be in accordance with Article 183 of the Company Act and the minutes of shareholders' meetings must be preserved as long as the Company is in existence.

Article 28

The staffs conducting the affairs of the meeting (including security personnel) shall wear badge or armband for identification purpose.

The chairman may ask pickets or security personnel to help maintain order at a meeting.

Shareholder who violate the rules of this procedure and defy the chairman's correction, or obstruct the proceeding of the meeting and refuse to stop, the chairman may direct the pickets (including security personnel) to escort the shareholder off the meeting.

Article 29

The Rules shall take effect after been passed by the shareholders' meeting and the same procedure shall apply when they are revised.

The History of “RULES FOR PROCEDURE OF THE SHAREHOLDERS’ MEETING”

The Rules were duly established on February 20, 1998.

The 1st amendment was made on September 29, 1998.

The 2nd amendment was made on October 24, 2000.

The 3rd amendment was made on June 25, 2002.

The 4th amendment was made on June 9, 2006.

The 5th amendment was made on June 13, 2008.

The 6th amendment was made on June 15, 2011.

The 7th amendment was made on June 15, 2012.

The 8th amendment was made on July 15, 2021.

CENTRAL REINSURANCE CORPORATION

Procedures for Use of the Company's funds in Special Projects, Public Utilities and Social Welfare Enterprises

Article 1 Purpose

The Procedures are formulated to set up the procedures for use of the Company's fund in special projects, public utilities and social welfare enterprises, as well as to enhance the risk management and to ascertain public disclosure.

Article 2 Accordance

The Procedures are set forth in accordance with the "Regulations Governing Use of Insurer's Fund in Special Projects, Public Utilities and Social Welfare Enterprises" (the Regulations) published by the Financial Supervisory Commission.

Article 3 The Scope and Limitation of Investment in Special Projects

Use of the Company's funds for special projects, public utilities and social welfare enterprises shall be set forth in accordance with Article 2 to Article 5 of the Regulations. However the Company shall not extend loans until the relevant operating rules set forth in accordance with the Insurance Act and its sub-laws.

Investments in funeral facilities in accordance with the Procedures shall be restricted in the facilities which their management agencies shall be evaluated by municipal or county (city) competent authority and receive a grade of above "B".

Before investing in venture capital enterprises, private equity funds, and other limited partnership enterprises, the Company shall, in accordance with Article 3 of the "Self-discipline Regulations for Insurance Industry Investing in Venture Capital Enterprises, Private Equity Funds, and Other Limited Partnership Enterprises," formulate relevant investment operating standards with the acknowledgement of risk management unit, auditing unit and compliance unit, and the approval of the board of directors or a senior executive authorized by the board of directors.

Article 4 The Limitation of Investment Amount

For risk control purpose, the investment amount of special projects, public utilities

and social welfare enterprises shall be set forth in accordance with Article 7 of the Regulations.

Article 5 The Total Amount Invested in One and the Same Entity Exceeds Half of the Paid-In Capital or Half of the Total Outstanding Voting Shares of Such Invested Entity

If the total amount of the Company invested in one and the same invested entity exceeds half of the paid-in capital or half of the total outstanding voting shares of such invested entity, the Subparagraph 1 to 4, Subparagraph 6 and Subparagraph 7 of Paragraph 1 of Article 8 of the Regulations shall be complied with.

The Company shall comply with Article 11 of the “Regulations Governing Financial and Business Operations of Professional Reinsurance Enterprises” to disclose the audit report for the implementation of investment improvement plans listed in Subparagraph 4 of Paragraph 1 of Article 8 of the Regulations as well as the complete audit report of the invested entity listed in Article 13 to the public under the notes which shall be made under the information disclosure website. The aforesaid disclosure information shall be updated within ten days after submission to the board of directors.

Article 6 Evaluation and Operating Procedures

The evaluation procedures of investing in special projects, public utilities and social welfare enterprises shall include the evaluation and operating matters listed in Paragraph 1 of Article 9 of the Regulations, and executed by the investment unit.

