CENTRAL REINSURANCE CORPORATION

FINANCIAL STATEMENTS AND INDEPENDENT

AUDITORS' REVIEW REPORT

SEPTEMBER 30, 2025 AND 2024

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

INDEPENDENT AUDITORS' REVIEW REPORT

PWCR25000193
To Central Reinsurance Corporation

Introduction

We have reviewed the accompanying balance sheets of Central Reinsurance Corporation (the "Company") as of September 30, 2025 and 2024, and the related statements of comprehensive income for the three-month and nine-month periods then ended, as well as the statements of changes in equity and of cash flows for the nine-month periods then ended, and notes to the financial statements, including a summary of material accounting policies. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of the Company as of September 30, 2025 and 2024, and of its financial performance for the three-month and nine-month periods then ended and its cash flows for the nine-month periods then ended in accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" that came into effect as endorsed by the Financial Supervisory Commission.

Kuo, Puo-Ju　　Lee, Hsiu-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

November 6, 2025

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

CENTRAL REINSURANCE CORPORATION
BALANCE SHEETS
SEPTEMBER 30, 2025, DECEMBER 31, 2024 AND SEPTEMBER 30, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			September 30, 2025		December 31, 2024		September 30, 2024	
	ASSETS	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1)	$ 9,364,635	16	$ 11,701,505	20	$ 9,330,486	16
12000	Accounts receivable	6(2)	444,087	1	743,512	1	1,228,363	2
12600	Current income tax assets		-	-	13,117	-	13,117	-
14110	Financial assets at fair value through profit or loss	6(3)	15,618,506	27	13,014,179	23	13,401,455	24
14145	Financial assets at amortized cost	6(4)	22,554,738	39	22,808,831	39	22,749,064	40
14200	Investment property, net	6(6)	381,018	1	382,284	1	382,617	1
15000	Reinsurance contract assets	6(7)	6,352,181	11	6,298,100	11	6,881,138	12
16000	Property and equipment, net	6(10)	285,024	1	281,703	1	284,188	-
16700	Right-of-use assets		534	-	801	-	890	-
17000	Intangible assets		15,514	-	10,394	-	8,170	-
17800	Deferred income tax assets		18,886	-	82,233	-	21,594	-
18000	Other assets		2,356,356	4	2,516,991	4	2,586,710	5
	TOTAL ASSETS		$ 57,391,479	100	$ 57,853,650	100	$ 56,887,792	100
	LIABILITIES AND EQUITY							
21000	Accounts payable	6(11)	$ 668,866	1	$ 1,333,363	2	$ 1,253,166	2
21700	Current income tax liabilities		368,747	1	182,686	-	162,561	-
23200	Financial liabilities at fair value through profit or loss	6(3)	109,413	-	406,235	1	255,817	-
23800	Lease liabilities		554	-	824	-	914	-
24000	Insurance liabilities	6(7)	35,405,887	62	34,508,361	60	34,416,792	61
28000	Deferred income tax liabilities		169,287	-	463,566	1	292,591	1
25000	Other liabilities		47,879	-	55,187	-	114,540	-
	TOTAL LIABILITIES		36,770,633	64	36,950,222	64	36,496,381	64
30000	EQUITY							
31000	Capital							
31100	Common stock	6(13)	8,003,888	14	8,003,888	14	8,003,888	14
32000	Capital reserve		1,560,000	3	1,560,000	2	1,560,000	3
33000	Retained earnings							
33100	Legal reserve		3,989,334	7	3,485,524	6	3,485,524	6
33200	Special reserve	6(15)	5,064,630	9	5,064,630	9	4,569,425	8
33300	Undistributed earnings		1,646,758	3	2,072,072	4	2,150,459	4
34000	Other equity interest		356,236	-	717,314	1	622,115	1
	TOTAL EQUITY		20,620,846	36	20,903,428	36	20,391,411	36
	TOTAL LIABILITIES AND EQUITY		$ 57,391,479	100	$ 57,853,650	100	$ 56,887,792	100

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

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Three-month period ended September 30				Nine-month period ended September 30			
			2025		2024		2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
41000	Operating revenues									
41100	Gross premiums written		$ 4,906,515	83	$ 4,958,479	98	$ 16,448,564	103	$ 15,985,761	92
51100	Less: Reinsurance premiums ceded		(140,897)	(3)	(207,411)	(4)	(746,748)	(5)	(891,961)	(5)
51310	Net change in unearned premium reserve	6(7)	350,372	6	265,986	5	(633,570)	(4)	58,892	1
41130	Retention earned premiums		5,115,990	86	5,017,054	99	15,068,246	94	15,152,692	88
41300	Reinsurance commission revenue		35,676	1	38,060	1	98,308	1	125,977	1
41400	Overriding commission revenue		3,847	-	4,189	-	11,682	-	13,074	-
41500	Net gain from investment									
41510	Interest income		263,856	4	255,767	5	824,115	5	751,966	4
41521	Gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss		1,110,630	19	3,641	-	1,339,610	8	1,042,662	6
41550	Foreign exchange gain (loss)		335,651	6	(508,964)	(10)	(1,646,577)	(10)	513,131	3
41570	Gain on investment property	6(6)	5,222	-	5,007	-	14,763	-	14,003	-
41585	Expected credit impairment and reversal of profit from investments	6(4)	(273)	-	(317)	-	549	-	(1,268)	-
41600	Gain upon reclassification of applying overlay approach	6(3)	(960,553)	(16)	218,048	4	243,162	2	(336,570)	(2)
	Total net gain from investment		754,533	13	(26,818)	(1)	775,622	5	1,983,924	11
41800	Other operating revenues		1,821	-	36,570	1	10,424	-	52,406	-
	Total operating revenues		5,911,867	100	5,069,055	100	15,964,282	100	17,328,073	100
51000	Operating costs									
51200	Reinsurance claims paid		(2,839,737)	(48)	(3,217,625)	(63)	(8,994,691)	(56)	(9,413,468)	(54)
41200	Less: Reinsurance claims recovery		109,691	2	115,655	2	363,402	2	387,358	2
51260	Retention reinsurance claims paid		(2,730,046)	(46)	(3,101,970)	(61)	(8,631,289)	(54)	(9,026,110)	(52)
51300	Net changes in other insurance liabilities	6(7)	(386,077)	(7)	(242,687)	(5)	(243,005)	(2)	(937,905)	(6)
51500	Reinsurance commission expenses		(1,733,892)	(29)	(1,360,583)	(27)	(4,767,680)	(30)	(4,500,676)	(26)
51700	Financial cost		(3)	-	(5)	-	(10)	-	(16)	-
51800	Other operating costs		20,526	-	(102)	-	(14,897)	-	(158)	-
	Total operating costs		(4,829,492)	(82)	(4,705,347)	(93)	(13,656,881)	(86)	(14,464,865)	(84)
58000	Operating expenses									
58100	Selling expenses		(88,075)	(1)	(85,489)	(1)	(258,635)	(1)	(260,663)	(1)
58200	Administration expenses		(47,569)	(1)	(48,068)	(1)	(144,384)	(1)	(143,872)	(1)
58300	Training expenses		(449)	-	(426)	-	(955)	-	(832)	-
58400	Expected credit impairment and reversal from non-investments	13	(1)	-	(3)	-	3	-	(18)	-
	Total operating expenses		(136,094)	(2)	(133,986)	(2)	(403,971)	(2)	(405,385)	(2)
	Net operating income		946,281	16	229,722	5	1,903,430	12	2,457,823	14
59000	Non-operating income and expenses		164	-	6	-	757	-	143	-
62000	**Income from continuing operations before tax**		946,445	16	229,728	5	1,904,187	12	2,457,966	14
63000	Income tax expense	6(16)	(158,443)	(3)	335	-	(304,952)	(2)	(355,733)	(2)
64000	**Income from continuing operations after tax**		788,002	13	230,063	5	1,599,235	10	2,102,233	12
66000	**Net income**		$ 788,002	13	$ 230,063	5	$ 1,599,235	10	$ 2,102,233	12

(Continued)

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Three-month period ended September 30				Nine-month period ended September 30			
			2025		2024		2025		2024	
	Items	Notes	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
83000	**Other comprehensive income**									
83200	**Items may be reclassified to profit or loss subsequently**									
83210	Exchange differences on translation of foreign financial statements		$ 39,304	1	($ 65,017)	(1)	($ 165,271)	(1)	$ 88,776	-
83295	Other comprehensive (loss) income upon reclassification of applying overlay approach	6(3)	960,553	16	(218,048)	(5)	(243,162)	(1)	336,570	2
83280	Income tax relating to items that may be reclassified	6(16)	(75,472)	(1)	40,334	1	47,355	-	(69,933)	-
83000	Total other comprehensive (loss) income for the period (after tax)		$ 924,385	16	($ 242,731)	(5)	($ 361,078)	(2)	$ 355,413	2
85000	**Total comprehensive (loss) income for the period**		$ 1,712,387	29	($ 12,668)	-	$ 1,238,157	8	$ 2,457,646	14
	Earnings per share									
97500	Basic and Diluted (in NT dollars)		$ 0.98		$ 0.29		$ 2.00		$ 2.63	

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

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF CHANGES IN EQUITY
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Retained Earnings			Other equity interest		
	Notes	Common Stock	Capital Reserve	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translation of Foreign Financial Statements	Other Comprehensive Income (Loss) upon Reclassification of Applying Overlay Approach	Total Equity
Nine-month period ended September 30, 2024									
Balance at January 1, 2024		$ 8,003,888	$ 1,560,000	$ 3,066,878	$ 4,569,425	$ 1,587,416	($ 988)	$ 267,690	$ 19,054,309
Net income for the period		-	-	-	-	2,102,233	-	-	2,102,233
Other comprehensive income for the period		-	-	-	-	-	71,021	284,392	355,413
Total comprehensive income		-	-	-	-	2,102,233	71,021	284,392	2,457,646
Distributions of 2023 earnings									
Legal reserve		-	-	418,646	-	(418,646)	-	-	-
Cash dividends	6(15)	-	-	-	-	(1,120,544)	-	-	(1,120,544)
Balance at September 30, 2024		$ 8,003,888	$ 1,560,000	$ 3,485,524	$ 4,569,425	$ 2,150,459	$ 70,033	$ 552,082	$ 20,391,411
Nine-month period ended September 30, 2025									
Balance at January 1, 2025		$ 8,003,888	$ 1,560,000	$ 3,485,524	$ 5,064,630	$ 2,072,072	$ 141,393	$ 575,921	$ 20,903,428
Net income for the period		-	-	-	-	1,599,235	-	-	1,599,235
Other comprehensive income (loss) for the period		-	-	-	-	-	(132,217)	(228,861)	(361,078)
Total comprehensive income (loss)		-	-	-	-	1,599,235	(132,217)	(228,861)	1,238,157
Distributions of 2024 earnings									
Legal reserve		-	-	503,810	-	(503,810)	-	-	-
Cash dividends	6(15)	-	-	-	-	(1,520,739)	-	-	(1,520,739)
Balance at June 30, 2025		$ 8,003,888	$ 1,560,000	$ 3,989,334	$ 5,064,630	$ 1,646,758	$ 9,176	$ 347,060	$ 20,620,846

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

CENTRAL REINSURANCE CORPORATION
STATEMENTS OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Nine months ended September 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	$ 1,904,187	$ 2,457,966
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation	10,122	9,533
Amortization	12,839	10,292
Reversal for loss allowance of reinsurance contract assets	(10,101)	(8,674)
Provision for bad debt	(131)	8,213
Loss on valuation of financial assets and liabilities at fair value through profit or loss	(438,728)	(62,404)
Interest expense	10	16
Interest income	(834,531)	(772,195)
Dividend income	(256,990)	(267,180)
Net change in reserves	876,575	879,013
Expected credit impairment (reversal) on investments	(549)	1,268
Expected credit impairment (reversal) on non-investments	(3)	18
Gain or loss upon reclassification of applying overlay approach	(243,162)	336,570
Unrealized foreign exchange loss (gain)	1,520,345	(415,952)
Changes in operating assets and liabilities		
Changes in operating assets		
Accounts receivable	327,650	(430,363)
Financial assets at fair value through profit or loss	(2,462,421)	(2,106,803)
Financial assets at amortized cost	(1,268,249)	(4,795,642)
Reinsurance contract assets	(22,896)	403,102
Other assets	153,362	(93,088)
Changes in operating liabilities		
Accounts payable	(664,497)	(84,846)
Other liabilities	(7,308)	3,368
Cash outflow generated from operations	(1,404,476)	(4,927,788)
Interest received	768,962	660,312
Dividend received	236,922	252,035
Interest paid	(10)	(16)
Income tax paid	(289,351)	(43,641)
Net cash flows used in operating activities	(687,953)	(4,059,098)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(11,909)	(2,895)
Acquisition of intangible assets	(17,959)	(9,656)
Acquisition of investment property	-	(789)
Net cash flows used in investing activities	(29,868)	(13,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of principal portion of lease liabilities	(271)	(375)
Payment of cash dividends	(1,520,739)	(1,120,544)
Net cash flows used in financing activities	(1,521,010)	(1,120,919)
Effects of exchange rate changes	(98,039)	32,929
Net decrease in cash and cash equivalents	(2,336,870)	(5,160,428)
Cash and cash equivalents at beginning of period	11,701,505	14,490,914
Cash and cash equivalents at end of period	$ 9,364,635	$ 9,330,486

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

CENTRAL REINSURANCE CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

Central Reinsurance Corporation (the "Company") was originally a state-owned enterprise, incorporated on October 31, 1968, and provides a broad range of property and life inward and outward reinsurance services. The Company's shares of stock have been traded on the Taiwan Stock Exchange since July 6, 2000. On July 9, 2002, the Ministry of Finance (MOF), the major shareholder of the Company, privatized the Company in accordance with rules of privatization of government-owned enterprises, effective on July 11, 2002. In addition, the Company has obtained the certificate for establishment and business license for its offshore insurance branch, and commenced its operation on January 1, 2016. Evergreen International Corporation holds 27.32% equity interest in the Company and has the ability to control the Company. Evergreen International Corporation is the Company's parent company.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These financial statements were authorized for issuance by the Board of Directors on November 6, 2025.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2026 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Specific provisions of Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature – dependent electricity'	January 1, 2026
IFRS 17, 'Insurance contracts'	January 1, 2023

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

A. Specific provisions of Amendments to IFRS 9 and IFRS 7, ‘Amendments to the classification and measurement of financial instruments’

(a) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.

