Central Re

Stock Code：2851

CENTRAL REINSURANCE CORPORATION

2023 Annual General Shareholders' Meeting

Meeting Handbook

May 31, 2023

THIS IS A TRANSLATION OF THE HANDBOOK FOR THE 2023 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

2023 Annual General Shareholders' Meeting

Meeting Time: 9:00 AM on May 31 (Wednesday), 2023

Meeting Location: Meeting Room on the 10th floor, International Convention Center of Chang Yung-Fa Foundation No.11, Zhongshan S. Road, Taipei, Taiwan

Attendance: There are ______________ shares representing shareholders attending, reaching __% of 800,388,750 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 2022. (Handbook pages 5-11)

B. Audit Committee's Review Report of the year 2022. (Handbook page 24)

C. 2022 Employees' Compensation and Directors' Remuneration Report: The Board of Directors appropriated NT$753,700 as Employees' Compensation in cash and NT$240,000 as Directors' Remuneration pursuant to Article 29 of "Articles of Incorporation" of the Company.

IV. Ratification and Discussion Items:

Proposed by the Board of Directors

Proposal 1: **Ratification of the 2022 Business Report and Audited Financial Report. (Handbook pages 5-22) Please ratify.**

Description: The 2022 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 2022 deficit compensation. (Handbook page 23) Please ratify.**

Description: The net income for fiscal year 2022 is NT$253,272,699. After adding unappropriated retained earnings of previous years and the remeasurements of defined benefit plans, and also setting aside the legal reserve and special reserve according to the law, the deficit yet to be compensated at the end of 2022 is NT$164,210,620. Therefore, it is not to allocate dividends. Besides, it is proposed to use the legal reserve to compensate the Company’s deficit, and after compensating, there is no deficit yet to be compensated.

Resolution:

Proposed by the Board of Directors

Proposal 3: **It is proposed to amend the “Rules for Procedure of the Shareholders’ Meeting” referring to the contrast table attached. (Handbook page 25-35) Please discuss.**

Description: The amendments of the “Rules for Procedure of the Shareholders’ Meeting” are made with reference to actual operation procedures of the Company and the following regulations:

1. The “Regulations Governing the Administration of Shareholder Services of Public Companies” amended and announced by Financial Supervisory Commission on March 4, 2022 and March 6, 2023; and
2. The “Sample Template for ◯◯ Co., Ltd. Rules of Procedure for Shareholders’ Meetings” amended and announced by

Taiwan Stock Exchange Corporation on March 8, 2022 and March 17, 2023.

Resolution:

V. Election Item:

Proposed by the Board of Directors

Proposal: Proposal to re-elect the Directors of the Company.

Description:

1. Since the term of office of the current Directors will expire on May 27, 2023, it is proposed to elect nine Directors (including three Independent Directors) according to Article 15 and Article 17 of "Articles of Incorporation" of the Company. The new Directors, whose term of office shall be three years from May 31, 2023 to May 30, 2026, shall take office after Annual General Shareholders' Meeting, and the current Directors shall be discharged simultaneously.

2. The election of the Directors is conducted under the "candidate nomination system". The roster of Director (including Independent Directors) Candidates and relevant information are as Handbook Pages 36-41.

Election Results:

VI. Other Item:

Proposed by the Board of Directors

Proposal: Discussion on approving the release of restrictions of competitive activities for the newly elected Directors. Please discuss.

Description:

1. Directors who, for themselves or others run businesses which are similar to the business of the Company, shall report to and obtain permission from the Shareholders' Meeting.

2. It is proposed to submit the release of restrictions of competitive activities for the newly elected Directors to the Shareholders' Meeting. The business and its essential contents the newly elected Directors engaged in other companies shall be presented before discussion.

Resolution:

VII. Extraordinary Motions.

VIII. Meeting Adjournment.

CENTRAL REINSURANCE CORPORATION

Business Report of the year 2022

Central Reinsurance Corporation mainly engages 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.

The Company is the sole domestic professional reinsurance company in Taiwan and dedicates to build a sound market with government and insurance companies. As a long-term trusted partner with insurance firms, the Company is invited to undertake epidemic prevention products for their demands of risk diversification. While supporting government policies and providing reinsurance capacity, the Company has strictly adhered its risk management and controlled its aggregate exposure. However, due to virus mutation and change of pandemic policies in Taiwan, the P&C insurance market has faced the historical largest loss in 2022. Even though the operating performance is affected, with strict risk control and immediate response to changes, the Company is able to contain losses at a manageable level. With the collective efforts of all its employees, the Company reports a net income of NT$253,273 thousand for the year of 2022. Appended below is the Company's business report for 2022:

1 Implementation of the Business Plan

1.1 Business Performance:

The gross premium written for the year is NT$19,714,070 thousand, being NT$637,023 thousand or approximately 3.34% over the budgeted NT$19,077,047 thousand. An analysis is provided below based on business type:

1.1.1 Non-life Reinsurance: The gross premium written is NT$16,529,793 thousand, being NT$499,585 thousand or approximately 3.12% over the budgeted NT$16,030,208 thousand. The difference was mainly due to the increased premium income from casualty insurance.

