

Union Insurance Co., Ltd. 2021 Annual General Meeting Minutes

Time: 9:00 AM on July 30, 2021 (Friday)

Place: International Reception Hall, The Grand Hotel, 2F, No.1, Sec. 4, Zhong-Shan North Road., Taipei City

Attendance: The total number of shares represented by shareholders present in person or by proxy reached 153,044,537 shares (including 2,894,798 voting shares cast electronically), accounting for 68.65% of the Company's 222,904,741 issued voting shares (total of 223,608,000 issued shares minus 703,259 non-voting shares).

Chairperson: Chairman of the Board Chi-Hsiung Hung

Recorders: Tai-Lung Chen; Shu-Min Li

Attendees: Director Hai-Lun Hsu; Director Shih-Wei Hsu; Director Chia-Ying Ma; Director Tzu-Ming Liu; Independent Director Tung-Liang Wang; Independent Director Yu-Feng Ma; Lawyer Tzu-Chun Kuo; Certified Public Accountant Feng-Hui Li

I. Call the Meeting to Order: (The total number of shares represented by shareholders present at the meeting in person or by proxy reached a quorum; the Chairperson called the meeting to order.)

II. Chairperson Takes Chair: (omitted).

III. Matters to Be Reported:

(I) 2020 Business Reports and Financial Statements:

[For details, please refer to the Company's 2020 Business Reports and Financial Statements as set out in Attachments I to III]

(II) Audit Committee's Review Report on the 2020 Financial Statements:

[The Audit Committee's Review Report is set out in Attachment IV]

(III) Distribution of Remuneration for Employees and Directors of 2020:

The Company's Board of Directors approved the distribution of 2020 employees' compensation of NT\$28,500,000 and Directors' remuneration of NT\$6,500,000 in cash on March 26, 2021, both were consistent with the expense recognized for the current year.

(IV) Amendment to the "Corporate Social Responsibility Principles":

[The Comparison Table of the Amendments to the "Corporate Social Responsibility Principles" is set out in Attachment V]

(Questions about the Company's pandemic insurance policy and annual reports raised by shareholders during the meeting and the Company's response thereto were omitted)

Chairperson's Ruling: The above matters to be reported were all noted.

IV. Proposed Resolutions

Proposal 1: Proposed by the Board of Directors

Subject: Please proceed with the adoption of the Company's 2020 financial statements.

Explanation:

- I. To handle in accordance with the provisions in Paragraph 1 of Article 20, Paragraph 1 of Article 228 of the Company Act and Article 36 of the Securities and Exchange Act.
- II. The Company's 2020 Business Report is prepared as in Attachment I
- III. The Company's 2020 consolidated and individual financial statements certified by CPAs Feng-Hui Li and Dan-Dan Chung of the CPA firm KPMG Taiwan are attached [Attachments II to III].

Resolution: The motion was voted on and passed as originally proposed, with the following voting results:

Votes represented at the time of voting: 153,044,537 votes
(including 2,894,798 votes cast electronically)

Voting Results	% of total votes represented at the meeting
Votes in favor: 151,837,126 votes (including 1,698,189 votes cast electronically)	99.21%
Votes against: 157,140 votes (including 157,170 votes cast electronically)	0.10%
Invalid, abstained, and non-cast votes: 1,050,241 votes (including 1,039,439 votes cast electronically)	0.69%

Proposal 2: Proposed by the Board of Directors

Subject: Please adopt the 2020 Earnings Distribution Proposal.

Explanation:

- I. The net profit after tax of the Company for 2020 was NT\$702,097,399. The distributable earnings of NT\$463,145,925, after the net profit after tax was adjusted for other items and the legal surplus reserve and special surplus reserve were allocated, shall be distributed to shareholders as cash dividends of NT\$178,886,400.
- II. In accordance with the Company's actual shares outstanding, each share received cash dividends of NT\$0.8, calculated up to 1 unit of NT dollar amount. The remainder will be discarded and then included in the Company's other income item. After obtaining approval from the Annual General Meeting, the Board of Directors shall delegate the Chairman to set an ex-dividend date and a distribution date.
- III. If any changes in the Company's shareholder's equity cause changes in the number of shares outstanding such that dividend payout ratio has to be changed and required for amendment, or any requests from the regulators or any other factual needs for amendment, the Chairman of the Board is fully authorized for this amendment.
- IV. The Earnings Distribution Statement was prepared in accordance with earning distribution related provisions in Article 36 of the Company' Articles of Incorporation.

Union Insurance Co., Ltd.
Earnings Distribution Table
For the year 2020

Item	Amount	
	Subtotal	Total
Unappropriated retained earnings at the beginning of the period		117,666,233
Actuarial gains and losses change in the current period	(29,815,002)	
Disposal of equity instrument measured at FVTOCI	9,345,117	
Reversal of special reserve (Note 2)	287,665	
Net profit after tax in the current period	702,097,399	
<i>Subtotal</i>		799,581,412
Provisions:		
Less: legal reserve	(136,325,503)	
Less: special reserve (Note 1)	(200,109,984)	
Distributable earnings		463,145,925
Distribution items		
Shareholder bonus: cash dividend of NT\$0.8 per share	(178,886,400)	
Unappropriated retained earnings at the end of the period		284,259,525

Note 1: The special reserves set aside pursuant to provisions in Article 8, 9, and 10 of the "Regulations Governing Insurance Enterprises for Setting Aside Various Reserves" shall be based on the remaining balance after deduction of income tax pursuant to International Accounting Standards No. 12 and be set aside in the account of "Special Reserve" under "Owner's Equity."

Note 2: According to Order No. 10502066461 dated July 13, 2016 issued by the Financial Supervisory Commission, when distributing earnings for fiscal years from 2016 to 2018, the Company shall set aside a special reserve for the "Employee Training and Transformation Plan;" the same amount, when to be withdrawn in later years, may be reversed within the balance of the special reserve.