(b) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.

(c) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

i the practical ability to withdraw, stop or cancel the payment instruction;

ii the practical ability to access the cash used for settlement; and

iii significant settlement risk.

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

B. IFRS 17, 'Insurance contracts'

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

IFRS 17, 'Insurance contracts' (including amendments) is expected to be officially implemented and become effective from January 1, 2026. The Company will comply with the related regulations of the abovementioned IFRS 17. The impacts are summarised below:

(a) In principle, the measurement of IFRS 17, 'Insurance contracts' should adopt the general measurement model. However, the Company expects that most of its business meet one of the following criteria and thus a simplified measurement model 'the premium allocation approach' could be applied.

i It is reasonably expected that there is no significant difference between the results obtained from the measurement of the group's liabilities for remaining coverage using the simplified measurement model and those from using the general measurement model.

ii The coverage period for each contract within the group is less than one year.

The liabilities for remaining coverage in the simplified premium allocation approach are measured by premium received less insurance acquisition cash flows, plus the amortisation amount of insurance acquisition cash flows recognised as expenses as of the financial reporting date and less the amount recognised as insurance revenue as of the financial reporting date. Liabilities for incurred claims are measured using the general measurement model. The general measurement model considers all future cash flows, the time value of money within the contract boundary and reflects the compensation required by an entity for assuming the uncertainty in the amount and timing of cash flows arising from non-financial risks. The main impact on the balance sheet arises from amounts due from (to) reinsurers and ceding companies, loss components, risk adjustments for non-financial risks and the discounting of reserves.

More than 90% of the Company's insurance contracts and reinsurance contracts apply the premium allocation approach.

(b) IFRS 17 is expected to bring significant changes to the presentation and disclosure in financial statements, of which the recognition and presentation of financial performance in the statements of comprehensive income must be divided into:

i Insurance service results, including insurance revenue and insurance service expenses (that is, incurred claims and other incurred insurance service expenses).

ii Insurance finance income or expenses

iii Separately present income or expenses of insurance contracts issued and reinsurance contracts held.

Compared to IFRS 4, IFRS 17 will no longer reflect the underwriting premiums in the current year and net change in unearned premiums. Instead, 'insurance revenue' will be presented corresponding to the insurance services provided during the reporting period to reflect the amortisation of reinsurance premiums and the deduction to premiums in each period, and any investment components will be excluded from insurance revenue and insurance service expenses. In addition, IFRS 17, 'Insurance contracts' requires taking into consideration the impact of discount rate, entities can choose to recognise the changes in locked-in discount rate upon the issuance of insurance contracts and the current timely discount rate in profit or loss or other comprehensive income (OCI) in order to reduce the volatility arising from the changes in interest rates. As the Company's businesses are mostly short-term in nature, it is expected that the changes in the discount rates will not have a material impact to the Company. Gains or losses arising from foreign exchanges are presented as exchange gains or losses and insurance finance income or expenses; however, the impact on the overall profit or loss is immaterial. Therefore, insurance finance income or expenses are chosen to be recognised in profit or loss.

Compared to IFRS 4, the changes in the presentation of the balance sheet mainly involve amounts due from (to) reinsurers and ceding companies relating to insurance contracts (including reinsurance contracts), which will no longer be presented separately from insurance contract liabilities and reinsurance contract assets. Therefore, it is expected that the Company's total assets and liabilities will decrease under IFRS 17.

(c) The transition date is the commencement date of the reporting period one year prior to the date of initial application. Therefore, the Company's transition date is January 1, 2025. According to the regulations under the standards, unless it is impracticable, the full retrospective approach shall be adopted to retrospectively apply IFRS 17 for the measurement at the transition date. However, if it is impracticable, the modified retrospective approach or the fair value approach shall be applied.

i Modified retrospective approach: To achieve the results as close as possible to the full retrospective approach without excess cost or input.

ii Fair value approach: The contractual service margin is determined by the difference between the fair value of a group of insurance contracts, calculated in accordance with IFRS 13 at the transition date, and the fulfilment cash flows measured at the transition date.

Based on the fact that the majority of portfolios and groups of insurance contracts are short-term products and apply the measurement model of the premium allocation approach, the Company expects that more than 90% of the groups will adopt the full retrospective approach. For the remainder, if it is impracticable, the Company will evaluate the above criteria and adopt the modified retrospective approach or the fair value approach respectively.

During the transition period, the Company is undertaking transition works based on the implementation plan for the new standards of IFRS 17, including the establishment of accounting policies, insurance contract data and actuarial models, to complete the preparation of the opening balance in balance sheet and various financial reporting works during the transition period. However, the financial impact of the implementation remains uncertain. The Company is still assessing the impact of the transition from IFRS 4, 'Insurance contracts' to IFRS 17 on the Company's shareholders' equity and the statements of comprehensive income based on the abovementioned description.

C. Amendments to IFRS 17, 'Insurance contracts'

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

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

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

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

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

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

Note：The FSC has announced in a press release on September 25, 2025 that public companies will apply IFRS 18 starting from the fiscal year 2028. Additionally, entities can choose to adopt IFRS 18 earlier based on their requirements after the FSC endorses IFRS 18.

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

IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

These financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises”, and the International Accounting Standard 34, ‘Interim financial reporting’ that came into effect as endorsed by the FSC.

(2) Basis of preparation

A. The Company does not have a subsidiary, and the Company’s financial statements are separate financial statements composed of the balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows, and relevant notes.

B. Except for the following items, these financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

(d) Various insurance liabilities and reinsurance reserve assets recognized in accordance with specific statutory requirements and regulations relevant to insurance enterprises.

C. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(3) Foreign currency translation

A. Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements are presented in New Taiwan Dollars (“NTD”), which is the Company’s functional currency.

(a) Transactions denominated in foreign currencies are translated into functional currency at the spot exchange rates prevailing at the transaction date. The translation differences upon actual payment are recognized in current profit or loss.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the reporting date. Exchange differences arising upon re-translation at the reporting date are recognized in current profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) Except for aforementioned non-monetary assets denominated in foreign currencies held at fair value through profit or loss, foreign exchange gains or losses that arise from investing activities are recognized under net gain (loss) from investment in the statement of comprehensive income. Other foreign exchange gains or losses that do not arise from investing activities are recognized under other operating revenues or other operating costs.

B. The financial position and financial performance of offshore insurance branch that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the spot exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at spot exchange rates of the trade date; and

(c) All resulting exchange differences are recognized in other comprehensive income.

(4) Cash equivalents

A. The statement of cash flows is prepared on the basis of cash and cash equivalents.

B. Cash equivalents refer to short-term, highly liquid investments that are:

(a) Readily convertible to known amount of cash; and

(b) Subject to an insignificant risk of changes in value.

C. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations (including time deposits within 12 months of the contract period) are classified as cash equivalents.

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

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income. A financial asset is eligible for designation for the overlay approach if, and only if, the following criteria are met:

(a) It is measured at fair value through profit or loss applying IFRS 9 but would not have been measured at fair value through profit or loss in its entirety applying IAS 39; and

(b) It is not held in respect of an activity that is unconnected with contracts within the scope of IFRS 4.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Company recognizes profit or loss when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

E. The Company values the difference of reclassification amounts of financial assets at fair value through profit or loss and fair value through other comprehensive income for the financial assets applying overlay approach, using:

(a) The amount reported in profit or loss for the designated financial assets applying overlay approach under IFRS 9; and

(b) The amount that would have been reported in profit or loss for the designated financial assets if IAS 39 had been applied.

(6) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

(7) Non-hedging and embedded derivatives

A. Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

B. Under the financial assets, the hybrid contracts embedded with derivatives are initially recognized as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized cost based on the contract terms.

(8) Impairment of financial assets

For financial assets at amortized cost such as accounts receivable, other financial assets and refundable deposits under other assets, etc., at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased or credit impaired since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

(9) Investment property

A. An investment property is stated initially at its cost including related transaction costs; measured subsequently using the cost model and stated at cost less accumulated depreciation and accumulated impairment loss. Subsequent costs of major renewals and betterments are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

B. The Company uses a portion of the property for its own use and another portion to earn rentals or for capital appreciation. When these portions can be sold separately, the own-use portion is accounted for in accordance with IAS 16, “Property, Plant and Equipment”. However, property held either to earn rental income or for capital appreciation or for both is subject to IAS 40, “Investment Property”. If part of property cannot be individually sold, and owner-occupied property is insignificant, it is accounted for as investment property.

C. An investment property shall be derecognized on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. When assets are derecognized, the cost and the accumulated depreciation at the time of sale or retirement are written off. Gain or loss on sale of the investment property, rental income, and relevant payment shall be recognized in gain or loss on investment property under net gain from investment. Except for land, property is depreciated on a straight-line basis over its estimated useful life of 3 to 60 years. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”, from the date of the change.

(10) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Leases liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost, which is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset’s useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss. For all other lease modifications, the lessee shall remeasure the lease liability and adjust the right-of-use asset, correspondingly.

(11) Reinsurance contract assets

Reinsurance contract assets include due from reinsurers and ceding companies, ceded unearned premium reserve, ceded claims reserve, ceded premium deficiency reserve, ceded liability reserve and ceded liability adequacy reserve. Each of the reinsurance contract assets should be in compliance with relevant regulation and policy of “Regulation Governing Financial and Business Operations of Professional Reinsurance Enterprises” and “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises”.

(12) Impairment on reinsurance contract assets

Regular evaluation on reinsurance assets should be made to evaluate if there is any impairment. When there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Company may not receive all amounts due to it under the terms of the contract; and that event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer, the Company should reduce its carrying amount accordingly and recognize impairment loss.

(13) Property and equipment

A. Property and equipment are stated initially at its cost including related transaction costs, measured subsequently using the cost model and stated at cost less accumulated depreciation and accumulated impairment loss. Reserve for land revaluation increment tax set aside for revaluation over the current land value is recognized as deferred income tax liabilities. Subsequent costs of major renewals and betterments are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

B. Depreciation is computed using straight-line method over the estimated service lives as follows: buildings and equipment, 3 to 60 years; computer equipment, 3 to 6 years; transportation equipment, 3 to 10 years; and miscellaneous equipment, 3 to 10 years.

C. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, “Accounting Policies, Changes in Accounting Estimates and Errors”, from the date of the change.

D. When an asset is retired or disposed, the cost plus revaluation increment, if any, and related accumulated depreciation are removed from the accounts, and the resulting gain or loss is credited or charged to non-operating income and expenses during the financial period in which they are incurred.

(14) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized. Impairment loss and gain on reversal of impairment loss for investment property are recognized under operating revenue. Impairment loss and gain on reversal of impairment loss for property and equipment are recognized in non-operating income and expenses.

(15) Loss allowance

A. Loss allowance for accounts receivable, other financial assets and refundable deposits under other assets should be assessed and recognized in accordance with IFRS 9 and the "Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises".

B. Loss allowance for reinsurance contract assets and reinsurance liability reserves contributed under other assets should be assessed and recognized in accordance with IFRS 4 and the "Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises".

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

A. Financial liabilities at fair value through profit or loss are financial liabilities held for trading. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorized as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, financial liabilities at fair value through profit or loss are measured at fair value plus transaction costs. The Company subsequently measures the financial liabilities at fair value, and recognizes the gain or loss in profit or loss.

(17) Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(19) Classification of reinsurance contracts

Classification of reinsurance contracts should be made in compliance with IFRS 4, "Insurance Contracts".

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. A contract with no significant insurance risk being transferred is not classified as an insurance contract and is recognized by deposit accounting.

A contract that falls within the definition of insurance contract on the initial recognition will still be deemed as insurance contract before its maturity.

(20) Insurance liabilities

The reserves related to Compulsory Automobile Liability Insurance are determined in accordance with "Regulations for Management of the Reserve of Compulsory Automobile Liability Insurance".

The special reserve related to residential earthquake insurance is determined in accordance with "Regulations Governing Implementation of the Residential Earthquake Risk Spreading Mechanism".

The reserve related to nuclear insurance is determined in accordance with “Regulations Governing the Setting Aside of Nuclear Insurance Liability Reserves”.

The reserves excluding the reserve listed above were determined in accordance with “Regulations Governing Financial and Business Operations of Professional Reinsurance Enterprises ” and “Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” to calculate unearned premium reserve, claims reserve, premium deficiency reserve, liability reserve, liability adequacy reserve and other reserve of inward reinsurance business.

According to “Directions for Strengthening Special Reserve by Reinsurance Enterprises”, “Directions for Strengthening Co-insurance Reserve of Residential Earthquake Insurance” and “Regulations for Reserving Nuclear Energy Insurance Reserve by Non-Life Insurance Enterprises” dated December 28, 2012, subsequent special reserve recognized under liabilities by December 31, 2012 should still be recognized under liabilities. Starting from January 1, 2013, the additional provision for special reserve less income tax should be recognized as special reserve under equity after annual closing and should not be distributed without approval. The release of the special reserve shall be made through special reserve under liabilities first. If such reserves are insufficient for release, then the deficiency shall be released through special reserves under equity based on its net amount after tax in accordance with IAS 12.