1.1.2 Life Reinsurance: The gross premium written is NT$3,184,277 thousand, being NT$137,438 thousand or approximately 4.51% over the budgeted NT$3,046,839 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 2022, the total paid-in capital of the Company is NT$8,003,888 thousand. Total shareholders' equity before distribution is NT$16,997,748 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 2022, the sum of various reserves is NT$29,726,222 thousand.

1.2.3 Fund Investment:

The investment income is NT$2,311,845 thousand, being NT$1,111,456 thousand or 92.59% over the budgeted NT$1,200,389 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:

In order to promote corporate social responsibility and fulfill sustainable development, the Company has established Sustainable Development Committee directly under the Board of Directors in March 2022. The Company is 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 eight 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.

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. In addition, responding to the sustainable development roadmap issued by the government in March 2022, the Company has introduced ISO14064 greenhouse gas inventory and verification process in the same year. In response to the goal of net-zero emission in 2050, the Company has actively implemented energy conservation and carbon reduction measures, purchased green products, and made green investments.

2 Budget Implementation and Financial Status

The comparison between the actual and budgeted of 2022 was shown as follows:

NT$ thousands

Year 2022	Actual	Budget	Achievement (%)
Operating Revenues	21,338,046	19,567,417	109.05%
Operating Costs	20,831,212	16,984,360	122.65%
Gross Operating Income	506,834	2,583,057	19.62%
Operating Expenses	491,302	515,194	95.36%
Net Operating Income	15,532	2,067,863	0.75%
Non-Operating Income and Expenses	7,847	0	100.00%

NT$ thousands

Year 2022	Actual	Budget	Achievement (%)
Income Before Tax	23,379	2,067,863	1.13%
Income Tax Benefit (Expense)	229,894	-265,611	-86.55%
Net Income	253,273	1,802,252	14.05%

3 Profitability Analysis

The table below shows an analysis on the profitability ratios of 2022 as compared to those of 2021. Due to the impact of epidemic prevention products, underwriting income decreases and the earnings per share (after tax) for 2022 is NT$0.41, being NT$3.09 lower than the NT$3.50 of 2021:

Ratio \ Year		2022	2021	Average
Profitability	Return on Assets (%)	0.51	4.48	2.50
	Return on Equity (%)	1.51	13.78	7.65
	Net Operating Income / Paid-In Capital (%)	0.19	41.85	21.02
	Income from Continuing Operations Before Tax/Paid-In Capital (%)	0.29	41.86	21.08
	Net Profit Margin (%)	1.19	10.10	5.65
	Earnings Per Share (After Tax) (NT$)	0.41	3.50	1.96

4 Research & Development

4.1 Research & Development/Customer Service

4.1.1 In order to enhance capabilities in assessing risk from multiple perspectives and strengthening risk identification and management, the Company endeavors to strengthen integrated risk management on a continuous basis. In addition, in order to improve underwriting performance and increase capital utilization, the Company has purchased capital model for pricing and strategy planning purpose.

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 The Company endeavors to absorb and adopt the most advanced concepts and technologies from the global market to achieve integrated risk management. 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 improve the technical standards of risk management of the industry.

4.1.6 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.

4.2 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 1,457 persons have attended the training in 2022.

(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 1,089 employees have attended the external training in 2022.

4.2.2 Aligning with business plan and cultivating reinsurance professionals, the Company regularly assigns employees to attend worldwide events. A total of 2 employees have attended international seminars in 2022.

4.2.3 On an ongoing basis, the Company encourages its employees to obtain professional licenses for their jobs. So far, a total of 74 employees have acquired domestic or international licenses on non-life/life insurance, financial management, and auditing.

(1) Non-life Insurance Underwriters: 24

(2) Non-life Insurance Claim Adjusters: 7

(3) Life Insurance Underwriters: 8

(4) Life Insurance Claim Adjusters: 5

(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, CISA 1 person.

4.2.4 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 41 new employees, arranged job transfer for 14 employees and promoted 23 employees.

CENTRAL REINSURANCE CORPORATION
BALANCE SHEETS
(Expressed in thousands of New Taiwan dollars)