The amount and level authorized by the board of directors shall be in accordance with the provisions of Article 8.

Article 7 Risk-Based Capital Ratio

The Company engaging in the investment set forth in preceding Paragraph, the risk-based capital ratio in the most recent period should comply with the provisions of Paragraph 1 of Article 143-4 of the Insurance Act.

Article 8 Circumstances that the Company May Invest in Special Projects or Public Utilities or Social Welfare Enterprises Directly without Getting the Approval

of the Competent Authority

The board of directors may delegate the Chairman to decide the investments in special projects or public utilities or social welfare enterprises in accordance with the provisions of Paragraph 1 of Article 10 of the Regulations without going through the application procedure, and have the decisions subsequently submitted to and ratified by the board of directors meeting. However, this does not apply to the investments handled in accordance with Articles 3 and 4 of the Regulations, which the invested entity shall be subject to an environmental impact assessment in accordance with the Environmental Impact Assessment Act during the development stage.

Except for the investments handled in accordance with Articles 3 and 4 of the Regulations, which the invested entity shall be subject to an environmental impact assessment in accordance with the Environmental Impact Assessment Act during the development stage, if the invested entity is the entity regulated by the “Act for Promotion of Private Participation in Infrastructure Projects” and the investment amount and conditions are met with the Paragraph 3 of Article 10 of the Regulations, the Company can invest in such entity under the board of directors’ resolution. The calculation method of the total investment amount shall be in accordance with the provisions of Paragraph 4 of Article 10 of the Regulations.

Except for the preceding two circumstances, the Company shall submit the documents set forth in Paragraph 1 of Article 9 to the board of directors for resolution and the competent authority for approval before investments.

Where the Company proceeds with investment in accordance with Paragraph 1 and Paragraph 2, shall provide the documents, set forth in Paragraph 1 of Article 9 of the Regulations submitted to the competent authority for subsequent review, and the chief compliance officer must submit an opinion on the compliance with laws and internal regulations and sign the statement to ensure accountability.

Article 9 Segregation of Duties

The division of duties in regard to an investment in special project or public utilities or social welfare enterprises is as follows, and each unit’s personnel may not serve concurrently in other units:

1. The Investment Unit: To execute and control transactions, and to evaluate the counterparty and the performance of transactions, and post-investment management.

2. The Accounting Unit: To be responsible for the relative accounting treatment.
3. The Finance Unit: To control the risk, and be responsible for the settlement and custody operation.

Article 10 The Determination Procedures of Trading Terms

The Investment Unit shall conduct market assessment and analysis to elaborate the trading terms (decision and reference of price) with counterparties for investments in special project, public utilities and social welfare enterprises. Transactions shall be approved in accordance with the table governing the delegation of authority and responsibility and shall follow the provisions of the operating procedures of acquisition and disposal of assets.

Article 11 Internal Control System

When the Company invests in special project, public utilities and social welfare enterprises, the Investment Unit shall submit investment management report every year to track the operation of invested entity and to analyze the return of investment based on duration, as a basis for performance evaluation.

The risk management measures for use of the Company's fund in special projects, public utilities and social welfare enterprises are as follows:

1. Each transaction shall be evaluated by the investment unit, and shall be reviewed in accordance with the relevant authorization regulations of the Company or reported to the competent authority before the investment can be made, including the signing of the transaction contract for the promised investment.
2. The investments in special projects, public utilities and social welfare enterprises fall within the scope of the use of specific or significant funds referred to in Subparagraph 3, Paragraph 3, Article 32 of the "Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises" ,the Company's chief compliance officer shall submit an opinion on the compliance with laws and internal regulations and sign the statement to ensure accountability.
3. The investment unit shall track the financial status and operation of the invested entity, participate in the shareholders' meeting or the board of directors of the invested entity from time to time, and report annually to the senior executive authorized by the board of directors. In the event of a major risk event affecting the

financial or operational status of the invested entity, relevant information should be compiled and reported to the senior executive authorized by the board of directors.