Among the reserves above, except for unearned premium reserve for long-term fire insurance which was calculated at a rate of 7.8% based on the coefficient table of unearned premium reserve for long-term fire insurance, the other reserves were not calculated by discounting.

(21) Liability adequacy test

When the estimated future cash flow of insurance contracts recognized as insurance liability at book value is insufficient, the entire deficiency is recognized in current loss in accordance with the requirement of the Actuarial Institution of Republic of China.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurement arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognized immediately in profit or loss.

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts should be recognized in profit or loss of the following year.

(23) Income tax

A. The income tax expense (benefit) for the period comprises current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. Income tax on undistributed earnings is recorded as expense in the year when the stockholders approve to retain the earnings.

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

D. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each reporting period, unrecognized and recognized deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current income tax assets against current income tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

F. The interim period income tax expense is recognized based on the estimated average annual effective income tax rate expected for the full financial year applied to the pretax income of the interim period, and the related information is disclosed accordingly.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to common stock on the effective date of new shares issuance.

(25) Reinsurance revenues

Income from reinsurance business refers to various premiums earned from reinsurance operations, including those that meet the requirements in IFRS 4 and can be recognized as income. The Company's estimates for reinsurance premium income are assessed based on estimated premiums of reinsurance contracts, information provided by ceding companies, and historical trends. Reinsurance related revenues are recognized on the accrual basis.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Reinsurance premiums

The Company's estimated reinsurance revenue is based on the ceding company's annual forecasted reinsurance information and then the Company calculates the revenue proportion to be recognized in each month based on previous experience of actual statements. Thereafter, when actual statements are received each quarter, original estimates are reversed and actual statements are accrued. The reason for differences between actual statements and estimated amounts is evaluated to adjust the estimated revenues of remaining period, accordingly.

B. Claims reserve (under 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. Any change in the methodology and assumptions used in calculating the ultimate loss ratio would significantly affect the amount of claims reserve. A part of claims reserve is recognized using the case-by-case estimation method for Reported-But-Not-Paid cases while the remaining is provisioned for Incurred-But-Not-Reported claims.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash:			
Petty cash	$ 119	$ 122	$ 133
Checking accounts	133,196	9,785	34,497
Demand deposits	1,575,791	1,487,993	2,720,672
Cash equivalents:			
Commercial paper	894,335	702,754	747,911
Time deposits	6,761,194	9,500,851	5,827,273
	$ 9,364,635	$ 11,701,505	$ 9,330,486

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

(2) Accounts receivable

	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables	$ 444,148	$ 743,576	$ 1,228,422
Less: Loss allowance	(61)	(64)	(59)
Net amount	$ 444,087	$ 743,512	$ 1,228,363

As of September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable was $444,087, $743,512 and $1,228,363, respectively. Information relating to credit risk and movements of loss allowance is provided in Note 13 (1).

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

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets mandatorily measured at fair value through profit or loss			
Domestic items:			
Listed and over-the-counter common stocks	$ 2,491,320	$ 1,538,871	$ 1,905,524
Listed and over-the-counter preferred stocks	152,232	152,232	212,232
Open-end funds	3,498,964	2,700,000	2,700,000
Index funds	4,969,465	4,275,185	4,130,627
Derivatives	300,047	16,701	155,684
Foreign items:			
Listed and over-the-counter common stocks	3,203,647	2,681,969	2,732,064
Open-end funds	145,148	15,405	15,405
Index funds	319,005	953,700	911,045
	15,079,828	12,334,063	12,762,581
Valuation adjustment	538,678	680,116	638,874
	$ 15,618,506	$ 13,014,179	$ 13,401,455

	September 30, 2025	December 31, 2024	September 30, 2024
Financial liabilities held for trading			
Domestic items:			
Derivatives	$ 109,413	$ 406,235	$ 255,817

A. The non-hedging derivative instruments transaction and contract information are as follows:

	September 30, 2025		December 31, 2024	
Derivative instruments	Contract amount (Notional principal)	Contract period	Contract amount (Notional principal)	Contract period
FX swap contracts	$ 10,400,748	2024.10.01~ 2026.09.18	$ 10,349,444	2024.01.15~ 2025.12.31
Forward foreign exchange contracts	2,103,675	2024.12.17~ 2026.09.30	5,062,790	2024.01.16~ 2025.12.29

	September 30, 2024	
Derivative instruments	Contract amount (Notional principal)	Contract period
FX swap contracts	$ 9,991,377	2023.11.30~ 2025.09.18
Forward foreign exchange contracts	4,426,460	2023.10.03~ 2025.07.21

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

(a) FX swap contracts

The Company entered into FX swap contracts with financial institutions to hedge risk on its foreign investments arising from variations in the exchange rate. However, these FX swap contracts are not accounted for under hedge accounting.

(b) Forward foreign exchange contracts

The Company entered into forward foreign exchange contracts with financial institutions to hedge risk on its foreign investments arising from variations in the exchange rate. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

(c) Futures

The Company entered into futures with financial institutions to hedge risk on its investments arising from variations in stock prices. However, these futures are not accounted for under hedge accounting. As of September 30, 2025, December 31, 2024 and September 30, 2024, the related margins were $51,072, $54,681 and $54,601, respectively.

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

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 13 (1).

D. In adopting IFRS 9 effective January 1, 2018, the Company has elected to apply overlay approach and recognized gain or loss for designated financial assets in accordance with IFRS 4.

(a) The designated financial assets applying overlay approach that are connected with insurance contracts are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Financial assets mandatorily measured at fair value through profit or loss			
Domestic items:			
Listed and over-the-counter common stocks	$ 1,772,916	$ 1,327,110	$ 1,570,831
Listed and over-the-counter preferred stocks	152,232	152,232	212,232
Open-end funds	3,498,964	2,700,000	2,700,000
Index funds	4,938,375	4,172,685	4,070,429
Foreign items:			
Listed and over-the-counter common stocks	2,411,486	2,615,181	2,582,986
Open-end funds	145,148	15,405	15,405
Index funds	188,669	953,700	888,564
	13,107,790	11,936,313	12,040,447
Valuation adjustment	422,973	666,135	614,631
	$ 13,530,763	$ 12,602,448	$ 12,655,078

(b) Reclassified amounts of the designated financial assets applying overlay approach at fair value through profit and loss and fair value through comprehensive income are listed below:

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Gain (loss) under IFRS 9	$ 1,319,046	($ 76,597)
Less: Gain under IAS 39	(358,493)	(141,451)
Amount of reclassification applying overlay approach	$ 960,553	($ 218,048)
Income tax (expense) benefit on other comprehensive income	($ 67,611)	$ 27,331

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Gain under IFRS 9	$ 636,095	$ 1,461,378
Less: Gain under IAS 39	(879,257)	(1,124,808)
Amount of reclassification applying overlay approach	($ 243,162)	$ 336,570
Income tax benefit (expense) on other comprehensive income	$ 14,301	($ 52,178)

(4) Financial assets at amortized cost

	September 30, 2025	December 31, 2024	September 30, 2024
Domestic items:			
Corporate bonds	$ 2,403,432	$ 699,998	$ 899,998
Financial bonds	399,999	399,999	399,999
Government bonds	1,299,636	1,307,043	1,309,529
Foreign items:			
Securitized financial asset products	170,768	179,133	171,504
Corporate bonds	18,073,561	19,587,628	19,404,540
Financial bonds	1,513,045	1,948,689	1,879,316
	23,860,441	24,122,490	24,064,886
Less: Loss allowance	(6,067)	(6,616)	(6,293)
Less: Statutory deposits	(1,299,636)	(1,307,043)	(1,309,529)
	$ 22,554,738	$ 22,808,831	$ 22,749,064

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

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Interest income	$ 221,214	$ 214,938
Impairment loss	(273)	(317)
	$ 220,941	$ 214,621

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Interest income	$ 686,752	$ 600,573
Impairment reversal (loss)	549	(1,268)
	$ 687,301	$ 599,305

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company was $23,854,374, $24,115,874 and $24,058,593, respectively.

C. Under the Insurance Act, the Company is required to deposit an amount equal to 15% of its paid-in capital. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company both provided government bonds with a par value of $1,250,000 as statutory deposit.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 13 (1).

(5) Structured entities

A. Information about the interests in structured entities that are not controlled by the Company is as follows:

September 30, 2025

Type of structured entities	Book value	Nature
Securitized financial asset products	$ 170,768	The risks and rewards associated with the assets of the structured entity were passed on to investors through issuing bonds.

December 31, 2024

Type of structured entities	Book value	Nature
Securitized financial asset products	$ 179,133	The risks and rewards associated with the assets of the structured entity were passed on to investors through issuing bonds.

September 30, 2024

Type of structured entities	Book value	Nature
Securitized financial asset products	$ 171,504	The risks and rewards associated with the assets of the structured entity were passed on to investors through issuing bonds.

The structured entities that are not controlled by the Company are held for the purpose of generating investment income.

B. As of September 30, 2025, December 31, 2024 and September 30, 2024, the structured entities that are not controlled by the Company are all accounted for as financial assets at amortized cost. The entity's maximum exposure is the carrying amount of assets held. The investment position is restricted by contract terms and conditions of issue and exposes the corresponding market risk. The Company has considered risk management approach of relevant market. Please see Note 13 (1).

(6) Investment property

	Land	Buildings	Total
At January 1, 2025			
Cost	$ 355,331	$ 75,942	$ 431,273
Accumulated depreciation	-	(48,989)	(48,989)
	$ 355,331	$ 26,953	$ 382,284
2025			
At January 1	$ 355,331	$ 26,953	$ 382,284
Depreciation	-	(1,266)	(1,266)
At September 30	$ 355,331	$ 25,687	$ 381,018
At September 30, 2025			
Cost	$ 355,331	$ 75,942	$ 431,273
Accumulated depreciation	-	(50,255)	(50,255)
	$ 355,331	$ 25,687	$ 381,018

	Land	Buildings	Total
At January 1, 2024			
Cost	$ 355,331	$ 75,032	$ 430,363
Accumulated depreciation	-	(47,204)	(47,204)
	$ 355,331	$ 27,828	$ 383,159
2024			
At January 1	$ 355,331	$ 27,828	$ 383,159
Additions-from subsequent expenditure	-	789	789
Depreciation	-	(1,331)	(1,331)
At September 30	$ 355,331	$ 27,286	$ 382,617
At September 30, 2024			
Cost	$ 355,331	$ 75,821	$ 431,152
Accumulated depreciation	-	(48,535)	(48,535)
	$ 355,331	$ 27,286	$ 382,617

A. Rental income from the lease of the investment property and direct operating expenses arising from the investment property are as follows:

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Rental revenue from the lease of the investment property	$ 5,775	$ 5,699
Direct operating expenses arising from the investment property that generated rental income in the period	553	692

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Rental revenue from the lease of the investment property	$ 17,643	$ 16,953
Direct operating expenses arising from the investment property that generated rental income in the period	2,880	2,950

The Company recognized rent income based on the operating lease agreement, which does not include variable lease payments.

B. The Company leases investment properties to others under non-cancellable operating lease agreements. Rental contracts are typically made for periods between 1 and 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes, or a residual value guarantee was required. The maturity analysis of the lease payments under the operating leases is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
2024	$ -	$ -	$ 5,344
2025	5,522	19,735	16,428
2026	9,699	8,954	8,954
	$ 15,221	$ 28,689	$ 30,726

C. The fair values of the investment property held by the Company were estimated by an accredited external independent appraiser under "Regulations on Real Estate Appraisal" using valuation techniques of both the income approach and comparison approach, based on observable active market prices and the characteristics, locations and conditions of each asset on the measurement date–December 31, 2024 and 2023. The fair values of the investment property as at the aforementioned measurement dates were $1,237,736 and $1,126,960, respectively, which is categorized as Level 3 within the fair value hierarchy. Key assumptions of the income approach are as follows:

	December 31, 2024	December 31, 2023
Capitalization rate	1.25%~1.47%	1.32%~1.57%

In accordance with the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises", the Company is required to review the validity of the fair value at the balance sheet date. Thus, the Company obtained the review reports As of September 30, 2025 and 2024, issued by an independent appraiser. The market price had no significant changes based on the independent appraiser's assessment

D. The above assets were not pledged to others as collateral.

(7) Reinsurance contract assets and insurance liabilities

A. Details of reinsurance contract assets are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Due from reinsurers and ceding companies	$ 4,370,956	$ 4,327,379	$ 4,498,922
Due from reinsurers and ceding companies-overdue	3,962	24,644	29,594
Reinsurance reserve assets			
Ceded unearned premium reserve	395,885	327,938	377,272
Ceded claims reserve	1,300,609	1,314,262	1,659,895
Ceded liability reserve	288,092	320,782	332,932
Ceded premium deficiency reserve	2,235	2,754	3,121
	6,361,739	6,317,759	6,901,736
Less: Loss allowance-Due from reinsurers and ceding companies	(9,558)	(19,659)	(20,598)
	$ 6,352,181	$ 6,298,100	$ 6,881,138

(a) The credit quality information of reinsurance contract assets that are neither past due nor impaired is as follows, and the evaluation of credit rating was conducted according to the ultimate reinsurers:

	September 30, 2025	December 31, 2024	September 30, 2024
Group 1	$ 39,300	$ 30,524	$ 34,975
Group 2	1,096,650	1,058,302	1,100,987
Group 3	4,230,608	4,372,446	4,812,696
Group 4	276,526	228,843	246,848
Group 5	18,540	1,985	13,212
Group 6	322,488	345,936	421,413
	$ 5,984,112	$ 6,038,036	$ 6,630,131

Group 1: S&P AAA or equivalents.

Group 2: Over S&P AA- or equivalents.

Group 3: Over S&P A- or equivalents.

Group 4: Over S&P BBB- or equivalents.

Group 5: Under S&P BBB- or equivalents.