	ASSETS	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
11000	Cash and cash equivalents	6(1)	$ 21,853,610	43	$ 17,285,837	35
12000	Accounts receivable	6(2)	424,478	1	282,894	1
12600	Current income tax assets		18,217	-	-	-
14110	Financial assets at fair value through profit or loss	6(3)	3,591,735	7	7,256,114	15
14145	Financial assets at amortized cost	6(4)	14,060,463	28	11,492,585	23
14180	Other financial assets	6(5)	-	-	3,083,454	6
14200	Investment property, net	6(7)	384,620	1	385,924	1
15000	Reinsurance contract assets	6(8)	6,700,040	13	7,373,316	15
16000	Property and equipment, net	6(11)	275,728	1	268,554	-
16700	Right-of-use assets		1,808	-	1,337	-
17000	Intangible assets		13,811	-	7,248	-
17800	Deferred income tax assets	6(18)	462,369	1	234,160	-
18000	Other assets		2,484,909	5	1,793,526	4
	TOTAL ASSETS		$ 50,271,788	100	$ 49,464,949	100
	LIABILITIES AND EQUITY					
21000	Accounts payable	6(12)	$ 589,393	1	$ 757,107	2
21700	Current income tax liabilities		2,962	-	276,454	1
23200	Financial liabilities at fair value through profit or loss	6(3)	508,430	1	771	-
23800	Lease liabilities		1,824	-	1,346	-
24000	Insurance liabilities	6(8)	31,965,419	64	31,700,204	64
27000	Provisions	6(13)	2,853	-	-	-
28000	Deferred income tax liabilities	6(18)	133,356	-	60,590	-
25000	Other liabilities		69,803	-	116,066	-
	TOTAL LIABILITIES		33,274,040	66	32,912,538	67
30000	EQUITY					
31000	Capital					
31100	Common stock	6(15)	8,003,888	16	5,903,888	12
32000	Capital reserve		1,560,000	3	300,000	-
33000	Retained earnings					
33100	Legal reserve		3,179,198	6	2,766,037	6
33200	Special reserve	6(17)	4,063,614	8	3,288,295	7
33300	Undistributed earnings		(112,320)	-	1,879,407	4
34000	Other equity interest		303,368	1	2,414,784	4
	TOTAL EQUITY		16,997,748	34	16,552,411	33
	TOTAL LIABILITIES AND EQUITY		$ 50,271,788	100	$ 49,464,949	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
			2022		2021		
	Items	Notes	AMOUNT	%	AMOUNT	%	(%)
41000	Operating revenues						
41100	Gross premiums written		$ 19,714,070	93	$ 20,899,658	102	(6)
51100	Less: Reinsurance premiums ceded		(1,272,727)	(6)	(1,453,861)	(7)	(12)
51310	Net change in unearned premium reserve	6(8)	287,174	1	(454,873)	(2)	(163)
41130	Retention earned premiums		18,728,517	88	18,990,924	93	(1)
41300	Reinsurance commission revenue		268,236	1	328,925	2	(18)
41400	Overriding commission revenue		21,389	-	23,271	-	(8)
41500	Net gain from investment						
41510	Interest income		576,733	3	403,780	2	43
41521	Gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss		(2,196,073)	(10)	2,870,927	14	(176)
41526	Realized gain or loss on financial assets at amortized cost	6(4)	-	-	48,410	-	(100)
41550	Foreign exchange gain (loss)		1,543,112	7	(369,159)	(2)	(518)
41570	Gain on investment property	6(7)	14,882	-	15,051	-	(1)
41585	Expected credit impairment and reversal of profit from investments	6(4)	(209)	-	627	-	(133)
41600	Gain (loss) upon reclassification of applying overlay approach	6(3)	2,373,400	11	(1,874,206)	(9)	(227)
	Total net gain from investment		2,311,845	11	1,095,430	5	111
41800	Other operating revenues		8,059	-	2,405	-	235
	Total operating revenues		21,338,046	100	20,440,955	100	4
51000	Operating costs						
51200	Reinsurance claims paid		(15,621,753)	(73)	(10,023,133)	(49)	56
41200	Less: Reinsurance claims recovery		799,509	4	697,770	3	15
51260	Retention reinsurance claims paid		(14,822,244)	(69)	(9,325,363)	(46)	59
51300	Net changes in other insurance liabilities	6(8)	(753,249)	(4)	(2,518,768)	(12)	(70)
51500	Reinsurance commission expenses		(5,220,517)	(25)	(5,588,191)	(28)	(7)
51700	Financial cost		(21)	-	(19)	-	11
51800	Other operating costs		(35,181)	-	(44,140)	-	(20)
	Total operating costs		(20,831,212)	(98)	(17,476,481)	(86)	19
58000	Operating expenses						
58100	Selling expenses		(259,857)	(1)	(308,033)	(1)	(16)
58200	Administration expenses		(230,278)	(1)	(184,870)	(1)	25
58300	Training expenses		(1,162)	-	(606)	-	92
58400	Expected credit impairment reversal from non-investments	13	(5)	-	-	-	-
	Total operating expenses		(491,302)	(2)	(493,509)	(2)	-
	Net operating income		15,532	-	2,470,965	12	(99)
59000	Non-operating income and expenses		7,847	-	183	-	4188
62000	**Income from continuing operations before tax**		23,379	-	2,471,148	12	(99)
63000	Income tax benefit (expense)	6(18)	229,894	1	(406,071)	(2)	(157)
64000	**Income from continuing operations after tax**		253,273	1	2,065,077	10	(88)
66000	**Net income**		$ 253,273	1	$ 2,065,077	10	(88)

(Continued)

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

	Items	Notes	2022 AMOUNT	2022 %	2021 AMOUNT	2021 %	Changes Percentage (%)
83000	**Other comprehensive income**						
83100	**Items may not be reclassified to profit or loss subsequently**						
83110	Remeasurements of defined benefit plans	6(13)	$ 7,725	-	$ 912	-	747
83180	Income tax relating to the items may not be reclassified to profit or loss subsequently	6(18)	(1,545)	-	(182)	-	749
83200	**Items may be reclassified to profit or loss subsequently**						
83210	Exchange differences on translation of foreign financial statements		337,612	1	(102,492)	-	(429)
83295	Other comprehensive (loss) income upon reclassification of applying overlay approach	6(3)	(2,373,400)	(11)	1,874,206	9	(227)
83280	Income tax relating to items that may be reclassified	6(18)	(75,628)	-	73,158	-	(203)
	Total other comprehensive (loss) income for the year (after tax)		(2,105,236)	(10)	1,845,602	9	(214)
85000	**Total comprehensive (loss) income for the year**		($ 1,851,963)	(9)	$ 3,910,679	19	(147)
	Earnings per share						
97500	Basic and Diluted (in NT dollars)		$ 0.41		$ 3.50		