Article 12 Post-Investment Management

The post-investment management mechanisms conducted by investment unit for use of the Company's fund in special projects, public utilities and social welfare enterprises are as follows:

1. Check whether the actual investment situation conforms to the original investment plan and scope.
2. Check whether the actual investment situation complies with the regulations of the competent authority and the competent authority for other purposes.
3. The object listed in Paragraph 2 of Article 2 of the Regulations shall not have any involvement in the dispute over the management right to the business directly or indirectly invested in it, and the matter shall be included in the signed contract or other agreement documents.
4. If the circumstances of the preceding three paragraphs are not met, evaluation and countermeasures shall be adopted.

Article 13 Internal Audit System

If the total amount of the Company invested in one and the same invested entity exceeds half of the paid-in capital or half of the total outstanding voting shares of such invested entity, the internal audit unit shall conduct an on-site audit on the invested entity once every six months and shall track the invested entity on the violation or abnormality mentioned in the audit report or self-assessment report periodically. If any illegal activity or major violation is detected, the Company shall immediately inform the invested entity and prepare a tracking report. The completed audit and tracking report shall be submitted to the latest meeting of the board of directors.

The audit and tracking report prescribed in previous Paragraph shall be signed by the general manager, the general auditor, and the compliance officer of the headquarter of the Company. The content of the audit report shall at least include the provisions of Paragraph 2 of Article 8 of the Regulations.

Article 14 Designated Senior Management Personnel Shall Report the Performance to the Board of Directors Periodically

The Company's president authorized by the board of directors as designated senior management personnel shall report the performance of special project, public utilities and social welfare enterprises to the board of directors every year.

Article 15 Appointment and Management System of Directors and Supervisors of Enterprises Listed in Articles 3 and 4 of the Regulations

The Company's funds are used for special projects shall be in accordance with the provisions of Paragraph 3 and 4 of Article 146-1 of the Insurance Law.

The Company's funds are used for investment in public and social welfare enterprises, and the number of directors and supervisors to be appointed shall not exceed two-thirds of all directors and supervisors of the invested enterprises. Those who appoint half of the directors of the invested enterprises shall have at least one independent director, and the independent director shall have the professional knowledge required for the business of the invested enterprises, and shall maintain independence within the scope of business execution and no direct or indirect interest in the Company or its affiliates. Any change in the appointed directors and supervisors shall be reported to the competent authority for reference.

The qualifications for the Company's appointed independent directors of investee enterprises, the standard of documents submitted to the competent authority, and the follow-up management mechanism shall be in accordance with the relevant provisions of the "Insurance Industry's Self-discipline Regulations for Appointing Independent Directors of Investee Enterprises".

Article 16 Effectiveness

The Procedures, as well as the amendment thereof, shall be submitted to the Audit Committee for approval, the Board of Directors for resolution to become effective, and to the competent authority for reference and to shareholders' meeting.

The History of “Procedures for Use of the Company's funds in Special Projects, Public Utilities and Social Welfare Enterprises” The Procedures was made on April 23, 2008.

1. The 1st amendment was made on June 13, 2008.

2. The 2nd amendment was made on March 23, 2011.
3. The 3rd amendment was made on March 25, 2013.
4. The 4th amendment was made on August 20, 2014.
5. The 5th amendment was made on May 27, 2015.
7. The 6th amendment was made on April 27, 2016.
8. The 7th amendment was made on October 27, 2016.
9. The 8th amendment was made on March 17, 2022.

CENTRAL REINSURANCE CORPORATION

PROCEDURES FOR ACQUIRING AND DISPOSING OF ASSETS

Article 1 Accordance

The Procedures is set forth in accordance with the provisions of Paragraph 1 of Article 6 of the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”.

