

TWSE: 2816



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

Annual Report 2021 (Translation)

**Date of publication: Published on April 30,
2022**

M.O.P.S.: mops.twse.com.tw

Company website: www.wwunion.com

1 、 Name, Title, Tel. and E-mail of Spokesperson and Deputy Spokesperson

	<u>Spokesperson</u>	<u>Deputy Spokesperson</u>
Name:	James Pan	Craig Chen
Position:	Special Assistant of General Manager Office	Assistant Vice President
Tel.:	(02)2776-5567	(02)2776-5567
E-mail:	James.Pan@wwunion.com	craig.chen@wwunion.com

2 、 Address and Tel. of Head Office and Branches

Head Office: 12F., No.219, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City 106, Taiwan
(R.O.C.) Telephone: (02)2776-5567 (Hunting Number)

Branch Address and Tel:

<u>Name</u>	<u>Address</u>	<u>Telephone</u>
YuanAn Branch	2F., No.467, Sec. 6, Zhongxiao E. Rd., Nangang Dist., Taipei City 106, Taiwan (R.O.C.)	(02)27888111
Taipei Branch	9F., No.453, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.)	(02)22576455
Taoyuan Branch	2F., No.6, Sec. 2, Daxing W. Rd., Taoyuan City 330, Taiwan (R.O.C.)	(03)3019211
Zongli Branch	13F.-5, No. 398, Huanbei Rd., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.)	(03)4265266
Hsinchu Branch	3F.-2, No.55, Dongguang Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.)	(03)5753966
Taichung Branch	4F., No.230, Sec. 3, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan (R.O.C.)	(04)23141666
Fengyuan Branch	7F., No.23, Yuanhuan W. Rd., Fengyuan Dist., Taichung City 420, Taiwan (R.O.C.)	(04)25226102
Changhua Branch	7F., No.401, Sec. 1, Zhongshan Rd., Changhua City, Changhua County 500, Taiwan (R.O.C.)	(04)7632355
Nantou Branch	4F.-1, No. 94, Hexing St., Caotun Township, Nantou County 542, Taiwan (R.O.C.)	(049)2310598
Chiayun Branch	9F.-1, No. 336-1, Xingye W. Rd., West Dist., Chiayi City 600, Taiwan (R.O.C.)	(05)2356999
Tainan Branch	6F., No.75, Nanmen Rd., West Central Dist., Tainan City 700, Taiwan (R.O.C.)	(06)2260603
Yongkang Branch	17F.-1, No.425, Zhonghua Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.)	(06)3035533
Kaohsiung Branch	10F., No.533, Zhongshan 2nd Rd., Qianjin Dist., Kaohsiung City 801, Taiwan (R.O.C.)	(07)2010201
Gangshan Branch	1F, 2F., No. 74, Jieshou Rd., Gangshan Dist., Kaohsiung City 820, Taiwan (R.O.C.)	(07)6256656
Pingtung Branch	No.19-4, Gongyuan Rd., Pingtung City, Pingtung County 900, Taiwan (R.O.C.)	(08)7333579

3 、 Name, Address, Website and Tel. of Stock Transfer Handling Agency

Name: Stock Affairs Agency Department of IBF Securities Co., Ltd.

Address: 15F., No.188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City 106, Taiwan (R.O.C.)

Website: www.ibfs.com.tw

Tel.: (02) 2528-8988

4 、 Name of CPAs, Name, Address, Website and Tel. of Accounting Firm for the Latest Financial Statements

CPAs: Cheng-Yen Wu, Dan-Dan Chung

Name of accounting firm: KPMG

Address of accounting firm: 68F, No.7, Sec.5, Xinyi Rd. Taipei (TAIPEI 101 Tower)

Website: www.kpmg.com.tw

Tel.: (02)8101-6666

5 、 Name of Overseas Listing Securities Exchange Office and the Way to Inquire: None.**6 、 Company's website: www.wwunion.com**

Table of Contents

Chapter 1.	Letter to Shareholders	1
Chapter 2.	Company Profile	5
I	Date of Incorporation: February 20, 1963.....	5
II	Company History:	5
Chapter 3.	Corporate Governance Report	6
I	Organizational System	6
II	Information on the Directors, Supervisors, General Manager, Deputy General Managers, Assistant Vice Presidents, and the Persons in Charge of Divisions and Branch Units	9
III	Remuneration Paid During the Most Recent Fiscal Year to Directors (Including Independent Directors), Supervisors, General Manager and Deputy General Managers	17
IV	Implementation of Corporate Governance	22
V	Information on CPA Professional Fees	63
VI	Information on Replacement of CPAs:	63
VII	Information About Chairman, General Manager, and Financial or Accounting Manager of the Company Who Has Worked with the CPA Firm Which Conducts the Audit of the Company or Affiliate to Said Firm in the Most Recent Year: None.....	64
VIII	Shareholder Equity Transfer and Equity Pledge Changes Exceeding 10%:	64
IX	Relationship information, if among the Company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another	66
X	The number of shares held by the investment business, and combined to calculate the comprehensive shareholding ratio.....	67
Chapter 4.	Capital Overview	68
I	Source of Capital.....	68
II	Shareholder structure	69
III	Diversification of shareholding.....	69
IV	List of Major Shareholders.....	70
V	Market price, net value, earnings, dividends per share and related information in the most recent two years	70
VI	Dividend Policy and Implementation of the Company	71
VII	Impact of the Stock Grants Proposed by the Shareholders' Meeting on the Company's Operating Performance, Earnings per Share and Return on Investment: The Company does not have stock grants in stock dividends appropriated from earnings proposed by the shareholders' meeting in 2022, so it is not applicable.....	72
VIII	Compensation to directors and employees:.....	72
IX	The Company's Stock Repurchase: None.....	73
X	Corporate Bonds: None.....	73
XI	Preferred Shares: None.	73
XII	Global Depository Receipts (GDRs): None.	73
XIII	Employee Stock Options: None.	73
XIV	Employee Restricted Stock: None.....	73
XV	The names of the managers and top ten employees who obtained the employee stock option certificates, and the status acquisition and subscription: None.	73

XVI	The names of the managers and top ten employees who obtained the new restricted employees' right shares, and the acquisition status: None.	73
XVII	Mergers and Acquisitions, or as Assignee of New Shares Issued by Another Company: None. .	73
XVIII	Status of Financing Plans and Implementation: None.	73
Chapter 5.	Business Overview	74
I	Business Activities	74
II	Overview of Market and Production and Marketing Situation	83
III	Information on Employees	88
IV	Environmental protection expenditure	88
V	Labor relations	90
VI	Information Security Management.....	94
VII	Major Agreements.....	97
Chapter 6.	Financial Overview	98
I	Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Years (Consolidated and Parent Company Only).....	98
II	Financial Analysis for the Past Five Years (Consolidated and Parent Company Only)	100
III	Audit Committee's report for the most recent year's financial statements	102
IV	Financial Statements for the Most Recent Fiscal Year, Certified by CPAs	103
Chapter 7.	Risk Management and Analysis on Financial Status and Financial Performance	268
III	Review and analysis of cash flows.....	269
IV	Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year.....	269
V	Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Reinvestment Profitability, and Investment Plans for Coming Year:	269
VI	Analysis and assessment of risk issues (the most recent year and as of the date of publication of the Annual Report).....	269
VII	Other Important Matters: None.	278
Chapter 8.	Special Disclosure	279
I	Information on Affiliates.....	279
II	Private Placement of Securities During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report:	279
III	Holding or Disposal of the Company's Shares by the Subsidiaries of the Most Recent Year up to the Date of Publication of the Annual Report:	279
IV	Other Supplementary Information:	279
V	Any Events that Had Significant Impacts on Shareholder's Equity or Security Prices as referred to in Paragraph 3, Subparagraph 2 of Article 36 of the Securities and Exchange Act:.....	279

Chapter 1. Letter to Shareholders

Dear Shareholders,

Recalling that in 2021, COVID-19 was still endemic all over the world, and the domestic epidemic also broke out in May. Various epidemic prevention policies were sold well due to epidemic isolation, hospitalization, vaccine adverse events, etc. the company also actively participated in them, adhered to the highest guiding principle of risk management, reviewed and insured carefully, and with the concerted efforts of all colleagues, the signing premium income reached a new record high of NT\$10,661,485 thousand (the same below), Compared with NT\$10,222,889 thousand in 2020, it increased by NT\$438,596 thousand, with a growth rate of 4.3% and a market share of 5.2%. The continuous expansion of retained premium policy and stable investment income for a long time pushed the operating income to NT\$8,809,911 thousand, with a growth rate of 6.9%. The overall operating performance improved year by year, and the pre-tax profit and loss reached NT\$806,261 thousand, with a growth rate of 14.2%, setting a new record.

Taiwan Ratings recognized the Company as having strong capital and profitability. The Company continued to receive ratings of “twAA/stable” from Taiwan Ratings, and the rating outlook was “stable”. Standard & Poor’s and A.M. Best continued to affirm the Company, granting “A-” and “A- (Excellent)” ratings, respectively, and the rating outlook is “stable”.

The Company’s good business performance and significant progress in many aspects come from shareholders’ long-term supports and all employees’ hard work over the years. We hereby express our tremendous gratitude to shareholders and employees. The Company’s operation results in 2021 and the business plan for 2022 are summarized below, respectively:

1、2021 Business Report

(1) Business Plan Implementation Results

The total premium revenue for the year was NT\$11,093,943 thousand: The written premium revenue was NT\$10,661,485 thousand, which accounted for 96.1% of the total premium revenue, and the reinsurance premium revenue was NT\$432,458 thousand, which accounted for 3.9% of the total premium revenue.

The amount and proportion of each insurance category are shown in the table below:

Premium Revenue Statistics Table 2021

Unit: NT\$ Thousand; %

Coverage/Item	Premium revenue	Reinsurance premium revenue	Total premium revenue
Fire insurance	1,326,327	80,320	1,406,647
Marine insurance	271,423	7,161	278,584
Aviation insurance	85,968	1,250	87,218
Liability insurance	3,143,976	1,844	3,145,820
Guarantee insurance	16,512	1,146	17,658
Other property insurance	3,715,703	35,421	3,751,124
Accident insurance	1,067,972	5,546	1,073,518
Health insurance	66,558	-	66,558
Compulsory automobile liability insurance	967,046	299,770	1,266,816
Total	10,661,485	432,458	11,093,943
Proportion to total premium revenue%	96.1%	3.9%	100.0%

(2) Budget execution

The Company did not issue financial forecasts for 2021, so there is no budget execution.

(3) Financial Revenue and Expenditure, Profitability Analysis

The investment revenue reached a new record of NT\$535,918 thousand in 2021, an increase of NT\$35,123 thousand from NT\$500,795 thousand in 2020. The underwriting surplus also maintained stable profitability. The retention combined ratio was 95.49%, a decrease of 0.5%. The amount of pre-tax net profit was NT\$806,261 thousand, a growth of 14.2%, the earnings per share was NT\$3.12, the operating revenue (including maturity premium revenue and investment revenue) climbed to NT\$8,809,911 thousand, a growth rate of 6.9%, the operating costs were NT\$6,004,143 thousand, the operating expenses were NT\$2,011,651 thousand, the operating net profit was NT\$794,117 thousand, and the net profit for the current period was NT\$806,261 thousand.

Profitability Indicator

Item	Unit: %	
	2020	2021
Return on assets	3.99%	3.81%
Return on Equity	12.47%	11.34%
Return on fund utilization	3.24%	3.47%
Return on Investment	2.93%	3.16%
Retention combined ratio	96.03%	95.49%
Retention expenses ratio	42.17%	41.02%
Retention loss ratio	53.86%	54.47%

(4) Research and Development

In the past year, the Company continued to invest in the research and development of new products, launched various epidemic prevention policies according to the needs of consumers during the epidemic period, and provided compensation for those suffering from legal infectious diseases or those isolated from legal infectious diseases, as well as those with adverse reactions caused by vaccination or still infected.

The Company is actively developing new products in response to climate change, and green energy products that cooperate with the government to promote green energy policies to create social, economic and triple-win situation for the insured and the insurer.

In accordance with the policies of the Financial Regulatory Commission, the Company actively introduced insurance core capital ICS and IFRS 17; pursued treating customers fairly, took meeting customer needs as the service core, and continued to provide customers with better products and services.

2、Summary of Business Plan for 2021

(1) Business Policy

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 territory to achieve the Company's culture and business concept so that both the Company and the employees are better than ever. We are committed to development in terms of "corporate governance", "customer care", "talent cultivation", "digital upgrading", "social welfare" and "environmental sustainability", to actively 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.

(2) Sales estimate

Looking forward to 2022, the Company will continue to promote and encourage the innovation of peer products. In terms of channels, in addition to consolidating the source business of auto dealers, the Company will also strengthen the development of other channels, and improve the performance of online insurance through various channels. It is estimated that the insurance premiums for 2022 will reach NT\$11 billion, a continuous growth from 2021.

(3) Key Production and Distribution Policy

1. Establish dedicated units to develop new channels and new customers to expand market share and improve market ranking.
2. Research and develop simple, easy-to-understand, inexpensive, and easy-to-sell personal insurance products to expand and strengthen direct business and online insurance business sales, and reduce marketing costs.
3. Research and develop “unique” and customized products, safeguard various risks, expand product differentiation to gain a competitive advantage, and regularly implement the adequacy of each insurance rate test, and strengthen rate competitiveness and profitability.
4. Continue to strengthen the professionalism of underwriters and claim adjusters, arrange education and training courses, inherit experience, encourage the acquisition of relevant licenses, so as to enhance the professional skills of employees and strengthen the professional strength of teams.
5. Develop humanized mobile business system and intelligent secretary platform to provide customers and the company's business personnel with more convenient, real-time, paperless and other mobile services. At the same time, optimize the core system to improve various operations such as quotation, underwriting, reinsurance and claim settlement, so as to promote the company's business development to innovation, technology, specialization, convenience and timeliness and create a new business peak.
6. Adjust business structure, continue to screen businesses, implement underwriting policies and strengthen claims control, properly control the risk accumulation through appropriate re-insurance arrangement to increase underwriting profits and create shareholder value.

3、The influence of the external environment, legal environment and overall business environment and future development strategies of the Company

With the rapid spread of the COVID-19 variant Omicron and the reappearance of the peak of the global epidemic, coupled with the geopolitical changes of the Russian-Ukrainian war and the impact of inflationary pressure on the economy and market confidence, the company will pay more attention to the control of various risks, carefully strengthen underwriting and effective and safe asset allocation, and continue to pay close attention to the changes of Insurance Act, Company Act and relevant laws and the letters of competent authorities, so as to truly meet all laws and regulations.

In the face of the ever-changing modern technology, make good use of and innovate financial technology to optimize operations, improve the maturity of asset security governance through the establishment of a complete asset security protection framework, and provide high-quality customer service, so as to achieve the vision "Make Dreams Come True and Keep Prosperous in the Future". At any time, Union will adhere to the principles of honest operation and fair hospitality, strive to practice sustainable operation, fulfill corporate social responsibility, and continue to build Union into the most trusted insurance company of customers with the belief of stability, safety and innovation.

Thank you again for the trust and support of the shareholders and the hard work and contribution of all employees. Finally, we hope that both the Company and the employees are better than ever!

Chairman 洪杏雄 

Chapter 2. Company Profile

I Date of Incorporation: February 20, 1963

II Company History:

The Company was established in February 1963. At that time, it was founded by overseas Chinese and domestic entrepreneurs. Therefore, it was named “Union”. After that, it successfully applied for stock listing on May 5, 1992, becoming the first listed company in Taiwan’s property insurance industry. In order to expand its business bases and strengthen its core competitiveness, the Company acquired Taiwan China Airlink Insurance Company in October 2002. This was the first successful merger in the domestic property and casualty insurance industry, making future development more competitive.

In June 2007, Want Want Group took over, and then completed the capital reduction and increase in August 2007. In order to strengthen corporate governance, the Company held an interim shareholder meeting on November 19, 2007, re-electing 9 directors (including 2 independent directors) and 2 supervisors with fresh images and professional capabilities and renaming the Company “Union Insurance Co., Ltd.”. In order to further improve the Company’s financial structure, the Board of Directors actively handled three private placements and one public offering of cash capital increase, and handled capital reduction in 2012. As of the first quarter of 2021, the paid-in capital amounted to NT\$2.236 billion. At present, the Company’s capital adequacy ratio has reached the requirements of first-tier insurance companies.

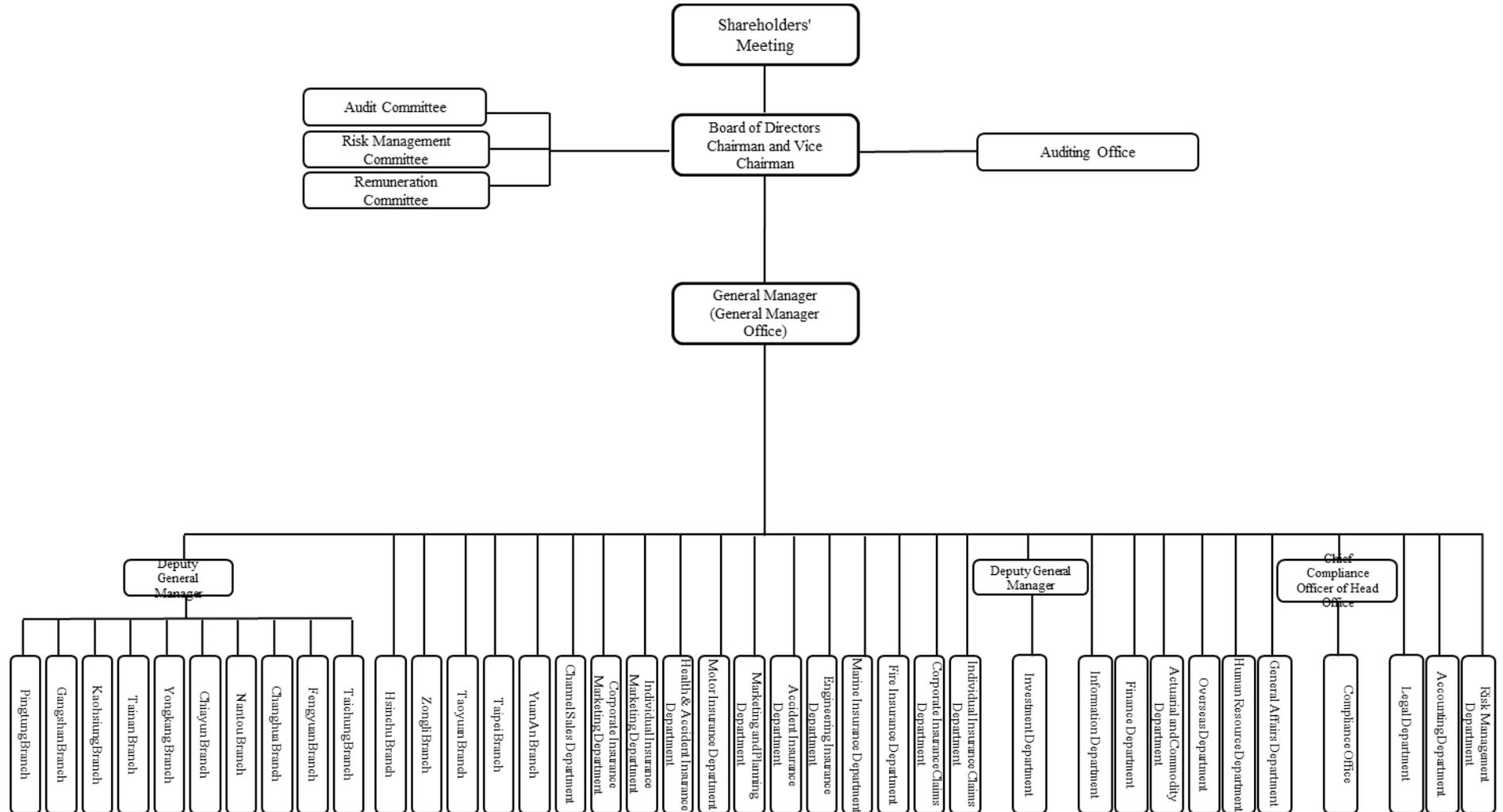
The Company’s Head Office is located in Taipei City, and has 15 branches, 13 service centers and 13 liaison offices across Taiwan, forming an island-wide network to develop business and provide quality customer services. The Company is mainly engaged in fire insurance, motor insurance, marine insurance, accident insurance, engineering insurance, injury insurance and reinsurance, and was approved by the competent authority to operate health insurance business on November 28, 2008. The annual performance for 2021 reached NT\$ 10.66 billion, a growth of 4.29%, a market share of 5.2%, ranking eighth in the market with stable profitability. Therefore, Taiwan Ratings recognized the Company as having strong capital and profitability. The Company continued to receive ratings of “twAA/stable” from Taiwan Ratings, and the rating outlook was “stable”. Standard & Poor’s and A.M. Best continued to affirm the Company, granting “A-” and “A- (Excellent)” ratings, respectively, and the rating outlook is “stable”.

In terms of business competition, the Company still adheres to the prudential control of business quality, strengthens product development and service innovation, and improves operational efficiency and continues to rebuild the information core system. With the efforts of all employees, we continue to provide customers with the best service and become the most trusted property insurance company for customers.

Chapter 3. Corporate Governance Report

I Organizational System

(I) Organizational Chart



(II) Businesses operated by major departments

Department	Head	Position	Department duties
General Manager Office	Chih-Ming Liu	General Manager	Execute the resolutions of the Board of Directors and follow the orders of the Chairman to supervise all the Company's business and supervise the business of each branch.
General Manager Office	Fu-Cheng Wu	Deputy General Manager	Responsible for supervising the business of the investment department.
General Manager Office	Sheng-Kuang Tsao	Deputy General Manager	Responsible for supervising the business of Taichung Branch, Fengyuan Branch, Changhua Branch, Nantou Branch, Chiayun Branch, Yongkang Branch, Tainan Branch, Kaohsiung Branch, Gangshan Branch and Pingtung Branch.
Auditing Office	Li-Hung Wang	Chief Auditor	Comprehensively manage the audit business of the finance, business, information and other management units of the Head Office and branches.
Chief Compliance Officer	Ching-Hua Ke	Chief Compliance Officer of Head Office	Comprehensive manage legal compliance business.
Head of Risk Management Unit	Shu-Chuan Wu	Manager	Responsible for the implementation of the Company's daily risk monitoring, measurement and evaluation.
Marketing and Planning Department	Wan-Hua Tsai	Assistant Vice President	Business management statistical report design and analysis, marketing management method formulation, formulation and implementation of marketing personnel assessment methods, management of maintenance agency contracts and channel codes, exhibition industry personnel management and assessment method formulation and implementation, media public relations, resource integration, marketing support, promotion of sustainable development and e-commerce business, set up and maintain customer service lines, and handling insurers' appeals.
Corporate Insurance Marketing Department	Sung-Tse Chang	Manager	Focus on the development of direct corporate business and international insurance agency business.
Individual Insurance Marketing Department	Hung-Hua Lin	Manager	Focus on the development of individual, exhibition business and small and medium-sized insurance agency channel business.
Motor Insurance Department	Sen-Jung Liu	Manager	Responsible for the operation and management of motor insurance, underwriting, acceptance, issuance of policies, corrections, reinsurance and facultative reinsurance, product development, education and training of various units, and assistance in business development.
Health & Accident Insurance Department	Hui-Ying Li	Manager	Responsible for the operation and management of health & accident insurance, underwriting, acceptance, issuance of policies, corrections, reinsurance and facultative reinsurance, product development, education and training of various units, and assistance in business development.
Accident Insurance Department	Yu-Sheng Ting (Acting)	Office Manager	Responsible for the operation and management of liability insurance and special new kinds of insurance, underwriting, acceptance, issuance of policies, corrections, reinsurance and facultative reinsurance, product development, education and training of various units, and assistance in business development.
Marine Insurance Department	Chuan-Sheng Tsui	Assistant Vice President	Responsible for the operation and management of cargo transportation insurance and ship insurance, underwriting, acceptance, issuance of policies, corrections, reinsurance and facultative reinsurance, product development, education and training of various units, and assistance in business development.
Fire Insurance Department	Che-Chang Hsu	Assistant Vice President	Responsible for the operation and management of fire insurance and residential fire insurance, underwriting, acceptance, issuance of policies, corrections, reinsurance and facultative reinsurance, product development, education and training of various units, and assistance in business development.
Engineering Insurance Department	Tsang-Ching Lin	Manager	Responsible for the operation and management of engineering insurance business, underwriting, acceptance, issuance of policies, corrections, reinsurance and facultative reinsurance, product development, education and training of various units, and assistance in business development.
Corporate Insurance Claims Department	Kuo-Chun Hung	Manager	Responsible for fire insurance, engineering insurance, cargo transportation insurance, ship insurance, financial insurance, liability insurance, etc. related claims; the formulation and management of claim rules, corporate insurance recovery management; statistical analysis of claims, signing and evaluation of notary companies.
Individual Insurance Claims Department	Hsing-Kun Wu	Manager	Responsible for motor insurance and health & accident insurance claims processing, recovery and residuals processing, formulation of motor insurance and health & accident insurance claims related regulations, claims counseling management, claim adjuster management and contracting and evaluation of cooperative vendors, handling of claims litigation, various identification and notarization work, statistical analysis of claims.
Actuarial and Commodity Department	I-Cheng Wu	Manager	Responsible for product development and submission for review, product rate review, various reserve funds, visa actuarial related work and professional research.
Overseas Department	Hsing-Yi Lin (Acting)	Office Manager	Responsible for reinsurance contract (including temporary) reinsurance distribution operations, reinsurance distribution operations, reinsurance account management, reinsurance risk management, policy contract operations, international business and international foreign-related affairs management.
Human Resource Department	Tai-Lung Chen (Concurrent)	Assistant Vice President	Responsible for personnel administrative assessment, management, and trainings.
General Affairs Department	Ta-Chun Wu	Assistant Vice President	Responsible for document receiving and dispatching management, procurement, and management of self-owned (including lease) movable property, and real property management.
Information Department	Chun-Yu Hsu	Manager	Responsible for application system development and maintenance, information movable property management, information lease movable property management, statistical report production and database management, e-commerce-related system planning and construction, information security work implementation and project information provision.
Compliance Office	Ching-Hua Ke (Concurrent)	Chief Compliance Officer of Head Office	Legal compliance business planning, management, and implementation.

Department	Head	Position	Department duties
Legal Department	Tai-Lung Chen	Assistant Vice President	Responsible for litigation, non-litigation case handling, legal dispute case handling, recovery business management, contract formulation and review, and provision of legal opinions.
Accounting Department	Fei-Wen Kuo	Assistant Vice President	Responsible for budget compilation, review and control, accounting system formulation, accounting statistics and final accounts, financial and management report preparation, various tax withholdings, stock affairs, reporting and other matters required by laws and regulations.
Finance Department	Chang-Hsiao Hsueh	Assistant Vice President	Responsible for premiums, commissions, cashiers, and fund management.
Investment Department	Wen-Jui Li	Assistant Vice President	Investment management.
Channel Sales Department	Hung-Te Lai	Assistant Vice President	Business development strategy formulation, channel development, business promotion management and education training for domestic financial channels and various business channels.
YuanAn Branch	Sung-Yen Lai	Assistant Vice President	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of YuanAn Branch and the service center and agency under its jurisdiction.
Taipei Branch	Chin-Pin Huang	Assistant Vice President	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Taipei Branch and the service center and agency under its jurisdiction.
Taoyuan Branch	Hui-Kuo Chang	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Taoyuan Branch and the service center and agency under its jurisdiction.
Zongli Branch	Yu-Cheng Lo	Assistant Vice President	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Zongli Branch and the service center and agency under its jurisdiction.
Hsinchu Branch	Hsu-Nan Yen	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Hsinchu Branch and the service center and agency under its jurisdiction.
Taichung Branch	Ching-Hsin Lin	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Taichung Branch and the service center and agency under its jurisdiction.
Fengyuan Branch	Tung-I Lai	Assistant Vice President	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Fengyuan Branch and the service center and agency under its jurisdiction.
Changhua Branch	Kuo-Chung Yen	Assistant Vice President	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Changhua Branch and the service center and agency under its jurisdiction.
Nantou Branch	Pi-Tu Wu	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Nantou Branch and the service center and agency under its jurisdiction.
Chiayun Branch	Kuo-Jung Cheng	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Chiayun Branch and the service center and agency under its jurisdiction.
Tainan Branch	Jui-Lin Hsu	Assistant Vice President	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Tainan Branch and the service center and agency under its jurisdiction.
Yongkang Branch	Kuo-Jen Lo	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Yongkang Branch and the service center and agency under its jurisdiction.
Kaohsiung Branch	Sheng-Kuang Tsao	Deputy General Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Kaohsiung Branch and the service center and agency under its jurisdiction.
Gangshan Branch	Chin-Fang Lai	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Gangshan Branch and the service center and agency under its jurisdiction.
Pingtung Branch	Mei-Hui Tseng	Manager	Supervise the business development, personnel assessment, business coordination, premium collection, legal cases, audit business, information management, and legal compliance of Pingtung Branch and the service center and agency under its jurisdiction.

II Information on the Directors, Supervisors, General Manager, Deputy General Managers, Assistant Vice Presidents, and the Persons in Charge of Divisions and Branch Units

(I) Information on Directors and Supervisors

April 30, 2022

Position	Nationality/ Place of Registration	Name	Gender Age	Date Elected	Term of Office	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at the Company and Other Companies	Executives, Directors or Supervisors who Are Spouses or within the Second Degree of Kinship			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relatio nship	
Chairman	R.O.C.	Want Want Co., Ltd.	- -	2019.0618	Three years	2007.11. 19	44,466,613	20.88%	46,689,943	20.88%	0	0.0%	0	0.0%	None	None	None	None	None	None
	R.O.C. & Australia	Representative: Chi- Hsiung Hung	Male 71-80	2019.0618	Three years	2010.10. 29	0	0%	0	0%	193	0.0%	0	0.0%	Department of Law, National Chung Hsing University	None	Manager of Corporate Insurance Claims Departme nt	Kuo- Chun Hung	Father and son	None
Vice Chairman	R.O.C.	Want Want Co., Ltd.	- -	2019.0618	Three years	2007.11. 19	44,466,613	20.88%	46,689,943	20.88%	0	0.0%	0	0.0%	None	None	None	None	None	None
	R.O.C.	Representative: Unavailable	- -	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	R.O.C.	Want Want Co., Ltd.	- -	2019.0618	Three years	2007.11. 19	44,466,613	20.88%	46,689,943	20.88%	0	0.0%	0	0.0%	None	None	None	None	None	None
	R.O.C.	Representative: Shih- Wei Hsu	Male 31-40	2021.11.05	Three years	2021.11. 05	0	0%	0	0%	0	0.0%	0	0.0%	MBA, University of Chicago	None	None	None	None	None
Director	R.O.C.	Want Want Co., Ltd.	- -	2019.0618	Three years	2007.11. 19	44,466,613	20.88%	46,689,943	20.88%	0	0.0%	0	0.0%	None	None	None	None	None	None
	R.O.C.	Representative: Hai- Lun Hsu	Female 51-60	2019.0618	Three years	2011.08. 01	0	0%	0	0%	0	0.0%	0	0.0%	Master, Department of Business Management, Royal Roads University	(Note 2)	None	None	None	None
Director	R.O.C.	Want Want Co., Ltd.	- -	2019.0618	Three years	2007.11. 19	44,466,613	20.88%	46,689,943	20.88%	0	0.0%	0	0.0%	None	None	None	None	None	None
	R.O.C.	Representative: Chia- Ying Ma	Male 61-70	2019.0618	Three years	2013.07. 01	0	0	0	0%	0	0.0%	0	0.0%	PhD in Business and Economics, Lehihg University	(Note 3)	None	None	None	None
Director	R.O.C.	Want Want Co., Ltd.	- -	2019.0618	Three years	2007.11. 19	44,466,613	20.88%	46,689,943	20.88%	0	0.0%	0	0.0%	None	None	None	None	None	None
	R.O.C.	Representative: Chih- Ming Liu	Male 51-60	2019.0618	Three years	2018.02. 27	5,967	0%	6,265	0%	0	0.0%	0	0.0%	Department of Mechanical Engineering, National Chin Yi University of Technology	General Manager of the Company	None	None	None	None
Independe nt Director	R.O.C.	Tung-Liang Wang	Male 51-60	2019.0618	Three years	2019.06. 18	0	0.0%	0	0.0%	0	0.0%	0	0.0%	Master of Law, Institute of Law, Chinese Culture University	Director of Tung- Liang Wang Law Firm	None	None	None	None
Independe nt Director	R.O.C.	Ping-Shen Kuo	Male 61-70	2019.0618	Three years	2016.06. 24	0	0.0%	0	0.0%	0	0.0%	0	0.0%	Doctor of Economics, University of Rochester, USA	Professor of National Chengchi University	None	None	None	None
Independe nt Director	R.O.C.	Yu-Fung Ma	Male 61-70	2019.0618	Three years	2016.062 4	0	0.0%	0	0.0%	0	0.0%	0	0.0%	PhD, Department of Business Management, National Taipei University	(Note 4)	None	None	None	None

Note 1: It is based on the data of employment as of April 30, 2022.

Note 2: Companies in which Ms. Hai-Lun Hsu holds the position of director [Powerful Media Inc., Yen-Ming Tsai Charity Foundation, Want Want Cultural and Educational Foundation, and Want-Tai Cross-Strait Mutual Trust Foundation]. Companies in which Ms. Hai-Lun Hsu holds the position of supervisor [Bao-Want Technology Packaging Materials Co., Ltd.].

Note 3: Companies in which Mr. Chia-Ying Ma holds the position of independent director [TSC AUTO ID TECHNOLOGY CO., LTD., MEDEON BIODESIGN, INC., RICHWAVE TECHNOLOGY CORP. and Lida Holdings Co., Ltd.]. Companies in which Mr. Chia-Ying Ma holds the position of director [Shih-Jen Wen Culture and Education Foundation, China Central Investment Co., Ltd., Xinyutai Co., Ltd., and Hantong Venture Capital Co., Ltd.]. Companies in which Mr. Chia-Ying Ma holds the position of supervisor [Innovative Industrial Technology Transfer Co., Ltd. and Zhongwei Development Center]. Professor of Soochow University.

Note 4: Companies in which Mr. Yu-Fung Ma serves as an independent director [PRINCETON TECHNOLOGY CORP.]. Companies in which Mr. Yu-Fung Ma serves as a supervisor [Black Dragon Management Consulting Corp. and Black Dragon Technology Corporation]. Member of the Remuneration Committee of China Television Company and assistant professor of St. John's University.