Group 6: Without credit rating etc.

(b) The balances and ageing analysis of reinsurance contract assets that were past due but not impaired and impaired are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Over one month, under three months	$ 297,301	$ 156,757	$ 125,339
Over three months, under nine months	87,792	92,655	118,631
Over nine months	(7,466)	30,311	27,635
	$ 377,627	$ 279,723	$ 271,605

i. The ages of due from reinsurance and ceding companies, except for the estimated reinsurance receivables or payables on closing date, are classified by its booking date.

ii. The overdue amounts due from reinsurance and ceding companies above indicate the ultimate reinsurers that were due but not paid and were transferred to overdue accounts in nine months after they became due.

(c) Movement analysis on the Company's provision for impairment of reinsurance contract assets is as follows:

	2025	2024
At January 1	$ 19,659	$ 30,042
Write-off of bad debts	-	(770)
Recovery of loss allowance	(10,101)	(8,674)
At September 30	$ 9,558	$ 20,598

(d) The Company does not hold any collateral as security.

B. Details of insurance liabilities are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	$ 8,287,270	$ 7,585,887	$ 7,772,090
Claims reserve	23,530,344	23,518,959	23,297,630
Liability reserve	288,092	320,782	332,932
Special reserve	3,281,677	3,057,591	2,985,547
Premium deficiency reserve	18,504	25,142	28,593
	$ 35,405,887	$ 34,508,361	$ 34,416,792

C. Movements of ceded unearned premium reserve and unearned premium reserve are as follows:

	2025	2024
Ceded unearned premium reserve		
At January 1	$ 327,938	$ 278,327
Provision	395,885	377,242
Recovery	(327,902)	(278,306)
Exchange differences on translation of foreign financial statements	(36)	9
At September 30	$ 395,885	$ 377,272

	2025	2024
Unearned premium reserve		
At January 1	$ 7,585,887	$ 7,730,844
Provision	8,286,775	7,771,551
Recovery	(7,585,222)	(7,731,507)
Exchange differences on translation of foreign financial statements	(170)	1,202
At September 30	$ 8,287,270	$ 7,772,090

D. Details and movements of ceded claims reserve and claims reserve are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Ceded claims reserve			
Outstanding losses	$ 817,473	$ 861,238	$ 1,196,297
Incurred but not reported losses	483,136	453,024	463,598
	$ 1,300,609	$ 1,314,262	$ 1,659,895

	September 30, 2025	December 31, 2024	September 30, 2024
Claims reserve			
Outstanding losses	$ 10,086,580	$ 9,952,296	$ 10,227,253
Incurred but not reported losses	13,443,764	13,566,663	13,070,377
	$ 23,530,344	$ 23,518,959	$ 23,297,630

	2025	2024
Ceded claims reserve		
At January 1	$ 1,314,262	$ 1,351,725
Provision	1,300,609	1,659,895
Recovery	(1,314,262)	(1,351,725)
At September 30	$ 1,300,609	$ 1,659,895

	2025	2024
Claims reserve		
At January 1	$ 23,518,959	$ 22,116,890
Provision	23,530,344	23,297,630
Recovery	(23,518,959)	(22,116,890)
At September 30	$ 23,530,344	$ 23,297,630

E. Movements of ceded liability reserve and liability reserve are as follows:

	2025				2024			
	Foreign currency amount (in thousands)	Currency	Exchange rate	NTD (in thousands)	Foreign currency amount (in thousands)	Currency	Exchange rate	NTD (in thousands)
Ceded liability reserve								
At January 1	$ 71,795	CNY	4.468	$ 320,782	$ 78,460	CNY	4.329	$ 339,629
Provision	943			(9,038)	1,146			20,177
Recovery	(5,349)			(23,652)	(6,037)			(26,874)
At September 30	$ 67,389	CNY	4.275	$ 288,092	$ 73,569	CNY	4.525	$ 332,932

	2025				2024			
	Foreign currency amount (in thousands)	Currency	Exchange rate	NTD (in thousands)	Foreign currency amount (in thousands)	Currency	Exchange rate	NTD (in thousands)
Liability reserve								
At January 1	$ 71,795	CNY	4.468	$ 320,782	$ 78,460	CNY	4.329	$ 339,629
Provision	943			(9,038)	1,146			20,177
Recovery	(5,349)			(23,652)	(6,037)			(26,874)
At September 30	$ 67,389	CNY	4.275	$ 288,092	$ 73,569	CNY	4.525	$ 332,932

The provisions above include the effects of foreign exchange gains and losses.

F. Special reserves

(a) Details of special reserves are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Special reserve for statutory insurance	$ 1,644,177	$ 1,420,091	$ 1,348,047
Reserve for fluctuation of risk	1,637,500	1,637,500	1,637,500
	$ 3,281,677	$ 3,057,591	$ 2,985,547

(b) Movement of special reserves is as follows:

	2025	2024
At January 1	$ 3,057,591	$ 2,892,159
Provision	224,086	93,388
At September 30	$ 3,281,677	$ 2,985,547

(c) According to Jin-Kuan-Bao-Tsai Order No. 10102517491, "Directions for Strengthening Special Reserve by Reinsurance Enterprises", Jin-Kuan-Bao-Chan Order No. 10102531541, "Directions for Strengthening Co-insurance Reserve of Residential Earthquake Insurance" and Jin-Kuan-Bao-Tsai Order No. 10102517091, "Regulations for Reserving Nuclear Energy Insurance Reserve by Non-Life Insurance Enterprises" dated December 28, 2012, the Company's accounts applicable or not applicable for the reserve for the nine-month periods ended September 30, 2025 and 2024 are as follows:

	Nine-month period ended September 30, 2025			
	Net income	Earnings per share (in dollars)	Total liabilities	Total equity
Applicable	$ 1,599,235	$ 2.00	$ 36,770,633	$ 20,620,846
Not applicable	1,599,235	2.00	35,308,164	22,083,315
Effect	$ -	$ -	($ 1,462,469)	$ 1,462,469

	Nine-month period ended September 30, 2024			
	Net income	Earnings per share (in dollars)	Total liabilities	Total equity
Applicable	$ 2,102,233	$ 2.63	$ 36,496,381	$ 20,391,411
Not applicable	2,102,233	2.63	35,033,912	21,853,880
Effect	$ -	$ -	($ 1,462,469)	$ 1,462,469

G. Movements of ceded premium deficiency reserve and premium deficiency reserve are as follows:

	2025	2024
Ceded premium deficiency reserve		
At January 1	$ 2,754	$ 4,246
Provision	2,235	3,121
Recovery	(2,754)	(4,246)
At September 30	$ 2,235	$ 3,121

	2025	2024
Premium deficiency reserve		
At January 1	$ 25,142	$ 57,771
Provision	18,504	28,593
Recovery	(25,142)	(57,771)
At September 30	$ 18,504	$ 28,593

H. The Company's future cash flows of insurance liabilities (excluding special reserve) are as follows:

September 30, 2025	Due in one year	Due after one year	Total
Insurance liabilities			
Unearned premium reserve	$ 3,690,336	$ 2,869,095	$ 6,559,431
Claims reserve	11,922,619	9,269,381	21,192,000
Liability reserve	-	288,092	288,092
Premium deficiency reserve	10,410	8,094	18,504

Note: Insurance liabilities exclude statutory insurance (total amount of compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance is $4,066,183).

December 31, 2024	Due in one year	Due after one year	Total
Insurance liabilities			
Unearned premium reserve	$ 3,465,430	$ 2,410,171	$ 5,875,601
Claims reserve	12,489,788	8,686,523	21,176,311
Liability reserve	-	320,782	320,782
Premium deficiency reserve	14,829	10,313	25,142

Note: Insurance liabilities exclude statutory insurance (total amount of compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance is $4,052,934).

September 30, 2024	Due in one year	Due after one year	Total
Insurance liabilities			
Unearned premium reserve	$ 3,581,039	$ 2,490,575	$ 6,071,614
Claims reserve	12,370,567	8,603,606	20,974,173
Liability reserve	-	332,932	332,932
Premium deficiency reserve	16,864	11,729	28,593

Note: Insurance liabilities exclude statutory insurance (total amount of compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance is $4,023,933).

(8) Reserves for unqualified reinsurance

A. Summary of unqualified reinsurance contracts are set forth as follows:
The Company entered into contracts with insurance companies and insurance brokers as follows:
The scope of reinsurance is the same as the Company's insurance contracts.

Insurance companies / Insurance brokers	Type of contract
MILLI REASURANS T. A. S. SINGAPORE BRANCH	Fire insurance, engineering insurance and marine hull insurance
BEST RE (L) LIMITED	Casualty insurance
WILSON RE LIMITED	Casualty insurance

B. As of September 30, 2025 and 2024, the Company's unqualified reinsurance premiums ceded were all $0.

C. Reserve for unqualified reinsurance as of September 30, 2025, December 31, 2024 and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Ceded claims reserve	$ 12	$ 15	$ 15

(9) Offsetting financial assets and financial liabilities

A. The Company has derivative assets that do not meet the offsetting criteria in paragraph 42 of IAS 32. However, the Company has transactions that are or are similar to net settled master netting arrangements. If one party breaches the contract (in the case of default and insolvency or bankruptcy), the counterparty can choose to use net settlement. The related amount of offsetting shall not exceed the gross amounts of recognized financial assets and liabilities.

B. The related information of financial assets and financial liabilities that can be settled under agreements of net settled master netting arrangements or similar arrangements are as follows:

(a) Financial assets

Description	Gross amounts of recognized financial assets	Financial instruments not set off in the balance sheet	Net amount
September 30, 2025			
Derivatives	$ 300,047	$ 104,083	$ 195,964
December 31, 2024			
Derivatives	$ 16,701	$ 16,274	$ 427
September 30, 2024			
Derivatives	$ 155,684	$ 93,109	$ 62,575

Note: The above-mentioned items are all accounted as financial assets at fair value through profit or loss.

(b) Financial liabilities

Description	Gross amounts of recognized financial liabilities	Financial instruments not set off in the balance sheet	Net amount
September 30, 2025			
Derivatives	$ 109,413	$ 104,083	$ 5,330
December 31, 2024			
Derivatives	$ 406,235	$ 16,274	$ 389,961
September 30, 2024			
Derivatives	$ 255,817	$ 93,109	$ 162,708

Note: The above-mentioned items are all accounted as financial liabilities at fair value through profit or loss.

(10) Property and equipment

	Land	Buildings	Computer equipment	Transportation equipment	Miscellaneous equipment	Total
At January 1, 2025						
Cost	$ 237,071	$ 129,115	$ 42,997	$ 7,221	$ 8,063	$ 424,467
Accumulated depreciation	-	(104,013)	(28,931)	(5,025)	(4,795)	(142,764)
	$ 237,071	$ 25,102	$ 14,066	$ 2,196	$ 3,268	$ 281,703
2025						
At January 1	$ 237,071	$ 25,102	$ 14,066	$ 2,196	$ 3,268	$ 281,703
Additions	-	580	11,329	-	-	11,909
Disposals-cost	-	-	(212)	-	(629)	(841)
Disposals-accumulated depreciation	-	-	212	-	629	841
Depreciation	-	(3,304)	(4,418)	(295)	(571)	(8,588)
At September 30	$ 237,071	$ 22,378	$ 20,977	$ 1,901	$ 2,697	$ 285,024
At September 30, 2025						
Cost	$ 237,071	$ 129,695	$ 54,114	$ 7,221	$ 7,434	$ 435,535
Accumulated depreciation	-	(107,317)	(33,137)	(5,320)	(4,737)	(150,511)
	$ 237,071	$ 22,378	$ 20,977	$ 1,901	$ 2,697	$ 285,024

	Land	Buildings	Computer equipment	Transportation equipment	Miscellaneous equipment	Total
At January 1, 2024						
Cost	$ 237,071	$ 129,021	$ 47,581	$ 4,861	$ 7,931	$ 426,465
Accumulated depreciation	-	(99,656)	(28,829)	(4,861)	(4,000)	(137,346)
	$ 237,071	$ 29,365	$ 18,752	$ -	$ 3,931	$ 289,119
2024						
At January 1	$ 237,071	$ 29,365	$ 18,752	$ -	$ 3,931	$ 289,119
Additions	-	94	391	2,360	50	2,895
Disposals-cost	-	-	(3,999)	-	-	(3,999)
Disposals-accumulated depreciation	-	-	3,999	-	-	3,999
Depreciation	-	(3,268)	(3,844)	(66)	(648)	(7,826)
At September 30	$ 237,071	$ 26,191	$ 15,299	$ 2,294	$ 3,333	$ 284,188
At September 30, 2024						
Cost	$ 237,071	$ 129,115	$ 43,973	$ 7,221	$ 7,981	$ 425,361
Accumulated depreciation	-	(102,924)	(28,674)	(4,927)	(4,648)	(141,173)
	$ 237,071	$ 26,191	$ 15,299	$ 2,294	$ 3,333	$ 284,188

The above assets were not pledged to others as collateral.

(11) Accounts payable

	September 30, 2025	December 31, 2024	September 30, 2024
Notes payable	$ -	$ 123	$ 123
Due to reinsurers and ceding companies	369,374	556,865	345,745
Other payables	299,492	776,375	907,298
	$ 668,866	$ 1,333,363	$ 1,253,166

(12) Employee benefits

A. Defined benefit obligation

(a) The Company has established a defined benefit pension plan in accordance with the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit once or in installments.

(b) For the aforementioned pension plan, the Company recognized pension costs of ($112), ($23), ($336) and ($76) for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively.

(c) The Company stopped contributing to the retirement fund temporarily for the period from April 2025 to March 2026 in accordance with Bei-Shi-Lao-Zi Letter No. 1146007347, dated March 5, 2025. The amount contributed for the nine-month period ended September 30, 2025 was $164 thousand.