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	Retained Earnings: Legal Reserve	Retained Earnings: Special Reserve	Retained Earnings: Undistributed Earnings	Other Equity Interest: Exchange Differences on Translation of Foreign Financial Statements	Other Equity Interest: Other Comprehensive Income (Loss) upon Reclassification of Applying Overlay Approach	Total Equity
2021									
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(17)	-	-	-	-	(767,505)	-	-	(767,505)
Appropriation for special reserve for the year		-	-	-	530,698	(530,698)	-	-	-
Balance at December 31, 2021		$ 5,903,888	$ 300,000	$ 2,766,037	$ 3,288,295	$ 1,879,407	($ 287,747)	$ 2,702,531	$ 16,552,411
2022									
Balance at January 1, 2022		$ 5,903,888	$ 300,000	$ 2,766,037	$ 3,288,295	$ 1,879,407	($ 287,747)	$ 2,702,531	$ 16,552,411
Net income for the year		-	-	-	-	253,273	-	-	253,273
Other comprehensive income (loss) for the year		-	-	-	-	6,180	270,090	(2,381,506)	(2,105,236)
Total comprehensive income (loss)		-	-	-	-	259,453	270,090	(2,381,506)	(1,851,963)
Distributions of 2021 earnings									
Legal reserve		-	-	413,161	-	(413,161)	-	-	-
Cash dividends	6(17)	-	-	-	-	(1,062,700)	-	-	(1,062,700)
Appropriation for special reserve for the year	6(17)	-	-	-	775,319	(775,319)	-	-	-
Cash capital increase	6(14)(15)	2,100,000	1,260,000	-	-	-	-	-	3,360,000
Balance at December 31, 2022		$ 8,003,888	$1,560,000	$ 3,179,198	$ 4,063,614	($ 112,320)	($ 17,657)	$ 321,025	$ 16,997,748

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	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 23,379	$ 2,471,148
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	9,633	8,587
Amortization	12,020	4,065
(Recovery) Provision for loss allowance of reinsurance contract assets	(1,183)	881
Provision for bad debt	427	452
Loss (gain) on valuation of financial assets and liabilities at fair value through profit or loss	2,998,383	(1,714,171)
Interest expense	21	19
Interest income	(584,841)	(407,377)
Dividend income	(278,618)	(68,087)
Net change in reserves	466,075	2,973,641
Expected credit impairment (reversal) on investments	209	(627)
Expected credit impairment on non-investments	5	-
(Gain) loss upon reclassification of applying overlay approach	(2,373,400)	1,874,206
Unrealized foreign exchange (gain) loss	(1,124,528)	115,317
Cash capital increase reserved for employee preemption	42,000	-
Changes in operating assets and liabilities		
Changes in operating assets		
Accounts receivable	(99,492)	164,606
Financial assets at fair value through profit or loss	1,173,663	1,387,184
Financial assets at amortized cost	(1,664,714)	(462,115)
Other financial assets	3,083,454	(2,583,898)
Reinsurance contract assets	460,763	(1,081,529)
Other assets	(342,508)	(40,662)
Changes in operating liabilities		
Accounts payable	(167,714)	336,185
Provisions	10,578	133
Other liabilities	(46,263)	(10,422)
Cash inflow generated from operations	1,597,349	2,967,536
Interest received	540,800	425,855
Dividend received	281,230	67,238
Interest paid	(21)	(19)
Income tax paid	(294,431)	(286,626)
Net cash flows from operating activities	2,124,927	3,173,984
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(14,580)	(8,975)
Acquisition of intangible assets	(18,583)	(6,073)
Acquisition of investment property	(479)	(355)
Net cash flows used in investing activities	(33,642)	(15,403)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of principal portion of lease liabilities	(437)	(401)
Payment of cash dividends	(1,062,700)	(767,505)
Cash capital increase	3,318,000	-
Net cash flows used in financing activities	2,254,863	(767,906)
Effects of exchange rate changes	221,625	(106,424)
Net increase in cash and cash equivalents	4,567,773	2,284,251
Cash and cash equivalents at beginning of year	17,285,837	15,001,586
Cash and cash equivalents at end of year	$ 21,853,610	$ 17,285,837

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

INDEPENDENT AUDITORS' REPORT

PWCR22000342
To Central Reinsurance Corporation

Opinion

We have audited the accompanying balance sheets of Central Reinsurance Corporation (the "Company") as of December 31, 2022 and 2021, 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, 2022 and 2021 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 that came into effect 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public 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 2022 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 93% 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 68% 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 that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from 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 Standards on Auditing of the Republic of China, we exercise professional judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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

Lee, Hsiu-Ling

Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023

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 the Standards on Auditing of the Republic of China, and their applications in practice.