Note 5: In case that the Chairman and the General Manager or their equivalents (top manager) are assumed concurrently by the same person, or two persons who are spouses or relatives within 1 degree of kinship, the reason, rationality, necessity and corresponding measures (such as increasing the number of Independent Directors, and more than half of the Directors not concurrently serving as employees or managers) should be described: None.

Table 1: Major Shareholders of Institutional Shareholders

April 30, 2022

Name of Corporate Shareholder (Note 1)	Major Shareholders of Corporate Shareholders (Note 2)
Want Want Co., Ltd.	Yen-Ming Tsai 70.364%, Yu-Man Peng 16.224%, Chung-Chung Tsai 6.818%, Wang-Chia Tsai 6.594%

Note 1: For director or supervisor who acts as a corporate shareholder's representative, please specify the corporate shareholder's name.

Note 2: Please specify names of the major shareholders of the given corporate shareholder (top ten shareholders) and the ratio of shareholding. Where the major shareholder is a corporation, please complete the following Table 2.

Table 2: Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

April 30, 2022

Name of Corporate Shareholder (Note 1)	Major Shareholders of Corporate Shareholders (Note 2)
N/A	-

Note 1: The names of the major corporate shareholders referred to in Table 1, if any, shall be specified.

Note 2: Please specify names of the major shareholders of the given corporate (top ten shareholders) and the ratio of shareholding.

Information on Directors and Supervisors

I. Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

April 30, 2022

Qualifications Name	Professional Qualification and Experience	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chi-Hsiung Hung	Department of Law, National Chung Hsing University Experience: Chairman, Director and Supervisor of Union Insurance Co., Ltd. Has work experience, professional knowledge and skills required by legal affairs and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	(N/A)	None
Shih-Wei Hsu	MBA, University of Chicago Experience: Director of Union Insurance Co., Ltd. Director and General Manager of Dongbo Capital Group Senior Deputy General Manager and Chief Financial Officer of EnTie Vice President of Morgan Stanley Investment Bank Asia Has work experience, professional knowledge and skills required by commerce, finance and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	(N/A)	None
Hai-Lun Hsu	Master, Department of Business Management, Royal Roads University Experience: Director of Union Insurance Co., Ltd. Director of Powerful Media Inc. Supervisor of Bao-Want Technology Packaging Materials Co., Ltd. Has work experience, professional knowledge and skills required by commerce and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	(N/A)	None
Chia-Ying Ma	PhD, School of Business and Economics, Lehigh University Experience: Professor of Accounting Department of Soochow University Director of Union Insurance Co., Ltd. Independent Director of TSC AUTO ID TECHNOLOGY CO., LTD. Independent Director of MEDEON BIODESIGN, INC. Independent Director of RICHWAVE TECHNOLOGY CORP. Director of Central Investment Corporation Has work experience, professional knowledge and skills required by commerce, accounting and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	(N/A)	4

Chih-Ming Liu	Department of Mechanical Engineering, National Chin Yi University of Technology Experience: Director and General Manager of Union Insurance Co., Ltd. Has work experience, professional knowledge and skills required by company business. Not been a person of any conditions defined in Article 30 of the Company Act.	(N/A)	None
Tung-Liang Wang	Master of Law, Institute of Law, Chinese Culture University Lawyer of R.O.C. Experience: Independent Director, Convener of the Audit Committee, Member of the Remuneration Committee and Member of the Risk Management committee of Union Insurance Co., Ltd. Director of Tung-Liang Wang Law Firm Has work experience, professional knowledge and skills required by legal affairs and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	Being an independent director, meeting the conditions of independence, including but not limited to the fact that he, his spouse and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; not holding company shares; not serving as a director, supervisor or employee of a company with a specific relationship with the Company; no amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.	None
Ping-Shen Kuo	Doctor of Economics, University of Rochester, USA Experience: Professor of Department of International Trade of National Chengchi University Independent Director, Convener of Risk Management Committee, Member of Audit Committee and Member of Remuneration Committee of Union Insurance Co., Ltd. Director of Taiwan Tobacco and Alcohol Co., Ltd. Has work experience, professional knowledge and skills required by finance and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	Being an independent director, meeting the conditions of independence, including but not limited to the fact that he, his spouse and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; not holding company shares; not serving as a director, supervisor or employee of a company with a specific relationship with the Company; no amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.	None
Yu-Fung Ma	PhD, Department of Business Management, National Taipei University Experience: Assistant Professor of St. John's University. Independent Director, Convener of Remuneration Committee, Member of Audit Committee and Member of Risk Management Committee of Union Insurance Co., Ltd. Independent Director of PRINCETON TECHNOLOGY CORP. Supervisor of Black Dragon Technology Corporation Supervisor of Black Dragon Management Consulting Corp. Has work experience, professional knowledge and skills required by commerce, finance and company business. Not been a person of any conditions defined in Article 30 of the Company Act.	Being an independent director, meeting the conditions of independence, including but not limited to the fact that he, his spouse and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; not holding company shares; not serving as a director, supervisor or employee of a company with a specific relationship with the Company; no amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.	1

Note 1: It is based on the data of employment as of April 30, 2022.

Note 2: Chi-Hsiung Hung, Shih-Wei Hsu, Hai-Lun Hsu, Chia-Ying Ma, Chih-Ming Liu are representatives of Want Want Co., Ltd.

II. Diversity and Independence of the Board of Directors:

(I) Diversification of the Board of Directors:

(1) Policies and objectives: in accordance with Article 20 of the Company's "Corporate Governance Best Practice Principles"

The Board of Directors of the Company shall guide the Company strategies, supervise the management levels, and be responsible for the Company and the shareholders. For various work and arrangement of the Company's governance system, the Authority of the Board of Directors shall be fully exercised according to regulations, Articles of Association, or Shareholders Meeting resolutions of.

The Company's board structure shall consist of at least five directors, depending on the scale of the operation and development, the ownership of major shareholders, and actual operating needs. The establishment of independent directors shall carefully consider the reasonable professional combination and the objective conditions for independent exercise of powers.

The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as the Company's managerial officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

1. Basic qualification and value: gender, age, nationality and culture.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

The directors should generally have the knowledge, skills and self-cultivation required for performing their duties. In order to achieve the ideal targets of corporate governance, the general abilities that the board of directors should be equipped with are stated below:

1. Capability to make sound business judgments.
2. Accounting and financial analysis capabilities.
3. Business management ability.
4. Risk management and response
5. Crisis management capability.
6. Financial insurance expertise.
7. Global market viewpoint.
8. Leadership skills.
9. Capability to make decisions.

The Board of Directors shall be aware of the Company' operational risk exposure, such as market risk, credit risk, liquidity risk, operational risk, legal risk, reputation risk, and other types of risk relating to the securities firm's operation, to ensure effectiveness of risk management and shall be ultimately responsible for risk management.

(2) Implementation of the Diversity Policy for Board of Directors

Implementation of the Diversity Policy for Board of Directors

Diversity indicators	Professional background and industry experience	Make sound business judgments	Accounting and financial analysis	Business management	Risk management knowledge	Crisis management	Financial insurance expertise	Global market viewpoint	Leadership skills	Capability to make decisions
Name/Gender										
Chi-Hsiung Hung/Male	v	v	v	v	v	v	v	v	v	v
Shih-Wei Hsu/Male	v	v	v	v	v	v	v	v	v	v
Hai-Lun Hsu/Female	v	v	v	v	v	v	v	v	v	v
Chia-Ying Ma/Male	v	v	v	v	v	v	v	v	v	v
Chih-Ming Liu/Male	v	v	v	v	v	v	v	v	v	v
Tung-Liang Wang/Male	v	v	v	v	v	v	v	v	v	v
Ping-Shen Kuo/Male	v	v	v	v	v	v	v	v	v	v
Yu-Fung Ma/Male	v	v	v	v	v	v	v	v	v	v

Analysis of the current situation of the Board of Directors' diversity policy

Item Director Name	Basic composition						Experience/Field of Work						Background Information					
	Nationality/Place of Registration	Gender	Serve concurrently as the Company's employees	Age			Years for serving as a director of other public offering companies	Finance/Accounting/Legal	Health Management/Medical Treatment	Hotel/Tourism	Finance Control/Banking/Insurance	Information/Telecom/Media	Manufacturing/Investment/Others	Professionals (Professor/Lawyer/Accountant)	Business	Law	Public Administration	Business Management
				41 to 50	51 to 60	Above 61												
Chi-Hsiung Hung	R.O.C.	Male			V		V			V					V		V	
Shih-Wei Hsu	R.O.C.	Male		V		V				V				V			V	
Hai-Lun Hsu	R.O.C.	Female		V		V				V		V		V			V	
Chia-Ying Ma	R.O.C.	Male		V			V	V					V					
Chih-Ming Liu	R.O.C.	Male	V	V		V				V				V			V	
Tung-Liang Wang	R.O.C.	Male		V		V		V					V		V			
Ping-Shen Kuo	R.O.C.	Male		V		V		V					V				V	
Yu-Fung Ma	R.O.C.	Male		V		V		V					V				V	

(II) Independence of the Board of Directors: among the eight directors of the Company, three independent directors account for 37.5%. Only one director concurrently serves as the general manager of the Company. There is no spouse or relatives within the second degree of kinship among the members of the board of directors (including directors and independent directors)

(III) Information on the General Manager, Deputy General Managers, Assistant Vice Presidents and the Heads of Departments and Branches

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relationship	
General Manager	R.O.C.	Chih-Ming Liu	Male	2018.04.12	6,265	-					Graduated from the Mechanical Engineering Department of National Chin Yi Junior College	None	None	None	None	
Deputy General Manager	R.O.C.	Sheng-Kuang Tsao	Male	2018.09.26							Graduated from Electrical Engineering Department, Chien Hsin Junior College	None	None	None	None	
Deputy General Manager	R.O.C.	Fu-Cheng Wu	Male	2021.05.01							Graduated from the Master's Program, Department of Finance, National Central University	None	None	None	None	
Chief Auditor	R.O.C.	Li-Hung Wang	Female	2017.08.10	10,797	-	641	-			Graduated from the Department of Insurance, Tamkang University	None	None	None	None	
Chief Compliance Officer of Head Office	R.O.C.	Ching-Hua Ke	Female	2015.07.01							Graduated from the Law Department of National Taiwan University	Concurrently serve as the head of the Company's Compliance Office	None	None	None	
Actuarial and Commodity Department Manager	R.O.C.	I-Cheng Wu	Male	2020.12.01							Graduated from the Master of Applied Statistics, Department of Statistics, Tamkang University	None	None	None	None	
Marketing and Planning Department Assistant Vice President	R.O.C.	Wan-Hua Tsai	Female	2011.02.01							Graduated from Banking and Insurance Department, Feng Chia University	None	None	None	None	
Corporate Insurance Marketing Department	R.O.C.	Sung-Tse Chang	Male	2018.04.01							Graduated from the Department of Business Administration (Science), Tamsui Oxford University College	None	None	None	None	

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relationship	
Manager																
Individual Insurance Marketing Department Manager	R.O.C.	Hung-Hua Lin	Male	2019.07.01							Graduated from Department of Applied Economics, University of Weston, USA	None	None	None	None	
Motor Insurance Department Manager	R.O.C.	Sen-Jung Liu	Male	2020.04.01							Graduated from the Institute of Ocean Law, National Taiwan Ocean University	None	None	None	None	
Health Accident Insurance Department Manager	R.O.C.	Hui-Ying Li	Female	2018.09.06							Graduated from Insurance Finance Management Institute, Chaoyang University of Technology	None	None	None	None	
Marine Insurance Department Assistant Vice President	R.O.C.	Chuan-Sheng Tsui	Female	2019.07.01							Graduated from Insurance Graduate Institute, Tamkang University	None	None	None	None	
Fire Insurance Department Assistant Vice President	R.O.C.	Che-Chang Hsu	Male	2016.02.01							Graduated from the Department of Insurance Ming Chuan University	None	None	None	None	
Engineering Insurance Department Manager	R.O.C.	Tsang-Ching Lin	Male	2013.11.01							Graduated from the Department of Insurance, Tamkang University	None	None	None	None	
Accident Insurance Department Office Manager (Acting)	R.O.C.	Yu-Sheng Ting	Male	2022.02.14							Graduated from the Department of Risk Management and Insurance, Private Practice University	None	None	None	None	
Individual Insurance Claims Department Manager	R.O.C.	Hsing-Kun Wu	Male	2020.07.15	1,967	-					Graduated from the Department of Materials and Resources Engineering, National Taipei University of Technology	None	None	None	None	
Corporate Insurance Claims Department Manager	R.O.C.	Kuo-Chun Hung	Male	2019.07.01							Graduated from Civil Engineering Department, National United University	None	None	None	None	
Overseas Department Office Manager (Acting)	R.O.C.	Hsing-Yi Lin	Female	2021.09.01							Graduated from the Department of Commercial Mathematics, Soochow University	None	None	None	None	
Head of Human Resource Department (Concurrent)	R.O.C.	Tai-Lung Chen	Male	2019.04.27							Graduated from Department of Law, Fu Jen Catholic University	None	None	None	None	
General Affairs Department Assistant Vice President	R.O.C.	Ta-Chun Wu	Male	2015.07.01							Master of Financial Management, Loyola University	Concurrently serve as supervisor of Shengang Electric Machinery Co., Ltd.	None	None	None	
Accounting Department Assistant Vice President	R.O.C.	Fei-Wen Kuo	Female	2012.02.23							Graduated from Risk Management and Insurance Institute, Ming Chuan University	None	None	None	None	
Information Department Manager	R.O.C.	Chun-Yu Hsu	Male	2020.08.01							Graduated from the Mathematical Coefficient Statistics Group, Tamkang University	None	None	None	None	
Risk Management Department Manager	R.O.C.	Shu-Chuan Wu	Female	2016.02.01							Graduated from the Department of Commercial Mathematics, Soochow University	None	None	None	None	
Head of Compliance Office (Concurrent)	R.O.C.	Ching-Hua Ke	Female	2019.07.01							Graduated from the Law Department of National Taiwan University	None	None	None	None	
Legal Department Assistant Vice President	R.O.C.	Tai-Lung Chen	Male	2015.10.01							Graduated from Department of Law, Fu Jen Catholic University	Concurrently serve as the Supervisor of the Company's Human Resource Department and Corporate Governance Officer	None	None	None	
Finance Department Assistant Vice President	R.O.C.	Chang-Hsiao Hsueh	Male	2015.06.24							Graduated from the Industrial Management Department, Union Junior College	None	None	None	None	
Investment Department Assistant Vice President	R.O.C.	Wen-Jui Li	Male	2021.05.01							Graduated from the Institute of Finance, National Central University	None	None	None	None	

Position	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Major Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Note
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relationship	
Channel Sales Department Assistant Vice President	R.O.C.	Hung-Te Lai	Male	2021.01.01							Graduated from the Mechanical Engineering Department, Taiwan United Junior College	None	None	None	None	
YuanAn Branch Assistant Vice President	R.O.C.	Sung-Yen Lai	Male	2021.01.01							Graduated from the Department of Business Management, Lingdong College of Technology	None	None	None	None	
Taipei Branch Assistant Vice President	R.O.C.	Chin-Pin Huang	Male	2018.04.27							Graduated from the Banking and Insurance Department, Opening Continuing Education College, National Taipei College of Business	None	None	None	None	
Taoyuan Branch Manager	R.O.C.	Hui-Kuo Chang	Male	2018.09.26							Graduated from the Mechanical Engineering Department, South Asia Technical College	None	None	None	None	
Zongli Branch Assistant Vice President	R.O.C.	Yu-Cheng Lo	Male	2021.04.01	12,899	0.01%					Graduated from Business Continuing Education Bachelor's Program, Business School, Feng Chia University	None	None	None	None	
Hsinchu Branch Manager	R.O.C.	Hsu-Nan Yen	Male	2021.01.01							Graduated from Finance Master Program, Feng Chia University	None	None	None	None	
Taichung Branch Manager	R.O.C.	Ching-Hsin Lin	Male	2020.02.01							Graduated from the Institute of Finance and Law, Lingdong University of Science and Technology	None	None	None	None	
Fengyuan Branch Assistant Vice President	R.O.C.	Tung-I Lai	Male	2021.04.01							Graduated from Accounting Statistics Department, Tsou Ton Commercial and Technical Vocational High School	None	None	None	None	
Changhua Branch Assistant Vice President	R.O.C.	Kuo-Chung Yen	Male	2008.12.15							Graduated from Banking and Insurance Department, Practice Home Economics College	None	None	None	None	
Nantou Branch Manager	R.O.C.	Pi-Tu Wu	Male	2013.01.01							Graduated from the Department of Mechanical Engineering (Science), Chienkuo Junior College of Technology	None	None	None	None	
Tainan Branch Assistant Vice President	R.O.C.	Jui-Lin Hsu	Male	2016.01.01	1,050	-					Graduated from Management Master's Program, National Chiayi University	None	None	None	None	
Chiayun Branch Manager	R.O.C.	Kuo-Jung Cheng	Male	2016.01.01							Graduated from Chemical Engineering Department, WuFeng Junior College	None	None	None	None	
Yongkang Branch Manager	R.O.C.	Kuo-Jen Lo	Male	2022.03.01							Graduated from Electrical Engineering, Private Oriental Junior College of Technology and Commerce	None	None	None	None	
Kaohsiung Branch Deputy General Manager	R.O.C.	Sheng-Kuang Tsao	Male	2021.04.01							Graduated from Electrical Engineering Department, Chien Hsin Junior College	None	None	None	None	
Gangshan Branch Manager	R.O.C.	Chin-Fang Lai	Male	2022.01.01	6,510	-					Graduated from the Department of Information Management, Nan Kai Institute of Technology	None	None	None	None	
Pingtung Branch Manager	R.O.C.	Mei-Hui Tseng	Female	2021.03.01							Graduated from the Institute of International Business, National Pingtung Institute of Commerce	None	None	None	None	

Note 1: It shall include the information on General Manager, deputy general managers, assistant vice presidents, the persons in charge of divisions and branch units, and any position equivalent to General Manager, deputy general managers, and assistant managers.

Note 2: For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position. Assistant Deputy General Manager, regardless of job title, should also be disclosed.

Note 3: Where the Chairman of the Board of Directors and the General Manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).

III Remuneration Paid During the Most Recent Fiscal Year to Directors (Including Independent Directors), Supervisors, General Manager and Deputy General Managers

(1-1) Remuneration paid to general directors and independent directors (disclosure of name with individual corresponding bracket)

December 31, 2021 Unit: NT\$

Position	Name	Remuneration Paid to Directors								Total A, B, C, D as % of EAIT		Relevant Remuneration Received by Directors who Are Also Employees								Total A, B, C, D, E, F, G as % of EAIT		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company		
		Base Compensation (A)		Severance Pay and Pension (B)		Directors (C) (Note 7)		Business Execution Expenses (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee compensation (G) (Note 7)								
		The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements			The Company	All Companies in Financial Statements
																		Cash amount	Stock amount	Cash amount	Stock amount			
General directors	Corporate Director	Want Want Co., Ltd.																				None		
	Chairman	Want Want Co., Ltd. Legal Representative: Chi-Hsiung Hung																						
	Vice Chairman	Want Want Co., Ltd. Legal representative: Unavailable																						
	Director	11,800,000	11,800,000	None	None	6,500,000	6,500,000	1,730,827	1,730,827	20,030,827	20,030,827	7,452,536	7,452,536	108,000	108,000	248,698	None	248,698	None	27,840,061	27,840,061		4.00%	4.00%
	Director	Want Want Co., Ltd. Legal Representative: Hai-Lun Hsu																						
	Director	Want Want Co., Ltd. Legal Representative: Chia-Ying Ma																						
	Director	Want Want Co., Ltd. Legal Representative: Chih-Ming Liu																						
Independent Director	Independent Director	Tung-Liang Wang																				None		
	Independent Director	2,340,000	2,340,000	None	None	None	None	870,000	870,000	3,210,000	3,210,000	None	None	None	None	None	None	None	None	3,210,000	3,210,000		0.46%	0.46%
	Independent Director	Yu-Fung Ma																						

Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee) for all companies in consolidated financial statements in the most recent year: NT\$0 Thousand

Note 1: Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time.

(1) In accordance with Paragraph 2, Article 36 of the Articles of Incorporation of the Company: 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 remuneration of the Company's directors (including traffic allowance) is based on the provisions of Article 17 of the Articles of Incorporation, and the amount of such remuneration shall be determined by the Board of Directors based on the industry standard.

(2) The Company has rules for the remuneration of directors and functional members. The remuneration of independent directors of the Company is a fixed monthly remuneration, so they no longer participate in the distribution of earnings.

(3) The Company has established evaluation methods for directors and managerial officers' performance and remuneration, which requires that long-term performance goals shall be consistent with the concept of sustainable operation and stable income, and avoid high-risk business operations or high-volatility investments strategy.

Note 2: The information on positions held on April 30, 2021.

Note 3: Retirement pension includes payments and withdrawals.

Note 4: NT\$1,564,081 is not included for driver compensation.

(1-2) Remuneration paid to directors (including independent directors):

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Amount of Remuneration (A+B+C+D)		Total Amount of Remuneration (A+B+C+D+E+F+G)	
	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements
Less than NT\$1,000,000	Representatives of Want Want Co., Ltd.: Shih-Wei Hsu, Hai-Lun Hsu, Chia-Ying Ma, Chih-Ming Liu.	Representatives of Want Want Co., Ltd.: Shih-Wei Hsu, Hai-Lun Hsu, Chia-Ying Ma, Chih-Ming Liu.	Representatives of Want Want Co., Ltd.: Shih-Wei Hsu, Hai-Lun Hsu, Chia-Ying Ma	Representatives of Want Want Co., Ltd.: Shih-Wei Hsu, Hai-Lun Hsu, Chia-Ying Ma
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Tung-Liang Wang, Ping-Shen Kuo, Yu-Fung Ma	Tung-Liang Wang, Ping-Shen Kuo, Yu-Fung Ma	Tung-Liang Wang, Ping-Shen Kuo, Yu-Fung Ma	Tung-Liang Wang, Ping-Shen Kuo, Yu-Fung Ma
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	-	-	-	-
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	-	-	-	-
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Want Want Co., Ltd.	Want Want Co., Ltd.	Want Want Co., Ltd. Representative of Want Want Co., Ltd.: Chih-Ming Liu	Want Want Co., Ltd. Representative of Want Want Co., Ltd.: Chih-Ming Liu
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	Representative of Want Want Co., Ltd.: Chi-Hsiung Hung	Representative of Want Want Co., Ltd.: Chi-Hsiung Hung	Representative of Want Want Co., Ltd.: Chi-Hsiung Hung	Representative of Want Want Co., Ltd.: Chi-Hsiung Hung
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	-	-	-	-
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	-	-	-	-
Over NT\$100,000,000	-	-	-	-
Total	9 persons	9 persons	9 persons	9 persons

Note: Corporate directors and representatives are listed respectively

(2) Supervisor's remuneration (with the aggregate remuneration range and disclosure method): None (Since June 24, 2016, the Company replaced the supervisor's function with an Audit Committee)

(3-1) Remunerations paid to General Managers and Deputy General Managers (Summarized in accordance with the range of remuneration disclosed)

December 31, 2021 Unit: NT\$

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Special Subsidies (C)		Remuneration of Employee (D) (Note 6)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
		The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements		The Company	All Companies in Financial Statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Chih-Ming Liu	10,737,200	10,737,200	545,640	545,640	7,412,786	7,412,786	686,406	None	686,406	None	19,382,032 2.78%	19,382,032 2.78%	None
Deputy General Manager	Sheng-Kuang Tsao													
Deputy General Manager	Fu-Cheng Wu													
Deputy General Manager	Shao-Yun Pan(Note 1)													
Chief Auditor	Li-Hung Wang													
Chief Compliance Officer of Head Office	Ching-Hua Ke													

Note 1: Resigned on May 1, 2021. Note 2: NT\$979,556 is not included for driver compensation. Note 3: Retirement pension includes payments and withdrawals.

(3-2) Range of Remuneration

Range of Remuneration Paid to the General Manager and Deputy General Managers	Name of General Manager and Deputy General Managers	
	The Company	All Companies in Financial Statements
Less than NT\$1,000,000	-	-
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Shao-Yun Pan	Shao-Yun Pan
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Ching-Hua Ke, Li-Hung Wang, Fu-Cheng Wu	Ching-Hua Ke, Li-Hung Wang, Fu-Cheng Wu
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Sheng-Kuang Tsao	Sheng-Kuang Tsao
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	Chih-Ming Liu	Chih-Ming Liu
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)	-	-
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)	-	-
Over NT\$100,000,000	-	-
Total	6 persons	6 persons

(4-1) The remuneration of the top five executives with the highest remuneration at a listed company (name and remuneration shall be disclosed individually): Not applicable.

(4-2) The name of the managerial officers and the status of the distribution:

December 31, 2021 Unit: NTS

	Position	Name	Stock amount	Cash amount	Total	Ratio of total amount to net profit after tax (%)
Manager	General Manager	Chih-Ming Liu	None	3,531,637	3,531,637	0.51%
	Deputy General Manager	Sheng-Kuang Tsao				
	Deputy General Manager	Fu-Cheng Wu				
	Chief Auditor	Li-Hung Wang				
	Chief Compliance Officer	Ching-Hua Ke				
	Assistant Vice President	Tai-Lung Chen				
	Assistant Vice President	Hung-Te Lai				
	Assistant Vice President	Chin-Pin Huang				
	Manager	Hui-Kuo Chang				
	Assistant Vice President	Sung-Yen Lai				
	Assistant Vice President	Yu-Cheng Lo				
	Manager	Hsu-Nan Yen				
	Assistant Vice President	Tung-I Lai				
	Manager	Ching-Hsin Lin				
	Manager	Pi-Tu Wu				
Manager	Assistant Vice President	Kuo-Chung Yen				
	Manager	Kuo-Jung Cheng				
	Manager	Tsung-Hsun Lu(Note 8)				
	Assistant Vice President	Jui-Lin Hsu				
	Manager	Chien-Jung Su(Note 7)				
	Manager	Chin-Fang Lai				
	Manager	Mei-Hui Tseng				
	Manager	Shu-Chuan Wu				
	Assistant Vice President	Wan-Hua Tsai				
	Manager	Sung-Tse Chang				
Person	Manager	Hung-Hua Lin				
	Manager	Sen-Jung Liu				
	Manager	Hui-Ying Li				
	Manager	Tsang-Ching Lin				
	Assistant Vice President	Che-Chang Hsu				
	Assistant Vice President	Chuan-Sheng Tsui				
	Manager	Kuo-Chun Hung				
	Manager	Hsing-Kun Wu				
	Assistant Vice President	Ta-Chun Wu				
	Assistant Vice President	Wen-Jui Li				
	Manager	Chun-Yu Hsu				
	Manager	I-Cheng Wu				
	Manager	Min-Yuan Hsu				
	Chief Financial Officer	Chang-Hsiao Hsueh				
	Chief Accountant	Fei-Wen Kuo				

Note 1: Please disclose the name and job title individually, while the allocation of earnings may be summarized and then disclosed.

Note 2: Please specify the employee bonus (including stocks and cash) to be allocated to the managerial officers as approved by the Board of Directors in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year. The earnings after tax refers to the earnings after tax in the most recent year. If the IFRSs are adopted, the earnings after tax shall refer to the earnings after tax identified in the entity or individual financial statement for the most recent year.

Note 3: The scope of managerial officers shall be defined in the following manner, as per the Board's decree under Tai-Tsai-Cheng-3-Tze No. 0920001301 dated March 27, 2003:

(1) The General Manager and those on the comparable level. (2) The deputy general managers and those on the comparable level. (3) The assistant vice presidents and those on the comparable level. (4) The finance department executives.

(5) The accounting department executives.(6) Other individuals empowered with managing the Company's affairs and as authorized signatories.

Note 4: If any director, General Manager or deputy general managers has received employee bonus (including stock dividend and cash dividend), please complete Table 1-2 and also this table.

Note 5: It is based on the in-service data on December 31, 2021, and adopts the estimation method.

Note 6: It is calculated based on the proportion of the actual allotment amount last year to calculate the amount to be allotted this year.

Note 7: Resigned on January 1, 2022.

Note 8: Resigned on March 1, 2022.

(5) Specify and compare the salary to directors, General Managers and Deputy General Managers of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements in the most recent 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

Position	2021 Ratio of total remunerations of directors, supervisors, General Manager, and deputy general managers to net income after tax:	2021 Ratio of the total remunerations paid by the Company and all companies in the financial report to the Company's directors, supervisors, General Manager and deputy general managers to net income after tax:	2020 Ratio of total remunerations of directors, supervisors, General Manager, and deputy general managers to net income after tax:	2020 Ratio of the total remunerations paid by the Company and all companies in the financial report to the Company's directors, supervisors, General Manager and deputy general managers to net income after tax:
Director	6.12%	6.12%	6.82%	6.82%
Independent Director				
Supervisor (None)				
General Manager and Deputy General Managers				

(6) The Company's remuneration policies, standards and combinations, the remuneration determination procedure and the correlation between business performance and future risks

- I The remuneration of the Company's directors (including traffic allowance) is based on the provisions of Article 17 of the Articles of Incorporation, and the amount of such remuneration shall be determined by the Board of Directors based on the industry standard. The salary and remuneration of the Company's directors are based on a monthly salary system, and the traffic allowances are paid based on actual attendance of the Board of Directors and their respective functional committees. The remuneration of the Chairman also includes an annual performance bonus and is handled in accordance with the "Performance System and Evaluation Mechanism of the Chairman And General Manager".
- II The remuneration of managerial officers appointed by the Company is based on Article 31 of the Articles of Incorporation, which shall be reported to the Board of Directors by the Chairman for discussion. The salary and remuneration system of appointed managerial officers adopts a monthly salary system plus various bonuses. The monthly salary includes the salary and various allowances. The bonuses are in the nature of incentives or rewards and depend on the Company's overall operating performance in the year and the achievement of the unit, such as year-end, dividends, variable performance bonuses, etc. The remuneration of the General Manager also includes annual performance (year-end) bonuses, and is handled in accordance with the "Performance System and Evaluation Mechanism of the Chairman And General Manager". The retirement pension of appointed managerial officers shall be processed in accordance with their appointment contracts.
- III Regarding the distribution of variable bonuses in the Company's directors and appointed managerial officers, the Company's overall business performance for the year and the comprehensive evaluation of the operating performance of the units under its jurisdiction shall be considered, and attention shall be paid to the reasonableness and fairness and the provisions of Article 36 of the Articles of Incorporation during the deliberation.
- IV The compensation paid to directors and managerial officers of the Company, after being discussed by the Remuneration Committee, is submitted to the Board of Directors for further approval.
- V The Company has set up the "Evaluation Method for Performance and Salary of Directors and Managerial Officers", in order to respond to the future changes in the financial and economic environment at home and abroad. Also, the Company's remuneration policy all incorporates possible future risks into the evaluation criteria to avoid guiding directors and managerial officers are engaged in behaviors that exceed the Company's risk appetite in pursuit of salary compensation.

IV Implementation of Corporate Governance

(I) Operations of the Board of Directors:

Information on Operations of the Board of Directors

A total of twelve (12) meetings [A] of the Board of Directors were held in the most recent year.

The attendance of directors and supervisors was as follows:

Position	Name (Note 1)	Attendance in Person (B)	Attendance by Proxy	Actual attendance rate (%) [B/A] (Note 2)	Note
Chairman	Chi-Hsiung Hung	12	0	100%	Reelected on June 18, 2019
Director	Hai-Lun Hsu	12	0	100%	Reelected on June 18, 2019
Director	Chia-Ying Ma	11	1	91%	Reelected on June 18, 2019
Director	Chih-Ming Liu	12	0	100%	Reelected on June 18, 2019
Director	Shih-Wei Hsu	12	0	100%	Newly appointed on November 5, 2020
Independent Director	Tung-Liang Wang	12	0	100%	Newly elected on June 18, 2019
Independent Director	Ping-Shen Kuo	12	0	100%	Reelected on June 18, 2019
Independent Director	Yu-Fung Ma	12	0	100%	Reelected on June 18, 2019

Other matters to be recorded:

I. With regard to the implementation of the Board of Directors, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:

(I) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Date /Term	Resolutions	Opinions of all Independent Directors and the Company's handling of opinions of Independent Directors
The 23rd Meeting of the 25th Board of Directors (March 26, 2021)	Discussed the proposal on CPAs evaluation and performance appraisal, appointment and remuneration	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
	Discussed the 2020 Statement of Internal Control System	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
	Discussed the statement on the overall implementation of information security in 2020	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
	Discussed the Statement on Internal Control System for Anti-Money Laundering and Counter-Terrorist Financing 2020	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
The 25th Meeting of the 25th Board of Directors (May 11, 2021)	Purchase of real estate as self-use premises	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
The 26th Meeting of the 25th Board of Directors (June 29, 2021)	Amended certain provisions of the internal control system	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
	Purchase of real estate as self-use premises	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the

		proposal without any objections.
The 32nd Meeting of the 25th Board of Directors (December 29, 2021)	Discussed the Company's audit plan 2022	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.
	Reviewed the Company's derivative financial product transactions and risk management operating procedures	All independent directors voted in favor of the proposal without any objections, and the Board of Directors voted in favor of the proposal without any objections.

(II) Any recorded or written board resolutions to which independent directors have objections or reservations to be noted in addition to the above: None.

II. Regarding recusals of directors from voting due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified: As shown in the following table.

Session (Date)	Subject	Recusals of directors from voting	Reasons for recusal	Voting
The 21st Meeting of the 25th Board of Directors (January 27, 2021)	Discussed the performance bonus of the Company's Chairman and General Manager in 2020, and reviewed the appropriateness of the "Performance System and Evaluation Mechanism for Chairman and General Manager"	Chi-Hsiung Hung Chih-Ming Liu	Because they are related to their own interests and follow the principle of recusal.	Followed the principle of recusal, after the acting chairman consulted the directors who did not need to avoid, the proposal was passed without objection.
The 23rd Meeting of the 25th Board of Directors (March 26, 2021)	Discussed the Company's employee and director remuneration distribution plan 2020	Chi-Hsiung Hung Hai-Lun Hsu Shih-Wei Hsu Chia-Ying Ma Chih-Ming Liu	Because they are related to their own interests and follow the principle of recusal.	Followed the principle of recusal, after the acting chairman consulted the directors who did not need to avoid, the proposal was passed without objection.
The 28th Meeting of the 25th Board of Directors (August 26, 2021)	Remuneration distribution case of the Company's appointed managerial officers in 2020	Chi-Hsiung Hung Chih-Ming Liu	Because they are related to their own interests and follow the principle of recusal.	Followed the principle of recusal, after the acting chairman consulted the directors who did not need to avoid, the proposal was passed without objection.