B. Defined contribution plan

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"). Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the above-mentioned pension plan of the Company for the three-month and nine-month periods ended September 30, 2025 and 2024 were $2,540, $2,500, $7,659 and $7,588, respectively.

(13) Common stock

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company's authorized capital were all $10,000,000, and the paid-in capital were all $8,003,888, with a par value of $10 (in dollars) per share.

(14) Capital reserve

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient. However, according to Jin-Kuan-Bao-Tsai Letter No. 10202501991, for the purpose of strengthening the solvency and operation, insurance companies having no deficit should submit relevant documents demonstrating the financial soundness and steady operation of their companies to FSC for approval before the stockholders' meeting if they propose to use legal reserve provided under Article 145-1 of Insurance Act and capital surplus to issue cash to shareholders in proportion to their share ownership in accordance with Article 241 of the R.O.C. Company Act.

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to capital reserve.

(15) Retained earnings

A. Limitation on distribution of retained earnings and dividend policy

Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 20% of the remaining amount shall be set aside as legal reserve. Afterwards, the Company shall recognize or reverse special reserve in accordance with regulations, and accumulated unappropriated earnings of the prior period. Appropriation of the remainder shall be proposed by the Board of Directors and resolved by the stockholders.

To align with the Company's operation plan and maintain capital structure, capital adequacy ratio and right of shareholders, the Board of Directors shall formulate a distribution plan of profits based on the following principles:

(a) Allocate no less than 30% of the distributable earnings for dividends each year.

(b) Shareholders' dividend may be distributed either all in cash, or in the combination of cash and stocks, with the cash dividend not less than 50% of the total amount of distribution.

Pursuant to Article 145-1 of R.O.C. Insurance Act, after paying all taxes, an insurance enterprise preparing to distribute earnings shall first set aside 20 percent to legal reserves; provided that this requirement does not apply where legal reserves reach to the enterprise's authorized capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital. In addition, procedures for those requiring approval from competent authorities to use legal reserve for issuance of cash in accordance with Jin-Kuan-Bao-Tsai Letter No. 10202501991 are set out in Note 6 (14).

B. Special reserve

	September 30, 2025	December 31, 2024	September 30, 2024
Special reserve	$ 4,922,046	$ 4,922,046	$ 4,426,841
Unrealized revaluation increment	126,557	126,557	126,557
Employees' education and training	16,027	16,027	16,027
	$ 5,064,630	$ 5,064,630	$ 4,569,425

(a) For the year 2024, the provision for special reserve amounting to $495,205 had been recognized as special reserve under equity upon annual resolution and is not available for distribution.

(b) The amounts previously set aside by the Company as special reserve in accordance with Jin-Kuan-Bao-Tsai Order No. 11004920441, dated June 11, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. The Company had transferred the amount of $126,557 of unrealized gain from real estate value-added to special reserve under equity.

(c) In accordance with the regulations of Jin-Kuan-Bao-Tsai Order No. 10502066461 promulgated on July 13, 2016, upon appropriating the earnings of 2016 through 2018, the Company shall provision 0.5% of income after tax as special reserve. And starting from the subsequent year of the provision of such special reserve, special reserve as mentioned above may be reversed in an amount equal to expenditures that were for employees' education and training and for the protection of employees' interest. However, the above-mentioned order was repealed by Jin-Kuan-Bao-Tsai Order No. 10804932431 on July 30, 2019, resulting in the Company no longer having to provide special reserve starting 2019. The remaining special reserve as mentioned above may be reversed in an amount equal to expenditures that were for employees' education and training and for the protection of employees' interest. The Company had transferred the amount of $16,027 for expenditures that were for employees' education and training and for the protection of employees' interest to special reserve under equity.

C. On May 21, 2024, the distribution of earnings for 2023 as resolved by the stockholders' meeting was $1,120,544 (cash dividends of $1.4 (in dollars) per share). On May 22, 2025, the distribution of earnings for 2024 as resolved by the stockholders' meeting was $1,520,739 (cash dividends of $1.9 (in dollars) per share).

Detailed information on earnings appropriation resolved by the Board of Directors and ratified at the stockholders' meeting is posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

D. For information relating to employees' compensation and directors' remuneration, please see Note 6 (17).

(16) Income tax

A. Components of income tax expense:

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Current income tax:		
Current income tax on profits for the period	$ 181,159	$ 34,964
Deferred income tax:		
Origination and reversal of temporary difference	(22,716)	(35,299)
Income tax expense	$ 158,443	($ 335)

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Current income tax:		
Current income tax on profits for the period	$ 489,918	$ 180,536
Income tax on undistributed earnings	-	2,411
Prior year income tax (overestimation) underestimation	(1,390)	1,091
Deferred income tax:		
Origination and reversal of temporary difference	(183,576)	171,695
Income tax expense	$ 304,952	$ 355,733

B. The income tax relating to components of other comprehensive income are as follows:

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Exchange differences on translation of foreign financial statements	$ 7,861	($ 13,003)
Other comprehensive income upon reclassification of applying overlay approach	67,611	(27,331)
	$ 75,472	($ 40,334)

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Exchange differences on translation of foreign financial statements	($ 33,054)	$ 17,755
Other comprehensive income upon reclassification of applying overlay approach	(14,301)	52,178
	($ 47,355)	$ 69,933

C. The Company's income tax returns have been assessed and approved by the Tax Authority up to 2023.

(17) Employee benefits expense, depreciation and amortization

Employee benefits expense, depreciation and amortization by function are as follows:

Function / Expense	Three-month period ended September 30, 2025		Three-month period ended September 30, 2024	
	Operating Costs	Operating Expenses	Operating Costs	Operating Expenses
Employee benefits expense	$ -	$ 83,017	$ -	$ 75,285
Salaries	-	72,357	-	65,191
Employees' insurance	-	4,237	-	4,163
Pension	-	2,427	-	2,477
Other employee benefits expense (Note 1)	-	3,996	-	3,454
Depreciation (Note 2)	412	3,110	450	2,697
Amortization	-	4,181	-	3,246

Expense \ Function	Nine-month period ended September 30, 2025		Nine-month period ended September 30, 2024	
	Operating Costs	Operating Expenses	Operating Costs	Operating Expenses
Employee benefits expense	$ -	$ 240,530	$ -	$ 248,434
Salaries	-	206,786	-	214,424
Employees' insurance	-	15,889	-	15,269
Pension	-	7,322	-	7,512
Other employee benefits expense (Note 1)	-	10,533	-	11,229
Depreciation (Note 2)	1,266	8,856	1,331	8,202
Amortization	-	12,839	-	10,292

Note 1: Other employee benefits expense include employees' welfare and training expenses.

Note 2: The depreciation, which is classified as operating cost, is accounted for as deduction to gain on investment property.

A. As of September 30, 2025, and 2024, the average numbers of employees were 173 and 179, respectively.

B. According to the Company's Articles of Incorporation, after covering accumulated deficits with current year earnings, the remainder, if any, shall provision employees' compensation of no less than 0.5% and directors' remunerations of no more than 1%. Additionally, the amount allocated to basic employees from the total employees' compensation shall not be less than 25% of the total employees' compensation.

C. The Company's estimated employees' compensation of $9,574, $2,336, $19,276 and $24,870 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively, were determined from earnings and the distribution in the past on a pro-rata basis, which fell within the scope of the Company's Articles of Incorporation's requirements. The aforementioned amounts were recognized in salary expense. The Company's estimated directors' remuneration were $1,375, $1,537, $4,125 and $4,125 for the three-month and nine-month periods ended September 30, 2025 and 2024, respectively. The estimates, which were within the scope of the Company's Articles of Incorporation's requirements, were determined from earnings and the past distribution experiences during the tenure of directors. The aforementioned amounts were recognized in salary expense.

The 2024 employees' compensation of $30,006 and directors' remuneration of $5,828 as approved by the Board of Directors of the Company were in agreement with the amounts recognized in the 2024 financial statements, and employees' compensation and directors remuneration are distributed in the form of cash.

Information about the appropriation of employees' compensation and directors' remuneration by the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and their relationship with the Company

Names of related parties	Relationship with the Company
Evergreen International Corporation	Parent company
Evergreen Insurance Company Limited	Other related parties
Directors, general managers, vice general managers, etc.	Key management of the Company

(2) Significant related party transactions and balances

A. Due from reinsurers and ceding companies (shown under reinsurance contract assets)

	September 30, 2025	December 31, 2024	September 30, 2024
Other related parties	$ 137	$ 124	$ 129

B. Other payables (shown under accounts payable)

	September 30, 2025	December 31, 2024	September 30, 2024
Parent	$ 512	$ 975	$ 633

C. Operating revenues and operating costs

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Other related parties		
Gross premiums written	($ 782)	$ 2,537
Reinsurance premiums ceded	3	(3)
Reinsurance commission expenses	(234)	770
Reinsurance commission revenue	-	(15)
Reinsurance claims paid	6,377	2,056

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Other related parties		
Gross premiums written	($ 5,686)	$ 22,957
Reinsurance premiums ceded	(12)	5
Reinsurance commission expenses	(1,987)	7,804
Reinsurance commission revenue	2	(15)
Reinsurance claims paid	7,999	2,868
Reinsurance claims recovery	(1)	-

D. Operating expenses

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Parent		
System service charge, fees paid to stock transfer agent and printing expenses, etc.	$ 1,535	$ 1,831

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Parent		
System service charge, fees paid to stock transfer agent and printing expenses, etc.	$ 5,415	$ 5,926

The differences of prices and conditions between related parties and non-related parties were not significant.

(3) Key management compensation

	Three-month period ended September 30, 2025	Three-month period ended September 30, 2024
Salaries and other short-term employee benefits	$ 9,799	$ 9,068
Post-employment benefits	108	130
	$ 9,907	$ 9,198

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Salaries and other short-term employee benefits	$ 28,471	$ 32,472
Post-employment benefits	324	396
	$ 28,795	$ 32,868

8. PLEDGED ASSETS

Please see Note 6 (4).

9. COMMITMENTS

None.

10. SIGNIFICANT ACCIDENTAL LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Fair value information

A. The fair value of the Company’s financial instruments not measured at fair value is provided in Note 12 (1) F. The fair value of the Company’s investment property measured at cost model is provided in Note 6 (6).

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in off-the-run government bonds, corporate bonds, financial bonds and derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in part of investments in debt instrument without active market, unlisted stocks and investment property is included in Level 3.

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C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities as of September 30, 2025, December 31, 2024 and September 30, 2024 is as follows:

September 30, 2025	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss				
Listed and over-the-counter common stocks	$ 6,314,565	$ -	$ -	$ 6,314,565
Listed and over-the-counter preferred stocks	-	160,553	-	160,553
Index funds	5,177,696	-	-	5,177,696
Open-end funds	3,665,645	-	-	3,665,645
Derivatives				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
FX swap contracts	$ -	$ 213,088	$ -	$ 213,088
Forward foreign exchange contracts	-	86,959	-	86,959
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
FX swap contracts	$ -	$ 105,917	$ -	$ 105,917
Forward foreign exchange contracts	-	3,496	-	3,496

December 31, 2024	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss				
Listed and over-the-counter common stocks	$ 4,809,284	$ -	$ -	$ 4,809,284
Listed and over-the-counter preferred stocks	-	155,150	-	155,150
Index funds	5,284,510	-	-	5,284,510
Open-end funds	2,748,534	-	-	2,748,534
Derivatives				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
FX swap contracts	$ -	$ 8,398	$ -	$ 8,398
Forward foreign exchange contracts	-	8,303	-	8,303
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
FX swap contracts	$ -	$ 234,605	$ -	$ 234,605
Forward foreign exchange contracts	-	171,630	-	171,630

September 30, 2024	Level 1	Level 2	Level 3	Total
Non-derivatives				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss				
Listed and over-the-counter common stocks	$ 5,032,013	$ -	$ -	$ 5,032,013
Listed and over-the-counter preferred stocks	-	210,540	-	210,540
Index funds	5,257,048	-	-	5,257,048
Open-end funds	2,746,170	-	-	2,746,170
Derivatives				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
FX swap contracts	$ -	$ 67,254	$ -	$ 67,254
Forward foreign exchange contracts	-	88,430	-	88,430
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
FX swap contracts	$ -	$ 217,831	$ -	$ 217,831
Forward foreign exchange contracts	-	37,986	-	37,986

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

Listed shares	Index funds	Open-end funds
Closing price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques method can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

(c) When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market and swap contracts, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(d) The valuation of derivatives is based on valuation model widely accepted by market participants, such as present value techniques. Forward exchange contracts are usually valued based on the current forward exchange rate.

(e) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial instruments at the balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(f) The Company takes into account adjustments for credit risks to measure the fair value of financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the nine-month periods ended September 30, 2025 and 2024, there were no transfer between Level 1 and Level 2.

F. Fair value of the financial instruments not measured at fair value

Except for the following financial instruments below and investment property, the carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, accounts receivable, other financial assets and accounts payable) are approximate to their fair values.

	September 30, 2025			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets				
Financial assets at amortized cost	$ 23,854,374	$ -	$ 23,668,990	$ -

	December 31, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets				
Financial assets at amortized cost	$ 24,115,874	$ -	$ 23,195,430	$ -

	September 30, 2024			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial assets				
Financial assets at amortized cost	$ 24,058,593	$ -	$ 23,794,401	$ -

The different levels that the inputs to valuation techniques are used to measure fair value of financial instruments have been defined in Note 12 (1) B, and the methods and assumptions are as follows:

If recent transaction prices or market maker quotes are available, the fair value is based on such information. If there is no quoted market price available, the fair value is determined by using valuation techniques and calculated as the present value of the estimated cash flows.