Article 2 The Scope of Assets

The term “assets” as used in the Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property) and equipment.
3. Memberships.
4. Patents, copyrights, trademarks, franchise rights, and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Acquisition and disposal of derivatives shall be in compliance with “Procedures for Transaction of Financial Derivatives” of the Company.

Article 3 Definitions

Terms used in the Procedures are defined as below:

1. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and

Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter “transfer of shares”) under Article 156-3 of the “Company Act”.

2. Related party or subsidiary: As defined in the “Regulations Governing Preparation of Financial and Operational Reports by Insurance Institutions”.
3. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
4. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.
5. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.
6. Total assets: Refers to the total assets stated in the most recent Company’s financial report prepared under the “Regulations Governing Preparation of Financial and Operational Reports by Insurance Institutions”.
7. Securities exchange: “Domestic securities exchange” refers to the Taiwan Stock Exchange Corporation; “foreign securities exchange” refers to any organized securities exchange market that is regulated by the competent securities authorities of the jurisdiction where it is located.
8. Over-the-counter venue (“OTC venue”, “OTC”): “Domestic OTC venue” refers to a venue for OTC trading provided by a securities firm in accordance with the Regulations Governing Securities Trading on the Taipei Exchange; “foreign OTC venue” refers to a venue at a financial institution that is regulated by the foreign competent authority and that is permitted to conduct securities business.

Article 4 Operating Procedures

1. The degree of authority delegated and the levels to which authority is delegated: shall be executed in accordance with the Company’s table of governing the

delegation of authority and responsibility.

2. Execution Unit and transaction process:

- (1) With respect to the acquisition or disposal of securities, the execution unit shall analyze and forecast the future outlook based on the market condition, so as to formulate trading terms and get the approval of Authorized level in accordance with the Company's table governing the delegation of authority and responsibility.

Acquisition and disposal of securities shall be in compliance with "Procedures for Governing Various Applications of Funds" of the Company.

- (2) With respect to the acquisition or disposal of real property, the execution unit shall formulate trading terms and obtain an appraisal report issued by the professional appraiser before get the approval of the Chairman and audit committee and submit a proposal for discussion by the board of directors.
- (3) With respect to the acquisition or disposal of equipment and other assets, the execution unit shall conduct analysis and appraisal of the transaction, and formulate trading terms and get approval in accordance with the Company's table governing the delegation of authority and responsibility.

Article 5 Appraisal Procedures

The acquisition or disposal of real property, equipment or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be approved by audit committee and submitted to the board of directors for resolution in advance; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.

3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant (CPA) shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation of the ROC (hereinafter referred to as "ARDF") and render a concrete opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:

(1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.

(2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.

4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain the financial statements of the issuing company for the most recent period, certified or reviewed by a CPA for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a CPA prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by the regulations of the Financial Supervisory Commission (hereinafter referred to as "FSC").

Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of the Company's paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a CPA prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction

price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

The calculation of the transaction amounts referred to in the preceding three paragraph shall be done in accordance with Paragraph 2 of Article 6 and “within the preceding year” as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA’s opinion has been obtained need not be counted toward the transaction amount.

Where the Company acquires or disposes of assets through court auction procedures, the certified documentation issued by the court may be substituted for appraisal reports or CPA opinion.

Article 6 Items and Standards of Public Disclosure

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC’s designated website in the appropriate format as prescribed by regulations two hours before the beginning of trading hours on the next business day following the date of occurrence of the event:

- 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of the Company’s paid-in capital, 10 percent or more of the Company’s total assets, or NT\$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprise.
- 2.Merger, demerger, acquisition, or transfer of shares.
- 3.Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in “Procedures for Transaction of Financial Derivatives” of the Company.
- 4.Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.
- 5.Where land is acquired under an arrangement on engaging others to build on the

Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT\$500 million or more.

6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables, or an investment in the Mainland China area reaches 20 percent or more of the Company's paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:

- (1) Trading of domestic government bonds.
- (2) Securities trading on securities exchanges or OTC markets or subscription of ordinary corporation bond or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds.
- (3) Trading of bonds under repurchase/resale agreements, or subscription or redemption of domestic money market funds issued by the securities investment trust enterprise.