Note 3: 2020 surplus is preferentially allocated to dividends, which are calculated based on 223,608,000 outstanding shares.

Resolution: The motion was voted on and passed as originally proposed, with the following voting results:

Votes represented at the time of voting: 153,044,537 votes
(including 2,894,798 votes cast electronically)

Voting Results	% of total votes represented at the meeting
Votes in favor: 151,806,993 votes (including 1,668,056 votes cast electronically)	99.19%
Votes against: 203,635 votes (including 203,635 votes cast electronically)	0.13%
Invalid, abstained, and non-cast votes: 1,033,909 votes (including 1,023,107 votes cast electronically)	0.68%

V. Discussions

Proposal 1: Proposed by the Board of Directors

Subject: Amendment to the Company's Articles of Incorporation

Explanation:

- I. Proceed as per the Company Act.
- II. The comparison table of amendments is attached in [Attachment VI].

Resolution: The motion was voted on and passed as originally proposed, with the following voting results:

Votes represented at the time of voting: 153,044,537 votes
(including 2,894,798 votes cast electronically)

Voting Results	% of total votes represented at the meeting
Votes in favor: 150,973,623 votes (including 834,686 votes cast electronically)	98.64%
Votes against: 1,036,528 votes (including 1,036,528 votes cast electronically)	0.68%
Invalid, abstained, and non-cast votes: 1,034,386 votes (including 1,023,584 votes cast electronically)	0.68%

VI. Extraordinary Motions: Shareholders' remarks were omitted.

VII. Adjournment: 09:35 AM of the same day.

Note 1: This Annual General Meeting minutes record only the essentials and the results of the meeting, as required by the Company Act. When it comes to the meeting content, procedures, or any speeches taken place therein, the video record of the meeting shall prevail.

Note 2: The percentage (%) of the votes in favor, against, invalid, abstained, or not cast to total votes represented at the meeting was rounded to two decimal. As such, the sum wouldn't equal 100.00% because there were some decimal digits being rounded up/down.

Attachment I



旺旺友聯產物保險股份有限公司
Union Insurance Co., Ltd.

2020 Business Report

I. Operating Directives

The Company continues to uphold the spirit of the Group. We regard our employees as important resources; working confidently, we all are one, heart to heart, with the spirit to unite those who are like-minded to create high-performance and share the fruitful results, while creating new business territories to achieve the Company's culture and business concept so that both the Company and the employees may continuously benefit. We strive to strengthen corporate governance mechanism, fulfill corporate social responsibility, implement fair treatment on customers, improve the core capital and risk bearing capacity of the Company, so as to generate shareholder's value as the foundation of our sustainable operation. That is all for the Company's colleagues to work hard to follow the business policy.

II. Implementation Overview and Results

Due to the impact of COVID-19 epidemic on the global economy in 2020, domestic property insurance market has seen a decline in premiums of travel-related insurance and freight insurance. By contrast, due to effective control on domestic epidemic, premiums of other insurance have witnessed an apparent growth. Total premiums from all kinds of insurance amounted to NT\$187.39 billion, an increase of NT\$11 billion (or 6.2%) from NT\$176.39 billion in 2019. With the concerted efforts of staff, the Company has made great strides in insurance premium income which surged passed NT\$10 billion for the first time and reached a record high of NT\$10.22 billion, an increase of NT\$390 million (or 4.0%) from NT\$9.83 billion in 2019, attaining a sixth place in the market and a market share of 5.5%.

In recent years, the Company's investment management policy has been centered on good liquidity structure, i.e. properly allocate assets to derive steady investment gains; insurance underwriting business has expanded significantly, owing to good car sales domestically and an increase of premiums rates of some insurances; and reinsurance arrangements and the underwriting capacity for commercial insurance business have also gained grounds; all contributing to the growth of the overall operating performance. Taiwan Ratings recognized the Company as having strong capital and profitability and thus assigned the rating of "twAA" and a stable outlook to the Company's issuer credit

rating and insurer financial strength rating. Standard & Poor's (S&P) and AM Best also recognized the Company's performance by respectively awarding the Company a rating of "A-" and "A- (Excellent)" and a stable outlook.

III. Operating Revenue

(I) Operating revenue

In 2020, premium retained saw a stable growth of 5.36% to NT\$7.383 billion; premium earned amounted to NT\$7.144 billion, an increase of NT\$105 million (or 1.5%) from NT\$7.039 billion in 2019; annual net investment gain reached a record high of NT\$501 million, an increase of NT\$66 million (or 15%) from NT\$435 million in 2019. The overall operating revenue climbed to NT\$8.238 billion, an increase of NT\$156 million (or 1.9%) from NT\$8.082 billion in 2019.

(II) Operating expenses

In 2020, loss ratio amounted to 53.9%; total operating costs amounted to NT\$5.51 billion, an increase of NT\$158 million (or 2.9%) from NT\$5.352 billion in 2019; and, total operating costs amounted to NT\$2.054 billion, a slight increase of NT\$10 million (or 0.5%) from NT\$2.044 billion in 2019.

IV. Profitability Analysis

Earnings in 2020 have seen a steady growth, namely, a combined ratio of 96%; profit before tax of NT\$706 million, an increase of NT\$6 million (or 0.8%) from NT\$700 million in 2019; profit after tax of NT\$702 million; basic earnings per share of NT\$3.14; owners' equity of NT\$5.847 billion, an increase of 7.9% from NT\$5.418 billion at the end of 2019; an increase in net worth per share to NT\$26.15; and, an equity-to-asset ratio of 32.95%.

V. Research and Development

The ever-evolving modern technology has shaped customers' consumption pattern. In order to provide them services with greater speed and diversity, the Company has optimized its core systems and B2B and B2C operating systems to improve operating efficiency; launched a mobile application (APP) and refined its official website to offer online insurance purchase, online premium calculations, electronic insurance policies, property insurance Q&A, and rapid claims settlement, among other services; and provided multiple communication channels with customers through Facebook and Line@.