III. Disclose the evaluation cycles, evaluation periods, scope and method of evaluation, and contents of evaluation for evaluating the performance of the board members (on themselves or peers) and fill in the attached Table 2 (2) Implementation of Evaluation for the Board of Directors.

(2) Implementation of Evaluation for the Board of Directors.

Frequency (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Once a year	Evaluating the performance of the Board of Directors from January 1, 2021 to December 31, 2021.	The scope of the evaluation includes the performance of the entire Board of Directors, individual directors, and the functional committees.	Internal self-evaluation of Board of Directors, self-evaluation of board members and peer evaluation	Performance self-evaluation of the Board of Directors as a whole and individual directors, performance evaluation of functional committees

The results of the performance evaluation of the Board of Directors in 2021 are shown as follows:

(I) Self-evaluation of Board performance:

The Board's performance evaluation has 50 parameters ranging over seven dimensions. The evaluation shows that on 42 parameters it scored "Excellent (5), and on 8 for "Good (4)" reflecting good performance by the Board of Directors in guiding and supervising business strategies, major business activities, and risk management, for establishing an appropriate internal control system, and for actively participating in environmental, social, and corporate governance (ESG) initiatives. The overall operation of the Board is

considered excellent and is in line with corporate governance practices.

Seven dimensions of self-evaluation	Evaluation item	Rating result
A. Involvement in the Company's business activities	12 items	4.91 scores
B. Improvement in the Board's decision making quality	12 items	4.98 scores
C. Composition and structure of the Board	7 items	5 scores
D. Selection and continuing education of the directors	7 items	4.91 scores
E. Internal control	7 items	5 scores
F. Participation in principles for fair treatment of customers	3 items	5 scores
G. Participation in ESG initiatives	2 items	5 scores

(II) Self-evaluation of board member performance:

The performance of the Board members is evaluated on 23 parameters ranging over six dimensions. The evaluation rates 19 parameters as "Excellent (5)" and 4 "Good (4)" showing that all directors have a positive effect on efficiency and effectiveness of the Board.

Six dimensions of self-evaluation	Evaluation item	Rating result
A. Alignment of the Company's goals and tasks	3 items	4.91 scores
B. Understanding of the director's roles and responsibilities	3 items	5 scores
C. Involvement in the Company's business activities	8 items	4.93 scores
D. Management and communication of the internal relations	3 items	5 scores
E. Professionalism and continuing education of directors	3 items	5 scores
F. Internal control	3 items	5 scores

(III) Self-evaluation of functional committee performance:

The performance of the functional committees is evaluated on 26 parameters ranging over five dimensions. The evaluation rates as "Excellent (5)" on 24 parameters and "Good (3)" on two, reflecting its overall excellence in operation and in line with corporate governance, which has resulted in improved Board operations.

Five dimensions of self-evaluation	Evaluation item	Rating result
A. Involvement in Company's business activities	4 items	5 scores
B. Awareness of the duties of the functional committees	8 items	4.75 scores
C. Improving functional committee's decision-making	7 items	5 scores
D. Composition of functional committee, and election and appointment of committee members	4 items	4.5 scores
E. Internal control	3 items	5 scores

Note 1: Specify the implementation cycle of the Board of Directors evaluation, for example, once a year.

Note 2: Fill in the period during the Board of Directors' evaluation, for example, evaluating the performance from January 1, 2021 to December 31, 2021.

Note 3: The scope of the evaluation includes the performance of the entire Board, individual director, and the functional committee in the form of self-evaluation.

Note 4: The evaluation methods include self-evaluation of the Board of Directors, self-evaluation of the Board members, peer evaluation, appointment of external professional institutions or experts, or other appropriate methods.

Note 5: the evaluation contents shall include at least the following items according to the scope of evaluation:

- (1) Evaluation of performance for the Board of Directors: Including participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.
- (2) Evaluation of performance for the individual board members: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.
- (3) Evaluation of performance for the Audit Committee: Including participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the

functional committee and election of its members, and internal control.

IV. Measures undertaken during the current year and past year in order to strengthen the functions of the board of directors (such as the establishment of an audit committee and improvement of information transparency, etc.) and assessment of their implementation:

(I) The Company currently has 3 independent directors and established an Audit Committee and has formulated “Rules Governing the Scope of Powers of Independent Directors” and “Audit Committee Charter” in accordance with laws and regulations, in order to facilitate the independent directors’ exercising of their powers.

(II) In order to enhance the professional knowledge of directors and implement corporate governance, the Company arranges for all directors every year the continuing education courses required for corporate governance and business operations and meet the number of class hours prescribed by the competent authority.

(III) The results of the performance evaluation of the Company’s 2021 Board of Directors have been disclosed on the Company’s website: Public Information/Corporate Governance/Board Performance Evaluation Methods and Implementation Status.

V. Policy and Implementation of Diversity of Board Members

(1) Policies: In accordance with Article 20 of the Company’s “Corporate Governance Best Practice Principles”

The Board of Directors of the Company shall guide the Company strategies, supervise the management levels, and be responsible for the Company and the shareholders. For various work and arrangement of the Company’s governance system, the Authority of the Board of Directors shall be fully exercised according to regulations, Articles of Association, or Shareholders Meeting resolutions of.

The Company’s board structure shall consist of at least five directors, depending on the scale of the operation and development, the ownership of major shareholders, and actual operating needs. The establishment of independent directors shall carefully consider the reasonable professional combination and the objective conditions for independent exercise of powers.

The composition of the Board of Directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as the Company’s managerial officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the Company’s business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

I. Basic qualification and value: gender, age, nationality and culture.

II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience.

The directors should generally have the knowledge, skills and self-cultivation required for performing their duties. In order to achieve the ideal targets of corporate governance, the general abilities that the board of directors should be equipped with are stated below:

1. Capability to make sound business judgments.
2. Accounting and financial analysis capabilities.
3. Business management ability.
4. Risk management and response
5. Crisis management capability.
6. Financial insurance expertise.
7. Global market viewpoint.
8. Leadership skills.
9. Capability to make decisions.

The Board of Directors shall be aware of the Company’ operational risk exposure, such as market risk, credit risk, liquidity risk, operational risk, legal risk, reputation risk, and other types of risk relating to the securities firm’s operation, to ensure effectiveness of risk management and shall be ultimately responsible for risk management.

(2) Implementation of the Diversity Policy for Board of Directors

Implementation of the Diversity Policy for Board of Directors

Diversity indicators	Professional background and industry experience	make sound business judgments	Accounting and financial analysis	Business management	Risk management knowledge	Crisis management	Financial insurance expertise	Global market viewpoint	Leadership skills	Capability to make decisions
Chi-Hsiung Hung/Male	v	v	v	v	v	v	v	v	v	v
Shih-Wei Hsu/Male	v	v	v	v	v	v	v	v	v	v
Hai-Lun Hsu/Female	v	v	v	v	v	v	v	v	v	v
Chia-Ying Ma/Male	v	v	v	v	v	v	v	v	v	v
Chih-Ming Liu/Male	v	v	v	v	v	v	v	v	v	v
Tung-Liang Wang/Male	v	v	v	v	v	v	v	v	v	v
Ping-Shen Kuo/Male	v	v	v	v	v	v	v	v	v	v
Yu-Fung Ma/Male	v	v	v	v	v	v	v	v	v	v

Analysis of the current situation of the Board of Directors' diversity policy

Item	Basic composition					Experience/Field of Work						Background Information					
	Nationality/Place of Registration	Gender	Serve concurrently as the Company's employees	Age		Years for serving as a director of other public offering companies	Finance/Accounting/Legal	Health Management/Medical	Hotel/Tourism	Financing Control/Banking/Insurance	Information/Telecom/Media	Manufacturing/Investment (Others)	Professionals (Professor/Lawyer/Accountant)	Business	Law	Public Administration	Business Management
Director Name				41 to 50	51 to 60	Above 61	Under 3 years	3-9 years	Over 9 years								
Chi-Hsiung Hung	R.O.C.	Male				V			V						V		V
Shih-Wei Hsu	R.O.C.	Male		V			V							V			V
Hai-Lun Hsu	R.O.C.	Female			V		V				V		V				V
Chia-Ying Ma	R.O.C.	Male			V			V	V				V				
Chih-Ming Liu	R.O.C.	Male	V		V		V				V		V				V
Tung-Liang Wang	R.O.C.	Male			V		V			V			V		V		
Ping-Shen Kuo	R.O.C.	Male			V		V			V			V				V
Yu-Fung Ma	R.O.C.	Male			V		V			V			V				V

Note 1: Chi-Hsiung Hung, Hai-Lun Hsu, Chia-Ying Ma, Chih-Ming Liu, Shih-Wei Hsu are representatives of Want Want Co., Ltd.

Note 2:

- (1) If a director or supervisor resigns before the end of the accounting year, the resignation date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of board meetings held during his or her tenure and number of such meetings attended.
- (2) If a director or supervisor is re-elected before the end of the accounting year, the names of the current and previous director or supervisor shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. Their attendance rate (%) to Board session shall be calculated based on the number of meetings called and the actual number of sessions they attended, during the term of office.

(II) Audit Committee or Attendance of Supervisors at Board Meetings:

The Audit Committee held 7 meetings (A) in the most recent year; the attendance of independent directors is summarized as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note)	Note
Independent Director	Tung-Liang Wang	7	0	100%	Convener Newly elected on June 18, 2019
Independent Director	Ping-Shen Kuo	7	0	100%	Reappointed on June 18, 2019
Independent Director	Yu-Fung Ma	7	0	100%	Reappointed on June 18, 2019

Other matters to be recorded:

1、With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified.

(1) Circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Date /Term	Resolutions	The results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions
The 14th meeting of the 2nd session (March 26, 2021)	Business Report and Financial Statements 2020	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
	Proposal on CPAs evaluation and performance appraisal, appointment and remuneration	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
	Statement on Overall Implementation of Information Security 2020	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
	Statement on Internal Control System 2020	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
	In 2020, the Chairman, General Manager, Chief Auditor, Head of Anti-Money Laundering and Counter-Terrorist Financing jointly issued a statement on the internal control system of anti-money laundering and counter-terrorist financing	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
The 15th meeting of the 2nd session (May 11, 2021)	Purchase of real estate as self-use premises	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
The 16th meeting of the 2nd session (June 29, 2021)	Amended certain provisions of the Company's internal control system	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.

	Purchase of real estate as self-use premises	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
The 18th meeting of the 2nd session (August 26, 2021)	About the Company's financial report for the second quarter of 2021	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
The 19th meeting of the 2nd session (December 28, 2021)	Reviewed the Company's "Derivative Financial Commodity Transaction and Risk Management Operating Procedures"	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.
	Discussed the Company's audit plan 2022	All independent directors of the Audit Committee approved and passed the proposal, and the Board of Directors voted in favor of the proposal without any objections.

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all Directors: None.

2、Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified: None.

Session (Date)	Subject	Recusals of directors from voting	Reasons for recusal	Voting
-	-	-	-	-

3、Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations).

Implementation: The Company's internal audit supervisor and accountants, in accordance with regulations, attended the meetings of the Audit Committee and the Board of Directors to report internal audit business and financial reports in accordance with regulations.

Communication Date	Channels of Communication	Communication Object	Communication Matters	Communication Results
2021.3.26	Audit Committee	Chief Auditor	Statement on Internal Control System	There were no comments at this meeting, and the proposal was passed according to the proposal.
		CPA	Business Report and Financial Statements 2020	There were no comments at this meeting, and the proposal was passed according to the proposal.
2021.6.29	Audit Committee	Chief Auditor	Amended certain provisions of the Company's internal control system	There were no comments at this meeting, and the proposal was passed according to the proposal.
2021.8.26	Audit Committee	CPA	The Company's financial report for the second quarter of 2021	There were no comments at this meeting, and the proposal was passed according to the proposal.

2021.12.28	Audit Committee	Chief Auditor	Discussed the Company's audit plan 2022	There were no comments at this meeting, and the proposal was passed according to the proposal.
2021.12.29	Board members' symposium with internal auditors on the lack of internal control in 2021	All directors of the Company and colleagues of the general audit office	Lack of internal control in 2021	In addition to being the basis for the annual assessment of each inspected unit, the missing results audited by the audit office shall summarize the missing items listed and truly reflect them to the inspected unit for improvement to meet the requirements of laws and regulations.

Note:

- * If an independent director resigns before the end of the accounting year, the resignation date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of Audit Committee meetings held during his or her tenure and number of such meetings attended.
- * If any independent director is re-elected before the end of the accounting year, the names of current and previous independents directors shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of Audit Committee meetings held during his or her tenure and number of such meetings attended.

Supervisors' participation in the operation of the Board of Directors: Not applicable. The Company has established an Audit Committee on June 24, 2016 and no longer has supervisors.

- Note: * If a supervisor resigns before the end of the accounting year, the resignation date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of board meetings held during his or her tenure and number of such meetings attended.
- * If a supervisor is re-elected before the end of the accounting year, the names of the current and previous director or supervisor shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of such meetings attended during his or her tenure.

(III) The Company’s corporate governance operation and its differences from the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons thereof:

Evaluation Item	Status (Note 1)		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
1. Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the “Corporate Governance Best Practice Principles”, which is disclosed on the Company’s website, in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and the “Corporate Governance Best Practice Principles for Insurance Enterprises”.	No deviation.
2. Shareholding structure & shareholders' rights				
(1) Does the Company establish and implement internal operating procedures to deal with shareholders’ suggestions, doubts, disputes, and litigations?	V		The Company has established internal control procedures for “stock operations” and has a spokesperson system. The Company has designated specialist staff to handle suggestions, doubts and disputes from shareholders to the Company, and entrusted professional stock agency companies to assist in providing suggestions.	No deviation.
(2) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	V		The Company has established shareholder service personnel to manage related information and consigned a professional shareholder service agency to provide latest information.	No deviation.
(3) Does the Company establish and execute a risk management and firewall system within its affiliates?	V		No lending behavior between the Company and affiliated enterprises. In accordance with the regulations of the competent authority, the Company has separately formulated the “Procedures for Dealing with Other Transactions Other Than Lending with Interested Parties”, the “Rules Governing Other Transactions Other Than Lending with Interested Parties Handled by the Management Department Authorized by the Board of Directors”, the “Rules Governing Internal Major Information Processing and Prevention of Insider Transaction Management”, the “Procedures for Acquiring or Disposing of Assets”, the “Rules Governing Compliance With Regular Transactions Between the Company and Domestic And Foreign Insurance-Related Businesses, and Prevention of Conflicts of Interest for Insider Transactions” and other relevant regulations for compliance.	No deviation.
(4) Does the Company establish internal rules against insiders using undisclosed information to trade in securities?	V		The Company has established the “Procedures for Handling Material Inside Information and Preventing Insider Transactions”, which prohibits the Company’s internal personnel from buying or selling the Company’s stocks or other nature of securities when they learn of the Company’s major internal information on their own or in the name of others.	No deviation.
3. Composition and responsibilities of the Board of Directors				
(1) Is the composition of the Board of Directors determined by taking appropriate policy based on diversity and specific management objectives and ensure the actual implementation?	V		In the “Corporate Governance Best Practice Principles”, the Company stipulates that the composition of the Board of Directors shall have a diversified principle and policy, and state the basic requirements, professional knowledge and skills and capabilities that the Board of Directors shall have, in order to achieve the ideal goal of corporate governance. For details of diversification, please refer to pages 13-14 of the Company's annual report. The Company currently has an Audit Committee, a Compensation Committee and a Risk Management Committee.	No deviation.

Evaluation Item	Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
(2) Does the company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	V		The Company has established a Board of Directors and directors' performance evaluation method as the Board's performance evaluation method. The results of the performance evaluation are reported to the Board of Directors in the first quarter of each year, and the profits are used as the relevant reference basis for directors' remuneration and nomination for renewal. The Company has established accountant evaluation and performance appraisal methods, which regularly assess the independence and competence of CPAs every year (once a year), and CPAs issue a declaration of independence regarding the inspection work. The evaluation results 2021 and the appointment proposal 2022 were passed by the Audit Committee and the Board of Directors in March 2022. The appointed CPAs all meet the Company's independence assessment standards (Note 2) and are sufficient to serve as CPAs of the Company.	No deviation.
(3) Does the company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	V			No deviation.
(4) Does the company regularly evaluate the independence of the CPAs?	V			No deviation.
4. Has the Company set up a full-time (part-time) unit or appointed designated personnel to handle governance related affairs (including but not limited to supplying information requested by the directors and supervisors, processing company registration and change of registration and preparing minutes of the board meetings and shareholders' meetings)?	V		The Company has assigned one corporate governance supervisor and one corporate governance officer in accordance with regulations to take charge of corporate governance related matters.	No deviation.
5. Does the Company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	V		The communication between the Company and the interested parties is handled by the responsible unit. Also, the Company has formulated the "Procedures for Dealing with Other Transactions Other Than Lending with Interested Parties", the "Rules Governing Other Transactions Other Than Lending with Interested Parties Handled by the Management Department Authorized by the Board of Directors" and other relevant regulations for mutual compliance. The dedicated unit of the Company handles stock affairs including legal and non-legal issues according to the existing procedure. All shareholders of the Company are able to ask for our stock service via the hotline, email or the Company's website. The Company has also set up corporate governance and CSR zone on the website to provide related parties with information about corporate governance.	No deviation.
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has appointed the Department of Stock Affairs at Waterland Securities Co., Ltd. to process affairs related to shareholders meetings.	No deviation.

Evaluation Item	Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
7. Information disclosure				
(1) Does the Company have a website to disclose the financial operations and corporate governance status?	V		The Company's website is http://www.wwunion.com . In accordance with the "Information Disclosure Management Measures for Property Insurance Industry" promulgated by the Financial Regulatory Commission, we regularly disclose and update relevant financial, business and corporate governance related matters on the website.	No deviation.
(2) Has the Company established any other information disclosure channels (e.g. maintaining a website in English, designating people to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference, etc.)?	V		The Company has a spokesperson and a deputy spokesperson, and arranges dedicated units responsible for company information collection and disclosure. The significant external announcement shall be made according to regulations in "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities". The Company has an English website for foreign investors to access relevant information.	No deviation.
(3) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?		V	The Company is engaged in financial and insurance business. There are many matters to be disclosed in the financial statements. It shall be treated with caution and strengthened to check. Therefore, it is time-consuming. It is not possible to announce and file the annual financial report within two months after the end of the year. However, the operating conditions of each month in the first quarter and the third quarter in 2021 have been reported in advance.	The Company is engaged in financial and insurance business. There are many matters to be disclosed in the financial statements. It shall be treated with caution and strengthened to check. Therefore, it is time-consuming. It is not possible to announce and file the annual financial report within two months after the end of the year. However, the operating conditions of each month in the first quarter and the third quarter in 2021 have been reported in advance.

Evaluation Item	Status (Note 1)		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, Directors' and Supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by Directors and Supervisors)?	V		<p>(I) Employee rights and interests: The Company's work rules and internal regulations shall be all handled in accordance with the Labor Standards Law and relevant laws and regulations.</p> <p>(II) Employee care: In addition to regular annual cash gifts, the Company also provides subsidies to employees for organizing club activities and organizing employee travels from time to time. In addition, when employees and their family members encounter weddings, funerals, celebrations, and injuries, the Company and the Company's Welfare Committee provide gift money or condolences in accordance with the Company's internal regulations. In addition, the Company regularly conducts health checks for employees, and also insures group accident and medical insurance for employees (including their spouses) from life insurance companies.</p> <p>(III) Investor relationship: The Company has a spokesperson system. If investors have any questions, they can get in touch with the Company's spokesperson.</p> <p>(IV) Supplier relations: The main business sources of the product insurance industry mostly come from insurance brokers or insurance agents, and their list is disclosed on the Company's website in accordance with regulations. The website is https://ins-info.ib.gov.tw/customer/Info1-5.aspx?UID=03110001</p> <p>(V) Rights of interested parties: The relationship between the Company and the interested parties and the exercise of rights shall be processed in accordance with relevant laws and regulations.</p> <p>(VI) Continuing education of directors and supervisors: The directors' and supervisors' continuing education was conducted in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" in 2021. The situation is as follows:</p> <p>(VII) Implementation of risk management policies and risk evaluation measures: The risk management of the Company is at a strategic position, and risks are taken into consideration when forming related decisions. The Company identifies, measures, monitors and reports risks through qualitative or quantitative management methods and maintains the possible risks from operating activities within an acceptable range in order to pursue steady operating policy and uphold the spirit of consistent execution. In terms of risk measurement, the Company shall consider the nature, scale and complexity of each business and operating activity, set appropriate quantitative methods or qualitative standards for each type of risk, regularly review various key risk indicators and risk limits, and make layered reporting in accordance with relevant regulations. The Company also formulates "Operational Crisis</p>	No deviation.

Evaluation Item	Status (Note 1)		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No		
			<p>Response Measures” in accordance with Article 6 of the “Key Points for Handling Financial Institutions’ Operational Crisis”, and has a Risk Management Committee to effectively monitor, manage and respond to various risks that may arise in the course of business operations. In addition to the above measures, the Company has formulated internal regulations associated with risk control, including the “Insurance Risk Management Measures”, the “Catastrophe Risk Management Measures”, the “Provision Risk Management Measures”, the “Asset Liability Coordination Risk Management Measures” , the “Operational Outsourcing Risk Management Principles and Operating Procedures”, the “Key Risk Indicators Notification Operation Method”, the “Market Risk Management Method”, the “Credit Risk Management Method”, the “Liquidity Risk Management Method”, the “Operation Risk Management Method”, the “Emerging Risk Management Method”, etc., in order to pay attention to and effectively improve the related matters of risk control at any time.</p> <p>(VIII) Implementation of customer relations policies: The exercise of the rights and obligations of the Company and its customers is in principle handled in accordance with the contractual contents contained in the insurance policy. The Company also has a customer service office and a free customer service line to maintain a smooth communication channel with customers.</p> <p>(IX) The Company’s purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and supervisors, with an insurance coverage of US\$5 million.</p>	
9. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved.	V		<p>According to the results of the 7th corporate governance evaluation released by the Corporate Governance Center in the most recent year, the Company’s rankings are listed in the top 36%~50%. The following is the indication of the improved situation and the priority strengthening items and measures for those who have not yet improved:</p> <ol style="list-style-type: none"> 1. Does the Company upload the annual report in English 7 days before the meeting of the ordinary shareholders' meeting? : The Company has uploaded the annual report in English before the deadline since 2021. 2. Does the company have a method for the appointment, removal, evaluation, salary and remuneration of internal auditors to be submitted to the board of directors or signed by the audit director to the chairman for approval, and disclosed on the company's website?: The Company has disclosed the above verification methods on the company's website since 2021. 3. Does the company's annual report reveal concrete and explicit dividend policy: : The company has clearly disclosed the dividend policy in the annual report since 	No deviation.

Evaluation Item	Status (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
			<p>2021.</p> <p>4. Does the company establish exclusively (or concurrently) dedicated first-line managers and assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies and disclose it on the Company's website and annual report?: The Company has established the corporate social responsibility committee in 2015 and published the above information in the annual report and the company's website since 2021.</p> <p>5. Does the Company regularly disclose the specific promotion plan and implementation results of corporate social responsibility on the Company's website or in the annual report?: The Company has disclosed the above information in the annual report and the Company's website since 2021.</p> <p>6. Does the Company establish internal policies relating to energy conservation and carbon reduction, greenhouse reduction, reduction in water consumption or other waste management? : the Company has disclosed the above information in its annual report since 2021.</p> <p>7. Does the Company disclose the interim financial report in English within two months after the reporting period of the Chinese version of the interim financial report? : the Company expects to prepare the current financial report in Chinese and English in 2022.</p> <p>8. Has the Company been invited to hold or hold by itself at least two investors' conferences, and the interval between the first and last investors' conferences in the evaluated year is more than three months? : at present, the Company holds an investors' conference every year, and an additional one can be considered to meet this topic.</p>	

Note 1: Reasons for checks of "Yes" or "No" of status should be specified in "Summary Description" column.

Note 2: Evaluation Standards for the Independence of CPAs:

Evaluation Item	Evaluation result	Independence of the CPAs
The CPA is employed by the company for a regular position, receives a fixed salary, or is its director or supervisor.	No	Yes
CPAs have served as directors, supervisors, managerial officers of the Company, or employees who have a significant influence on visa cases, and have been dismissed for less than 2 years.	No	Yes
The accounting firm and the Company are related parties to each other.	No	Yes
A CPA and the person in charge or manager of the Company have a spouse or second-degree relative relationship.	No	Yes
CPAs or their spouses and minor children have an investment or interest-sharing relationship with the Company.	No	Yes
CPAs or their spouses and minor children have funds to borrow from the Company.	No	Yes
CPAs have been consecutively commissioned for seven years.	No	Yes
The Company obtained an independent statement issued by the accountant.	Yes	Yes

Table:

Position	Name	Total Hours	Course contents			
			Date	Training Institution	Course Name	Hours
Chairman	Chi-Hsiung Hung	11	2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2
Director	Hai-Lun Hsu	14	2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/17	Securities and Futures Market Development Foundation	TWSE/TPEX Listed Companies - How to use futures commodity hedging trading and enterprise sustainable management seminar	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2
Director	Chia-Ying Ma	11	2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2
Director	Chih-Ming Liu	11	2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2

Position	Name	Total Hours	Course contents			
			Date	Training Institution	Course Name	Hours
Director	Shih-Wei Hsu	23	2021/9/1	Financial Supervisory Commission	Morning session of the 13th Taipei Corporate Governance Forum	3
			2021/3/11	ROC Securities and Futures Market Development Foundation	Director and supervisor (including independent director) and corporate governance executive practice advanced seminar - Wafer Foundry and advanced packaging technology and supply chain business opportunities	3
			2021/3/17	ROC Securities and Futures Market Development Foundation	Director and supervisor (including independent director) and corporate governance executive practice advanced seminar - Discussion on the compensation of employees and directors - starting from the amendment to Article 14 of the Securities and Exchange Act	3
			2021/5/13	ROC Securities and Futures Market Development Foundation	Director and supervisor (including independent director) and corporate governance executive practice advanced seminar - Technical development and business model of block chain	3
			2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2
Independent Director	Yu-Fung Ma	11	2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2
Independent Director	Ping-Shen Kuo	11	2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/11/3	Taiwan Institute of Directors	Crisis Management - Stakeholder Communication and Public Opinion Risk	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2
Independent Director	Tung-Liang Wang	14	2021/9/1	Financial Supervisory Commission	Morning session of the 13th Taipei Corporate Governance Forum	3
			2021/9/1	Financial Supervisory Commission	Afternoon session of the 13th Taipei Corporate Governance Forum	3
			2021/10/15	Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	3
			2021/12/28	Internal trainings	IFRS17 - Corporate Governance and Supervision Report ICS Association	3
			2021/12/29	Internal trainings	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	2

(IV) **Composition, Responsibilities and Operations of the Remuneration Committee**

1. Professional Qualifications and Independence Analysis of Remuneration Committee

Members

Title	Qualifications Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Director (Convener)	Yu-Fung Ma	PhD, Department of Business Management, National Taipei University Experience: Assistant Professor of St. John's University. Independent Director, Convener of Remuneration Committee, Member of Audit Committee and Member of Risk Management Committee of Union Insurance Co., Ltd. Independent Director of PRINCETON TECHNOLOGY CORP. Supervisor of Black Dragon Technology Corporation Supervisor of Black Dragon Management Consulting Corp. Has work experience, professional knowledge and skills required by commerce, finance and company business.	Being an independent director, meeting the conditions of independence, including but not limited to the fact that he, his spouse and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; not holding company shares; not serving as a director, supervisor or employee of a company with a specific relationship with the Company; no amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.	1
Independent Director	Tung-Liang Wang	Master of Law, Institute of Law, Chinese Culture University Lawyer of R.O.C. Experience: Independent Director, Convener of the Audit Committee, Member of the Remuneration Committee and Member of the Risk Management committee of Union Insurance Co., Ltd. Director of Tung-Liang Wang Law Firm Has work experience, professional knowledge and skills required by legal affairs and company business.	Being an independent director, meeting the conditions of independence, including but not limited to the fact that he, his spouse and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; not holding company shares; not serving as a director, supervisor or employee of a company with a specific relationship with the Company; no amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.	0
Independent Director	Ping-Shen Kuo	Doctor of Economics, University of Rochester, USA Experience: Professor of Department of International Trade of National Chengchi University Independent Director, Convener of Risk Management Committee, Member of Audit Committee and Member of Remuneration Committee of Union Insurance Co., Ltd. Director of Taiwan Tobacco and Alcohol Co., Ltd. Has work experience, professional knowledge and skills required by finance and company business.	Being an independent director, meeting the conditions of independence, including but not limited to the fact that he, his spouse and relatives within the second degree of kinship do not serve as directors, supervisors or employees of the Company or its affiliated enterprises; not holding company shares; not serving as a director, supervisor or employee of a company with a specific relationship with the Company; no amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the last two years.	0

The responsibilities of the Company's Remuneration Committee are as follows:

- (1) Periodically reviewing the Remuneration Committee Charter and making recommendations for amendments.
- (2) Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.
- (3) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of this Corporation have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance assessment standards.
- (4) If the decision-making and handling of any matter relating to the remuneration of directors and managerial officers of a subsidiary is delegated to the subsidiary but requires ratification by the board of directors of the Company, the Committee shall be asked to make recommendations before the matter is submitted to the Board of Directors for deliberation.

2. Operational Status of the Remuneration Committee

(1) There are three members in the Remuneration Committee of the Company.

(2) Current Remuneration Committee Term: From June 18, 2019 to June 17, 2022. A total of 5 (A)

Remuneration Committee meetings were held in the most recent year. The information and attendance of the members was as follows:

Position	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note)	Note	
Convener	Yu-Fung Ma	5	0	100%	Reappointed on June 18, 2019	
Committee Member	Tung-Liang Wang	5	0	100%	Newly elected on June 18, 2019	
Committee Member	Ping-Shen Kuo	5	0	100%	Reappointed on June 18, 2019	
The resolutions of the 4th Remuneration Committee in 2021						
The 4th Remuneration Committee of Union Insurance Co., Ltd.						
Session/ Time	Date	Attendance			Resolutions	Resolution results
		Tung-Liang Wang	Ping-Shen Kuo	Yu-Fung Ma		
9	2021.1.27	V	V	V	Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure.	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
					The performance bonus of the Company's Chairman and General Manager in 2020, and the review of the appropriateness of the "Performance System and Evaluation Mechanism for the Chairman and General Manager"	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
					Performance evaluation of managerial officers appointed by the Company in 2020 and their year-end bonus	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
10	2021.2.26	V	V	V	Appointment and removal of managerial officers	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
11	2021.3.26	V	V	V	Proposal for the Company's distribution of remuneration for directors for 2020	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
					Changes in the managerial officers appointed by the Company and salary adjustments	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
12	2021.6.29	V	V	V	Promotion in the managerial officers appointed by the Company and salary adjustments	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
13	2021.8.26	V	V	V	Discussion and revision of some articles of the "Organizational Procedures of the Remuneration Committee"	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.
					Discussion of remuneration distribution case of the Company's appointed managerial officers in 2020	The Chairman consulted all shareholders in attendance present, and they voted in favor of the resolution without objection.

Other matters to be recorded:

- 1、 If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, the session, the contents of the motion, the results of the resolutions by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: The Company's Board of Directors and Remuneration Committee have no such circumstances in most recent year.
- 2、 If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, the session, the contents of the motion, all members' opinions and the response to members' opinion shall be specified: The Company's Remuneration Committee has no such circumstances in most recent year.

Note:

- (1) Where a committee member may be relieved from duties before the end of the fiscal year, please specify the date of his/her discharge in the "Remarks" Section. His/her actual attendance rate (%) to the committee meeting shall be calculated based on the number of meetings called and actual number of meetings he/she attended, during his/her term of office.
- (2) If a Remuneration Committee member is re-elected before the end of the accounting year, the names of current and previous members shall be listed and their appointment status and re-election date shall be noted in the "Remarks" column. His or her attendance rate (%) will be calculated on the basis of number of Remuneration Committee meetings held during his or her tenure and number of such meetings attended.