The transaction amount of the preceding paragraph shall be calculated as follows:

1. The amount of any individual transaction.
2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same trading counterparty within the preceding year.
3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of the same security within the preceding year.

"Within the preceding year" as used in preceding Paragraph refers to one year preceding the date of occurrence of the current transaction. Items duly announced in accordance with the Procedures need not be counted toward the transaction amount.

The Company shall compile monthly reports on the status of derivatives transactions engaged in up to the end of the preceding month and file the information in the prescribed format on the information reporting website designated by the FSC by the

10th day of each month.

In the event of the items which are required for public announcement contain error or omission and shall be rectified, all the items shall be again publicly announced and reported in entirety two hours before the beginning of trading hours on the next business day following the date of realizing the event.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the regulations, a public report of relevant information shall be filed on the website designated by the FSC two hours before the beginning of trading hours on the next business day following the date of occurrence of the event:

1. Amendment, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed before the scheduled date set forth in the contract.
3. The contents of the originally publicly announced and reported information have changed.

The Company acquiring or disposing of assets shall retain all relevant contracts, meeting minutes, memorandum books, appraisal reports and the opinions provided by CPA, attorney, and securities underwriter in the Company headquarters for 5 years at least except where another act provides otherwise.

Article 7 The Limits of Investment Amount

The limits of investment amount shall be followed as below:

1. The total investment amount of real property and right-of-use assets thereof for non-business use shall be in accordance with the provisions of Article 146-2 of the “Insurance Act” and the related regulations.
2. The total investment amount of securities and limits of individual securities shall be in accordance with the provisions of Article 146-1, Article 146-5 and Article 146-6 of the “Insurance Act”.
3. The total investment amount of foreign investment shall be in accordance with the provisions of Article 10 of the “Regulations Governing Financial and Business Operations of Professional Reinsurance Enterprises”.

Article 8 The Disqualifying Criteria of The Providers of Appraisal Reports or Professional Opinions

Professional appraisers and their officers, CPA, attorneys, and securities underwriters that provide the Company with appraisal reports, CPA's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

1. May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Securities and Exchange Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
2. May not be a related party or de facto related party of the Company and any party to the transaction.
3. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article 9 Procedures for Acquiring or Disposing of Assets with Related Parties

The Company acquiring or disposing of assets from or to a related party shall follow the relevant decision making process and evaluate the reasonableness of trading terms in accordance with Article 4, 5, 10, 11 and this Article. Besides, the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall obtain an appraisal report from a professional appraiser or a CPA's opinion.

The transaction amount referred in the preceding paragraph shall be calculated in accordance with Paragraph 4 of Article 5.

When judging whether the trading counterparty is a related party, in addition to the legal formalities, the substance of the relationship shall be considered.

When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of the Company's paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more,

except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the audit committee and submitted to the board of directors for a resolution in accordance with Article 15:

- 1.The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- 2.The reason for choosing the related party as a trading counterparty.
- 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 10 and Article 11.
- 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the company and the related party.
- 5.Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in accordance with Paragraph 1.
- 7.Restrictive covenants and other important stipulations associated with the transaction.

The transaction amounts referred in the Paragraph 4 shall be calculated in accordance with Paragraph 2 of Article 6 and "within the preceding year" as used herein refers to one year preceding the date of occurrence of the current transaction. Transactions that have been approved by audit committee and submitted to the board of directors for a resolution need not be counted toward the transaction amount.

Article 10 Evaluation Methods of the Transaction Costs for Acquiring Real Property or right-of-use assets thereof from a Related Party

Acquiring a real property or right-of-use assets thereof from a related party, the Company shall evaluate the reasonableness of the transaction costs by the following means:

- 1.Based on the price of transaction with the related party plus necessary interest on

funding and other costs to be duly borne by the buyer. The necessary interest on funding shall be calculated based on the weighted average of the interest rate on borrowing during the year the Company purchases the property. However such interest rate shall not exceed the maximum lending rate for non-financial institutions published by the Ministry of Finance.