In order to provide policyholders with broader coverage and product choices, during the 2020 epidemic period, the Company rolled out the pandemic insurance policy which compensates a policyholder if he/she has contracted a legally mandated transmittable disease. In addition, the Company has made great efforts in devising various products, e.g. mobile device insurance, mobile phone insurance, cybersecurity insurance, designated

driver liability insurance, green car insurance, an add-on clause for reconstruction using green materials, and comprehensive pet insurance, among other products.

The Company will continue to devise new products; optimize and innovate on operations; leverage fintech to make insurance services more efficient; focus on the management of emerging risks; build a complete information security framework; and refine information services and improve the maturity of information security governance in order to offer quality customer services through the introduction of new technologies. In addition, the Company will follow with the policies of the Financial Supervisory Commission to proactively apply the Insurance Capital Standard (ICS) and IFRS17 and practice personal data protection and principles for fair treatment of customers. Doing so will not only guarantee customers the highest quality and friendly service experience, but also fulfill corporate social responsibility, thereby building the Company into customers' most trusted insurance company.

Chairman:

Manager:

Principal Accounting Officer:

Attachment II

Independent Auditors' Report

To the Board of Directors of Union Insurance Co., LTD.:

Opinion

We have audited the financial statements of Union Insurance Co., LTD.(“the Company”), which comprise the balance sheets as of December 31, 2020 and 2019, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of insurance liability

Please refer to Note 4(p) “Insurance liabilities” for the related accounting policy, Note 5(a) for accounting assumptions and estimation uncertainty of insurance liability, and Note 6(q) for details of the assessment of insurance liability.

Description of key audit matter:

The Company measures insurance liabilities in accordance with “Regulations Governing the Provision of Various Reserves” and relevant administrative rules, of which the judgment of future uncertainty and related hypothetical parameters include claim development factor and expected claim rate used in estimating the claim reserve, as well as the reserve of unearned premium is based on the calculated factors according to characteristics of each insurance type. Above mentioned assessment is involved the exercise of significant professional judgments. Therefore, the valuation of insurance liabilities has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: engaging our internal actuarial specialists to perform relevant audit procedures over insurance liability, inspecting whether the methods and parameters of insurance liabilities are in accordance with insurance related regulations and administrative rules and relevant practical principles set by the Actuarial Institute of the Republic of China; independently establishing models to recalculate the amount of reserves and further comparing the result of recalculation with the one provided by the management; the appropriateness of actuarial assumptions based on internal data or industry experiences with the characteristics of insurance products, performing the changes of insurance liabilities analysis, including understanding of industry and market, and evaluating the rationality of actuarial assumption adopted by the management.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are LEE, FENG HUI and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 26, 2021

Representation Letter

The entities that are required to be included in the combined financial statements of Union Insurance Co., LTD. as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Union Insurance Co., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Union Insurance Co., LTD.

Chairman: HUNG, CHI-HSIUNG

Date: March 26 , 2021

Independent Auditors' Report

To the Board of Directors of Union Insurance Co., LTD.:

Opinion

We have audited the consolidated financial statements of Union Insurance Co., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of insurance liability

Please refer to Note 4(q) “Insurance liability” for the related accounting policy, Note 5(a) for accounting assumptions and estimation uncertainty of insurance liability, and Note 6(p) for details of the assessment of insurance liability.

Description of key audit matter:

The Group measures insurance liabilities in accordance with “Regulations Governing the Provision of Various Reserves” and relevant administrative rules, of which the judgment of future uncertainty and related hypothetical parameters include claim development factor and expected claim rate used in estimating the claim reserve, as well as the reserve of unearned premium is based on the calculated factors according to characteristics of each insurance type. Above mentioned assessment is involved the exercise of significant professional judgments. Therefore, the valuation of insurance liabilities has been identified as a key audit matter in our audit.

How the matter was addressed in our audit:

Our principal audit procedures included: engaging our internal actuarial specialists to perform relevant audit procedures over insurance liability, inspecting whether the methods and parameters of insurance liabilities are in accordance with insurance related regulations and administrative rules and relevant practical principles set by the Actuarial Institute of the Republic of China; independently establishing models to recalculate the amount of reserves and further comparing the result of recalculation with the one provided by the management; the appropriateness of actuarial assumptions based on internal data or industry experiences with the characteristics of insurance products, performing the changes of insurance liabilities analysis, including understanding of industry and market, and evaluating the rationality of actuarial assumption adopted by the management.

Other Matter

The Group has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group’s financial reporting process.

Auditor' s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are LEE, FENG HUI and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 26 , 2021

(English Translation of Financial Statements Originally Issued in Chinese)
UNION INSURANCE CO., LTD.

Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
11000	Cash and cash equivalents (note 6(a))	\$ 2,386,542	13	2,117,261	12	21000	Accounts payable (note 6(b) and (e))	\$ 1,256,750	7	1,283,230	7
12000	Receivables (note 6(b))	667,810	4	858,220	5	21700	Current tax liabilities	180	-	3,166	-
12600	Current tax assets	302	-	77	-	24000	Insurance liabilities (note 6(q))	10,326,662	58	10,404,545	59
13000	Assets classified as held-for- sale (note 6(h))	-	-	39,080	-	27000	Provisions (note 6(o))	214,043	2	233,432	1
14110	Financial assets at fair value through profit or loss (note 6(f))	1,966,543	11	1,619,258	9	23800	Lease liabilities (note 6(m))	7,863	-	19,679	-
14190	Financial assets at fair value through other comprehensive income (note 6(f))	2,356,484	13	1,860,294	11	28000	Deferred tax liabilities (note 6(r))	63,920	-	63,920	-
14145	Financial assets at amortized cost (note 6(f))	1,493,894	8	1,437,951	8	25000	Other liabilities	28,121	-	108,175	2
14180	Other financial assets, net (note 6(f))	2,121,637	12	2,587,570	15		Total liabilities	11,897,539	67	12,116,147	69
16700	Right-of-use assets (note 6(l))	7,810	-	19,584	-		Equity				
14200	Investment property (note 6(j))	791,880	5	839,087	5	31100	Ordinary share (note 6(s))	2,236,080	13	2,129,600	12
15000	Reinsurance assets(note 6(c))	3,920,832	22	4,149,186	24	33100	Legal reserve (note 6(s))	718,040	4	577,284	3
16000	Property and equipment (note 6(k))	1,165,781	7	1,127,260	6	33200	Special reserve (note 6(q) and (s))	2,235,431	13	2,038,341	12
17000	Intangible assets	136,982	1	133,831	1	33300	Unappropriated retained earnings (note 6(s))	599,184	3	549,288	3
18000	Other assets	728,235	4	745,329	4	34210	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	58,458	-	120,375	1
						34700	Equity related to assets (or disposal groups) classified as held for sale (note 6(h))	-	-	2,953	-
							Total equity	5,847,193	33	5,417,841	31
Total assets		\$ 17,744,732	100	17,533,988	100		Total liabilities and equity	\$ 17,744,732	100	17,533,988	100

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2020		2019		Change
	Amount	%	Amount	%	%
41000 Operating revenue:					
41110 Written premium	\$ 10,222,889	124	9,833,305	122	4
41120 Reinsurance premium	419,272	5	400,459	5	5
41100 Premium	10,642,161	129	10,233,764	127	
51100 Less: Reinsurance expense	3,259,029	39	3,231,917	40	1
51310 Net change in unearned premiums reserve	238,756	3	(32,853)	-	827
41130 Retained earned premium	7,144,376	87	7,034,700	87	
41300 Reinsurance commission received	579,520	7	586,449	7	(1)
41500 Net income(loss) from investments					
41510 Interest income	78,337	1	89,255	1	(12)
41521 Gains on financial assets or liabilities at fair value through profit or loss	264,405	3	253,965	3	4
41527 Realized gains (losses) on financial assets at fair value through other comprehensive income	67,954	1	48,037	1	41
41540 Share of loss of associates and joint ventures accounted for using equity method (note 6(g))	-	-	(1,999)	-	100
41550 Foreign exchange gains (losses), investments	(657)	-	(827)	-	21
41570 Gains (losses) on investment property	51,825	1	45,120	1	15
41585 Expected credit losses or reversal of expected credit losses of investments (note 6(f))	76	-	(288)	-	126
41590 Other net income (loss) from investments (note 6(i))	38,855	-	-	-	-
41800 Other operating income	13,091	-	11,586	-	13
Total operating revenue	8,237,782	100	8,065,998	100	
51000 Operating costs:					
51200 Insurance claim payment	5,926,033	72	6,014,604	75	(1)
41200 Less: Claims recovered from reinsurers	2,136,153	26	2,115,782	26	1
51260 Retained claim payment	3,789,880	46	3,898,822	49	
51300 Net change in other insurance liability (note 6(q))					
51320 Net change in claim reserve	58,378	1	(104,753)	(1)	156
51340 Net change in special claim reserve	(5,066)	-	(23,009)	1	78
51350 Net change in premium deficiency reserve	-	-	(4,314)	-	100
51500 Commission expense	1,618,526	20	1,537,730	19	5
51800 Other operating costs	45,501	-	39,386	-	16
51700 Finance costs	2,484	-	2,168	-	15
Total operating costs	5,509,703	67	5,346,030	68	
58000 Operating expenses:					
58100 General expenses	1,611,241	20	1,575,227	20	2
58200 Administrative expenses	434,332	5	410,054	5	6
58300 Staff training expenses	1,195	-	3,994	-	(70)
58400 Expected credit losses or reversal of expected credit losses of non-investments	7,421	-	43,272	1	(83)
Total operating expenses	2,054,189	25	2,032,547	26	
Net operating income	673,890	8	687,421	6	(2)
59000 Non-operating income and expenses:					
59100 Gains (losses) on disposals of property and equipment	2,141	-	-	-	-
59900 Other non-operating income and expenses, net	30,021	1	13,930	-	116
Total non-operating income and expenses	32,162	1	13,930	-	
62000 Net income before income tax	706,052	9	701,351	6	
63000 Less: Income tax expenses (benefits)(note 6(r))	3,955	-	(2,431)	-	
Net income	702,097	9	703,782	6	-
83000 Other comprehensive income:					
83100 Components of other comprehensive income that will not be reclassified to profit or loss					
83110 Gains (losses) on remeasurements of defined benefit plans (note 6(o))	(29,815)	-	(19,579)	-	(52)
83190 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(52,572)	(1)	85,209	1	(162)
Components of other comprehensive income that will not be reclassified to profit or loss	(82,387)	(1)	65,630	1	(226)
83200 Components of other comprehensive income (loss) that will be reclassified to profit or loss					
83210 Exchange differences on translation of foreign financial statements	-	-	(668)	-	100
83260 Equity related to assets (or disposal groups) declassified as held-for-sale	-	-	2,953	-	(100)
Components of other comprehensive income that will be reclassified to profit or loss	-	-	2,285	-	(100)
83000 Other comprehensive income (after tax)	(82,387)	(1)	67,915	1	(221)
Total comprehensive income	\$ 619,710	8	771,697	7	(20)
97500 Basic earnings per share (note 6(t))		3.14		3.15	
98500 Diluted earnings per share (note 6(t))		3.12		3.13	