(2) Chief Corporate Governance Officer

1	Name and Title of Chief Corporate Governance Officer	Tai-Lung Chen/Assistant Vice President			
2	Date of Adoption by the Board of Directors	The 38th meeting of the 24th Board of Directors on May 21, 2019			
3	Eligibility conditions	In accordance with Article 23 of the “Key Points for the Establishment and Exercise of Functions and Powers of the Board of Directors of Listed Companies of Taiwan Stock Exchange Co., Ltd.”, he has been in charge of legal affairs, compliance with laws and regulations and corporate governance related affairs in financial related institutions and public companies for more than three years.			
4	Concurrent employment	Concurrently serve as the Head of the Human Resource Department and Head of the Legal Department			
5	Terms of reference	<p>(1) Handle matters related to meetings of the board of directors and shareholders in accordance with the law.</p> <p>(2) Prepare minutes of the board of directors and shareholders' meetings.</p> <p>(3) Assist directors and supervisors in taking office and continuing education.</p> <p>(4) Provide data necessary for directors and supervisors to perform their business.</p> <p>(5) Assist directors and supervisors to comply with laws and regulations.</p> <p>(6) Other matters stipulated in the articles of association or contract.</p>			
6	Key points of annual business execution	<p>(1) Conduct the meetings of the board of directors and functional committees on a monthly basis and prepare minutes of proceedings</p> <p>(2) Assist in arranging and completing the board member continuing education course in 2021</p> <p>For the business execution status of the corporate governance executive, please refer to “IV. Corporate Governance Operation” (#page 22-41#) of the Annual Report.</p>			
7	Continuing education	Training Institution	Course Name	Date	Hours
		Taiwan Corporate Governance Association	The driving force behind corporate governance: the operation practice of corporate managers	2021/03/09	3
		Taiwan Corporate Governance Association	Matters needing attention of the board of directors and shareholders' meeting in 2021	2021/03/23	3
		Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum (morning session)	2021/9/1	3
		Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum (afternoon session)	2021/9/1	3
		Taiwan Institute of Directors	Corporate Governance 3.0 - Sustainable Development Roadmap	2021/10/15	3
		Taiwan Insurance Institute	IFRS17 Competitive Blueprint and Corporate Governance 3.0	2021/10/26	3
		Taiwan Corporate Governance Association	Crisis Management - Stakeholder Communication and Public Opinion Risk	2021/11/3	3

Implementation of Promoting Sustainable Development and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Promotion Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
I. Does the Company establish a governance framework to promote sustainable development and establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of promoting sustainable development policies and supervision by the board?			<p>In order to improve the management of sustainable development, the Company established the "CSR Committee" in 2015 and renamed it "Sustainable Development Committee" in 2022. The board of directors authorized the General Manager to formulate the "Measures for the Establishment of Sustainable Development Committee", with the General Manager as the Chairman, and the Marketing and Planning Department as a full-time (part-time) unit to promote sustainable development. The Sustainable Development Committee sets up corporate governance, customer care, employee care, environmental sustainability, social welfare and goods and services groups. The groups discuss the implementation guidelines from time to time to implement the promotion of sustainable development. Its membership and work duties are as follows:</p> <ol style="list-style-type: none"> 1. Corporate Governance-The Compliance Office, Auditing Office, Risk Management Department, and Accounting Department are responsible for ethical corporate management, organizational strategy, risk management, legal compliance, internal control, and maintenance of shareholder rights. 2. Customer Care-The Individual Insurance Claims Department, Corporate Insurance Claims Department, Information Department, Risk Management Department, each insurance department, Customer Service Center and other departments are responsible for customer relationship maintenance, customer information confidentiality, information security, consumer rights protection, and other related matters. 3. Employee Care-The Human Resource Department and the General Affairs Department are responsible for employee compensation and benefits, functional management, labor relations, employee education and trainings, and the creation of a friendly employment environment. 4. Environmental Sustainability-The General Affairs Department and Risk Management Department are mainly responsible for environmental protection, pollution reduction, green procurement, supply chain management, and climate change response measures. 5. Social Welfare-The Marketing and Planning Department is mainly responsible for micro-insurance, care for the disadvantaged, community participation, public welfare activities, cultural and sports education participation, environmental protection issues, etc. 6. Goods and services - The information department is mainly responsible for digital financial improvement services; each insurance department is responsible for developing sustainable goods, etc. <p>The "Sustainable Development Committee" has held two committees in 2021. In addition to tracking the implementation results of each group, it also identifies sustainable issues of concern to the company's operation and stakeholders, so as to check whether the annual implementation plan needs to re formulate the coping strategy and implementation plan, so as to ensure that the sustainable development strategy is fully implemented in the company's daily operation. The committee will report to the board of directors annually on the implementation results of the current year and the implementation plan for the next year.</p> <p>To achieve a sound management of sustainable development, the Board of Directors shall authorize the General Manager to establish the Sustainable Development 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 sustainable development policy, proposing and implementing corporate social responsibility plans, and regularly reporting the implementation status to the Board of Directors.</p>	No deviation

<p>II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?</p>		<p>The data disclosed in this report is from January to December 2021, with the Company's ESG management and achievements as the main focus. The boundary of the risk assessment is all operating activities in Taiwan, and the relevant data and explanations are mainly the head office and branches.</p> <p>In order to ensure that the disclosed information meets the needs and expectations of stakeholders, the sustainable development committee collects sustainable issues through three aspects: corporate governance, environment and society, in accordance with the definition and classification of GRI Standards published by the Global Reporting Initiative. According to the risk after evaluation, relevant risk management policies or strategies are formulated as follows:</p> <table border="1" data-bbox="510 309 1677 1307"> <thead> <tr> <th data-bbox="510 309 622 360">Material Issue</th> <th data-bbox="622 309 831 360">Risk Assessment</th> <th data-bbox="831 309 1677 360">Explanation</th> </tr> </thead> <tbody> <tr> <td data-bbox="510 360 622 531">Environment</td> <td data-bbox="622 360 831 531">Corporate Environmental Protection and Sustainable Development</td> <td data-bbox="831 360 1677 531"> <ol style="list-style-type: none"> Formulate the "Corporate Environment, Energy-saving and Carbon-Reduction Management Measures", and annually count greenhouse gas emissions and water consumption, and continue to implement energy-saving and carbon-reduction policies. Incorporate climate change risk management into the overall risk management policy and integrate it into the Company's current overall risk management procedures and mechanisms. Promote energy-friendly activities, implement green procurement policies, and mitigate environmental impacts in order to achieve the goal of sustainable operation. </td> </tr> <tr> <td data-bbox="510 531 622 651">Social</td> <td data-bbox="622 531 831 651">Employee rights protection, talent cultivation and occupational safety and health</td> <td data-bbox="831 531 1677 651">In order to maintain the health of employees and create a good working environment, the Company has formulated the "Occupational Safety and Health Work Code", the "Occupational Safety and Health Management Plan", the "Office Air Quality Monitoring Implementation Plan", and established the General Affairs Department to take charge of labor safety affairs.</td> </tr> <tr> <td data-bbox="510 651 622 1090">Corporate Governance</td> <td data-bbox="622 651 831 1090">Compliance</td> <td data-bbox="831 651 1677 1090"> <ol style="list-style-type: none"> Stable and sound corporate governance ensures the sustainable development of the corporate organization. The Company safeguards the rights and interests of its shareholders and other interested parties, and formulates the "Corporate Governance Best Practice Principles", the "Policy on Ethical Corporate Management", the "Codes of Ethical Conduct", and the "Operational Crisis Response Measures". Also, the Company has formulated the "Principles for Fair Treatment of Customers" and formed an "Implementation Team for Promoting Fair Treatment of Customers Plan" to ensure that every customer can receive fair and undifferentiated treatment. We ensure all promotion and execution of the Company's various businesses in line with the relevant laws and regulations by implementing the mechanism of internal control system. </td> </tr> <tr> <td data-bbox="510 1090 622 1307"></td> <td data-bbox="622 1090 831 1307">Strengthen the functions of directors</td> <td data-bbox="831 1090 1677 1307">The Company arranges diversified continuing education courses for directors to improve their decision-making quality, make good use of their supervision ability, and then strengthen the functions of the board of directors. The continuing education topics include: Anti-Money-laundering, Counter-Terrorism-Financing, and Principles for Treating Customers Fairly, IFRS17 Conversion and Insurance enterprise response strategy, Corporate Governance 3.0 - Sustainable Development Roadmap, Crisis Management - Stakeholder Communication and Public Opinion Risk, Corporate Governance Forum, Technical Development and Business Model of Block Chain and other professional courses to ensure the operation performance of the board of directors and meet the international trend.</td> </tr> <tr> <td data-bbox="510 1307 622 1457"></td> <td data-bbox="622 1307 831 1457">Stakeholder Communication</td> <td data-bbox="831 1307 1677 1457">Through multiple communication channels, understand and collect the issues concerned by stakeholders, respond to the issues concerned quickly and appropriately according to the importance and priority of the issues concerned by stakeholders, maintain a good and smooth communication channel, and obtain valuable advice and suggestions through Union Insurance Co., Ltd. in the process of communication with stakeholders, so as to truly understand the substantive needs and expectations of stakeholders, In order to identify the potential risks and management opportunities faced by the enterprise, and truly safeguard the rights and interests of stakeholders and trust in Union Insurance Co., Ltd., Union Insurance Co., Ltd. will continue to revise and improve to meet the enterprise's sustainable business philosophy.</td> </tr> </tbody> </table>	Material Issue	Risk Assessment	Explanation	Environment	Corporate Environmental Protection and Sustainable Development	<ol style="list-style-type: none"> Formulate the "Corporate Environment, Energy-saving and Carbon-Reduction Management Measures", and annually count greenhouse gas emissions and water consumption, and continue to implement energy-saving and carbon-reduction policies. Incorporate climate change risk management into the overall risk management policy and integrate it into the Company's current overall risk management procedures and mechanisms. Promote energy-friendly activities, implement green procurement policies, and mitigate environmental impacts in order to achieve the goal of sustainable operation. 	Social	Employee rights protection, talent cultivation and occupational safety and health	In order to maintain the health of employees and create a good working environment, the Company has formulated the "Occupational Safety and Health Work Code", the "Occupational Safety and Health Management Plan", the "Office Air Quality Monitoring Implementation Plan", and established the General Affairs Department to take charge of labor safety affairs.	Corporate Governance	Compliance	<ol style="list-style-type: none"> Stable and sound corporate governance ensures the sustainable development of the corporate organization. The Company safeguards the rights and interests of its shareholders and other interested parties, and formulates the "Corporate Governance Best Practice Principles", the "Policy on Ethical Corporate Management", the "Codes of Ethical Conduct", and the "Operational Crisis Response Measures". Also, the Company has formulated the "Principles for Fair Treatment of Customers" and formed an "Implementation Team for Promoting Fair Treatment of Customers Plan" to ensure that every customer can receive fair and undifferentiated treatment. We ensure all promotion and execution of the Company's various businesses in line with the relevant laws and regulations by implementing the mechanism of internal control system. 		Strengthen the functions of directors	The Company arranges diversified continuing education courses for directors to improve their decision-making quality, make good use of their supervision ability, and then strengthen the functions of the board of directors. The continuing education topics include: Anti-Money-laundering, Counter-Terrorism-Financing, and Principles for Treating Customers Fairly, IFRS17 Conversion and Insurance enterprise response strategy, Corporate Governance 3.0 - Sustainable Development Roadmap, Crisis Management - Stakeholder Communication and Public Opinion Risk, Corporate Governance Forum, Technical Development and Business Model of Block Chain and other professional courses to ensure the operation performance of the board of directors and meet the international trend.		Stakeholder Communication	Through multiple communication channels, understand and collect the issues concerned by stakeholders, respond to the issues concerned quickly and appropriately according to the importance and priority of the issues concerned by stakeholders, maintain a good and smooth communication channel, and obtain valuable advice and suggestions through Union Insurance Co., Ltd. in the process of communication with stakeholders, so as to truly understand the substantive needs and expectations of stakeholders, In order to identify the potential risks and management opportunities faced by the enterprise, and truly safeguard the rights and interests of stakeholders and trust in Union Insurance Co., Ltd., Union Insurance Co., Ltd. will continue to revise and improve to meet the enterprise's sustainable business philosophy.	<p>No deviation</p>
Material Issue	Risk Assessment	Explanation																			
Environment	Corporate Environmental Protection and Sustainable Development	<ol style="list-style-type: none"> Formulate the "Corporate Environment, Energy-saving and Carbon-Reduction Management Measures", and annually count greenhouse gas emissions and water consumption, and continue to implement energy-saving and carbon-reduction policies. Incorporate climate change risk management into the overall risk management policy and integrate it into the Company's current overall risk management procedures and mechanisms. Promote energy-friendly activities, implement green procurement policies, and mitigate environmental impacts in order to achieve the goal of sustainable operation. 																			
Social	Employee rights protection, talent cultivation and occupational safety and health	In order to maintain the health of employees and create a good working environment, the Company has formulated the "Occupational Safety and Health Work Code", the "Occupational Safety and Health Management Plan", the "Office Air Quality Monitoring Implementation Plan", and established the General Affairs Department to take charge of labor safety affairs.																			
Corporate Governance	Compliance	<ol style="list-style-type: none"> Stable and sound corporate governance ensures the sustainable development of the corporate organization. The Company safeguards the rights and interests of its shareholders and other interested parties, and formulates the "Corporate Governance Best Practice Principles", the "Policy on Ethical Corporate Management", the "Codes of Ethical Conduct", and the "Operational Crisis Response Measures". Also, the Company has formulated the "Principles for Fair Treatment of Customers" and formed an "Implementation Team for Promoting Fair Treatment of Customers Plan" to ensure that every customer can receive fair and undifferentiated treatment. We ensure all promotion and execution of the Company's various businesses in line with the relevant laws and regulations by implementing the mechanism of internal control system. 																			
	Strengthen the functions of directors	The Company arranges diversified continuing education courses for directors to improve their decision-making quality, make good use of their supervision ability, and then strengthen the functions of the board of directors. The continuing education topics include: Anti-Money-laundering, Counter-Terrorism-Financing, and Principles for Treating Customers Fairly, IFRS17 Conversion and Insurance enterprise response strategy, Corporate Governance 3.0 - Sustainable Development Roadmap, Crisis Management - Stakeholder Communication and Public Opinion Risk, Corporate Governance Forum, Technical Development and Business Model of Block Chain and other professional courses to ensure the operation performance of the board of directors and meet the international trend.																			
	Stakeholder Communication	Through multiple communication channels, understand and collect the issues concerned by stakeholders, respond to the issues concerned quickly and appropriately according to the importance and priority of the issues concerned by stakeholders, maintain a good and smooth communication channel, and obtain valuable advice and suggestions through Union Insurance Co., Ltd. in the process of communication with stakeholders, so as to truly understand the substantive needs and expectations of stakeholders, In order to identify the potential risks and management opportunities faced by the enterprise, and truly safeguard the rights and interests of stakeholders and trust in Union Insurance Co., Ltd., Union Insurance Co., Ltd. will continue to revise and improve to meet the enterprise's sustainable business philosophy.																			

<p>III. Environmental issues</p> <p>(I) Does the company establish proper environmental management systems based on the characteristics of their industries?</p>	v		<p>The Company is a financial service company, and has established a labor safety system and a safety and health management system in accordance with the law. Although the Company does not apply the ISO14001 environmental management system, when performing business activities, the Company shall perform the management and regular maintenance of official vehicles, and the electric energy used in the office, water resources and waste generated, try its best to protect the natural environment through the reuse of resources, elevator energy saving, channel lighting, air-conditioning and water resources management, and commit itself to the goal of sustainable environmental development.</p>	No deviation
<p>(II) Does the company endeavor to utilize resources more efficiently and use renewable materials which have low impact on the environment?</p>	v		<p>Promote the concepts of power saving, water saving, and paper reduction to employees on a regular basis, and implement environmental protection concepts in daily work, including replacing office lighting equipment with LED lamps, replacing old power-consuming air conditioners and electrical appliances, and replacing the equipment that complies with environmental protection standards. Computer equipment procurement must comply with the principles of green procurement; photocopying paper is made from crops, natural forests are not cut down, and raw materials are collected by planting trees by themselves.</p>	No deviation
<p>(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter issues?</p>	v		<p>According to the Global Risks Report issued by the World Economic Forum, the risks associated with “climate change” have been the most concerned topic for many years, and will cause huge risks to business operations and opportunities; In order to attach importance to climate change issues and management, the Company integrates climate change risks into the overall “Risk Management Policy and Guiding Principles”, takes the identified climate related risks as the basis for the formulation of risk acceptance and operation plan investigation, and is continuously supervised by the board of directors to ensure the effectiveness of risk management and bear the ultimate responsibility of overall risk management. In addition, the Company initiates climate change risk management procedures every year. The “Climate Change Risk Management Team” assesses potential risks and opportunities that climate change may bring, develops appropriate response measures, and integrates relevant information into risk management in the report, which shall be submitted to the Risk Management Committee and the Board of Directors. A detailed description of the Company's climate change risks and opportunities has been disclosed in the Company's sustainability report. (Please also refer to the company's official website / enterprise sustainability / sustainability report to download https://www.wwunion.com/?p=16085)</p>	No deviation
<p>(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?</p>	v		<p>The Company is a financial service provider, and the impact of climate change on the Company’s operating activities is relatively small. However, in response to climate changes and the development trend of greenhouse gas reduction, the Company has formulated corporate environmental, energy-saving and carbon-reduction management measures, reviews the annual statistics of greenhouse gas emissions and water consumption year by year, and continuously implements the energy-saving and carbon-reduction policies on the principle of carbon emissions per unit and no increase in water consumption.</p>	No deviation

<p>IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	v		<p>The Company attaches great importance to labor rights and interests, recognizes and supports the principles disclosed in international human rights conventions such as the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant and the Convention of the International Labour Organization. The "Human Rights Policy of Union Insurance Co., Ltd." was approved by the board of directors and published on the company's website, formulates relevant labor and ethics policies in accordance with its guidelines, and regularly holds labor and capital meetings and employee welfare committees, Communicate and exchange on the promotion of labor capital cooperation, coordination of labor capital relations, improvement of working conditions and labor welfare planning issues, so as to build a diversified and inclusive friendly workplace. When the Company has major operational changes that affect the rights and interests of employees, advance notice will be handled in accordance with labor-related laws and regulations, and explanations will be made to employees in a timely manner.</p> <p>The human rights policy or procedure related training courses in 2021 include anti-corruption, anti bribery, honest operation, personal asset protection and information security. The total number of employees trained is 12569, the total number of training person hours is 16062.5 hours, and the employee training rate is 100%.</p> <p>The Company's human rights management policies and specific plans are summarized as follows:</p> <table border="1" data-bbox="566 504 1507 759"> <thead> <tr> <th data-bbox="566 504 887 563">Human rights management policy</th> <th data-bbox="887 504 1507 563">Specific scheme</th> </tr> </thead> <tbody> <tr> <td data-bbox="566 563 887 646">Provide a safe and healthy working environment</td> <td data-bbox="887 563 1507 646">Please refer to the relevant instructions of "Protective Measures for Working Environment and Employees' Personal Safety" in industrial relations on page 93.</td> </tr> <tr> <td data-bbox="566 646 887 759">Prohibit forced labor and abide by the labor laws and regulations of the local government</td> <td data-bbox="887 646 1507 759">Implement the leave system, encourage employees to pay attention to the balance between work and life, and regularly remind employees of the number of days they can take leave.</td> </tr> </tbody> </table>	Human rights management policy	Specific scheme	Provide a safe and healthy working environment	Please refer to the relevant instructions of "Protective Measures for Working Environment and Employees' Personal Safety" in industrial relations on page 93.	Prohibit forced labor and abide by the labor laws and regulations of the local government	Implement the leave system, encourage employees to pay attention to the balance between work and life, and regularly remind employees of the number of days they can take leave.	No deviation
Human rights management policy	Specific scheme									
Provide a safe and healthy working environment	Please refer to the relevant instructions of "Protective Measures for Working Environment and Employees' Personal Safety" in industrial relations on page 93.									
Prohibit forced labor and abide by the labor laws and regulations of the local government	Implement the leave system, encourage employees to pay attention to the balance between work and life, and regularly remind employees of the number of days they can take leave.									
<p>(II) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?</p>	v		<p>1. The Company's employee remuneration includes monthly salary, year-end bonus and employee remuneration. Year-end bonuses are distributed based on the Company's operating performance and individual employee performance for the year, and employee remuneration is based on the Company's Articles of Incorporation. If there is a profit in the year, one to five percent shall be allocated as employee remuneration. However, if there are still accumulated losses, certain profits shall first be allocated to make up for accumulated losses, then the remaining balance shall be made available to allocate any bonuses or compensations.</p> <p>2. The Company established the employee welfare committee and allocated more than NT\$13 million in employee benefits in 2021, and formulated employee welfare measures in accordance with various labor-related laws and regulations? For the implementation status, please refer to page 90.</p>	No deviation						
<p>(III) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?</p>	v		<p>1. Regularly inspect the lighting, air-conditioning, and fire-fighting equipment in the working environment to maintain the cleanliness of the environment. Regularly conduct check-ups for employees, and hire workplace nurses to provide health consultations and conduct occupational health and safety seminars. Also cooperate with the government's major epidemic announcement and publicity.</p> <p>2. In 2021, the number of employees suffering from occupational accidents was 4, all of which were caused by accidents on the way to the public, and there were no disabled. The number of employees suffering from occupational disasters was 4, accounting for 0.36% of the total number of employees at the end of the year. The Company conducted 1124 occupational safety and health education and training for employees in 2021, with a training rate of 100%.</p>	No deviation						

<p>(IV) Does the company provide its employees with career development and training sessions?</p>	v	<p>In addition to the "general knowledge" and professional courses for new recruits, the company's education system also includes "functional education and training", "class education and training", "project knowledge education and training" and "knowledge sharing self inspiration education and training". Through different functional training, new recruits can accelerate their familiarity with the work content and integrate into the company culture, so as to condense the centripetal force of the company. In addition, it can also pass on practical experience through course interaction and advanced predecessors in the workplace, establish a good and correct working attitude and concept, and greatly shorten the labor pains in the workplace. For senior employees, Union Insurance Co., Ltd. encourages students to step out of the comfort zone, learn new skills and improve their competitiveness. In order to make the company transfer smoothly from generation to generation, an agent system is established through department rotation, so as to cultivate and strengthen personal communication management skills and problem-solving ability, and improve the overall human resource quality of the company.</p> <p>In 2021, the average annual training hours per person were 22.57 hours, with a total of 19,124 participants and a total of 25,120.5 hours.</p> <table border="1" data-bbox="573 475 1279 751"> <thead> <tr> <th>Position Level</th> <th>Male</th> <th>Female</th> <th>Total Hours</th> <th>Average Hours</th> </tr> </thead> <tbody> <tr> <td>Management employee</td> <td>4,786</td> <td>3,140.5</td> <td>7,926.5</td> <td>32.5</td> </tr> <tr> <td>General employee</td> <td>7,205.5</td> <td>9,988.5</td> <td>17,194</td> <td>19.81</td> </tr> <tr> <td>Total Hours</td> <td>11,991.5</td> <td>13,129</td> <td>25,120.5</td> <td></td> </tr> <tr> <td>Average Hours</td> <td>23.42</td> <td>21.85</td> <td>22.57</td> <td></td> </tr> </tbody> </table>	Position Level	Male	Female	Total Hours	Average Hours	Management employee	4,786	3,140.5	7,926.5	32.5	General employee	7,205.5	9,988.5	17,194	19.81	Total Hours	11,991.5	13,129	25,120.5		Average Hours	23.42	21.85	22.57		No deviation
Position Level	Male	Female	Total Hours	Average Hours																								
Management employee	4,786	3,140.5	7,926.5	32.5																								
General employee	7,205.5	9,988.5	17,194	19.81																								
Total Hours	11,991.5	13,129	25,120.5																									
Average Hours	23.42	21.85	22.57																									
<p>(V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?</p>	v	<p>The Company provides insurance products to protect policyholders for compensation for losses caused by insured accidents. The marketing documents, requirements for insurance, policy clauses, and insurance rates of the products provided shall be all processed in accordance with relevant insurance laws and regulations. Also, the Company has followed the relevant provisions of the Personal Data Protection Act for the various services to policyholders, fully introduced the information security management system (ISMS), obtained the information security management (ISO 27001) certification and personal data protection (BS 10012) certification, and established the personal information management system (PIMS). In order to safeguard the rights and interests of financial consumers, the Company has established the "Financial Consumption Dispute Resolution System", which has been approved and implemented by the Board of Directors, set up a "Policyholder Service and Appeal Center" to handle customer complaints, provided a 24-hour 0800 toll-free hotline. Also, the Company has "Contact US" under Customer Service Center on its official website, providing all-weather insurance professional services.</p>	No deviation																									
<p>(VI) Has the Company established the supplier management policies requesting suppliers to comply with relevant laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised its</p>	v	<p>In order to work with contractors to implement corporate social responsibility, promote sustainable environmental development and safeguard basic human rights, the Company regularly visits outsourced printing companies every year to ensure that they meet the requirements of environmental protection and maintenance of labor standards. For the procurement of information equipment and electrical equipment, manufacturers are also required to provide products with environmental protection and energy saving labels, in order to jointly promote environmental protection with suppliers, reduce environmental impact, and achieve the goal of environmentally sustainable operation.</p>	No deviation																									

implementation?			
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	v		The Company entrusts KPMG to conducted independent limited assurance on the sustainability report of Union Insurance Co., Ltd. in accordance with first to fourth items that should be disclosed by the financial and insurance industry in accordance with Paragraph 3 of Article 4 of the Operating Measures for the Preparation and Reporting of Sustainability Reports by Listed Companies and the statement of Assurance Standards No. 1 issued by the accounting research and development foundation of the Republic of China "Assurance cases that are not historical financial information audit or review" (formulated with reference to the International Assurance Standard isae3000). It is expected to obtain the assurance opinion in early June 2022.
VI. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," describe the implementation and any deviations from such principles: The Company passed the "Corporate Social Responsibility Principles" and "Corporate Social Responsibility Policy" at the 27th Meeting of the 23rd Board of Directors on July 30, 2015. In response to the amendment of laws and regulations, it was approved at the 33rd meeting of the 25th session of the board of directors on January 19, 2022 to amend the name to "Sustainable Development Best-Practice Principles" and "Sustainable Development Policy". There is no deviation between the Company's actual operations and these principles and policies.			
VII. Other important information to facilitate a better understanding of promoting sustainable development: Other promotion plans and achievements of the Company in 2021: Affected by COVID-19 epidemic in 2021, many industries or activities have been impacted, and the distribution of social resources is also at risk. Due to the restrictions on the number of indoor and outdoor activities and social distance caused by the outbreak of the epidemic, the entity's public welfare activities cannot be held smoothly, but the Company adheres to the concept of "taking the society and using the society" and spared no effort in social responsibility. During the epidemic period, through practical actions such as sponsoring public welfare activities and donating 10 social welfare groups through the "happy public welfare" donation platform, the Company warmly accompanies the vulnerable to tide over the difficulties. 1. Around-the-island public welfare online walking activity: Syin-Lu Foundation's "walking together every day" walking activity was suspended for two consecutive years due to the impact of the epidemic, and Syin-Lu foundation changed to "Around-the-island public welfare online walking" activity in 2021. The online walking activity is to invite people to join the walking of 1988 kilometers (the total length of the coastline of Taiwan's main island + outlying island is 1988 kilometers), so that people can start from their own door, stick by stick, and walk a friendly road for those with obstacles. The love of Union Insurance Co., Ltd. is uninterrupted. It promises that as long as people walk every kilometer, the Company will donate NT\$10, and invite all people in Taiwan to go out of their homes, stick by stick, and raise 1988 kilometers together, so as to walk a friendly way for those with obstacles and let friendliness surround the whole Taiwan 2. Stars cherish and let love move : April 2 of each year is the "World Autism Awareness Day". The Autism Society of Taiwan held the activity of "stars cherish and let love move" at the end of March 2021. Through performances and outdoor garden activities, more families of autistic people with "stars" are encouraged to come out and interact with society, let the public have a wide understanding of autism, and keep pace with international standards, so that the information of autism can be more circulated. 3. The 7th Yuxiang Cup National Wheelchair Badminton Championship: Union Insurance Co., Ltd. has participated in the Changhua County Physical Disability Association for five consecutive times. The "Yuxiang Cup National Wheelchair Badminton Championship" not only encourages everyone to go out of the door and integrate into the society, but also encourages friends with physical and mental disabilities to go to the sports stage, give full play to the sportsman spirit and recover their self-confidence in life. 4. WORKING TOGETHER WITH STARS TO CONVEY LOVE AND EXHIBITION OF AWARD-WINNING PAINTINGS AROUND THE ISLAND : The United Nations designates December 3 every year as the "International Day of Persons with Disabilities". In 2021, The Autism Society of Taiwan plans to carry out a series of activities such as cycling around the island and exhibition of paintings around the island, with the theme of "Working together with stars to convey love - equal participation to create multiple values", advocating the relevant concepts and information of autistic people in various forms. It is expected that through this activity, we can promote a friendly society that respects differences, tolerates diversity and makes autistic people and the public at zero distance from each other. 5. God of Water did public welfare and joined hands with Taiwanese people in epidemic prevention : In 2020, the Covid-19 epidemic was serious, and the demand for antibacterial products in Taiwan increased greatly. At that time, affiliated enterprises of the Group provided God of Water antibacterial solution to the public free of charge, sending more than 20000 tons In May 2021, due to the sharp increase of locally confirmed cases, the central epidemic command announced that the epidemic situation had been raised to the third level of alert, and the people's demand for epidemic prevention, cleaning, disinfection and other commodities had greatly increased. In response to the group's activities, Union Insurance Co., Ltd. took the lead in joining the activity of "God of Water antibacterial solution - public water station" to provide God of Water antibacterial solution (slightly acidic			

electrolytic hypochlorite water) to the people free of charge. Each household can receive 1 liter of God of Water antibacterial liquid every day. Union Insurance Co., Ltd. cares for the people of Taiwan and looks forward to doing its part for epidemic prevention in Taiwan. During the activity, 42,304 people received it from May 17, 2021 to July 30, 2021.

6. Insurance education and advocacy: In 2021, due to the impact of the epidemic, it was impossible to handle the real financial knowledge advocacy activities. Union Insurance Co., Ltd. advocated residential fire insurance through shooting videos. Through the advocacy of online video, insurance education will be earnestly carried out to enable people to obtain relevant insurance knowledge and establish a correct insurance concept. In 2021, 23,714 people participated in online viewing of fire insurance advocacy videos.

In view of the fact that consumer finance is inseparable from the daily life of people, in order to help consumers establish a correct concept of Finance and insurance and continue to go deep into multiple ethnic groups in society, Union Insurance Co., Ltd. has long sponsored the "Public Welfare Fund for Education in Financial Services Industry" of Taiwan Financial Services Roundtable. In addition to providing awards and grants for poor students requiring financial assistance, in line with the international trend of inclusive finance, the fund is used as a financial education course and advocacy activities to specifically show that the financial and insurance industry cares for the society and implement the corporate social responsibility of the financial and insurance industry.

7. Volunteers engagement: Union Insurance Co., Ltd. has established six volunteer teams in the province. Through a close service network composed of 16 branches, 13 service centers and 13 communication places, it is committed to caring for vulnerable groups, providing social emergency assistance, practicing the most practical corporate social responsibility and making love never stop. Looking back on the various public welfare activities invested by the volunteer team in the past 2021, let the employees realize that it is happy to be able to help others, and hope that the Year 2022 can make more people in need get real warmth and motivation to move forward. Union Insurance Co., Ltd. continues to invest in public welfare activities and give back to the society through various forms such as event sponsorship, joint activities and enterprise volunteer participation. In 2021, the number of workers devoted to social welfare activities reached 1749, and the total service hours were 3013.5 hours.

8. Microinsurance: In order to build a basic protection network for the people, the FSC has been committed to launching insurance policies for vulnerable insured groups in recent years. In July 2009, it began to promote and encourage the insurance companies to engage in microinsurance business, make use of the characteristics of risk diversification to make up for the lack of social insurance, so that the coverage rate of microinsurance insurance can be further improved, so as to realize inclusive finance. In order to take care of the vulnerable groups, Union Insurance Co., Ltd. actively cooperates with the government to build a social protection network, and vigorously promotes the "micro insurance" business to ensure that the economy of the vulnerable will not be in trouble when they encounter sudden death and injury accidents. Since the promotion of microinsurance insurance in 2014, a total of 51 groups such as youxinlu social welfare foundation have guarded more than 20,000 vulnerable people in Taiwan, with an insured amount of about NT\$8.8 billion, continuously injecting positive force into the society.

Note 1: If Implementation Status is specified "Yes", please specifically explain the key policies, strategies and measures taken and the current progress; if Implementation Status is specified "No," please explain the differences and reasons in the field of "Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof" and explain any policy, strategy and measure planned for the future.

Note 2: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Note 3: For the disclosure method, please refer to the best practice reference example on the website of the corporate governance center of the Taiwan Stock Exchange.

Implementation of ethical corporate management and difference between the implementation and the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies" and reasons thereof

Evaluation Item	Status (Note 1)		Description	Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
I Establishment of ethical corporate management policies and programs	Yes		<p>The Company has established the "Guidelines for Ethical Corporate Management" and "Procedures for Ethical Management and Guidelines for Conduct," which have been implemented upon approval of the Board of Directors through resolutions. The aforesaid regulations have specified the ethical corporate management policies and practices and stipulated that the directors, supervisors, managers, employees, and mandataries of SinoPac Holdings and persons having substantial control shall not engage in unethical conduct and shall commit themselves to the rigorous and thorough implementation of the ethical corporate management policies both in internal management and external business activities.</p> <p>The Company's "Policy on Ethical Corporate Management" has referred to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". The Company formulates preventive plans and measures for receiving improper benefits, political contributions, donations or sponsorships, infringement of intellectual property rights, conflicts of interest, leakage of trade secrets, insider trading, etc., analyzes and evaluates business activities with a higher risk of dishonesty on a monthly basis through the operational risk checklist.</p> <p>The Company has established the "Procedures for Ethical Management and Guidelines for Conduct," which specify the ethical corporate management practices and prevention programs against unethical conduct, including operating procedures, guidelines, punishments for violations, a disciplinary and appeal system, and guide all employees on how to prevent unethical conduct such as offering and acceptance of improper benefits when conducting business.</p>	No deviation.
(I) Does the Company have policies and practices for ethical corporate management passed by the BOD and clearly state them in regulations and publicly available documents? Do the BOD and senior management make commitments to actively implement those business policies?	Yes			No deviation.
(II) Does the Company establish an evaluation mechanism for the risk of unethical conduct that regularly analyzes and evaluates business activities with higher risks of unethical conduct in the business scope? Does the Company formulate a plan to prevent unethical conducts, which at least covers the precautionary measures prescribed in Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	Yes			No deviation.
(III) Does the Company establish relevant policies which are duly enforced to prevent unethical conduct and provide implementation procedures, guidelines, consequences of violation and complaint procedures in such policies?				

Evaluation Item	Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
II Fulfillment of ethical corporate management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	Yes		<p>In order to confirm the objective integrity conditions of the transaction manufacturers, the Company's undertaking unit first confirms the legal compliance of the counterparty and whether there are credit deficiencies before the transaction and establishes the integrity clause and related penalties for breach of contract depending on the nature of the contract. The manufacturers will be required to make compensations as agreed if fail to perform it.</p> <p>The Company's Internal Auditing Office is responsible for designing policies and preventive measures in relation to corporate integrity. It also supervises and reports to the Board of the Company regularly regarding the implementation.</p> <p>In order to prevent conflicts of interest, the Company has established the "Codes of Ethical Conduct", the "Procedure for Processing Matters Other Than Lending with Interested Parties" and the "Specifications for the Company and Domestic and Foreign Insurance-Related Businesses in Compliance with Regular Transactions, Conflicts of Interest Prevention, and Insider Trading Practices", and set up E-mails such as the investor service window and the special area for interested parties as statement channels.</p> <p>The Company has an accounting system and handles related matters in accordance with the "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises". The Company has established an internal audit system, a self-inspection system, a regulatory compliance system, and a risk management system in accordance with regulations to maintain an effective internal control system operation. The audit unit conducts regular inspections in accordance with the "<u>Regulations Governing Implementation of Internal Control and Audit System of Insurance Enterprises</u>". The Company also handles the accountant audit system in accordance with the "Regulations Governing Implementation of Internal Control and Audit System of Insurance Enterprises".</p>	No deviation.
(II) Has the Company established an exclusively (or concurrently) dedicated unit under the BOD to implement ethical corporate management, and report to the BOD on a regular basis (at least once per year) on ethnic operation policies as well as precautionary measures against unethical conduct and their implementation information?	Yes			No deviation.
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement such policy properly?	Yes			No deviation.
(IV) To implement relevant policies on ethical conduct, has the Company established effective accounting and internal control systems and assign an internal audit unit to develop relevant auditing plans according to the assessment results of unethical conduct risks? Does the Company inspect the implementation of such auditing plans or assign CPAs to implement the auditing?	Yes			No deviation.
(V) Does the Company regularly hold internal and external educational trainings on operational integrity?	Yes		The Company conducts education and training related to ethical corporate management every year to enable board members, managerial officers, and employees to understand the policies and plans of ethical corporate management and the legal consequences of violations. The education and training courses (including legal compliance, personal data protection law, anti-money laundering and counter-terrorist financing, financial service industry principles for fair treatment of customers, and ethical corporate management education and training, etc.) in 2021 totaled 22,026 participants, and the total number of training hours was 35,007 hours.	No deviation.