- 2.Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the trading counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

When acquiring real property or right-of-use assets thereof from a related party, the Company shall appraise the cost of the real property or right-of-use assets thereof in accordance with the preceding two Paragraph, in the meantime shall also engage a CPA to review the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party under any of the following circumstances, the acquisition shall be conducted in accordance with Paragraph 4 to 5 of Article 9 and the preceding three paragraphs do not apply:

- 1.The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
- 2.More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
- 3.The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on self-owned land or on rented land.
- 4.The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.

Article 11 Procedure for the Respective Results of Evaluations Are Less Than the Transaction Price with Related Parties

Where the Company acquires the real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Article 10 are uniformly lower than the transaction price, the following steps shall be taken:

1. A special reserve shall be set aside in accordance with Paragraph 1 of Article 41 of the Securities and Exchange Act against the difference between the real property or right-of-use assets thereof transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, Paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the Company's equity stake in the other company.
2. Independent directors of audit committee shall comply with Article 218 of the Company Act.
3. Actions taken pursuant to the preceding two subparagraphs shall be reported to a shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased or leased at a premium, or they have been disposed of, or the leasing contract has been terminated, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the FSC has given its consent.

When the Company acquires real property or right-of-use assets thereof from a related party, it shall also comply with the preceding two paragraphs if there is other evidence indicating that the acquisition was a non-arm's-length transaction.

Where the following circumstances exist, objective evidence has been submitted and concrete opinions on reasonableness have been obtained from a professional real property appraiser and a CPA, the preceding three paragraphs shall not apply:

1. Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - (1) Where undeveloped land is appraised in accordance with the methods in the preceding Article, and structures according to the related party's construction

cost plus reasonable construction profit are valued in excess of the actual transaction price. The “Reasonable construction profit” shall be deemed the average gross operating profit margin of the related party’s construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.

(2) Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.

2. Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.

Completed transactions involving neighboring or closely valued parcels of land in the preceding paragraph in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

Article 12 Mergers and Consolidations, Splits, Acquisitions, and Assignment of Shares

The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the audit committee and board of directors to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to provide opinions on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit the opinions to audit committee for approval and submit to the board of directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by the Company of a subsidiary in

which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the Company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

The Company participating in a merger, demerger or acquisition shall prepare a public report to shareholders detailing important contractual content, matters relevant to the merger, demerger, or acquisition, and the expert opinions of the preceding paragraph and the outcome of audit committee prior to the shareholders meeting when sending shareholders notification of the shareholders meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts the Company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the shareholders meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall publicly explain the reason, the follow-up measures, and the preliminary date of the next shareholders meeting without delay.

The companies participating in a merger, demerger or acquisition shall convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

The companies participating in a transfer of shares shall convene a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.

When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a full written record of the following information and retain it for five years for reference:

1. Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
2. Dates of material events: Including the signing of any letter of intent or

memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a board of directors meeting.

3. Important documents and minutes: Including mergers, demergers, acquisitions, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of board of directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, two hours before the beginning of trading hours on the next business day following the date of passage of a resolution by the board of directors, report (in the prescribed format and via the Internet-based information system) the information set out in Subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such companies in accordance with the preceding two paragraphs.

Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.

When participating in a merger, demerger, acquisition or transfer of shares, the share exchange ratio and acquisition price shall not be arbitrarily altered, except for the below-listed circumstances which shall be stipulated in the contract of merger, demerger, acquisition or transfer of shares:

1. Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
2. An action, such as a disposal of major assets, which affects the Company's financial and business operations.
3. An event, such as a major disaster or major change in technology, which affects shareholder equity or share price.
4. An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares, buys back treasury stock by law.