(2) Assets and liabilities recoverable or payable within or over 12 months from the reporting date are as follows:

	September 30, 2025		
Assets	Book value	Within 12 months	Over 12 months
Cash and cash equivalents	$ 9,364,635	$ 9,364,635	$ -
Accounts receivable	444,087	444,087	-
Financial assets at fair value through profit or loss	15,618,506	15,618,506	-
Financial assets at amortized cost	22,554,738	2,162,621	20,392,117
Investment property	381,018	-	381,018
Reinsurance contract assets	6,352,181	5,321,065	1,031,116
Property and equipment	285,024	-	285,024
Right-of-use asset	534	-	534
Intangible assets	15,514	-	15,514
Other assets	2,356,356	63,905	2,292,451
Liabilities			
Accounts payable	$ 668,866	$ 667,926	$ 940
Current income tax liabilities	368,747	368,747	-
Financial liabilities at fair value through profit or loss	109,413	109,413	-
Lease liabilities	554	374	180
Insurance liabilities	35,405,887	19,689,548	15,716,339
Other liabilities	47,879	46,771	1,108

	December 31, 2024		
Assets	Book value	Within 12 months	Over 12 months
Cash and cash equivalents	$ 11,701,505	$ 11,701,505	$ -
Accounts receivable	743,512	743,512	-
Current income tax assets	13,117	13,117	-
Financial assets at fair value through profit or loss	13,014,179	13,014,179	-
Financial assets at amortized cost	22,808,831	1,962,974	20,845,857
Investment property	382,284	-	382,284
Reinsurance contract assets	6,298,100	5,302,558	995,542
Property and equipment	281,703	-	281,703
Right-of-use asset	801	-	801
Intangible assets	10,394	-	10,394
Other assets	2,516,991	137,964	2,379,027
Liabilities			
Accounts payable	$ 1,333,363	$ 1,330,542	$ 2,821
Current income tax liabilities	182,686	182,686	-
Financial liabilities at fair value through profit or loss	406,235	406,235	-
Lease liabilities	824	374	450
Insurance liabilities	34,508,361	20,022,981	14,485,380
Other liabilities	55,187	52,754	2,433

	September 30, 2024		
Assets	Book value	Within 12 months	Over 12 months
Cash and cash equivalents	$ 9,330,486	$ 9,330,486	$ -
Accounts receivable	1,228,363	1,228,363	-
Current income tax assets	13,117	-	13,117
Financial assets at fair value through profit or loss	13,401,455	13,401,455	-
Financial assets at amortized cost	22,749,064	3,072,182	19,676,882
Investment property	382,617	-	382,617
Reinsurance contract assets	6,881,138	5,711,280	1,169,858
Property and equipment	284,188	-	284,188
Right-of-use asset	890	-	890
Intangible assets	8,170	-	8,170
Other assets	2,586,710	156,224	2,430,486
Liabilities			
Accounts payable	$ 1,253,166	$ 1,253,166	$ -
Current income tax liabilities	162,561	162,561	-
Financial liabilities at fair value through profit or loss	255,817	255,817	-
Lease liabilities	914	374	540
Insurance liabilities	34,416,792	19,992,403	14,424,389
Other liabilities	114,540	111,595	2,945

(3) Calculation of retention earned premiums are shown below:

	Three-month period ended September 30, 2025				
Category of insurance	Gross premiums written -	Reinsurance premiums ceded -	Retention premiums (3)=(1)-(2)	Net change in unearned premium reserve -	Retention earned premiums (5)=(3)-(4)
Non-Compulsory insurance	$ 4,183,852	$ 140,897	$ 4,042,955	($ 350,009)	$ 4,392,964
Compulsory insurance	722,663	-	722,663	(363)	723,026
	$ 4,906,515	$ 140,897	$ 4,765,618	($ 350,372)	$ 5,115,990

	Three-month period ended September 30, 2024				
Category of insurance	Gross premiums written -	Reinsurance premiums ceded -	Retention premiums (3)=(1)-(2)	Net change in unearned premium reserve -	Retention earned premiums (5)=(3)-(4)
Non-Compulsory insurance	$ 4,231,562	$ 207,411	$ 4,024,151	($ 277,142)	$ 4,301,293
Compulsory insurance	726,917	-	726,917	11,156	715,761
	$ 4,958,479	$ 207,411	$ 4,751,068	($ 265,986)	$ 5,017,054

	Nine-month period ended September 30, 2025				
Category of insurance	Gross premiums written -	Reinsurance premiums ceded -	Retention premiums (3)=(1)-(2)	Net change in unearned premium reserve -	Retention earned premiums (5)=(3)-(4)
Non-Compulsory insurance	$ 14,287,562	$ 746,748	$ 13,540,814	$ 616,347	$ 12,924,467
Compulsory insurance	2,161,002	-	2,161,002	17,223	2,143,779
	$ 16,448,564	$ 746,748	$ 15,701,816	$ 633,570	$ 15,068,246

	Nine-month period ended September 30, 2024				
Category of insurance	Gross premiums written -	Reinsurance premiums ceded -	Retention premiums (3)=(1)-(2)	Net change in unearned premium reserve -	Retention earned premiums (5)=(3)-(4)
Non-Compulsory insurance	$ 13,846,730	$ 891,961	$ 12,954,769	($ 89,346)	$ 13,044,115
Compulsory insurance	2,139,031	-	2,139,031	30,454	2,108,577
	$ 15,985,761	$ 891,961	$ 15,093,800	($ 58,892)	$ 15,152,692

(4) Calculation of retention reinsurance claims paid are shown below:

	Three-month period ended September 30, 2025		
Category of insurance	Reinsurance claims paid (1)	Reinsurance claims recovery (2)	Retention reinsurance claims paid (3)=(1)-(2)
Non-Compulsory insurance	$ 2,186,565	$ 109,691	$ 2,076,874
Compulsory insurance	653,172	-	653,172
	$ 2,839,737	$ 109,691	$ 2,730,046

	Three-month period ended September 30, 2024		
Category of insurance	Reinsurance claims paid (1)	Reinsurance claims recovery (2)	Retention reinsurance claims paid (3)=(1)-(2)
Non-Compulsory insurance	$ 2,528,533	$ 115,655	$ 2,412,878
Compulsory insurance	689,092	-	689,092
	$ 3,217,625	$ 115,655	$ 3,101,970

Category of insurance	Nine-month period ended September 30, 2025					
		Reinsurance claims paid (1)		Reinsurance claims recovery (2)		Retention reinsurance claims paid (3)=(1)-(2)
Non-Compulsory insurance	$	7,055,155	$	363,402	$	6,691,753
Compulsory insurance		1,939,536		-		1,939,536
	$	8,994,691	$	363,402	$	8,631,289

Category of insurance	Nine-month period ended September 30, 2024					
		Reinsurance claims paid (1)		Reinsurance claims recovery (2)		Retention reinsurance claims paid (3)=(1)-(2)
Non-Compulsory insurance	$	7,427,653	$	387,358	$	7,040,295
Compulsory insurance		1,985,815		-		1,985,815
	$	9,413,468	$	387,358	$	9,026,110

(5) Balance sheets for compulsory automobile liability insurance are as follows:

	September 30, 2025		December 31, 2024		September 30, 2024	
Assets						
Cash and cash equivalents	$	5,011,113	$	4,778,262	$	4,679,228
Due from reinsurers and ceding companies		478,195		473,903		471,973
	$	5,489,308	$	5,252,165	$	5,151,201
Liabilities						
Unearned premium reserve	$	1,697,507	$	1,680,284	$	1,671,109
Claims reserve		2,338,209		2,342,375		2,322,630
Special reserve		1,453,592		1,229,506		1,157,462
	$	5,489,308	$	5,252,165	$	5,151,201

(6) Details of revenues and costs for compulsory automobile liability insurance are as follows:

	Three-month period ended September 30, 2025		Three-month period ended September 30, 2024	
Operating revenues				
Reinsurance premiums	$	722,663	$	726,917
Net change in unearned premium reserve		363	(	11,156)
Retention earned premiums		723,026		715,761
Interest income		5,227		4,518
	$	728,253	$	720,279
Operating costs				
Reinsurance claims paid	$	653,172	$	689,092
Net change in claims reserve	(	5,301)		1,434
Net change in special reserve		80,382		29,753
	$	728,253	$	720,279

	Nine-month period ended September 30, 2025	Nine-month period ended September 30, 2024
Operating revenues		
Reinsurance premiums	$ 2,161,002	$ 2,139,031
Net change in unearned premium reserve	(17,223)	(30,454)
Retention earned premiums	2,143,779	2,108,577
Interest income	15,677	13,233
	$ 2,159,456	$ 2,121,810
Operating costs		
Reinsurance claims paid	$ 1,939,536	$ 1,985,815
Net change in claims reserve	(4,166)	42,607
Net change in special reserve	224,086	93,388
	$ 2,159,456	$ 2,121,810

13. RISK MANAGEMENT

The Company has established risk management policy being the highest directive of promoting enterprise risk management, to efficiently identify, assess, respond and monitor all the risks assumed and to ensure that all risks are within the limitations as planned. Reasonable consideration relationship between risk and reward has been taken into account to maximize the value of equity, maintain the capital adequacy and solvency capability and strengthen the long-term operations of business. The Company has set up risk management committee which is in charge of executing risk management decisions made by the Board of Directors, as well as independent risk management unit which is responsible for handling the Company's integrated risk management matters, including the promotion of risk measurement, assessment, and monitoring.

With regard to various circumstances of the risk management and the monitoring specification, the Company implemented “Risk Managing Essential” covering market, credit, liquidity, operation, insurance, asset and liability, climate change and other risks. In addition, in order to better improve the strategic risk management efficiency, risk quantitative module, finance of risk variance are put to use to analyze various businesses. In addition, the Company sets up risk capacity and risk limit as the basis for risk management, and strengthening the management mechanism of various risks to strengthen the efficiency of risk management at the same time.

(1) Financial instruments

A. Financial risk management policies

Except for derivatives held by the Company, the Company’s financial instruments mainly comprise cash and cash equivalents, and all kinds of investments. The Company utilizes those instruments to achieve adjustments to operating cash flows. The Company holds other financial assets and liabilities as well, such as notes receivable from operating activities, due from (to) reinsurers and ceding companies, reinsurance receivables (payables), other accounts receivable, and other accounts payable.

The Company undertakes derivative financial instruments such as futures, forward foreign exchange contracts and FX swap contracts to hedge fair value risk arising from fluctuations in stock prices and exchange rates.

B. Significant financial risks and degrees of financial risks

(a) Market risk

i. Foreign exchange risk

To hedge cash flow fair value risk arising from fluctuations in exchange rates, the Company undertakes derivative financial instruments such as FX swap contracts and forward foreign exchange contracts to hedge recognized assets and liabilities denominated in foreign currencies.

The Company estimates that the conditions of the hedge instruments and the hedged items are the same, thus maximizing the hedging effectiveness.

(i) The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD, the Offshore Insurance Branch's currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	September 30, 2025		
	Foreign currency amount (in thousands)	Exchange rate	Book value
Assets			
Monetary items			
CNY	$ 214,362	4.275	$ 916,415
EUR	10,034	35.801	359,213
ILS	45,410	9.219	418,621
INR	362,323	0.343	124,348
JPY	1,943,357	0.206	400,434
KRW	5,928,870	0.022	128,860
THB	103,638	0.943	97,681
TRY	141,488	0.733	103,666
USD	737,929	30.469	22,483,966
Non-monetary items			
HKD	31,962	3.916	125,177
JPY	11,735,088	0.206	2,418,045
USD	51,237	30.469	1,561,132
Liabilities			
Monetary items			
CNY	202,333	4.275	864,994
EUR	15,971	35.801	571,765
ILS	42,777	9.219	394,351
INR	510,658	0.343	175,256
JPY	979,487	0.206	201,826
KRW	13,031,513	0.022	283,230
THB	125,966	0.943	118,726
TRY	152,723	0.733	111,898
USD	140,048	30.469	4,267,121

	December 31, 2024				
	Foreign currency amount (in thousands)		Exchange rate		Book value
Assets					
Monetary items					
CNY	$	214,934	4.468	$	960,331
EUR		11,120	34.122		379,425
ILS		52,397	8.964		469,683
JPY		1,775,678	0.210		372,892
TRY		123,616	0.927		114,599
USD		747,360	32.781		24,499,200
Non-monetary items					
JPY		6,630,876	0.210		1,392,484
USD		82,675	32.781		2,710,156
Liabilities					
Monetary items					
CNY		208,492	4.468		931,549
EUR		17,299	34.122		590,278
ILS		41,256	8.964		369,815
INR		431,406	0.383		165,205
JPY		980,784	0.210		205,964
KRW		15,292,639	0.022		339,901
TRY		193,124	0.927		179,038
USD		162,027	32.781		5,311,401

	September 30, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value
Assets			
Monetary items			
CNY	$ 215,434	4.525	$ 974,924
EUR	11,284	35.443	399,921
ILS	52,386	8.550	447,910
JPY	2,841,550	0.222	631,365
KRW	4,574,214	0.024	110,497
THB	232,569	0.984	228,781
TRY	120,496	0.926	111,577
USD	796,058	31.651	25,196,044
Non-monetary items			
JPY	6,268,049	0.222	1,392,699
USD	82,105	31.651	2,598,704
Liabilities			
Monetary items			
CNY	208,008	4.525	941,315
EUR	18,548	35.443	657,384
ILS	43,707	8.550	373,706
INR	420,264	0.378	158,768
JPY	1,262,085	0.222	280,423
KRW	17,142,605	0.024	414,104
TRY	174,967	0.926	162,017
USD	160,698	31.651	5,086,259

(ii) Sensitivity analysis of foreign exchange risk for monetary financial assets and liabilities listed in the table below is performed for reasonably possible changes in foreign exchange rates with other conditions held constant and without considering foreign exchange derivatives for hedge, the effects on profit or loss before tax for the nine-month periods ended September 30, 2025 and 2024 are as follows:

	September 30, 2025	September 30, 2024
Foreign currencies to NTD appreciate by 1%	$ 165,272	$ 184,688
Foreign currencies to NTD depreciate by 1%	(165,272)	(184,688)

ii. Price risk

(i) The values of financial instruments may be changed by economic situations, industrial circumstances, market capital flows and government monetary policies. To hedge market value risk exposures, the Company adopts diversified assets allocation strategy taking into account the current trends of financial markets to flexibly adjust assets portfolio under the provisions of Article 146 (1) ~ (8) of the Insurance Act, regulating the limits of funds utilization ratios and accordingly, disperse the market value risk.