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Other equity			Total equity
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Equity related to current assets (or disposal groups) classified as held for sale		
Balance at January 1, 2019	\$ 2,129,600	456,160	1,764,966	431,190	668	55,224	-	4,837,808	
Net income	-	-	-	703,782	-	-	-	703,782	
Other comprehensive income	-	-	-	(19,579)	(668)	85,209	2,953	67,915	
Total comprehensive income	-	-	-	684,203	(668)	85,209	2,953	771,697	
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	121,124	-	(121,124)	-	-	-	-	
Special reserve appropriated-net change in special claim reserve	-	-	270,875	(270,875)	-	-	-	-	
Special reserve appropriated-employee training and transferring plan	-	-	2,500	(2,500)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(191,664)	-	-	-	(191,664)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	20,058	-	(20,058)	-	-	
Balance at December 31, 2019	2,129,600	577,284	2,038,341	549,288	-	120,375	2,953	5,417,841	
Net income	-	-	-	702,097	-	-	-	702,097	
Other comprehensive income	-	-	-	(29,815)	-	(52,572)	-	(82,387)	
Total comprehensive income	-	-	-	672,282	-	(52,572)	-	619,710	
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	140,756	-	(140,756)	-	-	-	-	
Special reserve appropriated-net change in special claim reserve	-	-	200,110	(200,110)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	(187,405)	-	-	-	(187,405)	
Stock dividends of ordinary share	106,480	-	-	(106,480)	-	-	-	-	
Special reserve reversal-employee training and transferring plan	-	-	(3,020)	3,020	-	-	-	-	
Disposal of subsidiaries	-	-	-	-	-	-	(2,953)	(2,953)	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	9,345	-	(9,345)	-	-	
Balance at December 31, 2020	\$ 2,236,080	718,040	2,235,431	599,184	-	58,458	-	5,847,193	

(English Translation of Financial Statements Originally Issued in Chinese)
UNION INSURANCE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 706,052	701,351
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	53,997	55,523
Amortization expense	17,301	16,498
Net profit on financial assets or liabilities at fair value through profit or loss	(240,451)	(238,212)
Interest expense	2,484	2,168
Interest revenue	(78,337)	(89,255)
Dividend revenue	(91,908)	(63,790)
Net change in insurance liabilities	(69,823)	(483,076)
Net change in other provisions	(49,204)	(61,796)
Expected credit loss (Reversal of credit loss) of investments	(76)	288
Expected credit loss of non-investments	7,421	43,272
Share of loss of subsidiaries accounted for using equity method	-	1,999
Gain on disposal of property and equipment	(2,141)	-
Gain on disposal of investment properties	(9,947)	-
Gain on disposal of intangible assets	(3,189)	-
Gain on disposal of subsidiaries	(38,855)	-
Others	(15)	-
Total adjustments to reconcile profit (loss)	(502,743)	(816,381)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	(16,689)	45,160
Decrease in premiums receivable	224,866	10,433
Increase in other receivable	(25,108)	(27,812)
Increase in financial assets at fair value through profit or loss	(106,834)	(727,072)
Increase in financial assets at fair value through other comprehensive income	(548,762)	(787,965)
Increase in financial assets at amortized cost	(72,991)	(200,000)
Decrease in other financial assets	465,933	1,439,464
Decrease in reinsurance assets	228,338	323,785
Decrease (increase) in other assets	12,091	(50,574)
Total changes in operating assets	160,844	25,419
Changes in operating liabilities:		
Increase (decrease) in other payable	(26,478)	73,286
Increase (decrease) in other liabilities	(80,054)	67,523
Total changes in operating liabilities	(106,532)	140,809
Cash inflow generated from operations	257,621	51,198
Interest received	78,686	88,765
Dividends received	92,163	61,987
Interest paid	(2,484)	(2,168)
Income taxes paid	(7,166)	(2,999)
Net Cash flows from operating activities	418,820	196,783
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	74,980	-
Acquisition of property and equipment	(56,714)	(120,801)
Proceeds from disposal of property and equipment	3,980	-
Acquisition of intangible assets	(14,364)	(18,738)
Proceeds from disposal of intangible assets	10,500	-
Acquisition of investment properties	(2,251)	-
Proceeds from disposal of investment properties	38,000	-
Net cash flows from (used in) investing activities	54,131	(139,539)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(16,265)	(16,448)
Cash dividends paid	(187,405)	(191,664)
Net cash flows used in financing activities	(203,670)	(208,112)
Net increase (decrease) in cash and cash equivalents	269,281	(150,868)
Cash and cash equivalents at beginning of period	2,117,261	2,268,129
Cash and cash equivalents at end of period	\$ 2,386,542	2,117,261

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
UNION INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2020		December 31, 2019		Liabilities and Equity		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%			Amount	%	Amount	%
11000	Cash and cash equivalents (note 6(a))	\$ 2,386,542	13	2,117,261	12	21000	Accounts payable (note 6(b) and (e))	\$ 1,256,750	7	1,283,228	7
12000	Receivables (note 6(b))	667,810	4	858,220	5	21700	Current tax liabilities	180	-	3,166	-
12600	Current tax assets	302	-	77	-	22000	Liabilities related to assets classified as held-for-sale (note 6(g))	-	-	27,071	-
13000	Assets classified as held-for-sale (note 6(g))	-	-	89,711	-	24000	Insurance liabilities (note 6(p))	10,326,662	58	10,404,545	59
14110	Financial assets at fair value through profit or loss (note 6(f))	1,966,543	11	1,619,258	9	27000	Provisions (note 6(n))	214,043	2	233,432	1
14190	Financial assets at fair value through other comprehensive income (note 6(f))	2,356,484	13	1,860,294	11	23800	Lease liabilities (note 6(l))	7,863	-	19,679	-
14145	Financial assets at amortized cost (note 6(f))	1,493,894	8	1,437,951	8	28000	Deferred tax liabilities (note 6(q))	63,920	-	63,920	1
14180	Other financial assets, net (note 6(f))	2,121,637	12	2,587,570	15	25000	Other liabilities	28,121	-	108,175	1
16700	Right-of-use assets (note 6(k))	7,810	-	19,584	-		Total liabilities	11,897,539	67	12,143,216	69
14200	Investment property (note 6(i))	791,880	5	839,087	5		Equity				
15000	Reinsurance assets (note 6(c))	3,920,832	22	4,149,186	24	31100	Ordinary share (note 6(r))	2,236,080	13	2,129,600	12
16000	Property and equipment (note 6(j))	1,165,781	7	1,127,260	6	33100	Legal reserve (note 6(r))	718,040	4	577,284	3
17000	Intangible assets	136,982	1	133,831	1	33200	Special reserve (note 6(p) and (r))	2,235,431	13	2,038,341	12
18000	Other assets	728,235	4	745,329	4	33300	Unappropriated retained earnings (note 6(r))	599,184	3	549,288	3
						34210	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	58,458	-	120,375	1
						34700	Equity related to assets(or disposal groups) classified as held for sale (note 6(g))	-	-	2,953	-
							Total equity attributable to owners of parent:	5,847,193	33	5,417,841	31
						36000	Non-controlling interests	-	-	23,562	-
							Total equity	5,847,193	33	5,441,403	31
Total assets		\$ 17,744,732	100	17,584,619	100		Total liabilities and equity	\$ 17,744,732	100	17,584,619	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Share)