5. Any change in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
6. Other terms and conditions that the contract stipulates may be altered and that have been publicly disclosed.

When participating in a merger, demerger, acquisition or transfer of shares, the contract thereof shall specify the rights and obligations of any participating companies, as well as the following matters:

1. Handling of breach of contract.
2. Principles for the handling of equity-type securities previously issued or treasury stock previously bought back any company that is extinguished in a merger or that is demerged.
3. The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
4. Measures of handling changes in the number of participating entities or companies.
5. Preliminary progress schedule for plan execution and anticipated completion date.
6. According to the law the scheduled date for convening a shareholders meeting and relevant procedures if the plan exceeds the deadline without completion.

After the information about merger, demerger, acquisition or transfer of shares have been disclosed, if any of the participating companies intends to carry out a further merger, demerger, acquisition or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer, except that where the number of participating companies is decreased and a participating company's shareholders meeting has adopted a resolution authorizing the board of directors to alter the limits of authority, such participating company may be exempted from calling another shareholders meeting to resolve on the matter anew.

Where any of the companies participating in the merger, demerger, acquisition or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company in accordance with the provisions of Paragraphs 4 to 9 and Paragraph 12.

Article 13 Penal Provisions

The personnel responsible for acquisition or disposal of assets violates the Procedures shall be penalized according to the relevant personnel management regulations of the Company.

Article 14 Unmentioned Matters

Any other matter or event not stipulated in the Procedures shall be managed in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” and related regulations.

Article 15 Additional Provisions

Any amendment of the Procedures or any transaction of major assets shall be approved by more than half of all audit committee members and submitted to the board of directors for a resolution.

If approval of more than half of all audit committee members as required in the preceding paragraph is not obtained, the Procedures may be implemented if approved by more than two-thirds of all directors, and this resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.

The terms “all audit committee members” in Paragraph 1 and “all directors” in Paragraph 2 shall be counted as the actual number of persons currently holding those positions.

When the proposal of the Procedures amendment or transaction for the acquisition or disposal of assets are submitted to the board of directors for discussion, the board of directors shall take into full consideration for each of independent director’s opinion. If an independent director raises objections or expresses reservations to the amendment or the transaction, it shall be recorded in the minutes of the board of directors meeting.

Article 16 Effectiveness

Any amendment of the Procedures shall be approved by the audit committee, and submitted to the board of directors for resolution, and then submitted to the shareholders’ meeting for approval.

The History of “PROCEDURES FOR ACQUIRING AND DISPOSING OF ASSETS”

1. The Procedures was made on October 14, 2003.
2. The 1st amendment was made on June 3, 2005.
3. The 2nd amendment was made on June 15, 2007.
4. The 3rd amendment was made on June 15, 2011.
5. The 4th amendment was made on June 15, 2012.
6. The 5th amendment was made on June 13, 2013.
7. The 6th amendment was made on June 11, 2014.
8. The 7th amendment was made on May 31, 2017.
9. The 8th amendment is made on May 29, 2019.

CENTRAL REINSURANCE CORPORATION

Shareholdings of Directors

Title	Name	Shares held
Chairman	Evergreen International Corp. Representative: Yang, Cheng-Tui	207,419,251
Director	Evergreen International Corp. Representative: Chang, Ming-yuh	
Director	Evergreen International Corp. Representative: Chen, Chao-lung	
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Cheng, Ching-Fen	49,866,466
Director	Ministry of Finance, R.O.C. Representative: Lee, Yi-Fen	82,895,773
Director	Ministry of Finance, R.O.C. Representative: Chen, Kuan-Pao	
Independent Director	Chou, Yu-Cheng	0
Independent Director	Chang, Bing-Huang	0
Independent Director	Liu, Wei	0
Total		340,181,490

Notes:

1. As of March 29, 2022, the book closure date for the Company's shareholders' meeting, the total number of shares already issued is 590,388,750 shares.
2. The minimum shareholding required to be held by all directors is 18,892,440 shares.