Evaluation Item	Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Description	
III Operation of the whistle-blowing system				
(1) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?	Yes		The Company has set up "Reporting Illegal Acts and Its Acceptance Measures", and has an investor service window, and has a special area for interested parties on the Company's official website to handle complaints and reports and other related matters.	No deviation.
(2) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	Yes		The Company has formulated "Reporting Illegal Acts and Its Acceptance Measures", "Guidelines for Reward Reporting and Claiming Illegal Cases", "Communication Management Measures with Stakeholders", and "Codes of Ethical Conduct", and shall implement standard operating procedures for processing and confidentiality mechanism accordingly.	No deviation.
(3) Does the Company provide protection for whistle-blowers against receiving improper treatment?	Yes		The Company has established "Reporting Illegal Acts and Its Acceptance Measures", "Guidelines for Reward Reporting and Claiming Illegal Cases", "Communication Management Measures with Stakeholders", and "Codes of Ethical Conduct", and shall implement standard operating procedures for processing and whistleblower protection system accordingly.	No deviation.
IV Strengthen information disclosure Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	Yes		The Company discloses the "Ethical Corporate Management Best Practice Principles" and "Policy on Ethical Corporate Management" on the Company's website and the Market Observation Post System (MOPS) and has a corporate governance column to disclose relevant information.	No deviation.
V The Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: No deviation.				
VI Any other important information on the Company's implementation of ethical corporate management (such as the status of its reviews and amendments of its "Ethical Corporate Management Best Practice Principles"): The Company's Board of Directors has passed the "Report of Illegal Acts and Its Acceptance Measures", "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles" and "Policy on Ethical Corporate Management" for compliance.				

Note 1: Reasons for checks of "Yes" or "No" of status should be specified in "Summary Description" column.

(VII) Please disclose access to the Company's Corporate Governance Best Practice Principles and related rules and regulations, if any.

Corporate governance B items are provided in the "Public Information" section of the Company's official website for the general public and investors to inquire about relevant information and regulations.

The Company's website is <http://www.wwunion.com>

(VIII) Other information enabling better understanding of the Company's corporate governance.

1. The Company's material information is disclosed in a timely manner and posted on the website designated by the competent authority and the Company's official website.
2. The Company's Board of Directors has passed the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Policy on Ethical Corporate Management" and "Reporting Illegal Acts and Their Acceptance Measures" for compliance.
 1. In order to facilitate and encourage shareholders to participate in corporate governance and exercise shareholder rights, the Company has adopted electronic methods as one of the channels for exercising voting rights since 2016.

(IX) **Status of Internal Control System**

2. Statement of Internal Control System

Union Insurance Co., Ltd.
Statement on Internal Control System

Based on the results of self-inspection of the Company's internal control system for the period from January 01, 2021 to December 31, 2021, the Company hereby declares as follows:

- I. The Company is aware that the establishment, implementation and management of the internal control system is the responsibility of the Board of Directors and management, and the Company has established this system. The purpose of the internal control system is to provide reasonable assurance for the achievement of operational, financial reporting and legal compliance. The goal of operation is to pursue the effectiveness and efficiency of operation, including the objectives of profitability, performance and asset safety; The goal of financial reporting is to pursue reliable external financial reporting; the goal of legal compliance is to pursue compliance with relevant laws and regulations. The legal compliance system is part of the internal control system, i.e. achievement of the goal of legal compliance; financial records and statements are prepared in accordance with the insurance law and relevant regulations, and are part of the results of the internal control system for financial reporting.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three goals. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism, and once the missing is identified, the Company will take corrective action.
- III. The Company judges whether the design and implementation of the Company's internal control system is effective in accordance with the provisions of the "Regulations Governing Implementation of Internal Control and Audit System of Insurance Enterprises" (hereinafter referred to as the "Implementation Regulations") issued by the Financial Regulatory Commission. The above judgment is also based on the judgment items for the effectiveness of the internal control system stipulated in the "Implementation Regulations". The internal control system is divided into five elements: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. Each element also includes a number of judgment items. Please refer to the provisions of the "Implementation Regulations" for the aforementioned items.

IV. The Company has adopted the above-mentioned internal control system to judge the project and check the effectiveness of the design and implementation of the internal control system.

V. Based on the inspection results of the preceding paragraph, the Company believes that the design and implementation of the internal control system (including operation, financial reporting, overall implementation of information security and legal compliance) during the opening period is effective. In addition to the matters listed in the attached table, it can reasonably ensure that the Board of Directors and managers are aware that the degree of achievement of operation goal, and financial reporting and legal compliance goals have been achieved. The Company also believes that the financial records and statements are prepared in accordance with the Insurance Law and relevant regulations, the basis of preparation is consistent, and their correctness is fair.

VI. If the Company is a public offering company, the following statement shall be added: This statement will become the main content of the Company's annual report and public prospectus. If the above-mentioned public content is false, concealed or involves other illegal matters, it will assume the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act or relevant provisions of the Insurance Law.

VII. This statement was approved by the Board of Directors of the Company on March 24, 2022.

Sincerely

Financial Supervisory Commission

Declared by: Union Insurance Co., Ltd.

Chairman: Chi-Hsiung Hung

General Manager: Tzu-Ming Liu

Chief Auditor: Li-Hung Wang

Chief Compliance Officer of Head Office: Ching-Hua Ke

Chief Information Security Officer (Director of Information Security Task Force): Ming-Wen Kang

March 24, 2022

Union Insurance Co., Ltd.
Matters to Be Strengthened and Improvement Plan for the Internal Control System
(Reference date: December 31, 2021)

Matters to be strengthened	Improvement measures	Scheduled completion time for improvement
<p>Among the missing items for insurance business listed in the Financial Consumer Protection Operation Project Inspection (No. 109F111) conducted by the Inspection Bureau of the Financial Supervisory Commission, the Company was verified to have violated the relevant laws and regulations of the Insurance Law, and imposed a fine of NT \$600,000 and ordered to correct 1 item:</p> <p>I. As of June 10, 2020, the injury insurance underwriting rules in the "Health and Injury Insurance Underwriting Guidelines" have set a limit on the amount of insurance or declined insurance coverage for the physical condition of the insured to apply for a certificate of physical and mental impairment, which is detrimental to the protection of the insured rights and interests of the physically and mentally handicapped, and did not treat the physically and mentally handicapped fairly.</p> <p>II. For the verification and control of the communication data of the insured, the address database of the insurance agent, insurance broker and bank business office has not been included in the branch office, which is not conducive to the implementation of the verification of the address of the insurer.</p>	<p>The underwriting procedures have been revised in accordance with the "Principles for Insurers to Insure the Disabled".</p> <p>The Company has included the business premises addresses of insurance agents, insurance brokers, banks and their branches in a database, and checked the contact information of policyholders.</p>	<p>Improvements have been completed.</p> <p>Improvements have been completed.</p>

<p>III. For the handling of customer complaints, there were only records of the processing process and results, but whether there are any violations of the "Principles for Fair Treatment of Customers" or the relevant records of financial consumer protectors regulations were not inspected, which is not conducive to the implementation of the principles for fair treatment of customers.</p> <p>(Financial-Supervisory-Insurance-No. 11004903102 Letter dated January 28, 2021)</p>	<p>On a case by case basis, the Company has examined each case to determine whether it violates the "Principles for Treating Customers Fairly" or the Financial Consumer Protection Act at the monthly complaint case review meeting; violations, if any, are recorded in the meeting minutes.</p>	<p>Improvements have been completed.</p>
--	--	--

Statement on Internal Control System for Anti-Money Laundering and Counter-Terrorist Financing

It is declared on behalf of Union Insurance Co., Ltd. that from January 1, 2021 to December 31, 2021, the Company established an internal control system and implemented risk management in compliance with the laws related to money laundering prevention and terrorism prevention, and was audited by the independent audit department and the audit results were regularly reported to the Board of Directors and Supervisors/Audit Committee/Board of Supervisors. After careful assessment, the internal control and legal compliance of each unit to prevent money laundering and combat terrorism were effectively implemented, except for the matters in the "Matters to Be Strengthened and Improvement Plan for Anti-Money Laundering and Counter-Terrorist Financing" attached

Sincerely

Financial Regulatory Commission

Declared by: Union Insurance Co., Ltd.

Chairman of the Board: Chi-Hsiung Hung

General Manager: Tzu-Ming Liu

Chief Auditor/Senior Auditor: Li-Hung Wang

Head of Anti-Money Laundering and Counter-Terrorist Financing: Ching-Hua Ke

March 24, 2022

Matters to Be Strengthened and Improvement Plan for Anti-Money Laundering and Counter-Terrorist Financing
(Reference date: December 31, 2021)

Matters to be strengthened	Improvement measures	Scheduled completion time for improvement
None		

CPAs' Audit Report on Internal Control System

For review by the Board of Directors of Union Insurance Co., Ltd.

Attached is the statement of Union Insurance Co., Ltd. dated December 31, 2021 regarding effective design and implementation of the internal control system regarding external financial reports (including the correctness of the report information reported to the competent authority in accordance with of financial reports), asset security (preventing assets from being obtained, used and disposed of without authorization) and legal compliance as evaluated on March 24, 2022, which was audited by the CPAs. It is the responsibility of the Company's management to maintain an effective internal control system and evaluate its effectiveness. The responsibility of the CPAs is to express opinions on the effectiveness of the Company's internal control system and the statement on the Company's internal control system based on the results of the verification.

The CPAs planned and performed audit in accordance with Article 26 of the Regulations Governing Implementation of Internal Control and Audit System of Insurance Enterprises, Financial-Supervisory-Insurance-Corporate No. 10602506430 Letter issued on January 15, 2018 and Financial-Supervisory-Insurance-Corporate No. 10904350082 Letter issued on January 22, 2021 regarding the code for CPAs to perform audit of internal control system in the insurance industry and the generally accepted auditing standards to provide a reasonable assurance as to whether the above internal control system of the Company is maintained in all material respects. This audit includes understanding the Company's internal control system, evaluating the management's process of evaluating the effectiveness of the overall internal control system, testing and evaluating the effectiveness of the design and implementation of the internal control system, and other audit procedures deemed necessary by the CPAs. The CPAs believe that this audit can provide a reasonable basis for the opinions expressed.

Any internal control system has its inherent limitations, so the above internal control system of Union Insurance Co., Ltd. may still fail to prevent or detect errors or fraud that have occurred. In addition, the environment may change in the future, and the degree of compliance with the internal control system may also be reduced. Therefore, the effective internal control system in this period does not mean that it will be effective in the future.

According to the opinions of the CPAs, design and implementation of the internal control system of Union Insurance Co., Ltd. regarding external financial reports (including the correctness of the report information reported to the competent authority in accordance with of financial reports), asset security (preventing assets from being obtained, used and disposed of without authorization) and legal compliance on December 31, 2021 can maintain effectiveness in all material respects; the statement of Union Insurance Co., Ltd. dated March 24, 2022 regarding effective design and implementation of the internal control system regarding external financial reports (including the correctness of the report information reported to the competent authority in accordance with of financial reports), asset security (preventing assets from being obtained, used and disposed of without authorization) and legal compliance as evaluated is appropriate in all material respects.

As stated in the statement of Union Insurance Co., Ltd. on the internal control system, improvement measures have been verified for the penalties imposed by the competent authority (Financial Supervisory Commission) on Union Insurance Co., Ltd. in 2021. Please refer to Attachment I for details of the CPAs' follow-up improvement in these penalties.

KPMG

CPA:

March 24, 2022

Attachment I

Union Insurance Co., Ltd.

Tracking and improvement of matters to be strengthened in the statement on internal control system in 2021

After reviewing the matters that should be strengthened in the statement of Union Insurance Co., Ltd. (hereinafter referred to as the “appointing company”) on the internal control system in 2021, and tracking the handling of its improvement measures, as of the date of this report, improvement measures have been verified to be without major abnormality. It is described in the table below.

Matters to be strengthened	Improvement measures	Scheduled completion time for improvement	Improvement
<p>Among the missing items for insurance business listed in the Financial Consumer Protection Operation Project Inspection (No. 109F111) conducted by the Inspection Bureau of the Financial Supervisory Commission, the appointing company was verified to have violated the relevant laws and regulations of the Insurance Law, and imposed a fine of NT \$600,000 and ordered to correct 1 item:</p> <p>IV. As of June 10, 2020, the injury insurance underwriting rules in the "Health and Injury Insurance Underwriting Guidelines" have set a limit on the amount of insurance or declined insurance coverage for the physical condition of the insured to apply for a certificate of physical and mental impairment, which is detrimental to the protection of the insured rights and interests of the physically and mentally handicapped, and did not treat the physically and mentally handicapped fairly.</p>	<p>The underwriting procedures have been revised in accordance with the "Principles for Insurers to Insure the Disabled".</p>	<p>Improvements have been completed.</p>	<p>The appointing company has implemented the improvement measures listed in the left column.</p>
<p>V. For the verification and control of the communication data of the insured, the address database of the insurance agent, insurance broker and bank business office has not been included in the branch office, which is not conducive to the implementation of the verification of the address of the insurer.</p>	<p>The Company has included the business premises addresses of insurance agents, insurance brokers, banks and their branches in a database, and checked the contact information of policyholders.</p>	<p>Improvements have been completed.</p>	<p>The appointing company has implemented the improvement measures listed in the left column.</p>

Matters to be strengthened	Improvement measures	Scheduled completion time for improvement	Improvement
<p>VI. For the handling of customer complaints, there were only records of the processing process and results, but whether there are any violations of the "Principles for Fair Treatment of Customers" or the relevant records of financial consumer protectors regulations were not inspected, which is not conducive to the implementation of the principles for fair treatment of customers.</p>	<p>On a case by case basis, the Company has examined each case to determine whether it violates the "Principles for Treating Customers Fairly" or the Financial Consumer Protection Act at the monthly complaint case review meeting; violations, if any, are recorded in the meeting minutes. Contents.</p>	<p>Improvements have been completed.</p>	<p>The appointing company has implemented the improvement measures listed in the left column.</p>

(X) Penalties imposed upon the Company and its employees in accordance with the law, penalties imposed by the Company upon its employees for the violation of the internal control system policy, principal deficiencies, and improvement status during the most recent fiscal year up to the date of publication of the Annual Report:

Penalties Imposed by Competent Authorities:

Sequence number	Date	Approval Date and Document No.	Violated Regulation	Subject	Fine (NT\$)	Improvement
1	January 29, 2021	Financial-Supervisory-Insurance-No. 11004903101 dated January 28, 2021	Article 7, Paragraph 1, Subparagraph 11, and Article 17 of “Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises”, which were established under Article 148-3, Paragraph 2 of the Insurance Act.	Violation of the relevant laws and regulations including the Insurance Act while conducting insurance related business activities.	A fine of NT\$600 thousand and an order of correction were imposed.	Improvements in the penalized deficiencies are as follows: 1. The Insurance Department has revised the underwriting procedures in accordance with the "Principles for Insurers to Insure the Disabled." 2. The Company has included the business premises addresses of insurance agents, insurance brokers, banks and their branches in a database, and checked the contact information of policyholders. 3. On a case by case basis, the Company has examined each case to determine whether it violates the “Principles for Treating Customers Fairly” or the Financial Consumer Protection Act at the complaint case review meeting; violations, if any, are recorded in the meeting minutes.

(XI) Major Resolutions of Shareholders' Meeting and Board Meetings within the current fiscal year and as at the date of the Annual Report:

Major Resolutions of Board Meetings within 2021 and as at the date of the Annual Report

Meeting Date	Major Resolutions of the Board Meetings	Resolution
The 23rd Meeting of the 25th Board of Directors (March 26, 2021)	The Company’s distribution of remuneration for employees and directors for 2020	After consulting with Yu-Fung Ma, independent director and acting chairman, Ping-Shen Kuo and Tung-Liang Wang, independent directors did not need to avoid, both expressed that the proposal was passed without objection.
	Business Report and Financial Statements 2020	After the Chairman consulted all the directors present, the proposal was passed without objection.
	Earnings Distribution Plan 2020	After the Chairman consulted all the directors present, the proposal was passed without objection.
	The date, time, place, meeting procedures, content of the main proposals and other related matters of 2021 regular shareholders’ meeting	After the Chairman consulted all the directors present, the proposal was passed without objection.
	Amended certain provisions of the Company’s Articles of Incorporation	After the Chairman consulted all the directors present, the proposal was passed without objection.
The 26th Meeting of the 25th Board of Directors (June 29, 2021)	The date and time of 2021 regular shareholders’ meeting	After the Chairman consulted all the directors present, the proposal was passed without objection.
The 28th Meeting of the 25th Board of Directors (August 26, 2021)	Financial report for the second quarter of 2021	After the Chairman consulted all the directors present, the proposal was passed without objection.
	Amended certain provisions of the Company’s Policy on Ethical Corporate Management	After the Chairman consulted all the directors present, the proposal was passed without objection.

Meeting Date	Major Resolutions of the Board Meetings	Resolution
The 33rd Meeting of the 25th Board of Directors (January 19, 2022)	Amended certain provisions of the Corporate Social Responsibility Principles and Corporate Social Responsibility Policy	After the Chairman consulted all the directors present, the proposal was passed without objection.
	Amended certain provisions of the Corporate Social Responsibility Policy	After the Chairman consulted all the directors present, the proposal was passed without objection.
The 34th Meeting of the 25th Board of Directors (February 23, 2022)	Amended certain provisions of the Procedures for the Application of Public and Social Welfare Investment	After the Chairman consulted all the directors present, the proposal was passed without objection.
The 35th Meeting of the 25th Board of Directors (March 24, 2022)	The Company's distribution of remuneration for employees and directors for 2021	After consulting with Tung-Liang Wang, independent director and acting chairman, Ping-Shen Kuo and Yu-Fung Ma, independent directors did not need to avoid, both expressed that the proposal was passed without objection.
	Business Report and Financial Statements 2021	After the Chairman consulted all the directors present, the proposal was passed without objection.
	Earnings Distribution Plan 2021	After the Chairman consulted all the directors present, the proposal was passed without objection.
	The date, time, place, meeting procedures, content of the main proposals and other related matters of 2022 regular shareholders' meeting	After the Chairman consulted all the directors present, the proposal was passed without objection.
	Amended certain provisions of the Procedures for Acquiring or Disposing of Assets	After the Chairman consulted all the directors present, the proposal was passed without objection.

Major resolutions made at the regular shareholders' meeting 2021 and the implementation thereof

Meeting Date	Major resolutions of the shareholders' meeting		Implementation Status
July 30, 2021	1	Approved the Company's 2020 Financial Statements	It has been announced and submitted to the competent authority in accordance with the law for record-keeping.
	2	Approved the distribution of earnings for 2020.	The earnings distribution plan has been announced in accordance with the law. Distribution of cash dividends on common stocks: NT\$0.8 per share, a total of NT\$178,886,400. The cash dividend payment date for common stocks is September 15, 2021.
	3	Approved the amendment to some provisions of the Company's Articles of Incorporation	It is handled in accordance with the resolution, and the registration change was approved by the Ministry of Economic Affairs, the competent authority, on August 11, 2021.

(XII) **Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the board of directors during the most recent year and up to the date of publication of this annual report: None.**

(XIII) **A summary of resignations and dismissals of the Company's chairperson, General Manager, accounting manager, financial manager, chief internal auditor, or research and development officer during the most recent fiscal year and up to the date of publication of the Annual Report: None**

V Information on CPA Professional Fees

Unit: NT\$ Thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Note
KPMG	Cheng-Yen Wu	January 1, 2021 to December 31, 2021	3,950	16,500	20,450	Cooperate with the reorganization of the firm to change the CPA in the current period
	Chung Dan-Dan					

The contents of non-audit fees services mainly include tax endorsement of NT\$700 thousand and related enterprise FRS17 project service of NT\$15,800 thousand.

Note: If there has been a change of CPAs or accounting firm during the current fiscal year, the Company shall disclose the information regarding the audit period covered by the predecessor CPAs or accounting firm and successor CPAs or accounting firm as well as the reasons for change thereof in the commentary column, and disclose the audit and non-audit public fees paid in order. For non-audit fees, the service contents shall be noted.

VI Information on Replacement of CPAs:

(1) Former CPAs

Date of Replacement	March 26, 2021		
Replacement Reasons and Explanations	Cooperate with the firm to organize reorganization and change		
Explain the client or CPAs	Situation/Party	CPA	Client
	Termination by the Company	V	
Termination or non-acceptance of appointment	No longer accept (continue) appointment		
Opinions and reasons for the inspection report other than unqualified opinions issued in the last two years	None		
Deviation from the insurance industry	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Other
	None	v	

	Explanation
Other Revealed Matters (Those that shall be disclosed in accordance with Item 1-4, Paragraph 2, Article 24 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises)	None

(2) Successor CPAs:

Name of CPA Firm	KPMG
Name of CPA	Cheng-Yen Wu and Dan-Dan Chung
Date of Appointment	March 26, 2021
Inquiries into Accounting Treatments or Principles for Specific Transactions and Possible Opinions on Financial Statements before Appointment	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(3) Former CPAs' Reply to Disclosures under Items 1 and 2-3, Subparagraph 6, Article 10 of the Guidelines.

The Company shall submit the matters stipulated in Item 1 and Item 2-3 in the preceding paragraph to the former CPAs in writing, and notify the former CPAs to respond via writing within ten days if the former CPAs hold different opinions. The Company shall disclose the former CPA's written response: **None**.

VII Information About Chairman, General Manager, and Financial or Accounting Manager of the Company Who Has Worked with the CPA Firm Which Conducts the Audit of the Company or Affiliate to Said Firm in the Most Recent Year: None

VIII Shareholder Equity Transfer and Equity Pledge Changes Exceeding 10%: Share changes by directors, supervisors, managerial officers, and major shareholders

Unit: Share

Position	Name	2021		The current year ended April 30, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Assistant Vice President	Tai-Lung Chen	(6,000)	-	-	-
Manager	Pi-Tu Wu	(6,054)	-	-	-

Note: It is based on the incumbency data on December 31, 2021.

Information about Equity Transfer

Unit: NT\$, Share

Name	Reason for Equity Transfer	Trading Date	Trading Counterpart	Relationship between trading counterpart and the Company, directors, supervisors, manager and shareholders who hold more than 10% of the Company's shares	Number of Shares	Trading Price
None						

Note 1: Please specify the names of directors, supervisors, managerial officers, and shareholders who hold more than 10% of the Company's shares.

Note 2: Please specify acquisition or disposal.

Equity pledge information: The Company's equity pledge transactions are relative to per capita financial institutions, and there is no pledge of equity as of December 31, 2021.

Name	Reasons for pledging shares changed	Date of Change	Trading Counterpart	Relationship between trading counterpart and the Company, directors, supervisors, manager and shareholders who hold more than 10% of the Company's shares	Number of Shares	Shareholding Ratio	Ratio of Pledge	Pledged (Redeemed) Amount
None	-				-	-%	-%	-

IX Relationship information, if among the Company's ten largest shareholders any one is a related party or a relative within the second degree of kinship of another

Relationships among the company's ten largest shareholders

April 26, 2022 (the number of shares held in the register of shareholders on the closing date); Unit: share, %

NAME	CURRENT SHAREHOLDING		SPOUSE & MINOR SHAREHOLDING		SHAREHOLDING BY NOMINEES		INFORMATION ON TOP 10 SHAREHOLDERS IN PROPORTION OF SHAREHOLDINGS, WHO ARE RELATED TO ONE ANOTHER, OR ARE KIN AT THE SECOND TIER RELATED TO ONE ANOTHER, THEIR NAMES AND RELATIONSHIP (NOTE 4)		NOTE
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Designation (or Name)	Relationship	
Want Want Co., Ltd.	46,689,943	20.88	0	0	0	0	1. Yen-Ming Tsai, director of Tsai Ho Want/Wang Chia 2. Yu-Man Peng, director of Tsai Ho Want 3. Cheng-Chiang Tsai, supervisor of Tsai Ho Want	1. Same person as the Company's director 2. Same person as the Company's director 3. Same person as the Company's supervisor	
Yu-Sheng Li (Representative of WANT WANT CO., LTD.)	0	0	0	0	0	0	None	None	
TSAI HO WANT ENTERPRISES CO., LTD.	49,961,671	22.34	0	0	0	0	1. Yu-Man Peng, director of Want Want Co., Ltd. 2. Chung-Chung Tsai, director of Wang Chia 3. Yen-Ming Tsai, director of Wang Chia/Want Want Co., Ltd. 4. Cheng-Chiang Tsai, supervisor of Want Want Co., Ltd.	1. Same person as the Company's director 2. Same person as the Company's director 3. Same person as the Company's director 4. Same person as the Company's supervisor	
Yu-Man Peng (Representative of TSAI HO WANT ENTERPRISES CO., LTD.)	0	0	0	0	0	0	Want Want Co., Ltd.	Director	
Wang Chia Enterprise Co., Ltd.	48,480,873	21.68	0	0	0	0	1. Chung-Chung Tsai, director of Tsai Ho Want 2. Yen-Ming Tsai, director of Tsai Ho Want/Want Want Co., Ltd.	1. Same person as the Company's director 2. Same person as the Company's director	
Chung-Chung Tsai (Representative of Wang Chia Enterprise Co., Ltd.)	0	0	0	0	0	0	TSAI HO WANT ENTERPRISES CO., LTD.	Director	
H.Y. TSAI CO., LTD.	3,743,478	1.67	0	0	0	0	1. Yen-Jung Tsai, Shao-Jen Tsai, directors of Shao Yuan 2. Mei-Hsiu Tseng, supervisor of Shao Yuan	1. Same person as the Company's director 2. Same person as the Company's supervisor	
Yen-Jung Tsai (Representative of H.Y. TSAI CO., LTD.)	0	0	0	0	0	0	Shao Yuan Co., Ltd.	Director	
Shao Yuan Co., Ltd.	1,256,972	0.56	0	0	0	0	1. Yen-Jung Tsai, Shao-Jen Tsai, directors of H.Y. TSAI 2. Mei-Hsiu Tseng, supervisor of H.Y. TSAI	1. Same person as the Company's director 2. Same person as the Company's supervisor	
Yen-Jung Tsai (Representative of Shao Yuan Co., Ltd.)	0	0	0	0	0	0	H.Y. TSAI CO., LTD.	Director	
TAINET COMMUNICATION SYSTEM CORP.	5,277,850	2.36	0	0	0	0	None	None	
Huasheng International Investment Co., Ltd. (Representative of TAINET COMMUNICATION SYSTEM CORP.)	0	0	0	0	0	0	None	None	
Feng-Zhu Zhou	4,112,800	1.84	0	0	0	0	None	None	
Chien-Hsiung Li	2,434,746	1.09	0	0	0	0	None	None	
Bo-Sheng Ye	1,125,950	0.50	0	0	0	0	None	None	
Che-Chih Chen	1,070,000	0.48	0	0	0	0	None	None	

Note 1: Number of shares held by the top ten shareholders at the close of business on the book closure date.

Note 2: The top ten shareholders' names shall be identified separately. In the case of corporate shareholders, the corporate shareholders' names and representatives' names shall be identified separately.

Note 3: The ratio of shareholding is calculated in terms of own shareholdings, shares held by spouse & children under age or shareholdings under the title of a third party.

Note 4: Relationship between the aforementioned shareholders (including juristic and natural persons) shall be disclosed.

X The number of shares held by the investment business, and combined to calculate the comprehensive shareholding ratio

Total equity stake held

December 31, 2021 Unit: Share; %

Investee business (Note: The Company's long-term investments)	Ownership by the Company		Investment by Directors/Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
None			-	-	-	-

Chapter 4. Capital Overview

I Source of Capital

Unit: Share; NT\$

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others
52.01	NT\$ 10	1,500,000	15,000,000	1,500,000	15,000,000	Company establishment, cash capital increase	None	
93.08	NT\$ 10	623,631,981	6,236,319,810	623,631,981	6,236,319,810	Capital increase by retained earnings NT\$299,034,800 Capital increase by capital reserve NT\$216,542,440	None	Note 1
93.11	NT\$ 10	623,631,981	6,236,319,810	567,134,981	5,671,349,810	Capital reduction by treasury stock NT\$564,970,000	None	Note 2
94.08	NT\$ 10	623,631,981	6,236,319,810	606,834,430	6,068,344,300	Capital increase by retained earnings NT\$170,140,500 Capital increase by capital reserve NT\$226,853,990	None	Note 3
95.12	NT\$ 10	623,631,981	6,236,319,810	587,054,430	5,870,544,300	Capital reduction by treasury stock NT\$197,800,000	None	Note 4
96.08	NT\$ 10	623,631,981	6,236,319,810	50,000,000	500,000,000	Capital reduction NT\$5,370,544,300	None	Note 5
96.08	NT\$ 10	623,631,981	6,236,319,810	200,000,000	2,000,000,000	Private offering NT\$1,500,000,000	None	Note 6
97.10	NT\$ 8.27	623,631,981	6,236,319,810	260,459,493	2,604,594,930	Private offering NT\$604,594,930	None	Note 7
98.08	NT\$ 10	623,631,981	6,236,319,810	200,000,000	2,000,000,000	Capital reduction NT\$604,594,930	None	Note 8
98.08	NT\$ 25	623,631,981	6,236,319,810	220,000,000	2,200,000,000	Private offering NT\$200,000,000	None	Note 9
99.03	NT\$ 22.5	623,631,981	6,236,319,810	260,000,000	2,600,000,000	Capital increase by cash NT\$400,000,000	None	Note 10
101.08	NT\$ 10	623,631,981	6,236,319,810	200,000,000	2,000,000,000	Capital reduction NT\$600,000,000	None	Note 11
103.09	NT\$ 10	623,631,981	6,236,319,810	212,960,000	2,129,600,000	Capital increase by retained earning NT\$129,600,000	None	Note 12
109.09	NT\$ 10	623,631,981	6,236,319,810	223,608,000	2,236,080,000	Capital increase by retained earning NT\$106,480,000	None	Note 13

Note 1: Approved by Letter No. (2004) Financial-Supervisory-Securities-I-0930130468 dated July 9, 2004. Note 2: Approved by Letter No. (2004) Financial-Supervisory-Securities-III-0930143632 dated October 12, 2004.

Note 3: Approved by Letter No. (2005) Financial-Supervisory-Securities-I-0940127016 dated July 12, 2005. Note 4: Approved by Letter No. (2005) Financial-Supervisory-Securities-III-0950150157 dated October 30, 2006.

Note 5: Approved by Letter No. (2007) Financial-Supervisory-Securities-I-0960037255 dated August 17, 2007. Note 6: Approved by Letter No. (2007) Financial-Supervisory-Insurance-I-09602102650 dated August 16, 2007.

Note 7: Approved by Letter No. (2008) Financial-Supervisory-Insurance-I-09702190860 dated October 28, 2008. Note 8: Agreed to reduce capital by Letter No. (2009) Financial-Supervisory-Securities-Corporate-0980037873 dated August 4, 2009.

Note 9: Agreed to increase capital by Letter No. (2009) Financial-Supervisory-Insurance-Corporate-09802136860 dated July 28, 2009.

Note 10: Agreed to handle by Letter No. (2010) Financial-Supervisory-Insurance-Corporate-0980069513 dated January 19, 2010.

Note 11: Agreed to increase capital by Letter No. (2012) Financial-Supervisory-Securities-Corporate-1010031788 dated July 24, 2012.

Note 12: Agreed to increase capital by Letter No. (2014) Financial-Supervisory-Securities-Corporate-No. 1030030149 dated August 15, 2014.

Note 13: Declared effective by the Financial Supervisory Commission on August 14, 2020.

Note 14: The Company's paid-in capital is NT\$2,236,080,000 as of April 30, 2021.

April 30, 2022

Share Type	Authorized Capital			Note
	Outstanding Shares (Issued)	Unissued Shares	Total	
Common stock	223,608,000 shares	400,023,981 shares	623,631,981 shares	None

Note: Please specify whether the stock refers to TWSE or GTSM stock (the stock forbidden from being traded in TWSE or GTSM, if any, shall be identified).

Information on Shelf Registration System

Type of Securities	Securities to be issued		Quantity of Issued Shares		Purpose and Expected Benefit of Issued Shares	Period in Which Unissued Shares to be Issued	Note
	Total Quantity	Approved Amount	Number of Shares	Price			
None							

II Shareholder structure

April 26, 2022

(Number of Shares Held at the
Close of Business on the Book Closure Date)

Shareholder structure Quantity	Government Agencies	Financial Institutions	Other Institutional Shareholders	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of shareholders	0	0	53	12,816	43	12,912
Shares Held	0	0	156,984,411	63,090,603	3,532,986	223,608,000
Shareholding Ratio	0%	0%	70.21%	28.21%	1.58%	100%

Note: The first TWSE/TPEX listed or emerging market companies shall disclose the proportions of their shares in Mainland Chinese investors; Mainland Chinese investors refer to the people, legal persons, groups, other institutions from Mainland Area or their organizations investing in third areas, as defined in Article 3 of the Measures Governing Investment Permit to the People of the Mainland Area. (None)

III Diversification of shareholding

NT\$10 per share April 26, 2022

(Number of Shares Held at the Close of Business on the Book Closure Date)

Range of Shares	Number of Shareholders	Shares Held	Shareholding Ratio (%)
1 ~ 999	8,363	1,584,727	0.71
1,000 ~ 5,000	3,166	6,610,735	2.94
5,001 ~ 10,000	609	4,494,641	2.01
10,001 ~ 15,000	240	2,877,326	1.29
15,001 ~ 20,000	116	2,095,803	0.94
20,001 ~ 30,000	127	3,168,888	1.42
30,001 ~ 40,000	61	2,114,597	0.95
40,001 ~ 50,000	43	1,948,235	0.87
50,001 ~ 100,000	89	6,255,001	2.80
100,001 ~ 200,000	38	5,107,864	2.28
200,001 ~ 400,000	24	6,900,560	3.09
400,001 ~ 600,000	14	6,991,561	3.13
600,001 ~ 800,000	7	4,668,938	2.09
800,001 ~ 1,000,000	5	4,634,841	2.07
Over 1,000,001	10	164,154,283	73.41
Total	12,912	223,608,000	100.00

Note: Preferred shares: None.