	2020		2019		Change
	Amount	%	Amount	%	%
41000	Operating revenue:				
41110	\$ 10,222,889	124	9,860,309	122	4
41120	419,272	5	400,657	5	5
41100	10,642,161	129	10,260,966	127	
51100	3,259,029	39	3,253,567	40	-
51310	238,756	3	(31,813)	-	850
41130	7,144,376	87	7,039,212	87	
41300	579,520	7	595,712	7	(3)
41500					
41510	78,337	1	90,082	1	(13)
41521	264,405	3	252,503	3	5
41527	67,954	1	48,037	1	41
41550	(657)	-	(827)	-	21
41570	51,825	1	45,924	1	13
41585	76	-	(288)	-	126
41590	38,855	-	-	-	-
41800	13,091	-	11,586	-	13
	Total operating revenue	100	8,081,941	100	
51000	Operating costs:				
51200	5,926,033	72	6,016,939	74	(2)
41200	2,136,153	26	2,117,717	26	1
51260	3,789,880	46	3,899,222	48	
51300					
51320	58,378	1	(105,068)	(1)	156
51340	(5,066)	-	(23,009)	-	78
51350	-	-	(4,360)	-	100
51500	1,618,526	20	1,543,544	19	5
51800	45,501	-	39,455	-	15
51700	2,484	-	2,168	-	15
	Total operating costs	67	5,351,952	66	
58000	Operating expenses:				
58100	1,611,241	20	1,575,351	19	2
58200	434,332	5	421,030	5	3
58300	1,195	-	4,010	-	(70)
58400	7,421	-	43,272	1	(83)
	Total operating expenses	25	2,043,663	25	
	Net operating income	8	686,326	9	(2)
59000	Non-operating income and expenses:				
59100	2,141	-	-	-	-
59400	-	-	(5)	-	100
59900	30,021	1	13,933	-	115
	Total non-operating income and expenses	1	13,928	-	
62000	Net income before income tax	9	700,254	9	
63000	3,955	-	(2,323)	-	
	Net income	9	702,577	9	-
83000	Other comprehensive income:				
83100	Components of other comprehensive income that will not be reclassified to profit or loss				
83110	(29,815)	-	(19,579)	-	(52)
83190	(52,572)	(1)	85,209	1	(162)
	Components of other comprehensive income that will not be reclassified to profit or loss	(1)	65,630	1	(226)
83200	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
83210	-	-	710	-	(100)
83260	-	-	2,953	-	(100)
	Components of other comprehensive income that will be reclassified to profit or loss	-	3,663	-	(100)
83000	Total comprehensive income (after tax)	(1)	69,293	1	(219)
	Total comprehensive income	8	771,870	10	(20)
	Profit, attributable to:				
	Owners of parent	9	703,782	9	-
	Non-controlling interests	-	(1,205)	-	100
		9	702,577	9	
	Comprehensive income attributable to:				
	Owners of parent	8	771,697	10	(20)
	Non-controlling interests	-	173	-	(100)
		8	771,870	10	
97500	Basic earnings per share(note 6(s))	3.14	3.15		
98500	Diluted earnings per share(note 6(s))	3.12	3.13		

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
UNION INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital	Retained earnings			Other equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Equity related to assets (or disposal groups) classified as held-for-sale			
Balance at January 1, 2019	\$ 2,129,600	456,160	1,764,966	431,190	668	55,224	-	4,837,808	23,389	4,861,197
Net income	-	-	-	703,782	-	-	-	703,782	(1,205)	702,577
Other comprehensive income	-	-	-	(19,579)	(668)	85,209	2,953	67,915	1,378	69,293
Total comprehensive income	-	-	-	684,203	(668)	85,209	2,953	771,697	173	771,870
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	121,124	-	(121,124)	-	-	-	-	-	-
Special reserve appropriated-net change in special claim reserved	-	-	270,875	(270,875)	-	-	-	-	-	-
Special reserve appropriated-employee training and transferring plan	-	-	2,500	(2,500)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(191,664)	-	-	-	(191,664)	-	(191,664)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	20,058	-	(20,058)	-	-	-	-
Balance at December 31, 2019	2,129,600	577,284	2,038,341	549,288	-	120,375	2,953	5,417,841	23,562	5,441,403
Net income	-	-	-	702,097	-	-	-	702,097	-	702,097
Other comprehensive income	-	-	-	(29,815)	-	(52,572)	-	(82,387)	-	(82,387)
Total comprehensive income	-	-	-	672,282	-	(52,572)	-	619,710	-	619,710
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	140,756	-	(140,756)	-	-	-	-	-	-
Special reserve appropriated-net change in special claim reserved	-	-	200,110	(200,110)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(187,405)	-	-	-	(187,405)	-	(187,405)
Stock dividends of ordinary share	106,480	-	-	(106,480)	-	-	-	-	-	-
Special reserve reversal-employee training and transferring plan	-	-	(3,020)	3,020	-	-	-	-	-	-
Disposal of subsidiaries	-	-	-	-	-	-	(2,953)	(2,953)	(23,562)	(26,515)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	9,345	-	(9,345)	-	-	-	-
Balance at December 31, 2020	\$ 2,236,080	718,040	2,235,431	599,184	-	58,458	-	5,847,193	-	5,847,193