(ii) The Company adopts the FX swap contracts and forward foreign exchange contracts to hedge exchange rate fluctuations risk on foreign-currency denominated assets. As the gain (loss) arising from exchange rate changes will mostly offset against the loss (gain) on hedged objectives, the Company estimates no material market value risk would arise. The Company is exposed to price risk because of investments in stock-related futures, which have fair value in the active market and are used for hedging purposes. The Company sets limits to control the transaction volume to reduce its market risk.

(iii) The Company's investments comprise equity securities and REITs, etc. Their fair value would change due to the change of the prices of equity securities. If the prices of these equity securities and REITs had increased/decreased by 5% with all other variables held constant, the effects on profit and loss and equity in the nine-month periods ended September 30, 2025 and 2024 are as follows:

	September 30, 2025		
	Changes in variables	Changes in profit or loss before tax	Changes in other comprehensive income (before tax)
Financial assets at fair value through profit or loss	Increased/ decreased by 5%	$ 89,385	$ 676,538

	September 30, 2024		
	Changes in variables	Changes in profit or loss before tax	Changes in other comprehensive income (before tax)
Financial assets at fair value through profit or loss	Increased/ decreased by 5%	$ 29,535	$ 632,754

iii. Interest rate risk

As of September 30, 2025, debt instruments held by the Company were all classified as financial assets at amortized cost. Therefore, the Company was not exposed to interest rate risk.

(b) Credit risk

i. When investing in financial instruments, the Company will encounter the risks that the transaction or credit counterparties may default on contracts and the custodians may incur operating difficulties. The Company utilizes funds and makes investments in accordance with the Article 146 of Insurance Act and relevant laws, and conducts transactions only with counterparties with good credit ratings, or ensures that financial instruments are issued or guaranteed by reputable financial institutions, or acquires adequate collaterals. The Insurance Act also puts a limit to the transaction amount on an individual transaction or credit counterparty. Accordingly, the maximum loss to the Company is the total amount of all book value.

ii. The Company utilizes funds and makes investments in financial instruments except for bank deposits in accordance with the Article 146 of Insurance Act and related laws, and sets limits to control the investment volume with an individual institution. Therefore, the Company has lower significant concentrations of credit risk. As for the management of credit risk of debt instruments, the Company identifies the credit risk by its rating provided by external institutions, credit quality, conditions of locations, and risk of counterparties. For credit ratings of transaction or credit counterparties, the Company strictly complies with the Article 146 of Insurance Act, the relevant legal interpretations and the Company's internal regulations on risk control. The transaction or credit counterparties of bond investments are those financial institutions and companies with a certain degree of credit rating.

iii. The Company undertakes FX swap contracts and forward foreign exchange contracts only with high-credit-quality financial institutions. If the counterparties of Taiwan Stock Index Futures default, the futures brokers will be liable for the losses incurred on the default. Accordingly, the Company estimates no material credit risk would arise.

iv. The Company recognizes the following events as financial instruments' credit risk increases significantly:

(i) Bond interest receivable and debt instrument investments at amortized cost:

a. When an independent external rating system has rated such investment instrument as investment grade, then it is classified as low credit risk;

b. When an independent external rating system has downgraded such investment instrument 2 notches and to non-investment grade; or

c. When an independent external rating system has rated such investment instrument as non-investment grade and decline in market value (against to the cost) exceeds 30%, then it is classified as the credit risk increases significantly.

(ii) Accounts receivable (excluding bond interest receivable) and other financial assets at amortized cost:

When contractual payments (excluding the debt instruments) are more than 30 days past due but less than 90 days, then it is classified as the credit risk increases significantly.

v. The Company uses the following indicators to assess whether a financial asset has a credit impairment:

(i) A breach of contract, such as a default or delinquency in interest or principal payments; when a contract (excluding the debt instruments) is overdue more than 90 days, it is deemed breached.

(ii) The issuer enters into bankruptcy or reorganization that significantly affects its business.

vi. The Company wrote-off the financial assets partially or entirely to the extent of the amount which cannot be reasonably expected to be recovered. The indicators for reasonably expected to be unrecoverable include:

(i) The recourse procedure has ceased.

(ii) The debtor's assets or income is evaluated to be insufficient to repay outstanding payments.

vii. The Company uses credit ratings (including forward-looking information), probability of default and loss given default figures periodically published by international credit rating agencies to estimate expected credit loss of bond interest receivable and debt instruments at amortized cost. Information about expected loss rate is as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	12 Months	12 Months	12 Months
Bond interest receivable			
Group 1	0.0000%	0.0000%	0.0000%
Group 2	0.0000%~0.0265%	0.0000%~0.0266%	0.0000%~0.0266%
Group 3	0.0175%~0.0440%	0.0181%~0.0440%	0.0181%~0.0440%
Group 4	0.0995%~0.1101%	0.1066%~0.1174%	0.1066%~0.1174%
Group 5	-	-	-
Debt instruments at amortized cost			
Group 1	0.0000%	0.0000%	0.0000%
Group 2	0.0000%~0.0265%	0.0000%~0.0266%	0.0000%~0.0266%
Group 3	0.0175%~0.0440%	0.0181%~0.0440%	0.0181%~0.0440%
Group 4	0.0995%~0.1101%	0.1066%~0.1174%	0.1066%~0.1174%
Group 5	-	-	-

Group 1: S&P AAA or equivalents.

Group 2: Over S&P AA- or equivalents.

Group 3: Over S&P A- or equivalents.

Group 4: Over S&P BBB- or equivalents.

Group 5: Under S&P BBB- or equivalents.

As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company's bond interest receivable and debt instruments at amortized cost did not have significant increase in credit risk during lifetime.

The following credit risk information for the accounts receivable – bond interest receivable and investments in debt instruments at amortized cost is rated in 12-month period as of September 30, 2025, December 31, 2024 and September 30, 2024:

	September 30, 2025	December 31, 2024	September 30, 2024
	12 Months	12 Months	12 Months
Bond interest receivable			
Group 1	$ 11,245	$ 11,489	$ 11,997
Group 2	66,022	63,745	88,484
Group 3	145,778	145,035	119,052
Group 4	2,254	2,143	3,642
	$ 225,299	$ 222,412	$ 223,175
Debt instruments at amortized cost			
Group 1	$ 1,632,470	$ 1,769,367	$ 1,701,255
Group 2	7,508,439	7,105,084	8,576,255
Group 3	14,419,533	14,948,040	13,287,377
Group 4	299,999	299,999	499,999
	$ 23,860,441	$ 24,122,490	$ 24,064,886

Movements of loss allowance for bond interest receivable and investments in debt instruments at amortized cost as of September 30, 2025 and 2024 are as follows:

	2025	2024
	12 Months	12 Months
Bond interest receivable		
At January 1	$ 64	$ 41
Provision	-	18
Recovery	(3)	-
At September 30	$ 61	$ 59

	2025	2024
	12 Months	12 Months
Debt instruments at amortized cost		
At January 1	$ 6,616	$ 5,025
Provision	-	1,268
Recovery	(549)	-
At September 30	$ 6,067	$ 6,293

viii. The Company considers expected loss rate based on historical and current information and takes into account forecasts of future economic conditions to estimate expected credit loss of accounts receivable (excluding bond interest receivable) and other financial assets at amortized cost. As of September 30, 2025, December 31, 2024 and September 30, 2024, the Company's accounts receivable (excluding bond interest receivable) and other financial assets at amortized cost are not overdue or past due no more than 30 days. The Company therefore assessed credit risk as low and do not recognize loss allowance for credit loss. The book value as of September 30, 2025, December 31, 2024 and September 30, 2024, are as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
	12 Months	12 Months	12 Months
Accounts receivable (excluding bond interest)	$ 218,849	$ 521,164	$ 1,005,247
Refundable deposits under other assets	72,514	76,122	76,042

(c) Liquidity risk

i. The Company uses time deposits, short-term notes and bills to adequately adjust its cash flows. When conducting investment evaluation, the Company will take into account the liquidity of financial instruments in secondary markets and may allocate some funds to lower-liquidity but higher-yield-rate financial instruments on condition that the risk is controlled. Even if those financial instruments are sold in the short-term, there is a less likelihood that liquidity risk would arise due to the selling price being significantly lower than the fair value. However, those financial instruments are not intended to be sold in the short-term.

ii. The notional principal of FX swap contracts and forward foreign exchange contracts is normally used as a calculation basis of receivables and payables for these transactions, and is not the actual settlement amount, except for new undertaking or non-renewing transactions. The actual settlement amount is usually lower than the notional principal. The Company has paid margins in advance before undertaking stock-related futures transactions, and daily evaluates the unsettled futures positions. In case additional margins have to be paid later on, the Company has sufficient working capital to fulfill its payment obligations. Accordingly, the Company estimates no material cash flow risk would arise.

iii. The table below analyzes the Company's non-derivative financial liabilities and net-settled derivative financial liabilities into groupings based on the remaining period at the end of the reporting period to the contractual maturity date.

(i) Non-derivative financial liabilities

September 30, 2025	Due in one year	Due after one year through three years	Total
Accounts payable	$ 667,926	$ 940	$ 668,866
Deposits-in (under other liabilities)	3,350	1,108	4,458

December 31, 2024	Due in one year	Due after one year through three years	Total
Accounts payable	$ 1,330,542	$ 2,821	$ 1,333,363
Deposits-in (under other liabilities)	2,180	2,433	4,613

September 30, 2024	Due in one year	Due after one year through three years	Total
Accounts payable	$ 1,253,166	$ -	$ 1,253,166
Deposits-in (under other liabilities)	1,455	2,945	4,400

(ii) Net-settled derivative financial liability

September 30, 2025	Due in three months	Due after three months through one year	Total
FX swap contracts	$ 15,824	$ 90,093	$ 105,917
Forward foreign exchange contracts	-	3,496	3,496

December 31, 2024	Due in three months	Due after three months through one year	Total
FX swap contracts	$ 87,577	$ 147,028	$ 234,605
Forward foreign exchange contracts	104,802	66,828	171,630

September 30, 2024	Due in three months	Due after three months through one year	Total
FX swap contracts	$ 106,802	$ 111,029	$ 217,831
Forward foreign exchange contracts	3,995	33,991	37,986

(2) Risk management of insurance contracts

All insurance contracts assumed by the Company, after assessment, were considered risks transferred by reinsurance. Risk management and procedures are summarized below:

A. Measurement and management of insurance risk:

Insurance risk occurs when loss frequency, severity, timing and other possible risk factors are far from past experience. For example, natural and man-made catastrophes risk may occur randomly and thus actual claims may be more than expected.

The Company follows underwriting and risk management related guidelines to assume reinsurance business. The Company's internal quantitative model, external monitoring model, internal control system and other related systems are developed to ensure insurance risks are efficiently identified, measured, steered and monitored.

(a) Underwriting policy

The reinsurance portfolio of the Company consists of various types of reinsurance and businesses from different countries and territories. The insurance types include life insurance, property and casualty insurance and others which are in compliance with regulatory requirement. The Company's development direction is to actively deepen the domestic market and steadily expand the international market to diversify risks of regional concentration.

(b) Retrocession strategy

In consideration of financial strength, capacity and the operation strategies, the Company arranges retrocession to increase the capacity, diversify risks, mitigate retained risk and increase business competitiveness. Furthermore, the Company has purchased catastrophe cover to minimize the exposure to catastrophe loss which may greatly impact the Company's financial performance. Stringent evaluation of the reputation and credit rating of the reinsurer is taken into account when the Company arranges a retrocession contract.

Although the Company adopts various prescribed methods to control insurance risk, given the random and unpredictable nature of insured incidents, deviation may occur between the actual result and the expectation derived from historical experience.

B. Concentration of insurance risk

Premium income and retention premium income ratio based on the business type are as follows:

Type \ Year	Nine-month period ended September 30, 2025		Nine-month period ended September 30, 2024	
	Reinsurance premiums	Retention premiums	Reinsurance premiums	Retention premiums
Domestic inward property reinsurance business	65.08%	64.56%	63.82%	63.00%
Domestic inward life reinsurance business	17.67%	18.40%	16.27%	17.13%
Subtotal-Domestic inward reinsurance business	82.75%	82.96%	80.09%	80.13%
Foreign inward reinsurance business	17.25%	17.04%	19.91%	19.87%
Total	100.00%	100.00%	100.00%	100.00%

C. Sensitivity analysis of insurance risk

The retention earned premium income of the Company (excluding the compulsory automobile liability insurance business) for the nine-month periods ended September 30, 2025 and 2024 were \$12,924,467 and \$13,044,115, respectively. If the change of combined ratio of the Company is 1%, the estimated effect on gains and losses of underwriting for the nine-month periods ended September 30, 2025 and 2024 would be approximately \$129,245 and \$130,441, respectively.