CENTRAL REINSURANCE CORPORATION

Deficit Compensation Statement

For the Year of 2022

（Unit: NT$）

Items	Total	Grand Total
Unappropriated Retained Earnings of Previous years		403,546,019
Add：The remeasurements of defined benefit plans(Note 1)	6,179,598	
Add：Net income of 2022	253,272,699	
Less：Legal reserve	(51,890,459)	
Less：Special reserve(Note 2)	(775,318,477)	(567,756,639)
Deficit yet to be Compensated-at the end of 2022		(164,210,620)
Item for Compensation Deficit：		
Legal Reserve	164,210,620	164,210,620
Deficit yet to be Compensated		0

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, setting aside the special reserves in the account of "Special Reserve" under "Equity" by professional reinsurance enterprises shall include the following：

(1) The special reserves for the Residential earthquake insurance shall be deposit in full of the underwriting profit.

(2) The special reserves for the Nuclear insurance shall be deposit 50% of retained reinsurance premium.

(3) Special reserves for extraordinary business losses： Each line of reinsurance (excluding the Residential earthquake insurance and the Nuclear insurance) shall be deposit 1% of the retained reinsurance premium.

(4) Special reserves for fluctuation of risks： If the incurred loss ratio calculated for each line of reinsurance (excluding the Residential earthquake insurance and the Nuclear insurance) is lower than the average incurred loss ratio in the past fifteen fiscal years, the professional reinsurance enterprises shall reserve in an amount at no less than 30% of the difference.

(5) The amount of special reserves as specified in above less income tax pursuant to Statement of IAS No. 12 shall be recorded in the account of "Special Reserve" under "Equity" on January 1st, 2013.

The Company is in accordance with Insurance Act due to strengthen the company capital to provide the special reserves NT$775,318,477 of the year 2022.

Audit Committee's Review Report

TO：2023 Annual General Meeting of Shareholders
Central Reinsurance Corporation (Central Re)

The Board of Directors has prepared the Company's 2022 business report, financial report, and deficit compensation proposal. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial report and issued the audit report.

The above business report, financial report, and deficit compensation proposal 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 8, 2023

CENTRAL REINSURANCE CORPORATION

Comparison Table for the Rules for Procedure of the Shareholders' Meeting Before and After Amendments

After amendment	Before amendment	Reason for amendment
Article 2 <u>The shareholders' meeting of the Company may be convened in one of the following ways:</u> 1. <u>Physical shareholders meetings.</u> 2. <u>Hybrid shareholders meetings.</u> 3. <u>Virtual shareholders meetings.</u> 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 <u>and registered on the virtual meeting platform.</u> The number of representatives of institutional shareholders attending the shareholders' meeting shall not exceed the total	**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.	1. In order to increase the flexibility of convening the Company's shareholders' meeting, in line with the provisions of Article 8, Item 2 and Item 3 of the Company's Articles of Incorporation and referring to the text of Article 44-9, Item 1 of the "Regulations Governing the Administration of Shareholder Services of Public Companies" (hereinafter referred to as the "Regulations Governing"), Item 1 is added to specify the method of convening the Company's shareholders' meeting. 2. With reference to Article 9 of the "Sample Template for ◯◯ Co., Ltd. Rules of Procedure for Shareholders Meetings" revised by the Taiwan Stock Exchange on March 8, 2022 (hereinafter referred to as the

After amendment	Before amendment	Reason for amendment
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. <u>In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.</u> <u>Shareholders who have registered to attend the shareholders' meeting via virtual shareholders' meeting in accordance with the provisions of the preceding paragraph, and who wish to attend the physical shareholders' meeting in person, shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time</u>		"Sample Template"), it is stipulated that in the event of a virtual shareholders meeting is convened, the shares registered on the virtual meeting platform should be included in the total number of shares present, Item 3 is amended. 3. In accordance with Article 6 and Article 13 of the "Sample Template", add Items 6 and 7 to specify the time limit of registration and revocation of attending the virtual shareholders' meeting.

After amendment	Before amendment	Reason for amendment
limit, they may only attend the shareholders' meeting online.		
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. When the Company convenes a virtual shareholders' meeting, it is not subject to the restriction on the venue of the preceding paragraph. The virtual shareholders meeting shall be registered on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.	**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.	1. In accordance with Article 5 of the "Sample Template", Item 2 is added to clarify that when the Company convenes a virtual shareholders' meeting, it is not restricted by the meeting location. 2. In accordance with the provisions of Article 6 of the "Sample Template", Item 3 is added to clarify the time and procedures for shareholders to register on the virtual meeting platform.

After amendment	Before amendment	Reason for amendment
Article 5 Except where prescribed by laws and regulations, the Board of Directors shall convene shareholders' meetings. The virtual shareholders meetings shall obtain approval by a majority vote at a board of directors meeting attended by over two-thirds of the directors before proceeding to convene the meeting. 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	**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.	In accordance with the provisions of Article 44-9, Item 3 of the "Regulations Governing" and Article 3 of "Sample Template", Item 2 is added to clarify that the virtual shareholders meetings shall obtain approval by a majority vote at a board of directors meeting attended by over two-thirds of the directors before proceeding to convene the meeting.