IV List of Major Shareholders

April 30, 2022

Name of Major Shareholders	Shareholding	Shares Held	Shareholding Ratio (%)
TSAI HO WANT ENTERPRISES CO., LTD.		49,961,671	22.34%
Wang Chia Enterprise Co., Ltd.		48,480,873	21.68%
Want Want Co., Ltd.		46,689,943	20.88%
H.Y. TSAI CO., LTD.		3,743,478	1.67%
Shao Yuan Co., Ltd.		1,256,972	0.56%

V Market price, net value, earnings, dividends per share and related information in the most recent two years

Item	Year	2020	2021	As of March 31, 2022 (Note 8)	
Market Price Per Share (Note 1)	Highest	22.90	22.20	21.40	
	Lowest	15.60	19.10	18.85	
	Average	19.49	20.23	19.85	
Net Worth per Share (Note 2)	Before distribution	26.15	28.81	(Note 9)	
	After distribution	25.35	27.81	(Note 9)	
Earnings (losses) per share (Note 3)	Weighted Average Shares (thousand shares)	223,608	223,608	223,608	
	Earnings (loss) per share (before retrospective adjustment)	3.14	3.12	(0.28)	
	Earnings (loss) per share (after retrospective adjustment)	3.14	3.12	(Note 9)	
Dividends Per Share	Cash dividends	0.80	1.00	(Note 9)	
	Stock grants	Stock dividends appropriated from earnings	-	-	(Note 9)
		Stock dividends appropriated from capital surplus	-	-	-
	Accrued Unpaid Dividends (Note 4)	-	-	-	
Return on Investment	P/E Ratio (Note 5)	6.21	6.48	(Note 9)	
	Price/Dividend Ratio (Note 6)	24.36	20.23	(Note 9)	
	Cash Dividend Yield (Note 7)	4.10%	4.94%	(Note 9)	

*** In the case of retained shares distribution or capital surplus shares distribution, please also disclose the information about the market value and cash dividend adjusted retroactively based on the quantity of shares as distributed.**

Note 1: Please identify the highest market value and the lowest market value of the common stock in various years, and calculate the average market price for each year based on the trading value and turnover for each year.

Note 2: Please fill out the figures according to the number of outstanding shares at the end of the fiscal year and the resolution regarding distribution by the board of directors or the shareholders' meeting the following year.

Note 3: Please fill out basic and diluted earnings per share if retroactive adjustment is necessary due to stock dividend payout.

Note 4: If the terms of issuance of the equity securities provide that any dividends declared but not paid may be carried forward until the Company has earnings, the amount of accrued unpaid dividends as at the end of such fiscal year shall be disclosed.

Note 5: P/E Ratio = Average Market Price per Share / Earnings per Share

Note 6: Price/Dividend Ratio = Average Market Price per Share / Cash Dividend per Share

Note 7: Cash Dividend Yield = Cash Dividend per Share / Average Market Price per Share

Note 8: Please identify the net value per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent auditor before the date of publication of the annual report, and the information available until the date of publication of the annual report in the other sections.

Note 9: Not applicable for the first quarter of 2022.

VI Dividend Policy and Implementation of the Company

(1) Dividend Policy:

1. The Company's dividend policy as stipulated in the Articles of Incorporation:

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 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.

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.

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 plan 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 dividends, except in the event that cash dividends are less than NT\$0.1 per share, in which case stock dividends may be distributed instead.

2. Concrete and explicit dividend policy:

Distribution of dividends over the years:

Year	Cash dividends	Stock dividends	Cash dividend distribution date
2013		0.648	-
2014	1.165	-	2015.08.04
2015	0.1	-	2016.08.17
2016	-	-	-
2017	0.7	-	2018.8.17
2018	0.9	-	2019.9.27
2019	0.88	0.5	2020.7.31
2020	0.8	-	2021.9.15
2021	1.0	-	To be determined

Although the articles of incorporation of the Company does not specify the dividend distribution ratio, it shall be adjusted according to the consideration of shareholders' interests and the long-term financial planning of appropriately meeting shareholders' needs for cash inflow and the capital needs of the company's future investment environment, that is, considering the factors such as strengthening the company's underwriting energy, improving the company's core capital and risk bearing capacity, and maintaining the level of net worth ratio, and shall be handled after the resolution of the shareholders' meeting.

Dividend distribution for the next three years is expected to be no less than 30% of the distributable earnings generated at that year, which is arrived at by subtracting the annual earnings from payment for tax and duties, payment made to offset previous deficits, and allocation of legal reserves, special reserves, and remuneration for directors and employees; in principle, cash dividends distributed shall not be less than 10% of total dividends distributed.

(2) The Company's dividend distribution:

On March 24, 2022, the Company's Board of Directors passed a resolution of NT\$661,829,354 in the 2021 available surplus to distribute shareholders' cash dividends of NT\$223,608,000. Calculated based on the actual number of outstanding shares of the Company on December 31, 2021, the allotted cash dividend per share is NT\$1, which is still under the resolution of the shareholders' meeting.

(3) Please specify any material changes in the expected dividend policy: None

VII Impact of the Stock Grants Proposed by the Shareholders' Meeting on the Company's Operating Performance, Earnings per Share and Return on Investment:

The Company does not have stock grants in stock dividends appropriated from earnings proposed by the shareholders' meeting in 2022, so it is not applicable.

VIII Compensation to directors and employees:

(I) The percentage or range of the remuneration of employees and directors stated in the Articles of Incorporation:

In accordance with the Company's Articles of Incorporation: if the Company makes a profit during the year, 1% to 5% shall be allocated for employee remuneration, and no more than 5% for directors' remuneration. However, if there are still accumulated losses, certain profits shall first be allocated to make up for accumulated losses, then the remaining balance shall be made available to allocate any bonuses or compensations.

Employee compensations shall be distributed in stocks or in cash and delegate the Board of Director to determine it each year within the scope of provisions.

The compensation distribution of employee and directors shall be performed by the board of directors with a resolution of more than two-thirds of the directors present and a majority of the directors' attendance, and report to the shareholders' meeting.

(II) The estimated basis for the estimated amount of compensation for employees and directors, the calculation basis for the number of shares allocated for the compensation of stocks, and the accounting treatment if the actual allotted amount differs from the estimated amount:

The amount of remuneration for employees and directors of the Company in 2021 is estimated based on the number of distributions stipulated in the Company's Articles of Incorporation. If there is a difference between the actual distribution amount and the estimated amount, it will be recognized as the 2021 profit and loss according to the accounting estimate change processing principle.

(III) Information on the proposed distribution of employees and directors' compensation approved by the Board of Directors:

Distribution items	Estimated amount of the recognized expenses in the year.	Number of board resolutions	Difference handling situation
Director compensation - Cash	6,500,000	6,500,000	No deviation
Employee compensation - Cash	28,500,000	28,500,000	No deviation
Employee compensation - Stock	None	None	No deviation

(IV) The actual allocation of employee bonus and remuneration to directors in the previous year (including the number, amount and stock price of allocated shares), the deviation between the actual allocation and the estimated figures, if any, and cause and treatment thereof:
The Company's distribution of employee remuneration-cash of NT\$28,500,000 and directors' remuneration-cash of NT\$6,500,000 in 2020, there is no difference with the amount recognized in 2020.

IX The Company's Stock Repurchase: None.

X Corporate Bonds: None.

XI Preferred Shares: None.

XII Global Depository Receipts (GDRs): None.

XIII Employee Stock Options: None.

XIV Employee Restricted Stock: None.

XV The names of the managers and top ten employees who obtained the employee stock option certificates, and the status acquisition and subscription: None.

XVI The names of the managers and top ten employees who obtained the new restricted employees' right shares, and the acquisition status: None.

XVII Mergers and Acquisitions, or as Assignee of New Shares Issued by Another Company: None.

Status of Financing Plans and Implementation: None.

Chapter 5. Business Overview

I Business Activities

(1) Business Scope

1. Contents of Major Business:

The Company and its subsidiaries belong to the property insurance industry, and are engaged in various property insurance and sales and services approved by the competent authority. The main types of insurance are as follows:

- (1) Fire insurance: Residential fire insurance, residential earthquake insurance, commercial fire insurance, commercial earthquake insurance, typhoon and flood insurance.
- (2) Transportation insurance: Cargo insurance, hull insurance, fishing vessel insurance, aviation insurance, cargo carrier liability insurance, and maritime contractor liability insurance.
- (3) Motor insurance: Arbitrary car body damage insurance, arbitrary motor liability insurance, compulsory motor liability insurance, and compulsory motorcycle liability insurance.
- (4) Engineering insurance: Construction comprehensive insurance, installation engineering insurance, construction machinery insurance, boiler insurance, machinery insurance, and electronic equipment insurance.
- (5) Liability insurance: General liability insurance, professional liability insurance, guarantee insurance, personal comprehensive insurance, commercial comprehensive insurance, and other property insurance (including vaccine insurance).
- (6) Accident insurance: Group accident insurance, personal accident insurance, travel safety insurance, micro insurance.
- (7) Health insurance: Group medical insurance, personal medical insurance (Include individual statutory infectious disease compensation insurance).

2. Weight of lines of business:

Unit: NT\$ thousands/ %

Item	Total premium revenue	Proportion of written premium business%
Fire insurance	1,406,647	12.68%
Marine insurance	278,584	2.51%
Land and Aviation insurance	87,218	0.79%
Liability insurance	3,145,820	28.36%
Guarantee insurance	17,658	0.16%
Other property insurance	3,751,124	33.81%
Accident insurance	1,073,518	9.68%
Health insurance	66,558	0.60%
Compulsory automobile liability insurance	1,266,816	11.42%
Total	11,093,943	100.00%

3. The Company's current products (services):

Union Voluntary Motor Major Accident Insurance
 Union Voluntary Motor Physical Damage Insurance – Type 乙
 Union Voluntary Motor Third Party Liability Insurance
 Union Voluntary Motor Physical Damage Insurance – Type 甲
 Union Passengers Liability Insurance for Commercial Bus Industry
 Union Voluntary Motor Physical Damage Insurance – Type 丙
 Union Voluntary Motor Theft Insurance for Limited Sum Insured Amount
 Union Voluntary Motor Theft Insurance

Union Voluntary Motor Employers Liability Insurance
 Union Voluntary Motor Travelers Liability Insurance
 Union Voluntary Motor Carriers Liability Insurance
 Union Motor Comprehensive Insurance for Testing Drive of Car Dealers
 Union Voluntary Motor Physical Damage Insurance for Fire Accident
 Union Voluntary Motor Compensation Insurance for Natural Disasters
 Union Voluntary Motor Insurance for Courtesy Purpose
 Union Voluntary Motor Car-to-Car Collision Insurance for Non-Commercial Purpose
 Union Voluntary Motor Window Glass Insurance
 Union Driver's Liability Insurance for Non-Commercial Purpose
 Union Comprehensive Voluntary Motor Third Party Liability Insurance
 Union Compulsory Motor Liability Insurance
 Union Compulsory Motorcycle Liability Insurance
 Union Motor Third Party Liability Insurance for Taxi
 Union Motor Third Party Liability Insurance for Commercial Bus Industry
 Union Motor Passenger Liability Insurance for Commercial Bus Industry
 Union Motor Driver Injury Insurance-For Business
 Union Motorcycle Comprehensive Insurance for Third Party
 Union Motor Bodily Injury Liability Insurance for Passengers
 Union Voluntary Motor Third Party Liability Insurance for Non-Commercial Purpose – Combined Single Limit type
 Union Residential Earthquake Total Loss Insurance
 Union Commercial Fire Insurance
 Union Residential Tangible Personal Property Fire and Theft Insurance
 Union Residential Fire and Basic Earthquake Insurance
 Union Comprehensive Commercial Fire Insurance for Commercial Purpose
 Union Want-Want Comprehensive Residential Miscellany Insurance
 Union Comprehensive Insurance
 Union Comprehensive Residential Miscellany Insurance
 Union Comprehensive Shop Insurance
 Union Comprehensive Homeowner Insurance Basic Terms and Conditions
 Union Comprehensive Homeowner Insurance
 Union Carriers' Liability Insurance – Type 甲
 Union Carriers' Liability Insurance – Type 乙
 Union Freight Forwarders' Liability Insurance
 Union Insurance Institute Cargo Clauses (A)
 Union Insurance Institute Cargo Clauses (B)
 Union Insurance Institute Cargo Clauses ©
 Union Insurance Institute Cargo Clauses (Air Cargo)
 Union Insurance Institute Air Cargo Clauses ©
 Union Insurance Institute Cargo Clauses (All Risks)
 Union Insurance Institute Cargo Clauses (W.A)
 Union Insurance Institute Cargo Clauses (F.P.A.)
 Union Insurance Postal Parcel Insurance – All Risks
 Union Insurance Institute Frozen Food Clauses (A)
 UNION INSURANCE INSTITUTE FOSFA TRADES CLAUSES (C)
 Union Insurance Institute Frozen Meat Clauses (A) – 24 Hours Breakdown
 Union Insurance Institute Cargo Clauses (A) 2009
 Union Insurance Institute Cargo Clauses (Air)(excluding sendings by Post) 2009
 Union Insurance Hull Insurance Institute Time Clauses - Hulls (1/10/83).
 Union Insurance Air Cargo Forwarders' Liability Insurance
 Union Insurance Inland Cargo Insurance Terms and Condition – Type 甲
 Union Insurance Inland Cargo Insurance Terms and Condition – Type 乙
 Union Insurance Fishing Vessels Insurance
 Union Insurance Yacht Insurance
 Union Insurance Fishing Vessels Employers Liability Insurance
 Union Insurance Fishing Vessels Insurance for Recreational Purpose
 Union Insurance Aviation Hull and Liability Insurance
 Union Insurance-Shiprepairer's Liability Clauses (1/1/90)
 Union Insurance - ROC AVIATION COMPANY, LIMITED AVIATION HULL "ALL RISKS" AND LIABILITY INSURANCE/ PASSENGER AND CREW PERSONAL ACCIDENT INSURANCE
 Union Insurance - INSTITUTE YACHT CLAUSES
 Union Insurance - EMERALD PACIFIC AIRLINES AVIATION HULL (INCLUDING SPARES AND EQUIPMENT) AND LIABILITY INSURANCE PASSENGER AND CREW PERSONAL ACCIDENT INSURANCE
 Union Insurance - DAILY AIR CORPORATION AVIATION HULL AND SPARES ALL RISKS AND LIABILITY INSURANCE HULL AND SPARES WAR AND ALLIED PERILS INSURANCE PASSENGER AND CREW PERSONAL ACCIDENT INSURANCE
 Union Insurance Stock Throughput Insurance Open Cover (A001)
 Union Insurance Operator's Liability Insurance
 Union Institute Air Cargo Clauses(All Risks)(excluding sendings by post)
 Union Insurance Marine Cargo Insurance Open Cover(A002)

Union Insurance Shipowner's Liability Insurance
 Union Insurance Stock Throughput Insurance Open Cover (A002)
 Union Insurance Marine Cargo Container/Carriage Equipment Coverage Policy (A001)
 Union Insurance - MS AMLIN ASIA PACIFIC PTE LTD POLICY CONDITION
 Union Insurance - AMERICAN YACHT FORM R12
 Union Insurance Institute Cargo Clauses (B) 2009
 Union Insurance Institute Cargo Clauses (C) 2009
 Union Insurance Stock Throughput Insurance Open Cover (A003)
 Union Insurance - TP AVIATION INTERNATIONAL CO., LTD AVIATION HULL AND SPARES ALL
 RISKS, HULL WAR RISKS, PREMISES, HANGARKEEPERS AND PRODUCTS LIABILITY, THIRD
 PARTY AND PASSENGER LIABILITY AND PERSONAL ACCIDENT (AIR TRAVEL ONLY)
 INSURANCE
 Union Insurance Marine Cargo Container/Carriage Equipment Coverage Policy(A002)
 Union Insurance Stock Throughput Insurance Open Cover (A004)
 Union Comprehensive Event Sponsor Liability Insurance
 Union Directors and Officers Liability Insurance
 Union Comprehensive Jeweler's Block Insurance
 Union Group Personal Accident Insurance
 Union Accounts Receivable Credit Insurance (Export Credit)
 Union MRT Passenger's Liability Insurance
 Union Construction Payment Bond
 Union Construction Bid Bond
 Union Construction Maintenance Bond
 Union Construction Retention
 Union Construction Advance Payment Bond
 Union Construction Performance Bond
 Union Public Liability Insurance
 Union Kindergarten Liability Insurance
 Union Oil Business Liability Insurance
 Union Loss Adjusters Association Professional Indemnity Insurance
 Union Safe Box Liability Insurance
 Union Small Credit Loan Insurance
 Union Security Company's Liability Insurance
 Union Maintenance Bond
 Union Adjusters Professional Indemnity Insurance
 Union Agents Brokers Professional Indemnity Insurance
 Union Liquidators Professional Indemnity Insurance
 Union Architects and Engineers Professional Indemnity Insurance
 Union Comprehensive Arts Insurance
 Union Lawyers Professional Indemnity Insurance
 Union Toxic Chemical Substances Handlers' Liability Insurance
 Union Glass Insurance
 Union Fidelity Bond
 Union Overseas Study Performance Bond
 Union Golfer's Liability Insurance
 Union Comprehensive Golf Club Insurance
 Union Commercial Property Floater's Insurance
 Union Cash Insurance
 Union Product Liability Insurance
 Union Pollution Liability Insurance
 Union Accountants Professional Indemnity Insurance
 Union Cancellation of Events Insurance
 Union Advance Payment Bond
 Union Elevator's and Lifters Liability Insurance
 Union Employer's Liability Insurance
 Union Bankers Blanket Bond
 Union Performance Bond
 Union Contractors Liability Insurance
 Union Medical Malpractice Professional Indemnity Insurance
 Union Railway Transportation Liability Insurance
 Union Burglary Insurance
 Union RoHS Comprehensive Insurance
 Union Comprehensive Medical Organizations Liability Insurance
 Union Directors & Officers Liability Insurance
 Union Home Member's Accident Liability Insurance
 Union Travel Industry Bond -Type 甲
 Union Travel Industry Bond -Type 乙
 Union Adjusters' Professional Indemnity Insurance
 Union Comprehensive Excellence Employers Insurance
 Union Insurance Agents and Brokers Professional Indemnity Insurance
 Union Directors & Officers Liability Insurance (Elite version)
 Union Directors & Officers Liability Insurance (Top version)

Union Commercial General Liability Insurance (occurrence basis – type 甲)
 Union Comprehensive Group Overseas Business Travel Insurance
 Union New Comprehensive Credit Cards Insurance
 UNION COMMERCIAL GENERAL LIABILITY INSURANCE
 Union Criminal Executor Liability Insurance
 Union Trade Credit Insurance Selective Policy
 Union Pharmacist Liability Insurance
 Union Insurance Contractor’s All Risks Insurance
 Union Insurance Erection All Risks Insurance
 Union Insurance Contractors’ Plant and Machinery Insurance
 Union Insurance Boiler Insurance
 Union Insurance Machinery Insurance
 Union Insurance Electronic Equipment Insurance
 Union Passenger Carrier Liability Insurance (Type 甲)
 Union Travel Agency Liability Insurance
 Union Overseas Study Agency Professional Indemnity Insurance
 Union Directors & Officers Liability Insurance (Prosperity I) CLAIMS MADE POLICY
 Union Directors & Officers Excess Liability Insurance Policy (Prosperity I) CLAIMS MADE POLICY
 Union New Comprehensive Travel Insurance (overseas version)
 Union Comprehensive Machinery Insurance
 Union Contractors’ All Risks Insurance
 Union Erection All Risks Insurance
 Union Comprehensive General Liability Policy (A)
 Union Motion Picture And TV Production Insurance
 Union Childcare Provider Professional Indemnity Insurance
 Union Product Comprehensive Liability Insurance
 Union Comerical General Liability Policy(B)
 Union Motor Extended Warranty Expenses Insurance
 Union Motor Warranty Expenses Insurance
 Union Contingency Cancellation and Abandonment Policy
 Union Contingency Cancellation and Abandonment Policy
 Union Public Bicycles Liability Insurance
 Union Hole-in-One Insurance
 Union Policemen Liability Insurance
 Union Jujube Crop Insurance
 Union Land Administration Agents Professional Indemnity Insurance
 Union Information Security Protection Insurance (A)
 Union Product Comprehensive Liability Insurance (A)
 Union Personal Accident Insurance (Type - Individual & Group)
 Union Personal Disability Insurance
 Union Armed Force Group Personal Accident Insurance
 Union Group Personal Accident Insurance (C)
 Union Mountain Climbing Accident Insurance
 Union “Gin-Want” Individual Personal Accident Insurance
 Union Group Personal Accident Insurance for persons on boat
 Union Micro Individual Personal Accident Insurance
 Union “Gin-Man-Yi” Individual Personal Accident Insurance
 Union Group Personal Accident Insurance (A)
 Union Micro Group Personal Accident Insurance
 Union “Want-Want Bao” Group Personal Accident Insurance
 Union Business Travel Group Personal Accident Insurance
 Union Off-Duty Group Personal Accident Insurance
 Union “Ping-An Want” Group Personal Accident Insurance
 Union On-Duty Group Personal Accidental Insurance
 Union New Travel Insurance (Domestic Type)
 Union 3-year Term Personal Accident Insurance
 Union Group Personal Accident Insurance for Volunteer
 Union Travel Personal Accident Insurance
 Union Group Personal Accident Insurance (B)
 Union Business Travel Group Personal Accident Insurance (Type 乙)
 Union Contractor’s Group Personal Accident Insurance
 Union “Ing Want” Individual Personal Accident Insurance
 Union Comprehensive Specific Activity Insurance)
 Union “Jian Kang Want Want” Daily Hospitalization Insurance
 Union Group 1-year Term Medical Reimbursement Insurance
 Union “Want Want Hsing” Daily Hospitalization Insurance
 Union Group Cancer Health Policy
 Union Group Daily Hospitalization Insurance
 Union Group Cancer Death Policy
 Union Group Cancer Policy
 Union Group Medical Reimbursement Insurance
 Union Group Health Policy

Union Dread Disease Policy (Type 甲)
 Union Individual Cancer Death Policy
 Union Individual Cancer Policy
 Union Individual Cancer Medical Expenses Policy
 Union Dread Disease Policy (Type 乙)
 Union Pets Insurance
 Union Drone Liability Insurance
 Union Employer's Liability Insurance
 Union Group Personal Accident for Hydrostatic Pressure Tester & Blaster
 Union Personal Certifiable Disease Health Policy
 Union Administration Agents Professional Indemnity Insurance
 Union Mobile Equipment Insurance
 Union Designated Driving Industry Liability Insurance
 Union Personal Liability Insurance
 Union Information Security Protection Insurance
 Union Comprehensive Seashore Activity Insurance
 Union Personal Liability Insurance (Type - 甲)
 Union Drone Liability Insurance-Simple Operation Type
 Union Specified Professions Professional Liability Insurance (A)
 Union Overseas Emergency Illness Health Policy
 Union Mobile Phone Insurance
 Union Group Personal Accident Insurance for vessel testing persons
 UNION COMMERCIAL GENERAL LIABILITY INSURANCE Primary and Non-Contributory Insurance Clause (A)
 Union "Gin-Mei-Man" Individual Personal Accident Insurance
 Union Personal Certifiable Disease Medical Policy
 Union Comprehensive Travel "Pao-Pao" Insurance
 Union "Xin-Yi-Bao" Certifiable Disease Health Policy
 Union COVID-19 Vaccination Guarantee Insurance
 Union New Comprehensive Certifiable Disease Compensation Supplementary Clause
 Union Personal Overseas Travel Inconvenience Insurance
 Union Certifiable Disease Vaccination Guarantee Comprehensive Insurance
 Union Certifiable Disease Isolation Costs Compensation Insurance

4. New products and services planned to be developed:

The Company is actively mastering trends and continuous innovation, committed to continuous research of accident and health insurance products such as infectious diseases and vaccines, weather insurance products in response to climate change, and green energy products that cooperate with the government to promote green energy policies and design insurance products that meet the needs of different genders, ages (such as the elderly or young ethnic groups), physical and mental disabilities and specific insured objects to create social, economic and triple-win situation for the insured and the insurer.

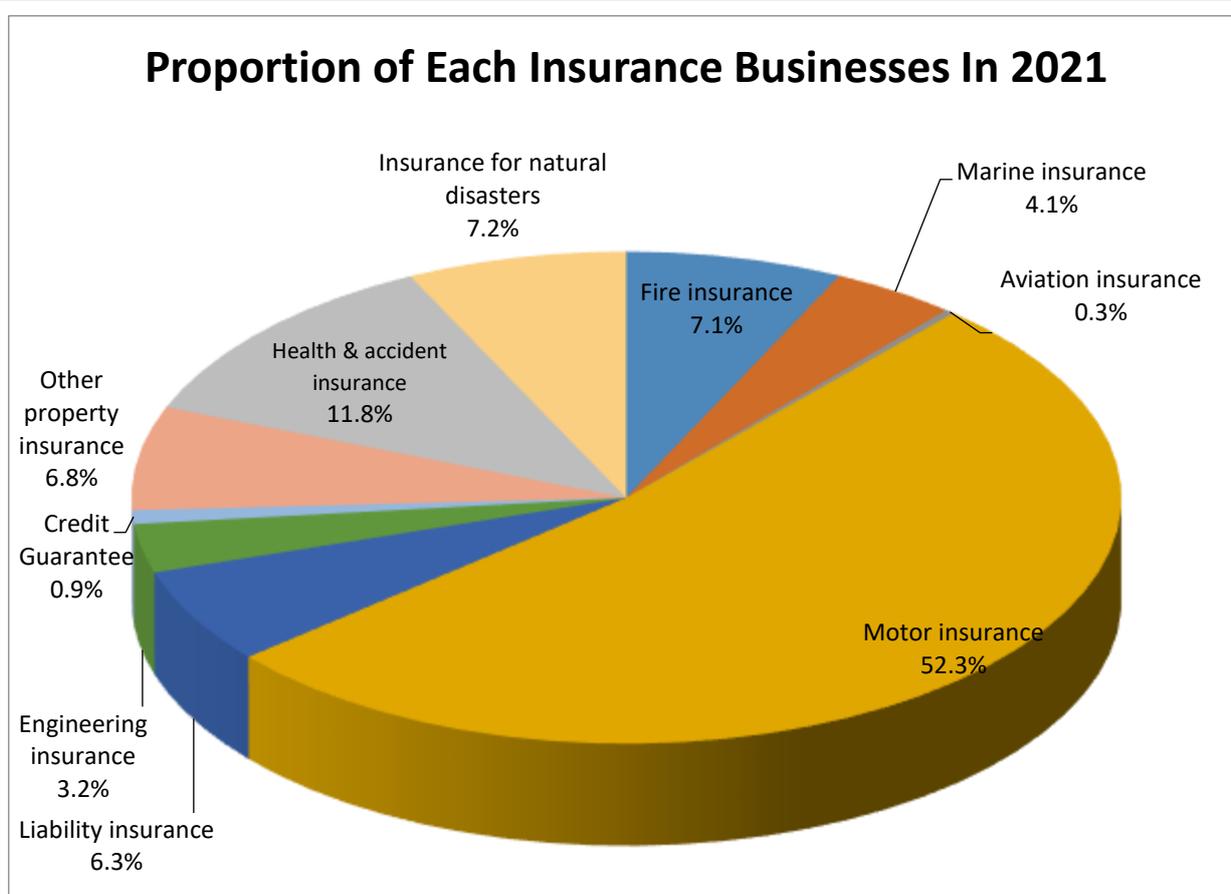
(2) Industry Overview:

1. Industry Status

According to statistics from the Non-Life Insurance Association of the Republic of China, the domestic property insurance market written premium income reached NT\$206.72 billion in 2021, with an increase of NT\$19.3 billion and a growth of 10.3% compared with the previous year's NT\$187.39 billion.

Unit: NT\$ Million

Year/Item		Fire insurance	Marine insurance	Aviation insurance	Motor insurance	Liability insurance	Engineering insurance	Credit Guarantee	Other property insurance	Health & accident insurance	Insurance for natural disasters	Total
109	Premium	13,226	7,784	808	100,825	11,705	7,134	1,657	7,593	21,591	15,066	187,390
	Ratio	7.1%	4.2%	0.4%	53.8%	6.2%	3.8%	0.9%	4.1%	11.5%	8.0%	100%
110	Premium	14,734	8,470	626	108,148	12,915	6,516	1,946	14,124	24,445	14,798	206,722
	Ratio	7.1%	4.1%	0.3%	52.3%	6.3%	3.2%	0.9%	6.8%	11.8%	7.2%	100%
Growth Rate		11.4%	8.8%	-22.6%	7.3%	10.3%	-8.7%	17.4%	86.0%	13.2%	-1.8%	10.3%



Source: The Non-Life Insurance Association of the Republic of China

According to statistics from the Non-Life Insurance Association of the Republic of China, in terms of the distribution of the market share of various property insurance in 2021, the share of auto optional insurance reached 52.3%, which is still the highest among all types of insurance, followed by health & accident insurance, insurance for natural disasters, fire insurance, liability insurance and other property insurance, totaling 39.2%, and the remaining insurance types totaled 8.5%.

2. Industry Developments

In 2020, the global economic demand was almost halted due to the outbreak of COVID-

19, resulting in the contraction of global GDP by 4.3% in 2020. In 2021, although the world was still ravaged by three waves of mainstream variant viruses such as Alpha, Delta and Omicron, advanced countries adopted the strategy of coexisting with the virus, relaxed epidemic prevention restrictions, gradually unsealed the economy, and with the help of loose monetary policies of central banks, most countries have emerged from the shadow of the COVID-19 epidemic, and their economies and stock markets have shown significant growth.

The global COVID-19 epidemic has been burning for more than two years, and countries have suffered from the outbreak of the new variant virus Omicron. Compared with some countries, with the joint efforts of the government, industry and people, Taiwan has not only maintained the low occurrence of COVID-19 case in 2021, but also maintained the normal operation of national life. In terms of economic growth rate, foreign trade, investment and consumption, it has made brilliant achievements, especially in foreign trade, with the annual total export value exceeding 440 billion US dollars. The amount of export orders reached 670 billion US dollars, both reaching an all-time high; In terms of domestic demand, the relief and revitalization measures effectively stabilize domestic employment and give full play to the effect of boosting domestic demand; In terms of investment, foreign investors continued to invest actively in Taiwan, and the government actively increased and accelerated public construction. In 2021, domestic fixed investment grew steadily and jumped to the main force driving economic growth; Taiwan's economic growth rate in 2021 was 6.45% (released by the Directorate-General of Budget, Accounting and Statistics in February), setting a new high in 11 years. As some commodities are necessities for people's livelihood, and all companies launch epidemic prevention insurance, vaccine insurance and other related insurance commodities in response to the needs of the epidemic, the property insurance industry also benefited from the significant increase in the domestic economic growth rate. The annual signing premium income was NT\$206.72 billion, an increase of NT\$19.3 billion compared with NT\$187.39 billion in 2020, and the growth rate increased from 6.24% in 2020 to 10.32%.

Looking forward to 2022, due to the continuous recovery of the global economy, major countries have successively promoted infrastructure construction, the alleviation of some material shortages and the slowdown of the epidemic in Europe and the United States, resulting in the emergence of deferred orders, the steady strength of foreign demand, coupled with the innovation of emerging applications of science and technology, domestic semiconductor manufacturers with deep process leading advantages have actively expanded their factories, boosting the demand for 5G communication, high-performance computing

and automotive electronics, which will help to continue Taiwan's export momentum. Secondly, the government continues to promote the extension of the implementation of the "three major investment plans for investment in Taiwan" such as domestic green energy and 5G infrastructure for three years to the end of 2024. It is estimated that it can drive enterprises to invest an additional NT\$900 billion and create 40000 jobs. In addition, major semiconductor leading manufacturers continue to promote capital expenditure plans, and the clustering effect of deepening the supply chain and local investment is gradually emerging. In addition, the continuous implementation of Taiwan businessmen's investment back to Taiwan, the acceleration of the construction of 5G networks by telecom operators, the continuous construction of green energy facilities such as offshore wind power and solar photovoltaic, and the expansion of transportation capacity by transportation operators are expected to maintain the momentum of investment. Taiwan's economic growth rate in 2022 will still maintain an upward growth trend. However, considering the continuous burning of the Russian Ukrainian war, the interference of inflation, the expectation of raising interest rates and other factors, the economic growth rate of major countries and regions is slower than that of 2021. The central bank and the Directorate-General of Budget, Accounting and Statistics estimated that the economic growth rate in April 2022 was 4.02%. Due to the close relationship between insurance demand and economic growth and national income, although the economy in 2022 still maintained its growth momentum, It is estimated that the overall product insurance business will still show a growth trend, but it is estimated that the growth will be less than 2021. In the follow-up, we must continue to pay attention to the changes of the international situation and the development of the domestic epidemic situation.

3. Relationship Amongst Upstream, Midstream, and Downstream of the Industry

The insurance industry is different from the production business. The product insurance company business underwrites other risks of non-life insurance. It mainly sells insurance contracts. In addition to the direct solicitation of insurance companies from insurers, some of them are sold through insurance brokers and agents. Therefore, the latter is downstream of the source of insurance business. In addition, the business undertaken is for risk dispersion, and reinsurance arrangements are used to increase the underwriting capacity to support business development. Therefore, reinsurance companies are in the upstream of the insurance industry. Insurance companies improve business quality and gain a competitive advantage by relying on downstream (insurance brokers and agents) and their own market development capabilities, underwriting technology, and management performance. At the same time, they can expand their business through appropriate arrangements for upstream reinsurance to increase underwriting capacity. Therefore, reinsurance companies, insurance companies and insurance brokers and agents must be closely integrated in order to achieve overall benefits.

4. Product Development Trends and Competition Landscape

The concept of risk insurance, knowing the danger is not in danger is deeply rooted in the minds of individuals and enterprises, so everyone has the concept and demand for risk dispersion, so that insurance is an irreplaceable product. However, in the past, the protection provided by various insurance companies was not very different, resulting in fierce competition among product insurers to cut prices. In recent years, companies have devoted themselves to innovative R&D, developing “unique” products, hoping to differentiate the market from leading product price and not blindly pursuing growth. Seeking profitable target customers and pursuing long-term underwriting profits have become the mainstream development trend.