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D. Loss development pattern

(a) As of September 30, 2025, the following table indicates the loss development pattern of the Company's inward business:

Year of underwriting	2020	2021	2022	2023	2024	Nine-month period ended September 30, 2025	Total
Non-statutory insurance							
Accumulated estimated claim amount							
At the end of the year	$ 6,182,109	$ 7,121,181	$ 6,244,330	$ 7,099,315	$ 6,766,401	$ 4,449,477	
After the first year	10,391,862	17,191,845	11,132,563	12,287,769	10,543,581	-	
After the second year	9,750,131	16,763,192	10,759,324	11,670,177	-	-	
After the third year	9,562,171	16,339,306	10,382,062	-	-	-	
After the fourth year	9,520,746	16,174,180	-	-	-	-	
After the fifth year	9,459,871	-	-	-	-	-	
Accumulated estimated claim amount	9,459,871	16,174,180	10,382,062	11,670,177	10,543,581	4,449,477	$ 62,679,348
Accumulated claim payment	(8,744,207)	(14,817,697)	(8,554,707)	(8,011,685)	(4,228,100)	40,071	(44,316,325)
Accumulated unpaid claim	715,664	1,356,483	1,827,355	3,658,492	6,315,481	4,489,548	18,363,023
Accumulated unpaid claim before 2019							2,828,977
Subtotal							21,192,000
Provision for statutory insurance claims reserve (Note)	-	-	71,087	586,917	1,347,394	332,946	2,338,344
Total							$ 23,530,344

Note: Statutory insurance includes compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance.

(b) As of September 30, 2025, the following table indicates the loss development pattern of the Company's retention business:

Year of underwriting	2020	2021	2022	2023	2024	Nine-month period ended September 30, 2025	Total
Non-statutory insurance							
Accumulated estimated claim amount							
At the end of the year	$ 5,507,600	$ 6,488,150	$ 5,713,533	$ 6,662,305	$ 6,351,673	$ 4,248,036	
After the first year	9,303,467	16,256,724	10,194,290	11,668,289	9,857,137	-	
After the second year	8,729,938	15,838,737	9,918,244	11,132,674	-	-	
After the third year	8,615,288	15,449,163	9,580,950	-	-	-	
After the fourth year	8,603,512	15,290,083	-	-	-	-	
After the fifth year	8,556,915	-	-	-	-	-	
Accumulated estimated claim amount	8,556,915	15,290,083	9,580,950	11,132,674	9,857,137	4,248,036	$ 58,665,795
Accumulated claim payment	(7,873,263)	(14,012,026)	(7,947,866)	(7,621,866)	(4,094,792)	23,823	(41,525,990)
Accumulated unpaid claim	683,652	1,278,057	1,633,084	3,510,808	5,762,345	4,271,859	17,139,805
Accumulated unpaid claim before 2019							2,751,586
Subtotal							19,891,391
Provision for statutory insurance claims reserve (Note)	-	-	71,087	586,917	1,347,394	332,946	2,338,344
Total							$ 22,229,735

Note: Statutory insurance includes compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance.

(c) As of December 31, 2024, the following table indicates the loss development pattern of the Company's inward business:

Year of underwriting	2019	2020	2021	2022	2023	2024	Total
Non-statutory insurance							
Accumulated estimated claim amount							
At the end of the year	$ 5,429,011	$ 6,182,109	$ 7,121,181	$ 6,244,330	$ 7,099,315	$ 6,766,401	
After the first year	8,960,138	10,391,862	17,191,845	11,132,563	12,287,769	-	
After the second year	8,642,445	9,750,131	16,763,192	10,759,324	-	-	
After the third year	8,631,181	9,562,171	16,339,306	-	-	-	
After the fourth year	8,615,653	9,520,746	-	-	-	-	
After the fifth year	8,596,403	-	-	-	-	-	
Accumulated estimated claim amount	8,596,403	9,520,746	16,339,306	10,759,324	12,287,769	6,766,401	$ 64,269,949
Accumulated claim payment	(8,031,310)	(8,502,524)	(14,476,679)	(7,961,725)	(6,005,488)	(511,410)	(45,489,136)
Accumulated unpaid claim	565,093	1,018,222	1,862,627	2,797,599	6,282,281	6,254,991	18,780,813
Accumulated unpaid claim before 2018							2,395,498
Subtotal							21,176,311
Provision for statutory insurance claims reserve (Note)	-	-	37,834	419,115	1,245,554	640,145	2,342,648
Total							$ 23,518,959

Note: Statutory insurance includes compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance.

(d) As of December 31, 2024, the following table indicates the loss development pattern of the Company's retention business:

Year of underwriting	2019	2020	2021	2022	2023	2024	Total
Non-statutory insurance							
Accumulated estimated claim amount							
At the end of the year	$ 4,965,602	$ 5,507,600	$ 6,488,150	$ 5,713,533	$ 6,662,305	$ 6,351,673	
After the first year	8,197,721	9,303,467	16,256,724	10,194,290	11,668,289	-	
After the second year	7,937,308	8,729,938	15,838,737	9,918,244	-	-	
After the third year	7,966,700	8,615,288	15,449,163	-	-	-	
After the fourth year	7,956,012	8,603,512	-	-	-	-	
After the fifth year	7,946,804	-	-	-	-	-	
Accumulated estimated claim amount	7,946,804	8,603,512	15,449,163	9,918,244	11,668,289	6,351,673	$ 59,937,685
Accumulated claim payment	(7,401,319)	(7,676,131)	(13,702,885)	(7,391,926)	(5,699,964)	(516,962)	(42,389,187)
Accumulated unpaid claim	545,485	927,381	1,746,278	2,526,318	5,968,325	5,834,711	17,548,498
Accumulated unpaid claim before 2018							2,313,551
Subtotal							19,862,049
Provision for statutory insurance claims reserve (Note)	-	-	37,834	419,115	1,245,554	640,145	2,342,648
Total							$ 22,204,697

Note: Statutory insurance includes compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance.

(e)As of September 30, 2024, the following table indicates the loss development pattern of the Company's inward business:

Year of underwriting	2019	2020	2021	2022	2023	Nine-month period ended September 30, 2024	Total
Non-statutory insurance							
Accumulated estimated claim amount							
At the end of the year	$ 5,429,011	$ 6,182,109	$ 7,121,181	$ 6,244,330	$ 7,099,315	$ 3,996,645	
After the first year	8,960,138	10,391,862	17,191,845	11,132,563	12,301,356	-	
After the second year	8,642,445	9,750,131	16,763,192	10,833,386	-	-	
After the third year	8,631,181	9,562,171	16,391,616	-	-	-	
After the fourth year	8,615,653	9,509,473	-	-	-	-	
After the fifth year	8,600,267	-	-	-	-	-	
Accumulated estimated claim amount	8,600,267	9,509,473	16,391,616	10,833,386	12,301,356	3,996,645	$ 61,632,743
Accumulated claim payment	(7,978,065)	(8,420,005)	(14,303,705)	(7,620,073)	(4,730,247)	(12,338)	(43,064,433)
Accumulated unpaid claim	622,202	1,089,468	2,087,911	3,213,313	7,571,109	3,984,307	18,568,310
Accumulated unpaid claim before 2018							2,405,863
Subtotal							20,974,173
Provision for statutory insurance claims reserve (Note)	-	-	112,776	576,795	1,241,245	392,641	2,323,457
Total							$ 23,297,630

Note: Statutory insurance includes compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance.

(f) As of September 30, 2024, the following table indicates the loss development pattern of the Company's retention business:

Year of underwriting	2019	2020	2021	2022	2023	Nine-month period ended September 30, 2024	Total
Non-statutory insurance							
Accumulated estimated claim amount							
At the end of the year	$ 4,965,602	$ 5,507,600	$ 6,488,150	$ 5,713,533	$ 6,662,305	$ 3,431,213	
After the first year	8,197,721	9,303,467	16,256,724	10,194,290	11,637,114	-	
After the second year	7,937,308	8,729,938	15,838,737	9,965,566	-	-	
After the third year	7,966,700	8,615,288	15,504,573	-	-	-	
After the fourth year	7,956,012	8,587,994	-	-	-	-	
After the fifth year	7,943,542	-	-	-	-	-	
Accumulated estimated claim amount	7,943,542	8,587,994	15,504,573	9,965,566	11,637,114	3,431,213	$ 57,070,002
Accumulated claim payment	(7,349,667)	(7,599,343)	(13,540,745)	(7,075,169)	(4,477,627)	(28,847)	(40,071,398)
Accumulated unpaid claim	593,875	988,651	1,963,828	2,890,397	7,159,487	3,402,366	16,998,604
Accumulated unpaid claim before 2018							2,315,674
Subtotal							19,314,278
Provision for statutory insurance claims reserve (Note)	-	-	112,776	576,795	1,241,245	392,641	2,323,457
Total							$ 21,637,735

Note: Statutory insurance includes compulsory automobile liability insurance, residential earthquake insurance and nuclear insurance.

(3) Climate-related risk

The Company's Board of Directors had approved the polices on task force on climate-related risk financial disclosures to strengthen the management and disclosure of climate-related risks and opportunities and amended the policies on sustainable development to promote ESG (Environmental, Social, and Governance) in keeping with the times, including reaching the goal of sustainable coexistence with the environment. The Board of Directors takes the ultimate responsibility for the management of climate-related risk, sets up risk management committee and sustainable development committee under it to periodically review the climate-related risks and opportunities and includes the procedures for identification, assessment and management of climate change risk into the Company's overall risk management system.

By reference to the 'Guidelines on Climate-related Financial Disclosures of Insurance Companies' issued by the FSC, the Company identifies physical risk and transition risk of climate change and assesses their impact to the Company using qualitative or quantitative method through analysing the indicators of the occurrence probability and the impact degree of relevant risk factors, including potential impact that may arise from physical risk such as extreme weather, changes in climate patterns, sea levels and rising temperatures and transition risk impact such as policies and regulations, technology, market and reputation. After comprehensively considering the assessment results and conducting significance sequence, the Company formulated corresponding strategies for the assessment results of its own operations, insurance products and investment and financing. The Company will continue to optimise the risk management mechanism related to climate change, mitigate and adjust operational impacts arising from climate change and demonstrate the Company's resilience in facing climate risk to reach the goal of sustainable management.

14. THE OBJECTIVE, POLICY AND PROCEDURE OF CAPITAL MANAGEMENT

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

Pursuant to Article 5 of "Regulations Governing Capital Adequacy of Insurance Companies", the capital adequacy level of an insurance enterprise refers to the capital adequacy ratio equaling or exceeding 200% and the net worth ratio being at least 3% in one of the most recent two periods. The Company calculates the capital adequacy ratio every six months in accordance with the "Regulations Governing Capital Adequacy of Insurance Companies" to ensure that it can continuously meet the statutory capital requirement.

In accordance with the "Regulations Governing Capital Adequacy of Insurance Companies", the capital adequacy ratio is calculated as self-owned capital divided by risk-based capital. Self-owned capital is classified into Tier 1 unlimited capital, Tier 1 limited capital and Tier 2 capital graded by the competent authority; risk-based capital is the total capital calculated based on the extent of risk that an insurance enterprise assumes in its actual operations. The net worth ratio means that the owner's equity divided by total assets. Capital adequacy ratios and the net worth ratio of the Company of the latest two years were all at capital adequacy level. In addition, the net worth ratio of the Company as of September 30, 2025, December 31, 2024 and September 30, 2024, is 35.93%, 36.13% and 35.84 %, respectively, in accordance with the Article 15 of the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises".

15. OTHER DISCLOSURES

(1) Information of significant transactions

A. Acquisition of real estate in excess of $100,000 or 20% of the paid-in capital: None.

B. Disposals of real estate in excess of $100,000 or 20% of the paid-in capital: None.

C. Related party transactions in excess of $100,000 or 20% of the paid-in capital: None.

D. Accounts receivable from related parties in excess of $100,000 or 20% of the paid-in capital: None.

E. Derivative business transactions: Please see Note 6 (3).

F. Business and significant transactions between the parent company and subsidiaries, and those between subsidiaries: None.

(2) Information related to long-term investments

None.

(3) Investments in Mainland China and business transactions

None.

(4) Major shareholders information

Shares / Names of major shareholders	Number of shares held	Shareholding ratio(%)
Evergreen International Corporation	218,737,113	27.32%
Ministry of Finance	74,983,773	9.36%
Evergreen Marine Corporation	49,187,466	6.14%

Note: Major shareholders information on this exhibit refers to the shareholders who own 5% or more dematerialized registered and delivered shares of the Company on the last business day of each quarter.

16. SEGMENT INFORMATION

The Company operates business only in reinsurance services. The Company allocates resources and assesses performance of the Company as a whole, and has identified that the Company has only one reportable operating segment.

17. BORROWINGS RESULTED FROM PAYMENT OF CLAIMS

None.

18. ACQUISITION, CONSTRUCTION, IDLELIZATION AND SALES OF MAIN OPERATING ASSETS AND REAL ESTATE INVESTMENTS

None.

19. IMPORTANT LAWSUITS IN PROGRESS OR ADJUDICATED

None.

20. IMPORTANT CONTRACTS SIGNED, DISCHARGED BY PERFORMANCE, AGREEMENT, OR BREACHED

    Aside from regular contracts related to the insurance business, the Company had no important contracts signed, discharged by performance, agreement, or breached.

21. INVESTMENT ITEMS AND INVESTMENT CEILINGS WITH THE INVESTMENT FUNDS BEING HANDLED AND MANAGED BY THE SECURITIES INVESTMENT TRUST COMPANIES OR SECURITIES INVESTMENT CONSULTING COMPANIES

    None.

22. ADJUSTMENT OF ORGANIZATION AND SIGNIFICANT CHANGE OR REFORM OF MANAGEMENT MECHANISM

    None.

23. EFFECTS OF SIGNIFICANT CHANGES IN GOVERNMENT LAWS

    None.

24. INFORMATION ON DISCONTINUED OPERATIONS

    None.

25. MAJOR OPERATIONS, ASSETS, AND LIABILITIES RECEIVED FROM OR TRANSFERRED TO OTHER INSURANCE BUSINESSES

    None.