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
UNION INSURANCE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 706,052	700,254
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	53,997	55,715
Amortization expense	17,301	16,532
Net profit on financial assets or liabilities at fair value through profit or loss	(240,451)	(236,750)
Interest expense	2,484	2,168
Interest revenue	(78,337)	(90,082)
Dividend revenue	(91,908)	(63,790)
Net change in insurance liabilities	(69,823)	(484,100)
Net change in other provisions	(49,204)	(61,807)
Expected credit loss (Reversal of credit loss) of investments	(76)	288
Expected credit loss of non-investments	7,421	43,272
Loss (gain) on disposal of property and equipment	(2,141)	5
Gain on disposal of investment properties	(9,947)	-
Gain on disposal of intangible assets	(3,189)	-
Gain on disposal subsidiaries	(38,855)	-
Others	(15)	-
Total adjustments to reconcile profit (loss)	(502,743)	(818,549)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes receivable	(16,689)	45,179
Decrease in premiums receivable	224,866	11,297
Increase in other receivable	(25,108)	(26,799)
Increase in financial assets at fair value through profit or loss	(106,834)	(727,425)
Increase in financial assets at fair value through other comprehensive income	(548,762)	(787,965)
Increase in financial assets at amortized cost	(72,991)	(199,454)
Decrease in other financial assets	465,933	1,415,656
Decrease in reinsurance assets	228,338	328,591
Decrease (increase) in other assets	12,091	(31,055)
Total changes in operating assets	160,844	28,025
Changes in operating liabilities:		
Increase (decrease) in other payable	(26,478)	71,536
Increase (decrease) in other liabilities	(80,054)	67,543
Total changes in operating liabilities	(106,532)	139,079
Cash inflow generated from operations	257,621	48,809
Interest received	78,686	88,574
Dividends received	92,163	61,987
Interest paid	(2,484)	(2,168)
Income taxes paid	(7,166)	(2,999)
Net Cash flows used from operating activities	418,820	194,203
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	69,873	-
Acquisition of property and equipment	(56,714)	(120,837)
Proceeds from disposal of property and equipment	3,980	-
Acquisition of intangible assets	(14,364)	(18,738)
Proceeds from disposal of intangible assets	10,500	-
Acquisition of investment properties	(2,251)	-
Proceeds from disposal of investment properties	38,000	-
Net cash flows from (used in) investing activities	49,024	(139,575)
Cash flows from (used in) financing activities:		
Decrease in lease payable	(16,265)	(16,448)
Cash dividends paid	(187,405)	(191,664)
Net cash flows used in financing activities	(203,670)	(208,112)
Effect of exchange rate changes on cash and cash equivalents	-	3,550
Net increase (decrease) in cash and cash equivalents	264,174	(149,934)
Cash and cash equivalents at beginning of period (including cash and cash equivalents from assets classified as held-for-sale)	2,122,368	2,272,302
Cash and cash equivalents at end of period	\$ 2,386,542	2,122,368
Components of cash and cash equivalents		
Cash and cash equivalents reported in the statement of financial position	\$ 2,386,542	2,117,261
Reclassification to assets held-for-sale	-	5,107
Cash and cash equivalents at end of period	\$ 2,386,542	2,122,368

Attachment IV

Union Insurance Company 2020 Audit Committee's Review Report

The Board of Directors has submitted the Company's 2020 consolidated and individual financial statements that have been audited by CPA Li Feng-Hui and CPA Chung Dan-Dan of KPMG to the Audit Committee for review. It has been reviewed by the Audit Committee and it is considered that there is no disagreement. Therefore, the Audit Committee has prepared the report pursuant to Article 219 of the Company Act.

Sincerely

Union Insurance Company

Convener of the Audit Committee

March 26, 2021

Attachment V

Union Insurance Co., Ltd.

Comparison Table of The Amendment to Corporate Social Responsibility Principles

Article No.	After Amendment	Before Amendment	Explanation
Article 9	<p>To achieve a sound management of corporate social responsibility, the Board of Directors shall authorize the General Manager to establish the CSR Committee, which shall comprise six task forces, namely Corporate Governance, Customer Care, Employee Care, Environmental Sustainability, Public Welfare, and Product Services. They shall be responsible for formulating corporate social responsibility policy, proposing and implementing corporate social responsibility plans, and regularly reporting the implementation status to the Board of Directors.</p> <p>The Company shall formulate reasonable remuneration policies to ensure that remuneration planning can be in line with the organizational strategic goals and stakeholders' interests.</p> <p>Employ performance evaluation system shall be aligned with corporate social responsibility policies, and shall contain explicit and effective reward and disciplinary provisions.</p>	<p>To achieve a sound management of corporate social responsibility, the Board of Directors shall authorize the General Manager to establish the CSR Committee, which shall comprise five task forces, namely Corporate Governance, Customer Care, Employee Care, Environmental Sustainability, and Public Welfare. They shall be responsible for formulating corporate social responsibility policy, proposing and implementing corporate social responsibility plans, and regularly reporting the implementation status to the Board of Directors.</p> <p>The Company shall formulate reasonable remuneration policies to ensure that remuneration planning can be in line with the organizational strategic goals and stakeholders' interests.</p> <p>Employ performance evaluation system shall be aligned with corporate social responsibility policies, and shall contain explicit and effective reward and disciplinary provisions.</p>	<p>The Product Service Task Force was newly added to the CSR committee, which originally comprised only five task forces: Corporate Governance, Customer Care, Employee Care, and Public Welfare.</p>

Attachment VI

Union Insurance Co., Ltd.