After amendment	Before amendment	Reason for amendment
announcement. When permitted by the recipients, notification may be done through electronic means.		
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. <u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting handbook, annual report and other relevant materials to the virtual meeting platform at least</u>	**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.	In accordance with Article 6 of the "Sample Template", in order to enable shareholders attending via virtual meeting to read relevant materials such as the meeting handbook and annual report, the Company shall upload them to the virtual meeting platform. Item 3 is added.

After amendment	Before amendment	Reason for amendment
<u>30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.</u>		
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	**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	In accordance with Article 11 of the “Sample Template”, Item 4 is added to clarify the methods, procedures and restrictions for shareholders who participate in the virtual shareholders’ meeting.

After amendment	Before amendment	Reason for amendment
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. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairman declaring the meeting open until the chairman declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 3 do not	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.	

After amendment	Before amendment	Reason for amendment
<u>apply.</u>		
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. <u>In the event of a virtual shareholders meeting, votes shall be counted at once after the chairman announces the voting session ends, and results of votes and elections shall be announced immediately.</u> <u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairman shall also</u>	**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.	1. According to Article 13 of the "Sample Template", the vote counting operation must be one-time counting. Item 3 is added. 2. In accordance with Article 21 of the "Sample Template", Item 4 is added to specify the procedures when obstacles to the virtual meeting platform due to force majeure events have persisted for more than 30 minutes. 3. In accordance with Article 21 of the "Sample Template", Item 5 is added to reduce the time and cost of continuing meetings. 4. Considering that the hybrid shareholders' meeting can be convened at the same time as a physical meeting and a virtual meeting, in accordance with the provisions of Article 21 of the "Sample Template", Item 6 is added. 5. Considering that the hybrid shareholders' meeting has occurred

After amendment	Before amendment	Reason for amendment
declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairman has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply. During a postponed or resumed session of a shareholders' meeting convened under the preceding paragraph, no further discussion or resolution is required for proposals for which votes have been cast and		Item 6 event, the physical shareholders' meeting should be convened continuously. It stipulates that the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares. It is also stipulated that shareholders, solicitors, and authorized agents participating in the virtual meeting platform shall be deemed to have abstained from voting on all the proposals of the shareholders' meeting. In accordance with the provisions of Article 21 of the "Sample Template", Item 7 is added. 6. Due to the convening of the virtual shareholders' meeting, it should be stated in the convening notice and the minutes of the meeting that appropriate alternative measures should be provided for shareholders who have difficulty participating meeting via the virtual meeting platform. In

After amendment	Before amendment	Reason for amendment
counted and results have been announced, or list of elected directors. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in the fourth paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided		accordance with the provisions of Article 6-1 and Article 15 of the "Sample Template", Item 8 is added. It is also stipulated that except for the circumstances stipulated in Article 44-9, Item 6 of the "Regulations Governing", the Company shall provide at least connection equipment and necessary assistance to shareholders, and specify the period shareholders may apply to the Company and other relevant notices in the convening notice.

After amendment	Before amendment	Reason for amendment
these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting. When convening a virtual shareholders' meeting, the Company shall specify in the convening notice and the meeting minutes to provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online. Except for the circumstances stipulated in article 44-9, Item 6 of the " Regulations Governing the Administration of Shareholder Services of Public Companies", the Company shall provide at least connection equipment and necessary assistance to shareholders, and specify the period shareholders may apply to the Company and other relevant notices.		

Central Reinsurance Corporation
Roster of Directors (Including Independent Directors) Candidates

NO.	Item	Name	Gender /Age	Expertise	Major Education and Experience	Concurrent Positions	Shares
1	Director	Evergreen International Corp. Representative: Yang, Cheng-Tui (Current Director)	Male 81~90 years old	Business Management Risk Management Finance & Insurance	(Education) MBA, The College of Insurance, New York City Bachelor of Economics, National Taiwan University (Experience) President, Central Reinsurance Corp. Deputy Director General, Dept. of Insurance, Ministry of Finance, R.O.C. Adjunct Lecturer / Adjunct Associate Professor, Dept. of Risk Management and Insurance, National Chengchi University	Chairman, Central Reinsurance Corp. (Code:2851) Vice Chairman, Insurance Society of the R.O.C. Executive Director: The Non-Life Insurance Association of the R.O.C., The Non-Life Underwriters Society of the R.O.C.	266,442,113
2	Director	Evergreen International Corp. Representative: Chang, Ming-Yuh (Current Director)	Male 61~70 years old	Business Management Transportation Management	(Education) Master of Institute of Traffic and Transportation, National Yang Ming Chiao Tung University Bachelor of Civil Engineering, Chung Yuan Christian University (Experience) Chairman, Evergreen Airline Services Corp.	Chairman & President, Evergreen International Corp. Director: Central Reinsurance Corp. (Code:2851), EVA Airways Corp. (Code:2618), UNI Airways Corp. (Code:2621), Evergreen Sky Catering Corp. (Code:9978), Evergreen Airline Services Corp.	266,442,113