(3) Technology and R&D Overview

1. R&D expenses invested this year:

In response to the current technological advancement and competition in the insurance business, funds are continuously allocated every year to train educational personnel and develop new products. In addition to maintaining market competitiveness, it is also moving towards the concept of sustainable development.

2. Successfully developed technologies or products this year:

- (1) Union Certifiable Disease Isolation Costs Insurance Supplementary Clause
- (2) Union On-Duty Group Personal Accidental Insurance Supplementary Clause for Off-Duty Period
- (3) Union “Ping-An Want” Group Personal Accident Insurance Emergency Expenses Insurance Supplementary Clause
- (4) Union New Comprehensive Certifiable Disease Compensation Supplementary Clause
- (5) Union Automobile Third Party Liability Insurance Additional Driver Injury Insurance Medical Injury Payment Supplementary Clause (Paid in Full)
- (6) Union Residential Mortgage Supplementary Clause (for Comprehensive Residential Miscellany Insurance)
- (7) Union Public Liability Insurance Contractor or Subcontractor Supplementary Clause
- (8) Union Insurance Cash Definition Expanding Supplementary Clause (Specific Securities)
- (9) Union Drone Liability Insurance Pesticide Spraying Operation Supplementary Clause

3. R&D plan

- (1) Replace the new core system to improve quotation, underwriting, reinsurance, claims and other operations.
- (2) In response to global climate change, actively promote agricultural insurance to diversify farmers’ business risks.
- (3) Cultivate insurance talents and continuously improve competitiveness and productivity through continuous improvement of core functions.
- (4) Develop niche products and projects by utilizing the Company’s internal data
- (5) In line with the development of the Internet, plan to develop simple, easy-to-understand, inexpensive and easy-to-sell personal insurance products to expand and strengthen the sales of online channels.
- (6) Develop customized products for specific needs to protect various risks and strive for more diversified business.
- (7) In response to changes in the insurance market caused by technological development, strengthen education and training and actively participate in external seminars to continue to stimulate staff development capabilities in order to keep up with the overall market changes.
- (8) Actively reform and simplify the operating procedures of underwriting claims and even charging, in order to achieve the goal of streamlining manpower and speeding services.

(4) Long and Short-Term Business Development Plans

Short-term:

1. Continue to strengthen the professionalism of underwriters and claim adjusters, arrange education and training courses, encourage the acquisition of relevant licenses, so as to enhance the professional skills of employees and strengthen the professional strength of teams.
2. Continue to screen businesses, implement underwriting policies and strengthen claims control to increase underwriting profits.
3. Develop new channels and new customers to expand market share and improve market ranking.
4. Promote the simplification of operating procedures and information transformation to reduce management and marketing costs, and deepen the implementation of correct cost concepts in the hearts of all employees to enhance competitive advantages.
5. Continue to develop direct business and online insurance business, increase the proportion of business, and reduce marketing costs.
6. Continue to research and develop innovative insurance products to meet customer needs to expand product differentiation to gain a competitive advantage, and conduct regular inspections of various insurance rates to strengthen rate competitiveness and profitability.

Long-Term:

1. Continue to adjust the business structure and properly control the accumulation of risks through appropriate reinsurance arrangements.
2. Care for the society for a long time, participate in various public welfare activities, fulfill corporate social responsibility, and establish a good corporate image.
3. Construct a complete customer-oriented information system, and provide a one-stop, fast operation and customer-oriented service network.
4. Integrate the Company's overall resources, create benefits, and implement enterprise risk management (ERM), and strive to maximize the Company's earnings and shareholders' equity, implement the Company's sustainable business goals.
5. Adhere to the Group's business philosophy and advantages of "favor, self-confidence, and great unity", implement laws and regulations, strengthen insurance expertise and corporate governance, continue to create good results and make the Company the most trusted insurance company for customers.

II Overview of Market and Production and Marketing Situation**(1) Market Analysis****1. The Company's main insurance sales regions for 2021**

Unit: NT\$1,000

Regions	Premium	Regions	Premium
Keelung City	89,324	Yunlin County	170,781
Taipei City	2,819,655	Chiayi County	217,110
New Taipei City	1,152,576	Tainan City	792,681
Taoyuan County	1,068,654	Kaohsiung City	1,261,231
Hsinchu County	381,094	Pingtung County	317,635
Miaoli County	161,007	Yilan County	110,475
Taichung City	1,359,952	Hualien County	86,718
Changhua County	441,040	Taitung County	24,892
Nantou County	206,660	Total	10,661,485

2. Market share and business structure of the Company in 2021

Unit: %

Union Insurance	Fire insurance	Marine insurance	Motor insurance	Marine hull & aviation insurance	Engineering insurance	Health & accident insurance	Other insurance	Typhoon flood insurance	Total
Market share	4.5%	3.5%	6.5%	4.5%	6.1%	4.6%	1.5%	4.2%	5.2%
Business structure	10.7%	1.8%	65.6%	1.6%	3.8%	10.6%	4.2%	1.7%	100.0%

Note: Source: The Non-Life Insurance Association of the Republic of China

3. Future Market Supply, Demand, and Growth Potential

(1) Supplies

Taiwan maintained a total of 19 domestic and foreign property insurance companies in 2021, including 14 local insurance companies and 5 foreign property insurance companies. The overall business was still concentrated in 14 domestic property insurance companies, of which, the market share of the top three property insurance companies reached more than 10%, their business volume accounted for 47.6% of the overall business. There were as many as 11 insurance companies with a market share of less than 5%, nearly 60%, and the total share was only 22.6%, not far from 2020. It is obvious that the trend of “size does matter” in the overall property insurance market has not changed. Due to the large number of property insurance companies and fierce market competition, most of the business is still concentrated in some property insurance companies. Since 2016, Hotai Property Insurance, a subsidiary of Hotai Auto, has entered the market, resulting in TOYOTA vehicle business transfer, and its market ranking has improved from 12th in 2017 to 6th in 2021, which has greatly impacted the motor insurance business of other insurance companies. In order to maintain their market share, the competition various property and casualty insurance companies will become increasingly fierce.

(2) Demands

Due to the close relationship between insurance demand and economic growth and national income, Taiwan’s economy has been growing slowly in recent years. In recent years, due to abnormal weather, natural disasters, and fire accidents, companies have increasingly increased their demand for risk transfer from their own operations. The demand for commercial insurance continues to increase. In addition, Taiwan’s property insurance market penetration is still low compared with advanced countries, so the development space is promising. In recent years, people are increasing awareness of liability insurance due to public accidents, frequent food safety issues and changes in the legal environment. Coupled with the increasing importance of the government and society in the protection of consumer rights, as well as the increasing awareness of insurance among people, people’s demand for product insurance products is expected to continue to increase.

(3) Growth potential

Although Taiwan's boom in 2022 has remained hot, its economic growth mainly depends on the support of private consumption. Although exports and private investment

remain strong, their contribution to economic growth is expected to decline due to the high base period. In addition, due to the interference of inflation, the expectation of raising interest rates, the outbreak of the Ukrainian Russian war, the rapid expansion of the epidemic and other factors, the annual economic growth rate in 2022 is lower than that in 2021. However, after the government continues to promote the implementation of the "three major investment plans for investment in Taiwan" such as domestic green energy and 5G infrastructure for three years to the end of 2024, it is estimated that it can still drive enterprises to invest NT\$900 billion and create 40000 jobs. In addition, major semiconductor leading manufacturers continue to promote capital expenditure plans, the clustering effect of deepening supply chain and local investment is also gradually emerging, telecom operators accelerate the construction of 5G networks, the continuous construction of green energy facilities such as offshore wind power and solar photovoltaic, and transportation operators expand transportation capacity. Taiwan's economic growth rate in 2022 will continue to maintain an upward growth trend, which will contribute to the development of vehicle insurance, fire insurance, engineering insurance and transportation insurance business

4. Competitive niche:

The Company has 17 branches, 10 service centers and 16 liaison offices in the province, plus 2 marketing departments in the Head Office. The service network is extremely dense. With the recruitment of professionals in finance, actuarial, and air management, the quality of personnel has improved and the professional team has become stronger. In addition, as the Company's new core system, e-commerce platform, online insurance system and official website revision and other information transformation operations are completed one after another, improving operational efficiency and accelerating customer service. In terms of marketing strategies, in addition to cooperating with the insurance agency system marketing, the Company successfully and strategically joined hands with a number of banks, life insurance companies and special channels, and achieved good results. In the future, we will strengthen marketing channel services and maintain continuous business growth by utilizing project management methods. In terms of commodities, opportunities may arise in response to global climate change. The Company is actively developing new products in response to related needs, actively researching accident and health insurance products such as infectious diseases and vaccines, weather insurance products in response to climate change, and green energy products that cooperate with the government to promote green energy policies to create social, economic and triple-win situation for the insured and the insurer. In addition, in accordance with the policies of the Financial Regulatory Commission, the Company actively introduced insurance core capital ICS and IFRS 17; pursued treating customers fairly, took meeting customer needs as the service core, and continued to provide customers with better products and services. In the face of the ever-changing modern technology, make good use of and innovate financial technology to optimize operations, improve the maturity of information security governance through the establishment of a complete information security protection framework, and provide

high-quality customer service.

5. The favorable and unfavorable factors of the development prospect and countermeasures

(1) Advantages:

- A. The Company continued to receive ratings of “twAA/stable” from Taiwan Ratings. Standard & Poor’s and A.M. Best continued to affirm the Company, granting “A-” and “A- (Excellent)” ratings, respectively, and the rating outlook is “stable”, which reflects Want Want Union’s strong business underwriting performance, capital level and well-managed asset risk, stabilizes customer confidence and assists employees in business development.
- B. The Company has obtained the double international standard certification of BS 10012 personal information management system and ISO 27001 information security management system. The Company implements the personal information protection policy in the Company’s culture and operating procedures, and strengthens the effectiveness of the implementation of information security management, so as to ensure the basic requirements for information confidentiality and represent Want Want Union’s intentions and commitment to protecting personal data.
- C. Attach importance to self-discipline and jointly maintain market order: Improve efficiency and service quality, replace unreasonable price competition, and underwrite risks in a healthy competition manner, which is conducive to long-term business development and allows the market to develop soundly.
- D. Emphasize the enhancement of underwriting claims, and continue to screen good-quality businesses, which will help reduce the loss rate and increase the underwriting profit.
- E. Launch various combination products can meet the different needs of the market, and facilitate sales by business personnel, and increase the transaction rate.

(2) Disadvantages:

- A. In order to increase market share, property insurers have led to fierce market competition. Part of the price cut competition will still exist, which is unfavorable for the expansion of insurance business.
- B. In recent years, global warming has led to global climate abnormalities and frequent international natural disasters. Reinsurance companies have suffered serious losses, resulting in increased reinsurance premiums and reduced reinsurance commission income.
- C. The competent authority’s highly-supervised policy and the implementation of the personal capital law and money laundering prevention and control law have caused the property insurance industry to face more stringent legal requirements, which has an impact on business development and the burden of labor costs.
- D. Increasing consumer awareness has led to an increasing amount of liability insurance settlements. In addition, the implementation of a case-by-case holiday has led to an increase in auto repair wages and spare parts prices, which is not conducive to the control of loss rates.

(3) Countermeasures:

- A. Strengthen the application of cross-industry alliance strategy and maintain the channel business; in addition, increase the expansion of direct business, enhance the benign competitive advantage, and expand the overall business scale.

- B. Research and develop innovative new products to meet customer insurance needs. Design and plan products for sale with the concept of “simple, easy to understand, inexpensive, and easy to sell”, and actively develop new markets to increase market share.
- C. Simplify various operating procedures, build complete information systems, and strengthen customer relationship management, so as to reduce expenses and increase business renewal rates and improve overall operating efficiency.
- D. Actively recruit excellent business employees and improve the quality of underwriting and claim adjusters, and provide customers with “damage prevention services” to expand business scale and improve customer satisfaction.
- E. Properly arrange reinsurance to transfer huge risks such as natural disasters at the lowest cost to avoid affecting the Company’s financial security.
- F. Strengthen corporate risk management and internal audit and internal control operations, increase capital utilization income, and control expenses and costs, so as to protect shareholders’ rights and interests and create the Company’s value.

(2) Key Functions and Manufacturing Process of Major Products:

1. Important use

“Insurance ensures the stability of economic life, assembles a large number of economic units for the losses caused by the occurrence of specific dangerous accidents, and raises money based on reasonable calculations, as an economic system for compensation.”

Property insurance is to provide the protection of the life responsibility of enterprises, families and individuals, that is, the cornerstone of social stability and economic prosperity, and can provide the funds needed for the construction of the country. Therefore, the development of the insurance industry has become one of the important indicators of modern national economic development and social welfare.

2. Production process

Insurance products of product insurance companies shall be submitted for review in accordance with legal procedures before they can be sold.

(3) Status of Supply on Primary Materials: None.

(4) The names of customers who have accounted for more than 10% of the total purchases (sales) in any of the last two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease:

1. Names of the top ten customers in the two most recent years, the amount, ratio, and reasons for increase and reduction of such sales:

The Company is an insurance industry with scattered underwriting customers, and does not have important customers who account for over 10% of operating revenue. Therefore this requirement is not applicable.

2. Names of the top ten suppliers in the two most recent years, the amount, ratio, and reasons for increase and reduction of such sales:

(5) Production Volume and Value for the Most Recent 2 Years: Not Applicable.

(6) Sales Volume/Value for the Most Recent Two Years

Unit: Piece, NT\$ Thousand

Item	Year	2020		2021	
		Number of Pieces	Premium (NT\$ Thousand)	Number of Pieces	Premium (NT\$ Thousand)
Fire insurance		455,305	1,272,828	440,060	1,326,327
Marine insurance		73,123	241,233	69,162	271,423
Land and Aviation insurance		3,998	100,710	3,692	85,968
Liability insurance		654,228	2,934,833	626,521	3,143,976
Guarantee insurance		1,923	19,445	1,924	16,512
Other property insurance		399,199	3,650,001	361,529	3,715,703
Accident insurance		596,661	1,001,610	647,789	1,067,972
Health insurance		11,021	27,107	74,972	66,558
Compulsory automobile liability insurance		1,173,128	975,122	860,778	967,046
Total		3,368,586	10,222,889	3,086,427	10,661,485

III Information on Employees

Number of Employees for the Two Most Recent Fiscal Years, and During the Current Fiscal Year Up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels

Number of employees in the Past 2 Years up to the Report Printing Date

Year		2020	2021	As of April 30, 2022
Number of Employees	Head Office	371	372	360
	Branches	760	744	736
	Total	1131	1116	1096
Average Age		42.18	42.57	42.97
Average Service Year		12 years and 1 month	12 years and 5 months	12 years and 9 months
Academic distribution ratio	PhD	0.00%	0.00%	0.00%
	Master's	5.57%	6.36%	6.20%
	Bachelor's	82.23%	82.08%	82.49%
	High school	12.02%	11.38%	11.13%
	Below high school	0.18%	0.18%	0.18%

IV Environmental protection expenditure

(1) Establishing internal policies relating to energy conservation and carbon reduction, greenhouse reduction, reduction in water consumption or other waste management

The Company upholds the concept of ethical corporate management, steady growth, and sustainable development, and is committed to the goal of environmental protection and environmental sustainability, reducing the load on environmental resources, enabling the sustainable use of earth resources, and fulfilling:

- (1) Comply with related environmental protection laws and regulations to jointly protect the nature environment.
- (2) Reduce energy consumption and promote energy conservation and carbon reduction measures.
- (3) Promote resource recycling, properly dispose of waste, and promote the sustainable use of

resources.

(4) Promote green procurement and use products with the Green Mark and Energy Label.

In terms of the Company's environmental protection affairs, the General Affairs Department is responsible for the formulation, promotion and maintenance of relevant environmental management systems and specific action plans, and timely arranging environmental education courses. In terms of energy resource consumption, the office operations of the Head Office, branches and subordinate liaison offices, and various energy-saving and carbon-reduction measures implemented include:

- (1) The lights shall be turned off on time during the noon break from 12:30 to 13:30. If need to deal with time-sensitive official duties, employees shall only use the lighting of their own office seats.
- (2) Save energy, turn off switch power supplies and sockets when leaving; review lighting needs, improve lighting performance, reduce the number of redundant lamps, and choose energy-saving lamps.
- (3) Usually, employees who work overtime only turn on the lighting in their seats, and the file storage rooms of each unit also turn off the lights at any time.
- (4) Before leaving the office meeting, turn off all lighting and air-conditioning equipment in the meeting room.
- (5) Regularly clean and maintain the air-conditioning filters of the Head Office, branches, and liaison offices (windows, box-type machines) to maintain air-conditioning efficiency and reduce power consumption.
- (6) Turn off all personal computer mainframes, printers, photocopiers, air conditioners and other equipment used by all units after work.
- (7) Purchase equipment with [Environmental Protection Mark], [Energy Saving Mark], [Water Saving Mark] and high EER value.
- (8) Employees do not use paper cups for internal meetings, bring their own portable cups, environmentally-friendly chopsticks, handkerchiefs and shopping bags; drink less bottled water; use less disposable products; adjust the water output of the toilet tap to save water.
- (9) Paper is the most important raw material in the insurance service industry. However, for a sustainable environment, when considering the confidentiality of the Company or customer data, the Company advocates the reuse of obsolete photocopying paper or blank backing paper that does not contain customer data, and the use of e-mail or electronic files instead of paper, and give a priority to environmentally friendly toner cartridges.

(2) Annual emissions of CO₂ or other greenhouse gases for the past two years

The Company's energy resource consumption is mainly derived from the power used by the Head Office, each branch and liaison office. The Company continued to advocate various power-saving measures in 2020 to achieve the goal of further power-saving.

1. The Company consumed a total of 1,094,232 Kwh of electricity during 2021, and the average person consumed a total of 981 Kwh of electricity in 2021. After conversion from Taiwan's electricity carbon emission factor (0.502 Kg CO₂e/kWh) announced by the Bureau of Energy in 2019, the total emissions were about 549,304 Kg CO₂e (carbon dioxide equivalent).
2. The Company consumed a total of 1,206,063 Kwh of electricity during 2020, and the average person consumed a total of 1,066 Kwh of electricity in 2020. After conversion from Taiwan's electricity carbon emission factor (0.521 Kg CO₂e/kWh) announced by the Bureau of Energy in 2019, the total emissions were about 359 Kg CO₂e (carbon dioxide equivalent).
3. The Company continued to strengthen advocacy for energy conservation and carbon reduction, greenhouse gas reduction, and water reduction projects to reduce the impact of its operations on climate change.

(3) No loss arising from environmental penalties; and future countermeasures

The Company is a financial insurance company. Our statistics over the past five years do

not indicate any loss arising from environmental penalties, such as compensation to others,

or fines inflicted by a government environmental protection agency as a consequence of an inspection. In the future, we will strive to reduce carbon emission and join the world to create a zero-carbon emission environment.

(4) Has the Company obtained ISO14001 or similar environmental management system certification?

The Company is an insurance company and does not cause major pollutions. This item is therefore inapplicable.

V Labor relations

(1) The Company's various employee welfare measures, continuing education, training, and retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures

Since its establishment, the Company has given full respect and care to its employees, and has continuously planned various employee benefits to pursue a perfect working environment. Therefore, the labor relation is very harmonious. The welfare measures and implementation status are as follows:

1. Employee Benefits

The Company has established the "Employee Welfare Committee" in accordance with the "Employee Welfare Regulations", and held regular meetings to discuss how to improve the Company's welfare measures, in an effort to enhance the welfare of the Company's employees. Each employee is entitled to labor insurance, health insurance and labor pension contribution with the Labor Standards Act, relevant laws and regulations. The welfare measures coordinated by the Company's Welfare Committee, the General Affairs Department and the Human Resource Department include:

(1) Various types of gift money/subsidies: Year-end bonus, gift money for three Chinese festivals, birthday gift money, wedding gift money, maternity allowance, injury and illness condolences and funeral condolences.

(2) Activity subsidies: Domestic employee travel, company and association subsidies, employee education and training, and year-end party.

(3) Other benefits: Discounts for employee shopping, health check-ups and group insurance. A total of 149 employees and family members have applied for insurance benefits with the amount of approximately NT\$2,640 thousand as of December 31, 2021.

2. Employee continuing education and training

In the era of knowledge economy, the quality of human resources is an important key to determining the effectiveness of business operations. In order to enable employees to give full play to their functions and continue to improve their knowledge and skills, the Company specially set up a Training Office under the Human Resource Department to take charge of education and training related matters.

(1) Employee continuing education

The Company's education and training system is divided into five major systems:

A. Education and trainings for new recruits: Education and trainings organized to enable new recruits to understand the Company's profile, system, benefits, work knowledge and skills. Trainings for new recruits are divided into two categories: General education courses and professional courses:

a. General education courses-Sponsored by the Training Office of the Human Resource Department, centered in "Company Profile", "Laws and Regulations" and "Knowing the Environment".

b. Professional courses-Sponsored by the unit directly affiliated to the new recruits, responsible for detailed introduction and explanation of the unit's business-related matters.

B. Functional education and trainings: The trainings for the job target can be divided into underwriting, claim settlement, business, reinsurance, management, etc., emphasizing the cultivation and strengthening of professional knowledge of property insurance and related work capabilities.

C. Level education and trainings: Trainings for positions can be divided into senior executive trainings, mid-level executive trainings, grassroots cadre trainings and general employee trainings, including training to prepare for promotion, emphasizing management skills and administration induction and promotion of general handling ability.

D. Project-based education and trainings: In order to meet the relevant government laws and regulations or the special needs of the Company, the Training Office arranges employees and supervisors in specific fields to conduct project-based education and trainings, including internal auditor training, department and branch supervisor audit training, actuarial staff training, product signing staff training, internal lecturer training, computer training or irregular lectures, etc.

E. Self-inspired education and trainings: that is, knowledge sharing. All the data related to education and training within the Company are electronically carried out through the knowledge management information system (Knowledge Management, referred to as KM), and through the computer system management, the learning atmosphere is shaped, so that all employees can learn actively to improve their working ability and create added value for the Company.

(2) **Education training goals**

The development goals of the Company's education and training are divided into short-term goals, medium-term goals, and long-term goals according to the employees' length of service.

A. Short-term target -

1. Guide employees to get acquainted with the Company's culture in order to gather centripetal force.
2. Inherit practical experience and cultivate work intelligence to improve employee behavior and increase willingness to work spontaneously.
3. Establish a correct working concept, learn a positive working attitude, and maintain a good interactive relationship with employees.

B. Medium-term target -

1. Strengthen personal communication management skills and problem-solving skills, so as to create the Company's overall operational combat effectiveness.
2. Deepen insurance professionalism and improve the quality of the Company's human resources.
3. Plan the employees' personal learning map, induce and stimulate the management ability, and connect the Company from generation to generation.

C. Long-term target -

1. Strengthen the lineup of the management team and establish the Company's professional image and reputation in the insurance industry.
 2. Assist in expanding and exploring different areas of professional knowledge, inject new business concepts into the insurance industry from a diversified perspective, and create sustainable value for the Company.
- (3) Talent is an important asset of the Company and a key factor in determining the Company's competitiveness. Therefore, the Company spares no effort to develop the capabilities of employees, provide training programs for new recruits, so that they can familiarize themselves with the work content, understand the Company's culture and

enrich their professional knowledge in the shortest possible time. In terms of senior employees, the Company is more committed to deepening their professional knowledge, and also encourages employees to continue to learn and grow, and increase their diversified capabilities. In the future, the Company will continue to uphold the concept of lifelong learning and provide employees with hardware and software facilities for learning to achieve the goal of whole-person education.

- (4) The internal and external trainings in 2021 amounted to an average of 22.57 hours per person per year with a total of 25,120.5 training hours in 267 courses with more than 19,124 participants and NT\$1,467.5 thousand in training expenditures.

Statistics of internal trainings, external trainings and on-the-job trainings for the top ten attendees in 2021:

Category		Course Name	Number of Persons	Total Hours
Internal trainings	1	Annual risk management education and training	1097	548.5
	1	Discussion on financial technology and insurance information security issues	1097	3291
	1	The Convention on the Rights of Persons with Disabilities and guidelines for financial-friendly services in the insurance industry	1097	548.5
	1	Whistleblower protection and the Company's reporting of illegal acts and its acceptance methods	1097	1097
	1	Principles for Fair Treatment of Customers	1097	1097
	2	Q & A on practical operation of the guidelines for financial-friendly services in the insurance industry	1096	548
	2	Financial Consumer Protection Act and response simulation training	1096	3288
	3	Insurance industry solicitation and underwriting operation control self-discipline norms	1095	547.5
	4	Understanding and advocacy of the Personal Data Protection Act	1064	1064
	5	Introduction of internal regulations associated with anti-money laundering and counter-terrorist financing	1055	2110
External trainings	1	Anti-money laundering and counter-terrorist financing personnel on-the-job training seminar	31	186
	2	Training of compulsory motor liability insurance and compensation cases	21	168
	2	Education and training of compulsory motor liability insurance claiming and underwriting in 2021	17	17
	3	Education and training of compulsory motor liability insurance claiming in 2021	15	225
	4	Insurance industry risk management trend forum in 2021	14	70
	5	Marine insurance video symposium	11	33
	5	Lecture on maritime law and insurance of the grounding case of Changci ship	11	22
	5	The 14th risk management seminar in 2021	11	22
	6	Accident and health insurance underwriting and claiming commodities signatory training course	10	150
	6	Property Insurance Underwriting and Claims Product Signatory Personnel Professional Training Course Phase 2	10	150
On-the-job trainings	1	Business continuity standard and management system cognition advocacy	146	219
	2	New ID card education and training	97	97
	3	Education and training on properly serving financial consumers with physical and mental disabilities	94	188
	4	Self-audit training in 2021 (the second session)	63	126
	5	Understanding and advocacy of the Personal Data Protection Act (the third session)	56	84
	6	Self-audit training in 2021 (the first session)	51	102
	7	Financial Consumer Protection Act and review case introduction	49	73.5
	8	Business continuity standard and management system cognition advocacy (II)	40	60
	8	IFRS17 education and training - in-depth explanation	40	80

Category	Course Name	Number of Persons	Total Hours
9	Hsinchu Branch monthly mobilization meeting and advocacy in places	38	76

3. Retirement system and implementation status

- (1) The Company complies with the retirement regulations of the Labor Standards Law and the Labor Pension Regulations, provides the labor retirement reserve and retirement pension monthly in accordance with laws and regulations, appoints actuaries to evaluate and calculate the labor retirement reserve and submit actuarial reports in order to fully safeguard the rights and interests of employees in retirement.
- (2) The Company appropriated a total of NT\$21,994 thousand to the Department of Trusts of the Bank of Taiwan in 2021 as labor pension preparatory fund under the old system. The cumulative account balance of the labor pension preparatory fund at the end of the year was NT\$354,458 thousand. The Company also regularly appropriates 6% of the employees' monthly salaries to the personal pension account of employees under the new labor pension system. We appropriated NT\$33,079 thousand in labor pension under the new system in 2021 to fully protect employees' rights and interest after retirement.

4. Protective measures for work environment and employees' personal safety

- (1) The Company's offices are equipped with a monitoring system and access control facilities to strictly control personnel access to ensure the personal safety of employees.
- (2) In terms of office environment, specially-assigned person are designated to maintain the office environment every day, disinfect the office regularly, and refurbish and update the equipment in real time.
- (3) For the employees themselves, in addition to the labor and health insurance prescribed by the government, the Company insures the employees for group injury medical insurance to supplement the deficiencies of social insurance.

5. Employee Code of Conduct or Ethics

- (1) In 2017, the Company separately formulated the "Regulations on the Prohibition of Drink-Driving for Employees" to protect the lives and social safety of employees and establish a culture of no drink-driving.
- (2) The Company's employee behavior or ethics code is clearly set in the Company's work rules, and it is also simultaneously disclosed on the Company's internal webpage, which is described as follows:
 - A. All employees of the Company shall be selected and qualified before being hired, and the Company will assign them to work according to business needs.
 - B. The Company's employees shall be voluntarily loyal and diligent, abide by all applicable laws and regulations of the Company, obey the reasonable command and supervision of supervisors at all levels, and shall not engage in acts that violate positivity or perfunctory responsibilities.
 - C. Supervisors at all levels shall be cordial and instructive to employees.
 - D. With regard to data associated with the Company's business, property, information, etc., employees, regardless of whether they are in charge of matters, strictly observe the secrets and do not disclose them to the outside world.
 - E. Employees are forbidden to seek personal gain by taking advantage of their positions.
 - F. The Company's employees shall work hard internally, cherish public property, reduce wastage, and improve quality, and externally shall keep confidential business or position.
 - G. In the event of a major business negligence at all levels of the Company's power and responsibility units, the direct supervisor shall be punished jointly and severally, and major achievements shall be jointly rewarded.
 - H. Employees are not allowed to lead people who are not involved in official business to stay in the office.
 - I. Employees are not allowed to bring prohibited flammable, explosive and lethal weapons into the office, and they are not allowed to carry public property for their own use without approval.
 - J. Employees are not allowed to leave their duties without reason during office hours, and they are required to report to their supervisor if they go out temporarily for some reason. Otherwise, once they are found, they will be regarded as "absenteeism" based on the actual number of

absentee hours, and the punishment will be discussed based on the severity of the circumstances.

- K. The Company's employees shall not concurrently hold positions or jobs outside of the Company during normal working hours during their tenure.
- L. Persons who exercise management rights on behalf of the Company or handle employee affairs on behalf of the Company shall not use their power, opportunities or methods at work to sexually harass employees, nor may they condone other people's sexual harassment of employees or job applicants.

6. Related certifications obtained from the relevant competent authorities by personnel associated with the transparency of financial information as of the publication date of the Annual Report are as follows:

Type of license	Training Institution	Number of shareholders
Regular member of the Actuarial Institute of the Republic of China (Taiwan)	The Actuarial Institute of the Republic of China (Taiwan)	1
Associate Member of the Actuarial Institute of the Republic of China (Taiwan)	The Actuarial Institute of the Republic of China (Taiwan)	1
FRM (Financial Risk Manager)	Risk Management Society of Taiwan	1
Property and Insurance Broker	Examination Yuan	3
Property Insurance Agent	Examination Yuan	2
Personal Insurance Broker	Examination Yuan	1
Property insurance underwriting and claims officer qualifications	The Non-Life Underwriters Society of The Republic of China	62
Property insurance underwriting and claims officer qualifications	The Non-Life Underwriters Society of The Republic of China	46
Property Insurance Specialist Qualification	The Non-Life Insurance Association of the Republic of China	1079
Personal Insurance Specialist Qualification	Life Insurance Association of the Republic of China	267
Qualifications of investment insurance commodity salesperson	Taiwan Insurance Institute	13
Level B technician in labor safety and health management	Council of Labor Affairs, Executive Yuan	1
Personal insurance underwriting qualifications	Life Insurance Management Institute of the Republic of China (LIMI-ROC)	3
Life insurance claims qualifications	Life Insurance Management Institute of the Republic of China (LIMI-ROC)	1
CPA certificate	Examination Yuan	1

7. Labor relation agreement

In accordance with the provisions of the Labor Standards Law, the Company has formulated work rules for compliance by employer and employees. The communication channels between employer and employees are smooth, fully communicating and coordinating with each other, and the labor relations have always been harmonious.

(2) **Losses arising from labor disputes in the most recent year up to the publication date of this Annual Report and disclosure of potential current and future losses and countermeasures therefrom**

In accordance with the Letter No. Fu-Lao-Jian-1090224604 dated September 9, 2020, the Company was imposed a fine of NT\$20 thousand for violating the provisions of Item 1, Article 24 of the Labor Standards Law. The Company made improvements immediately after the ruling.

VI Information Security Management

(I) Implementation of information security management

1. Information security risk management structure

The Company has set up the information security promotion committee, which is responsible for the discussion and resolution of matters related to the information security management system. The information security management promotion committee has a capital security implementation team, a capital security audit team and a capital security accident notification and handling team. The information security implementation team plans, establishes, implements, maintains, reviews and continuously improves the company's information security management system in accordance with the resolutions of the information security management promotion committee. The information security audit team is responsible for evaluating the implementation and compliance of the information security management system. The information security accident notification and handling team implements the information accident notification and handling and business continuity management project.

2. Information security policy

Ensure the normal, safe and stable operation of the Company's information system services, standardize the highest guidelines of the information security management system of the Company's information platform maintenance process, so as to establish safe and reliable information system services, ensure the confidentiality, integrity and availability of information assets and meet the requirements of relevant laws and regulations, maintain the continuous operation of the information platform and reduce the risk of information operation so as to protect the rights and interests of information system service users.

(1) Information security policy statement

The ultimate goal of the Company's information security work is that through the management of personnel, operations and information technology, the Company ensures that the information processing operations of the information platform can operate in a safe and effective manner, and prevents the information processing operations from occurring security incidents that affect the confidentiality, integrity and availability of information, so as to safeguard the privacy rights of customers and personal information.

A. Set up the information management promotion committee responsible for the establishment and promotion of an information security management system of the Company.

B. Investigate relevant laws, regulations and operation requirements, conduct information risk assessment of information assets, determine information operation security requirements, establish operation standards and procedures, and take appropriate information security measures to ensure the security of information assets.

C. Establish an evaluation or assessment system based on personnel roles and functions, and handle information security education, training and advocacy activities according to actual needs.

D. The granting of access authority to information assets shall be based on business needs and the minimum authority, division of rights and responsibilities and independent review.

E. Establish information security accident management procedures to ensure proper response, control and handling of accidents, formulate business continuity plans and conduct regular drills to ensure the continuous operation of information systems or services.

F. Prudently handle and protect personal information and intellectual property rights in accordance with the relevant provisions of the personal data protection law and intellectual property rights.

G. Regularly carry out information security audit and inspect the implementation of information security management system.

H. All personnel of the Company shall be responsible for information security and comply with relevant information security management regulations.

I. After the policy is approved by the board of directors, the announcement will take effect, same as the amendments.

(2) Information security objectives

A. The Company aims to protect the confidentiality, integrity and availability of information assets:

a. Maintain the continuous operation of information platform maintenance process business.

b. Protect the information assets related to the maintenance process of the information platform, prevent improper or illegal use with human intent, and curb the invasion and destruction of hackers, viruses and other acts.

c. Establish standard operating procedures for information platform maintenance process, avoid human negligence and accidents, and strengthen the information security awareness of colleagues.

B. This policy shall be evaluated at least once a year to reflect the latest development status of relevant laws and regulations, technology and the company's business, and shall be revised appropriately.