Comparison Table of the Amendment to Articles of Incorporation

Article No.	After Amendment	Before Amendment	Explanation
Article 1	The Company shall be incorporated under the Company Act and Insurance Act of the Republic of China, and its English name shall be “Union Insurance Co., Ltd.”	The Company shall be incorporated under the Company Act and Insurance Act of the Republic of China, and its name shall be “Union Insurance Co., Ltd.”	The Company specified own English name as required by Article 101 and Article 392-1 of the Company Act.
Article 35	<p>The Company’s Board of Directors shall compile the following reports and statements at the end of fiscal year and shall submit the same to the Shareholders’ Meeting for ratification in accordance with the prescribed legal procedures.</p> <p>1. Business Report 2. Financial Statements 3. Proposal for Distribution of Earnings or Loss Make-up</p> <p><u>Where all or a part of the dividends and bonus is distributed in cash, such distribution shall be subject to a resolution by the Board of Directors as prescribed in Article 36.</u></p> <p>The Company may make public announcements for the aforementioned Proposal for Distribution of Earnings or Loss Make-up.</p>	<p>The Company’s Board of Directors shall compile the following reports and statements at the end of fiscal year and shall submit the same to the Shareholders’ Meeting for ratification in accordance with the prescribed legal procedures.</p> <p>1. Business Report 2. Financial Statements 3. Proposal for Distribution of Earnings or Loss Make-up</p> <p>The Company may make public announcements for the aforementioned Proposal for Distribution of Earnings or Loss Make-up.</p>	Complying with Article 240 of the Company Act: A company may stipulate in the Articles of Incorporation that the Board of Directors may be authorized to, with a special resolution, distribute all or part of the distributable dividends and bonus in cash, and report to the shareholders’ meeting.
Article 36	<p>The conditions, timing and amount of dividends of the Company shall be handled in the following manner:</p> <p>If there are earnings, the Company shall first pay the tax, make up the losses in previous years and set aside a legal capital reserve at 20% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve or reverse special reserve in accordance with relevant laws or regulations or as requested by</p>	<p>The conditions, timing and amount of dividends of the Company shall be handled in the following manner:</p> <p>If there are earnings, the Company shall first pay the tax, make up the losses in previous years and set aside a legal capital reserve at 20% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside special capital reserve or reverse special reserve in accordance with relevant laws or regulations or as requested by the</p>	Complying with Article 240 of the Company Act: A company may stipulate in the Articles of Incorporation that the Board of Directors may be authorized to, with a special resolution, distribute all or part of the distributable dividends and bonus

Article No.	After Amendment	Before Amendment	Explanation
	<p>the authorities in charge. After that, the Company may delegate the Board of Directors, depending on the operating circumstance, to allocate a certain portion of retained earnings as a reserve, then the remaining balance plus unappropriated retained earnings in previous years shall be calculated in an Earnings Distribution Proposal and submitted to the Shareholders' Meeting for approval.</p> <p><u>The Board of Directors shall be authorized to handle the said Earnings Distribution Proposal and may, by a majority vote at a meeting attended by two third or more of all Directors, distribute all or part of the distributable dividends and bonus in cash and report such handling to the Shareholders' Meeting.</u></p> <p>The Board of Directors is delegated to make reasonable remuneration for the Independent Directors whose remuneration shall not be included in the Company's earnings distribution. The Company is in the property insurance industry. In addition to complying with government policies and meeting the capital adequacy ratio, corporate development must strengthen the Company's underwriting energy and liquidity. The Company's policy of allocating dividends is subject to the current and future investment environment, capital requirements, market competition and capital budget of the Company, taking into account the interests of shareholders, balancing dividends and long-term financial planning of the Company. The Board of Directors prepares the Earnings Distribution Proposal every year according to the law. The distribution of earnings may be distributed in cash dividends or stock dividends. However, the ratio of</p>	<p>authorities in charge. After that, the Company may delegate the Board of Directors, depending on the operating circumstance, to allocate a certain portion of retained earnings as a reserve, then the remaining balance plus unappropriated retained earnings in previous years shall be calculated in an Earnings Distribution Proposal and submitted to the Shareholders' Meeting for approval.</p> <p>The Board of Directors is delegated to make reasonable remuneration for the Independent Directors whose remuneration shall not be included in the Company's earnings distribution. The Company is in the property insurance industry. In addition to complying with government policies and meeting the capital adequacy ratio, corporate development must strengthen the Company's underwriting energy and liquidity. The Company's policy of allocating dividends is subject to the current and future investment environment, capital requirements, market competition and capital budget of the Company, taking into account the interests of shareholders, balancing dividends and long-term financial planning of the Company. The Board of Directors prepares the Earnings Distribution Proposal every year according to the law. The distribution of earnings may be distributed in cash dividends or stock dividends. However, the ratio of cash dividends shall not be less than 10% of the total dividend, but if the cash dividend is less than NT\$ 0.1 per share, it will not be issued, and the stock dividend will be distributed.</p>	<p>in cash, and report to the shareholders' meeting.</p>

Article No.	After Amendment	Before Amendment	Explanation
	cash dividends shall not be less than 10% of the total dividend, but if the cash dividend is less than NT\$ 0.1 per share, it will not be issued, and the stock dividend will be distributed.		
Article 39	The Articles of Incorporation was stipulated on January 16, 1963. The first amendment was made on April 6, 1965....(omit). The forty-fourth amendment was on June 24, 2020. The forty-fifth amendment was on July 30, 2021; Implemented after a resolution by the Shareholders' Meeting.	The Articles of Incorporation was stipulated on January 16, 1963. The first amendment was made on April 6, 1965....(omit). The forty-fourth amendment was on June 24, 2020. Implemented after a resolution by the Shareholders' Meeting.	Added another amendment date.