NO.	Item	Name	Gender /Age	Expertise	Major Education and Experience	Concurrent Positions	Shares
3	Director	Ministry of Finance, R.O.C. Representative: Lee, Yi-Fen (Current Director)	Female 61~70 years old	Business Management Financial & Accounting	(Education) Master of Institute of Public Policy Science, College of Law & Commerce, National Chung Hsing University Bachelor of Political Science, Soochow University (Experience) Senior Executive Officer, Dept. of Planning Ministry of Finance, R.O.C. Senior Executive Officer, Dept. of Secretariat, Ministry of Finance, R.O.C.	Deputy Director General, Dept. of Planning, Ministry of Finance, R.O.C. Director, Central Reinsurance Corp. (Code:2851)	78,603,773
4	Director	Hsiang-Li Investment Corp. Representative: Cheng, Ching-Fen (Current Director)	Female 61~70 years old	Business Management Finance & Insurance Financial & Accounting	(Education) MBA of Industrial Management, Chung Hua University (Experience) President / Executive Vice President, Finance Dept. Central Reinsurance Corp.	Executive Vice President of International Business Branch (OIU), Central Reinsurance Corp. Director: Central Reinsurance Corp. (Code:2851), Evergreen Aviation Technologies Corp. (Code:2645)	2,740,542

NO.	Item	Name	Gender /Age	Expertise	Major Education and Experience	Concurrent Positions	Shares
5	Director	Shine Glow Investments Ltd. Representative: Chang, Tsai-Yu	Female 51~60 years old	Business Management Finance & Insurance	(Education) MBA, Stern School of Business, New York University Bachelor of Business Administration, National Chengchi University (Experience) Managing Director/ Chief Underwriting Officer, P&C, Qianhai Reinsurance Co., Ltd. Head of Treaty Business, China, XL Catlin Syndicate of Lloyds China Head of Property & Engineering Treaty Underwriting, Greater China and S. Korea, Swiss Reinsurance Co., Ltd.	None	5,000
6	Director	Shine Glow Investments Ltd. Representative: Chang, Hwa-Ping	Male 51~60 years old	Business Management Finance & Insurance	(Education) Ph.D. of Mechanical Engineering, Massachusetts Institute of Technology (MIT) Master of Mechanical Engineering, University of Wisconsin – Madison Bachelor of Mechanical Engineering, National Cheng Kung University	CEO, Eureka Fintech Ltd., Hong Kong &Taiwan Adjunct Professor, City University of Hong Kong – MBA program Part-time Lecturer, Chinese University of Hong Kong – Master of Finance Program Visiting Professor, College of Management, National Yang Ming Chiao Tung University	5,000

NO.	Item	Name	Gender /Age	Expertise	Major Education and Experience	Concurrent Positions	Shares
					(Experience) Senior Vice President, Wells Fargo Bank (Hong Kong) Director, Taiwan Financial Service Roundtable President & CEO, Taiwan Ratings Corp. Managing Director, Wachovia Securities (Hong Kong) Director, Trust Association of R.O.C. Vice President, Industrial Bank of Taiwan Vice President, Societe Generale (Tokyo)	Professional Specialist, Master's Program in Finance, Fu Jen Catholic University	
7	Independent Director	Chang, Bing-Huang (Current Independent Director)	Male 61~70 years old	Business Management Finance & Insurance Law	(Education) LL.M., London School of Economics and Political Science (International Business Law) Study for LL.M. Program, National Taiwan University LL.B., National Taiwan University (Experience) Partner of Baker & McKenzie Taipei	Partner of Liu, Chang & Partners Independent Director, Central Reinsurance Corp. (Code:2851)	0

NO.	Item	Name	Gender /Age	Expertise	Major Education and Experience	Concurrent Positions	Shares
					Partner of K&L Gates Partner of Taiwan Commercial Law Offices Director, Taipei Bar Association		
8	Independent Director	Liu, Wei (Current Independent Director)	Male 51~60 years old	Business Management Finance & Insurance Financial & Accounting	(Education) Master of Arts, Economics & Energetics, New York University Bachelor of Geography, National Taiwan University (Experience) Executive Director, Dept. of Insurance Strategy, JPMorgan Asset Management (Taiwan) Ltd. Senior Vice President, Dept. of Investment, Prudential Life Insurance Company of Taiwan Inc. Senior Manager, Nan Shan Life Insurance Co., Ltd.	Contract Advisor of Chevron U.S.A. Inc. (Singapore Branch) Independent Director, Central Reinsurance Corp. (Code:2851)	0

NO.	Item	Name	Gender /Age	Expertise	Major Education and Experience	Concurrent Positions	Shares
9	Independent Director	Shih, Pai-Ta	Male 51~60 years old	Business Management Finance & Insurance Financial & Accounting Risk Management	(Education) Ph.D. of Economics, University of Texas at Austin Master of Graduate Institute of Electrical Engineering, National Taiwan University Bachelor of Electrical Engineering, National Sun Yat-sen University (Experience) Independent Director, Edison Opto Corp. (Code:3591) Independent Director, Nan Shan Life Insurance Co., Ltd. (Code:5874) Associate Professor, Department of Finance, National Taiwan University Associate Professor, Department of Economics, National Dong Hwa University Committee Member, Labor Funds Supervisory Committee, Ministry of Labor	Independent Director: Taiwan High Speed Rail Corp. (Code:2633), Skytech Inc. (Code:6937), Horizon Fixture Group Co., Ltd. Taiwan Branch (Cayman) Professor, Department of Finance, National Taiwan University Director, Digital Finance and Industry Development Research Center, College of Management, National Taiwan University Advisory Committee Member, Taiwan Insurance Guaranty Fund Director, Taiwan Risk and Insurance Association Trial Committee Member, National Development Council Directions for Guiding and Managing the Promotion of Industrial Investment by Private Equity Funds	0

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$10,000,000,000 divided into 1,000,000,000 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 Depositary 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.

The Company’s shareholders’ meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

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.

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:

一 Business report.
一 Financial statements.
一 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 either all in cash, or in the combination of cash and stocks, 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.
10. the 31st amendment was made on May 27, 2022.
11. the 32nd amendment was made on August 10, 2022.

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
THE DIRECTORS ELECTION RULES

Article 1

Unless otherwise provided in the laws and the Articles of Incorporation of Central Reinsurance Corporation (hereinafter referred to as "the Company"), the directors of the Company shall be elected in accordance with the Rules specified herein.

Article 2

The directors of the Company shall be elected at the shareholders' meeting from competent persons.

Where a government agency or a juristic person acts as a shareholder of the Company, it may be elected as a director of the Company provided that it shall designate a natural person as its proxy to exercise, on its behalf, the duties of a shareholder.

Article 3

The term and required number of the directors shall be subject to the Articles of Incorporation of the Company.

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.

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

Article 4

The election of the directors shall be executed by adopting a disclosed cumulative voting method, and the candidates who obtain more votes than others from the election will be deemed elected in turn.

When the number of votes obtained by two or more candidates is the same causing an excess of the required number of the directors to be elected, the case shall be determined by drawing lots, and the Chairman of the shareholders' meeting shall draw the lots for any candidate who is involved in the case but fails to attend the meeting.

Article 5

A shareholder may appoint a proxy to attend a shareholders' meeting on his behalf for the election of directors. When a person who acts as the proxy for two or more shareholders, the number of voting power represented by him shall not exceed 3% of the total number of issued shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

Article 6

In the process of electing directors at a shareholders' meeting, each share represents a weighted number of voting rights equivalent to the number of directors to be elected; such voting rights may be exercised to collectively elect a single candidate or may be distributed among several candidates.

Article 7

The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting.

Article 8

If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a government agency or a juristic person, the name of the government agency or the juristic person shall be entered in the column for the candidate's account name in the ballot paper; if a candidate is a proxy of a government agency of a juristic person, the name of the government agency or the juristic person and the proxy's name shall be entered in the column for the candidate's account name in the ballot paper.

Article 9

Before the election begins, the Chairman shall appoint two (2) ballot supervising personnel and several ballot counting personnel to perform the relevant duties.

The ballot supervising personnel must be a shareholder of the Company.

Article 10

The duties of ballot supervising personnel are as follows:

1. Maintenance of order and prevention of interference in the voting.
2. Monitoring and auditing the ballot counting.
3. Confirmation of the invalid ballot.
4. Signature on ballot counting related documents.

Article 11

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

1. The ballot was not prepared by the board of directors of the Company;
2. Blurred writing that cannot be identified of the candidate's name;
3. The number of candidates filled in the ballot exceeding two (2) or more;
4. The ballot was erased or changed;
5. Other wordings or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number);
6. If the candidate whose name is entered in the ballot is a shareholder, and the candidate's account name and shareholder account number do not conform with those given in the shareholder register;
7. The candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match;
8. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual;
9. The ballot was not dropped into the ballot box designated by the Chairman.

Article 12

The ballots shall be calculated on site immediately after the end of the voting, and the results of the calculation shall be announced by the Chairman at the meeting.

Article 13

The Company shall issue notifications to the directors elected.

Article 14

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

Article 15

The Rules and any revision thereof shall become effective after approval at the shareholders' meeting.

The History of "The Directors and Supervisors Election Rules"

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 15, 2007;

The 5th amendment was made on June 13, 2013;

The 6th amendment was made on June 11, 2014, and the name was revised to “The Directors Election Rules”.

CENTRAL REINSURANCE CORPORATION

Shareholdings of Directors

Title	Name	Shares held
Chairman	Evergreen International Corp. Representative: Yang, Cheng-Tui	266,442,113
Director	Evergreen International Corp. Representative: Chang, Ming-yuh	
Director	Evergreen International Corp. Representative: Wu, Jiang-Ming	
Director	Evergreen Marine Corp. (Taiwan) Ltd. Representative: Cheng, Ching-Fen	49,866,466
Director	Ministry of Finance, R.O.C. Representative: Lee, Yi-Fen	78,603,773
Director	Ministry of Finance, R.O.C. Representative: Yang, Chin-Hen	
Independent Director	Chou, Yu-Cheng	0
Independent Director	Chang, Bing-Huang	0
Independent Director	Liu, Wei	0
Total		394,912,352

Notes:

1. As of April 2, 2023, the book closure date for the Company’s shareholders’ meeting, the total number of shares already issued is 800,388,750 shares.
2. The minimum shareholding required to be held by all directors is 25,612,440 shares.