3. Specific management plan

(1) The information security promotion committee shall hold a management review meeting at least once a year, and may hold an interim meeting when necessary.

(2) The review contents of the management review meeting shall include:

A. Implementation status of the resolutions of the previous management review meeting: tracking of the resolutions of the previous meeting.

B. Changes in internal and external issues related to information security management system: organize different departments concerned to review the identification results.

C. Feedback on information security performance, including the following trends:

a. Nonconformity items and corrective measures: information security incident handling and improvement operation.

b. Monitoring and measurement results.

c. Audit results: internal and external information security audit results and suggestions for improvement.

d. Achievement of information security objectives: report on the implementation of information security objectives.

D. Feedback from interested parties: suggestions from stakeholders such as employees and third-party units.

E. Status of risk assessment results and risk treatment plans: review of risk assessment

and response results.

F. Opportunities for continuous improvement: suggestions for improving information security can be provided.

(3) The conclusion of the management review meeting shall include: the output of the management review shall include decisions related to continuous improvement opportunities and any need for changes to the information security management system.

(4) Management review is an important activity of the information security management system, and the review records shall be handled in accordance with the record management requirements of the information security management system.

4. Resources invested in information security management

- (1) WAF information security equipment protection.
- (2) Hinet DDoS protection.
- (3) Annual information security evaluation.
- (4) Annual social engineering drill.
- (5) ISO27001 certification every year.
- (6) Introduction of Microsoft WVD two-factor authentication.
- (7) Introduction of privileged tools.
- (8) Introduction of employee account behavior pattern analysis system.
- (9) Credit card authentication mechanism import.

(II) Losses incurred due to major information security incidents in the most recent year: None.

(III) Effect of information security risk on the Company's financial business, and measures to be taken in response

The Company has established internal operation specifications related to information security to strengthen the implementation of internal audit and internal control.

Immediately control the information security incidents, effectively reduce the damage caused by them, so as to ensure the security of customer data and achieve the sustainable operation of the enterprise.

VII Major Agreements

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Reinsurance contract	All the reinsurers participating in the contract, among which the chief reinsurers are: <ul style="list-style-type: none"> ● Central Reinsurance Corporation ● Hannover Rück, SE ● Swiss Reinsurance Company ● Transatlantic Reinsurance Company ● Canopus Asia Pte. Ltd. ● HCC International Insurance Company 	2021/01/01 ~ 2021/12/31	In accordance with proportional and non-proportional reinsurance contracts, various insurance direct signing businesses underwritten by the Company are reinsurance to ensure stable operations.	Some contracts include exclusion clauses

Chapter 6. Financial Overview

I Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Years (Consolidated and Parent Company Only)

(1) Condensed Balance Sheets and Statements of Comprehensive Income (Consolidated)

Unit: NT\$ Thousand

Item	Year	Financial Information for the Past Five Years (Note 1)			
		2017	2018	2019	2020
Current assets		14,511,587	15,497,761	15,578,199	15,705,622
Property and equipment (Note 2)		817,865	1,038,298	1,127,260	1,165,781
Intangible assets		75,045	134,610	133,831	136,982
Deferred income tax assets		1,196	554	-	-
Other assets		882,810	722,892	745,329	736,347
Total Assets		16,288,503	17,394,115	17,584,619	17,744,732
Current liabilities	Before distribution	1,179,206	1,239,130	1,313,465	1,256,750
	After distribution	1,179,206	1,430,794	1,313,465	(Note 4)
Non-current liabilities		10,566,235	11,293,788	10,829,751	10,640,789
Total liabilities	Before distribution	11,949,293	12,532,918	12,143,216	11,897,539
	After distribution	12,098,365	12,724,582	12,330,621	(Note 4)
Share capital		2,129,600	2,129,600	2,129,600	2,236,080
Capital surplus		-	-	-	-
Retained earnings	Before distribution	2,171,062	2,652,316	3,164,913	3,552,655
	After distribution	2,021,990	2,460,652	3,164,913	(Note 4)
Other equity		13,744	55,892	123,328	58,458
Treasury Stock		-	-	-	-
Non-controlling interest		24,804	23,389	23,562	-
Total Equity	Before distribution	4,339,210	4,861,197	5,441,403	5,847,193
	After distribution	4,190,138	4,669,533	5,253,998	(Note 4)

Note 1: All have been audited and attested by CPAs.

Note 2: There is no asset revaluation in this period.

Note 3: All have been reviewed and attested by CPAs.

Note 4: On May 8, 2015, the Thai subsidiary was purchased and consolidated statements were prepared.

Note 5: On January 27, 2020, the Thai subsidiary was cut off.

Condensed Consolidated Income Statement (Consolidated)-Adopting International Financial Reporting Standards (IFRS)

Unit: NT\$ Thousand

Item	Year	Financial Information for the Past Five Years (Note 1)			
		2017	2018	2019	2020
Operating revenue		7,240,493	7,707,676	8,081,941	8,237,782
Gross profit		2,504,862	2,544,069	2,729,989	2,728,079
Operating Income		658,671	590,985	686,326	673,890
Non-operating income and expenses		5,129	34,110	13,928	32,162
Net profit before income tax		663,800	625,095	700,254	706,052
Profit from continuing operation		663,800	625,095	700,254	700,254
Loss from discontinued operations		-	-	-	-
Net Income (Loss)		663,026	603,282	702,577	702,097
Other comprehensive income or loss for the period (Net amount after tax)		45,257	56,680	69,293	(82,387)
Total comprehensive income		708,283	659,962	771,870	619,710
Profit attributable to owners of the parent		663,458	605,620	703,782	702,097
Profit attributable to non-controlling interest		(432)	(2,338)	(1,205)	-
Total comprehensive income attributable to owners of the parent		708,763	661,377	771,697	619,710
Total comprehensive income attributable to non-controlling interest		(480)	(1,415)	173	-
Earnings per share		3.12	2.84	3.15	3.14

Note 1: All have been audited and attested by CPAs.

Note 2: All have been reviewed and attested by CPAs.

Note 3: On May 8, 2015, the Thai subsidiary was purchased and consolidated statements were prepared.

Note 4: On January 27, 2020, the Thai subsidiary was cut off.

(2) **Condensed Balance Sheet and Comprehensive Income Statement (Parent Company Only)**

Condensed Balance Sheet (Parent Company Only)-Adopting International Financial Reporting Standards (IFRS)

Unit: NT\$ Thousand

Item	Year	Financial Information for the Past Five Years (Note 1)					As of March 31, 2022 (Note 3)
		2017	2018	2019	2020	2021	
Current assets		14,450,545	15,460,607	15,507,907	15,705,622	16,828,972	16,972,288
Property and equipment (Note 2)		816,841	1,037,396	1,127,260	1,165,781	1,262,061	1,258,789
Intangible assets		74,893	134,484	133,831	136,982	120,574	115,668
Other assets (Note 2)		880,406	708,472	764,990	736,347	809,330	816,867
Total Assets		16,222,685	17,340,959	17,533,988	17,744,732	19,020,937	19,163,612
Current liabilities	Before distribution	1,254,165	1,209,944	1,283,230	1,256,750	1,237,685	1,322,819
	After distribution	1,403,237	1,209,944	1,283,230	1,256,750	1,237,685	(Note 4)
Non-current liabilities		10,654,114	11,293,207	10,832,917	10,640,789	11,341,479	11,677,521
Total liabilities	Before distribution	11,908,279	12,503,151	12,116,147	11,897,539	12,579,164	13,000,340
	After distribution	12,057,351	12,694,815	12,303,552	12,076,425	12,802,772	(Note 4)
Equity attributable to owners of the parent		-	-	-	-	-	-
Share capital		2,129,600	2,129,600	2,129,600	2,236,080	2,236,080	2,236,080
Capital surplus		-	-	-	-	-	-
Retained earnings	Before distribution	2,171,062	2,652,316	3,164,913	3,552,655	4,126,209	3,840,553
	After distribution	2,021,990	2,460,652	2,871,028	3,373,769	3,902,601	(Note 4)
Other Equity		13,744	55,892	123,328	58,458	79,484	86,639
Total Equity	Before distribution	4,314,406	4,837,808	5,417,841	5,847,193	6,441,773	6,163,272
	After distribution	4,165,334	4,646,144	5,230,436	5,668,307	6,218,165	(Note 4)

Note 1: All have been audited and attested by CPAs. Note 2: There is no asset revaluation in this period.

Note 3: All have been reviewed and attested by CPAs. Note 4: Not applicable for the first quarter of 2022.

Condensed Parent Company Only Comprehensive Income Statement (Parent Company Only)-Adopting International Financial Reporting Standards (IFRS)

Unit: NT\$ Thousand

Item	Year	Financial Information for the Past Five Years (Note 1)					As of March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Operating revenue		7,220,409	7,695,690	8,065,998	8,237,782	8,809,911	2,028,805
Gross profit		2,493,231	2,535,396	2,719,968	2,728,079	2,805,768	471,763
Operating Income		658,355	592,677	687,421	673,890	794,117	(40,027)
Non-operating income and expenses		5,103	34,069	13,930	32,162	12,144	2,254
Net profit before income tax		663,458	626,746	701,351	706,052	806,261	(37,773)
Profit from continuing operation		663,458	605,620	703,782	700,254	806,261	(37,773)
Loss from discontinued operations		-	-	-	-	-	-
Net Income (Loss)		663,458	605,620	703,782	702,097	696,668	(62,048)
Other comprehensive income or loss for the period (Net amount after tax)		45,305	55,757	67,915	(82,387)	76,798	7,155
Total comprehensive income		708,763	661,377	771,697	619,710	773,466	(54,893)
Profit attributable to owners of the parent		-	-	-	-	-	-
Profit attributable to non-controlling interest		-	-	-	-	-	-
Total comprehensive income attributable to owners of the parent		-	-	-	-	-	-
Total comprehensive income attributable to non-controlling interest		-	-	-	-	-	-
Earnings per share		3.12	2.84	3.15	3.14	3.12	(0.28)

Note 1: All have been audited and attested by CPAs.

Note 2: All have been reviewed and attested by CPAs.

(III) Names of CPAs and their opinions in the most recent five years

Year	Name of CPAs		Auditing opinions of CPAs
2021	CPA Cheng-Yen Wu	CPA Chung Dan-Dan	Unqualified opinion
2020	CPA Li Feng-Hui	CPA Chung Dan-Dan	Unqualified opinion
2019	CPA Li Feng-Hui	CPA Chung Dan-Dan	Unqualified opinion
2018	CPA Li Feng-Hui	CPA Chung Dan-Dan	Unqualified opinion
2017	CPA Li Feng-Hui	CPA Chung Dan-Dan	Unqualified opinion

II Financial Analysis for the Past Five Years (Consolidated and Parent Company Only)

Financial analysis and key performance indicators KPI (consolidated)

Unit: %

Analysis Item		Year	Analysis of Financial and Operational Indicators of the Past Five Years (Note 1)			
			2017	2018	2019	2020
Business indicators	Changes in direct insurance premium income		7.14	8.06	0.12	3.96
	Changes in direct claims paid		10.83	-3.40	15.58	(1.38)
	Changes in premium retained		15.44	5.22	-0.25	5.45
	Ratio of net worth		26.64	27.95	30.94	32.95
Profit ability indicators	Return on assets		4.18	3.58	4.02	3.99
	Return on owners' equity		16.64	13.11	13.64	12.47
	Return on fund utilization		2.19	1.18	2.48	2.93
	Return on Investment		1.97	1.06	2.24	2.65
	Retention combined ratio		93.00	92.98	96.25	96.03
	Retention expenses ratio		40.59	40.44	42.35	42.17
	Retention loss ratio		52.41	52.54	53.90	53.86
Overall operating indicators	Ratio of retained premiums to owners' equity		153.87	144.52	128.78	126.27
	Ratio of gross premiums to owners' equity		223.20	211.08	188.57	182.00
	Ratio of net reinsurance commission to owners' equity		11.00	10.22	8.78	7.85
	Ratio of reserves to owners' equity		237.01	224.48	191.21	176.61
	Changes in owners' equity		19.51	12.03	11.94	7.92
	Expense rate		34.09	33.75	34.73	34.70

Note 1: On May 8, 2015, the Thai subsidiary was purchased and consolidated statements were prepared.

Note 2: On January 27, 2020, the Thai subsidiary was cut off.

Note 3: This indicator is a Key Performance Indicator (KPI) specific to the product insurance industry.

Financial analysis and KPI (Parent Company Only)

Unit: %

Analysis Item		Year	Analysis of Financial and Operational Indicators of the Past Five Years (Note 1)					As of March 31, 2022
			2017	2018	2019	2020	2021	
Business indicators	Changes in direct insurance premium income		7.21	8.12	0.08	3.96	4.29	(0.98)
	Changes in direct claims paid		10.92	(3.47)	15.65	(1.38)	(0.36)	1.87
	Changes in premium retained		15.58	5.21	(0.28)	5.45	8.29	11.27
	Ratio of net worth		26.59	27.90	30.90	32.95	33.87	32.16
Profit ability indicators	Return on assets		4.21	3.62	4.05	3.99	3.81	(1.27)
	Return on owners' equity		16.75	13.23	13.72	12.47	11.34	(3.94)
	Return on fund utilization		2.18	2.04	2.91	3.24	3.47	(2.52)
	Return on Investment		1.96	1.84	2.63	2.93	3.16	(2.30)
	Retention combined ratio		93.21	93.39	96.83	96.03	95.49	90.87
	Retention expenses ratio		40.79	40.80	42.90	42.17	41.02	38.52
	Retention loss ratio		52.42	52.59	53.93	53.86	54.47	52.35
Overall operating indicators	Ratio of retained premiums to owners' equity		154.68	145.13	129.24	126.27	124.12	145.34
	Ratio of gross premiums to owners' equity		223.90	211.63	188.89	182.00	172.22	190.85
	Ratio of net reinsurance commission to owners' equity		10.85	10.11	8.69	7.85	5.13	5.04
	Ratio of reserves to owners' equity		238.37	225.29	192.04	176.61	170.12	183.16
	Changes in owners' equity		19.66	12.13	11.99	7.92	10.17	(4.32)
	Expense rate		34.19	33.97	35.08	34.70	33.63	33.25

Reasons for changes in various financial ratios in the most recent two years (2021 and 2020), and descriptions of significant changes:

- Changes in premium retained: increased due to benefits from premiums of written car insurance policy generated both from the promotion activities of the various car brands, and from the government's incentive package to subsidize replacement of an old car with a new one.
- Ratio of net reinsurance commission to owners' equity: it is mainly due to the decrease in the proportion of auto insurance reinsurance, which drives the decrease in the income of auto insurance reinsurance Commission, resulting in the decrease in the ratio of net reinsurance commission to equity.

Note 1: The financial data for the most recent five years has been audited by CPAs.

Note 2: This indicator is a Key Performance Indicator (KPI) specific to the product insurance industry.

Note 2: The calculation formulas for the analysis items are as follows:

1. Business indicators

- (1) Rate of change in direct premium revenue = (Cumulative amount of direct premium revenue in the current period - Cumulative amount of direct premium revenue in the same period last year)/Cumulative amount of direct premium revenue in the same period last year
[“Direct Insurance Premium Revenue” refers to the insurance premium revenue obtained by insurance companies directly issuing insurance policies to the insured.]
- (2) Rate of change in direct indemnity paid = (Cumulative amount of direct indemnity paid in the current period - Cumulative amount of direct indemnity paid in the same period last year) / Cumulative amount of direct indemnity paid in the same period last year
[“Direct Indemnity Paid” refers to the indemnity paid by the insurance company that directly issues the insurance policy to the insured person due to insured accidents.]
- (3) Rate of change in retained premiums = (Cumulative retained premiums for the current period - Cumulative retained premiums for the same period last year) / Cumulative retained premiums for the same period last year
[Retained premiums = Direct premium revenue + Reinsurance premium revenue - Reinsurance premium expenditures]
- (4) Net value ratio = Owner’s equity/total assets in separate account excluding investment-linked insurance

2. Profitability Indicator

- (1) Return on assets = [Net profit after tax + Interest expenses×(1 - Tax rate)]/Average total assets
[Average total assets = (Assets at the beginning of the period + Assets at the end of the period)/2]
- (2) Return on equity = Pre-tax (after) profit and loss/Average equity
[Average equity = (current year equity + previous year equity)/2]
- (3) Net earning rate of fund utilization = Current net investment revenue / (Available funds at the beginning of the period + Available funds at the end - Net investment revenue for the current period)/2
[Net investment revenue for the current period = Interest income + Financial asset interest measured at fair value through profit and loss + Realized interest of financial assets available for sale + Conversion interest + Investment real estate gains and losses + Investment impairment losses and reversal benefits]
- (4) Return on investment = Net investment revenue for the current period/[(Assets at the beginning of the period + Assets at the end of the period - Net investment revenue for the current period)/2]
[Net investment revenue for the current period = Interest income + Financial asset interest measured at fair value through profit and loss + Realized interest of financial assets available for sale + Conversion interest + Investment real estate gains and losses + Investment impairment losses and reversal benefits]
- (5) Retained combined ratio = Retained expense ratio + retained endowment loss rate
- (6) Retained expense ratio = Retained expense/Retained premium
[Retained premiums = Direct premium revenue + Reinsurance premium revenue - Reinsurance premium expenditures]
[Retained expenses = Commission and underwriting expenses (including stability fund expenses) + Reinsurance commission expenses - Reinsurance commission income + Business expenses + Management expenses + Self-use real estate depreciation and amortization]
- (7) Retained endowment loss ratio = Retained insurance claims/retained endowment premiums
[Retained insurance claims = Insurance claims and payments - Amortized reinsurance claims + Net change in claim reserve]
[Retained endowment premiums = Direct premium revenue + Reinsurance premium revenue - Reinsurance premium expenditure - Net change in unearned premium reserves]

3. Overall operating indicators

- (1) Retained premiums to equity ratio = Retained premiums/equity
- (2) Gross premiums to equity ratio = (Direct premium revenue + Reinsurance premium revenue)/Equity
- (3) Impact rate of net reinsurance commission on equity = (Unexpired premium reserve / Retained premium) * Reinsurance commission income / Equity
- (4) The ratio of various reserves to equity = Various insurance liabilities/equity
[Various insurance liabilities = Special reserve + Indemnity reserve + Unexpired liability reserve + Other various reserves]
- (5) Rate of change in equity = (Current year’s equity - Last year’s equity)/absolute value of last year’s equity
- (6) Expense ratio = Expense/(Direct premium revenue + Reinsurance premium revenue)
[Expenses = Commission and underwriting expenses + Operating expenses + Management expenses + Self-use real estate depreciation and amortization + Reinsurance commission expenses]

III Audit Committee's report for the most recent year's financial statements

Union Insurance Co., Ltd.
2021 Audit Committee's Review Report

The Board of Directors has submitted the Company's 2021 business report, financial statements, and earnings distribution, among which the financial statements have been audited by CPA Vincent Wu and CPA Phoebe Chung of KPMG, to the Audit Committee for review. The aforementioned business report, financial statements, and earnings distribution have been reviewed and determined to be correct and accurate by the Audit Committee. In accordance with relevant requirements of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Sincerely,

Union Insurance Co., Ltd.

Convener of the Audit Committee

March 24, 2022

IV Financial Statements for the Most Recent Fiscal Year, Certified by CPAs

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, 2021 and 2020, 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 of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and 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 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(o) “Insurance liabilities” for the related accounting policy, Note 5(a) for accounting assumptions and estimation uncertainty of insurance liability, and Note 6(o) 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 with the IFRSs, IASs, IFRIC, 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 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.

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 WU, CHENG YEN and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2022

Notes to Readers

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

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

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020				December 31, 2021		December 31, 2020	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
11000	Cash and cash equivalents (note 6(a))	\$ 3,648,227	19	2,386,542	13	21000	Accounts payable (note 6(b) and (e))	\$ 1,237,685	7	1,256,750	7
12000	Receivables (note 6(b))	680,984	4	667,810	4	21700	Current tax liabilities	102,936	-	180	-
12600	Current tax assets	-	-	302	-	24000	Insurance liabilities (note 6(o))	10,958,474	58	10,326,662	58
14110	Financial assets at fair value through profit or loss (note 6(f))	1,879,359	10	1,966,543	11	27000	Provisions (note 6(m))	179,077	1	214,043	2
14190	Financial assets at fair value through other comprehensive income (note 6(f))	2,080,399	11	2,356,484	13	23800	Lease liabilities (note 6(k))	18,257	-	7,863	-
14145	Financial assets at amortized cost (note 6(f))	1,396,058	7	1,493,894	8	28000	Deferred tax liabilities (note 6(p))	63,920	-	63,920	-
14180	Other financial assets, net (note 6(f))	2,427,420	13	2,121,637	12	25000	Other liabilities	18,815	-	28,121	-
16700	Right-of-use assets (note 6(j))	18,127	-	7,810	-		Total liabilities	12,579,164	66	11,897,539	67
14200	Investment property (note 6(h))	856,508	4	791,880	5		Equity				
15000	Reinsurance assets (note 6(c))	3,860,017	20	3,920,832	22	31100	Ordinary share (note 6(q))	2,236,080	12	2,236,080	13
16000	Property and equipment (note 6(i))	1,262,061	7	1,165,781	7	33100	Legal reserve (note 6(q))	854,366	4	718,040	4
17000	Intangible assets	120,574	1	136,982	1	33200	Special reserve (note 6(o) and (q))	2,459,890	13	2,235,431	13
18000	Other assets	791,203	4	728,235	4	33300	Unappropriated retained earnings (note 6(q))	811,953	4	599,184	3
						34210	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	79,484	1	58,458	-
							Total equity	6,441,773	34	5,847,193	33
							Total liabilities and equity	\$ 19,020,937	100	17,744,732	100
	Total assets	\$ 19,020,937	100	17,744,732	100						

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

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

	2021		2020		Change %
	Amount	%	Amount	%	
41000 Operating revenue:					
41110 Written premium	\$ 10,661,485	121	10,222,889	124	4
41120 Reinsurance premium	432,458	5	419,272	5	3
41100 Premium	11,093,943	126	10,642,161	129	
51100 Less: Reinsurance expense	3,098,508	35	3,259,029	39	(5)
51310 Net change in unearned premiums reserve	181,957	2	238,756	3	(24)
41130 Retained earned premium	7,813,478	89	7,144,376	87	
41300 Reinsurance commission received	450,664	5	579,520	7	(22)
41500 Net income(loss) from investments					
41510 Interest income	73,657	1	78,337	1	(6)
41521 Gains on financial assets or liabilities at fair value through profit or loss	367,578	4	264,405	3	39
41527 Realized gains (losses) on financial assets at fair value through other comprehensive income	73,713	1	67,954	1	8
41550 Foreign exchange gains (losses), investments	(50)	-	(657)	-	92
41570 Gains (losses) on investment property	20,801	-	51,825	1	(60)
41585 Expected credit losses or reversal of expected credit losses of investments (note 6(f))	219	-	76	-	188
41590 Other net income (loss) from investments (note 6(g))	-	-	38,855	-	(100)
41800 Other operating income	9,851	-	13,091	-	(25)
Total operating revenue	8,809,911	100	8,237,782	100	
51000 Operating costs:					
51200 Insurance claim payment	5,923,882	67	5,926,033	72	-
41200 Less: Claims recovered from reinsurers	1,962,711	22	2,136,153	26	(8)
51260 Retained claim payment	3,961,171	45	3,789,880	46	
51300 Net change in other insurance liability (note6(o))					
51320 Net change in claim reserve	295,174	3	58,378	1	406
51340 Net change in special claim reserve	12,878	-	(5,066)	-	354
51500 Commission expense	1,697,771	19	1,618,526	20	5
51800 Other operating costs	32,459	1	45,501	-	(29)
51700 Finance costs	4,690	-	2,484	-	89
Total operating costs	6,004,143	68	5,509,703	67	
58000 Operating expenses:					
58100 General expenses	1,647,501	19	1,611,241	20	2
58200 Administrative expenses	396,933	4	434,332	5	(9)
58300 Staff training expenses	1,468	-	1,195	-	23
58400 Expected credit losses or reversal of expected credit losses of non-investments	(34,251)	-	7,421	-	(562)
Total operating expenses	2,011,651	23	2,054,189	25	
Net operating income	794,117	9	673,890	8	18
59000 Non-operating income and expenses:					
59100 Gains (losses) on disposals of property and equipment	-	-	2,141	-	(100)
59900 Other non-operating income and expenses, net	12,144	-	30,021	1	(60)
Total non-operating income and expenses	12,144	-	32,162	1	
62000 Net income before income tax	806,261	9	706,052	9	
63000 Less: Income tax expenses (note6(p))	109,593	1	3,955	-	
Net Income	696,668	8	702,097	9	(1)
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(m))	19,593	-	(29,815)	-	166
83190 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	57,205	1	(52,572)	(1)	209
Components of other comprehensive income that will not be reclassified to profit or loss	76,798	1	(82,387)	(1)	193
83000 Other comprehensive income (after tax)	76,798	1	(82,387)	(1)	193
Total comprehensive income	\$ 773,466	9	619,710	8	25
97500 Basic earnings per share (note 6(r))	\$ 3.12		3.14		
98500 Diluted earnings per share (note 6(r))	\$ 3.09		3.12		

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

Statements of Changes in Equity
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Retained earnings			Other equity		Total equity
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	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, 2020	\$ 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 on 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 on 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
Net income	-	-	-	696,668	-	-	696,668
Other comprehensive income	-	-	-	19,593	57,205	-	76,798
Total comprehensive income	-	-	-	716,261	57,205	-	773,466
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	136,326	-	(136,326)	-	-	-
Special reserve on appropriated-net change in special claim reserve	-	-	224,747	(224,747)	-	-	-
Cash dividends of ordinary share	-	-	-	(178,886)	-	-	(178,886)
Special reserve on reversal-employee training and transferring plan	-	-	(288)	288	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	36,179	(36,179)	-	-
Balance at December 31, 2021	\$ 2,236,080	854,366	2,459,890	811,953	79,484	-	6,441,773

UNION INSURANCE CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 806,261	706,052
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	51,004	53,997
Amortization expense	17,462	17,301
Net profit on financial assets or liabilities at fair value through profit or loss	(336,882)	(240,451)
Interest expense	4,690	2,484
Interest revenue	(73,657)	(78,337)
Dividend revenue	(104,409)	(91,908)
Net change in insurance liabilities	636,458	(69,823)
Net change in other provisions	(15,373)	(49,204)
Expected credit loss of investments	(219)	(76)
(Reversal of) expected credit loss of non-investments	(34,251)	7,421
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	(2)	(15)
Total adjustments to reconcile profit (loss)	<u>144,821</u>	<u>(502,743)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes receivable	(9,546)	(16,689)
Increase (decrease) in premiums receivable	(17,930)	224,866
Decrease (increase) in other receivables	9,907	(25,108)
Decrease (increase) in financial assets at fair value through profit or loss	424,066	(106,834)
Decrease (increase) in financial assets at fair value through other comprehensive income	333,290	(548,762)
Decrease (increase) in financial assets at amortized cost	40,000	(72,991)
(Increase) decrease in other financial assets	(305,783)	465,933
Decrease in reinsurance assets	98,728	228,338
(Increase) decrease in other assets	(5,047)	33,259
Total changes in operating assets	<u>567,685</u>	<u>182,012</u>
Changes in operating liabilities:		
Decrease in other payable	(19,065)	(26,478)
Decrease in other liabilities	(9,306)	(80,054)
Total changes in operating liabilities	<u>(28,371)</u>	<u>(106,532)</u>
Cash inflow generated from operations	1,490,396	278,789
Interest received	73,958	78,686
Dividends received	105,107	92,163
Interest paid	(4,690)	(2,484)
Income taxes paid	(6,535)	(7,166)
Net Cash flows from operating activities	<u>1,658,236</u>	<u>439,988</u>
Cash flows from (used in) investing activities:		
Increase in prepayments	(4,977)	(21,168)
Proceeds from disposal of subsidiaries	-	74,980
Acquisition of property and equipment	(195,863)	(56,714)
Proceeds from disposal of property and equipment	-	3,980
Acquisition of intangible assets	(855)	(14,364)
Proceeds from disposal of intangible assets	-	10,500
Acquisition of investment properties	(375)	(2,251)
Proceeds from disposal of investment properties	-	38,000
Net cash flows from (used in) investing activities	<u>(202,070)</u>	<u>32,963</u>
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(15,595)	(16,265)
Cash dividends paid	(178,886)	(187,405)
Net cash flows used in financing activities	<u>(194,481)</u>	<u>(203,670)</u>
Net increase in cash and cash equivalents	1,261,685	269,281
Cash and cash equivalents at beginning of period	2,386,542	2,117,261
Cash and cash equivalents at end of period	<u>\$ 3,648,227</u>	<u>2,386,542</u>

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

UNION INSURANCE CO., LTD. (the “Company”) was founded on February 20, 1963 and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is 12th Floor, No. 219, Sec. 4, Zhongxiao E. Road, Taipei, Taiwan, R.O.C. The Company are primarily engaged in underwriting of fire, marine, automobile, engineering, liability and accident insurance, reinsurance, insurance businesses entrusted by other companies, performing a variety of investments and other businesses in accordance with the regulations.

(2) Approval date and procedures of the financial statements:

These financial reports were approved and announced by the Board of Directors on March 24, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its financial statements:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Company, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 17 “Insurance Contracts”	<p>The new standard of accounting for insurance contracts contain recognition, measurement, presentation and disclosure of insurance contracts issued, and the main amendments are as follows:</p> <ul style="list-style-type: none">● Recognition: an entity recognizes a group of insurance contracts that it issues from the earliest of :<ul style="list-style-type: none">- the beginning of the coverage period of the group of contracts;- the date when the first payment from a policyholder in the group because due; and- for a group of onerous contracts, when the group becomes onerous, if facts and circumstances indicate that there is such a group.● Measurement: on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. For subsequent measurement, the entity shall estimate the cash flows, discount rates and the adjustment for non-financial risk.● Presentation and disclosure: the presentation of insurance revenue is based on the provision of service pattern and investment components excluded from insurance revenue.	January 1, 2023

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IFRS 17 “Insurance Contracts”	<p>The fundamental principles introduced when the Board first issued IFRS 17 in May 2017 remain unaffected. The amendments are designed to:</p> <ul style="list-style-type: none"> ● reduce costs by simplifying some requirements in the Standard; ● make financial performance easier to explain; and ● ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. 	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “	<p>The amendment adds a new transition option to IFRS 17 (the ‘classification overlay’) to alleviate accounting mismatches in comparative information between insurance contract liabilities and related financial assets on the initial application of IFRS 17. It allows presentation of comparative information about financial assets to be presented in a manner that is more consistent with IFRS 9 Financial Instruments.</p>	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its financial position and financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized as follows. Unless otherwise indicated, the significant accounting policies have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Companies and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to IFRS endorsed by the FSC).

(b) Basis of preparation

(i) Basis of measure

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) FVTPL are measured at fair value.
- 2) FVOCI are measured at fair value.
- 3) Net defined benefit liability is recognized as the fair value of the plan assets less the present value of the defined benefit obligation and the effect of the asset ceiling.
- 4) Part of investment properties are measured at fair value as their recognized cost.
- 5) Reinsurance reserve assets and insurance liability are measured in accordance with the “Regulations Governing the Provision of Various Reserves”.

(ii) Functional currency and Presentation Currency

The functional currency of the Group entities is determined based on the primary economic environment in which the entities operate. The financial statements are presented in New Taiwan Dollar, which is the Group’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Foreign currency

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for the differences relating to an investment in equity securities designated as at fair value through other comprehensive income.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- (d) Principle of classifying assets and liabilities as current and non-current

Due to the specific business feature of insurance business, the operating cycle is more difficult to establish, and therefore assets and liabilities are not classified as current or non-current. Nonetheless, the items are classified per their properties and are arranged per their liquidity.

- (e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents comprise time deposits due within three months and bonds purchased under resale agreements which are held for the purpose of meeting short term cash commitments, readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Those time deposits exceed three months are recognized as other financial assets — net.

- (f) Bills and bonds purchased/sold under agreements to resell

Bills and bonds purchased/sold under agreements to resell, they are accounted at the transaction price and are included in assets on the delivery date if it's compliance with financing conditions. When selling back, they are regarded as the realization of the assets, and the difference between the trading and the selling is classified as interest income.

- (g) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

- (i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

- 1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- 4) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features)

- 5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, receivables, guarantee deposit paid and other financial assets), debt investments measured at FVOCI, accounts receivable and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(ii) Financial liabilities

1) Other financial liabilities

Financial liabilities not classified as held for trading or designated as at fair value through profit or loss are measured at fair value (including payables and other liabilities), plus any directly attributable transaction costs at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method.

2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at cost less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(i) 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”. The Company defines significant insurance risk as the event which might lead to additional significant payment.

Once a contract has qualified as an insurance contract, it remains an insurance contract until all rights and obligations are extinguished or expired, even if insurance risk becomes insignificant or not existent. However, some contracts do not transfer any insurance risk to the Company at inception, although they do transfer insurance risk at a later time. In those cases, the contract is not considered an insurance contract until the risk transfer happens.

(j) Reinsurance contract assets

The Company’s rights to the reinsurer include ceded unearned premium reserve, ceded claim reserve, ceded premium deficiency reserve, claims recoverable from reinsurers, and net reinsurance receivables. The way to estimate claims and payments recoverable from reinsures is consistent with the way to estimate claims of policies. Receivables and payables of reinsurance are not offset and present by net amounts unless both parties to the contract have statutory offsetting rights and intend to deliver on a net basis or at the same time.

The Company periodically assesses the impairment of the reinsurance assets described above, reinsurance reserve assets, claims recoverable from reinsurers, reinsurance receivables, and reinsurance liabilities reserve deposit. A reinsurance asset is impaired if, and only if (a) 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 (b) that event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. If the Company’s reinsurance reserve assets are impaired, the Company shall reduce its carrying amount accordingly and recognize that impairment loss in profit or loss, and recognize proper allowance for claims recoverable from reinsurers, reinsurance receivables, and reinsurance liabilities reserve deposit.

The Company assesses whether significant insurance risks have been transferred to the reinsurer. If significant insurance risks of the insurance contract have not been transferred, the contract is recognized via deposit accounting. The premium minus the company retained reinsurance premium (or fee) is recognized as deposit asset or liability, not profit or loss.

Compliance with the “Regulations Governing the Provision of Unauthorized Reinsurance Reserves for Insurance Company”, the Company deposits reserve for those unauthorized reinsurance ceded businesses according to “Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms” on ceded date or balance sheet date and discloses in notes of financial statements.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Reclassifies the property to investment property

When the use of a property changes to investment property, the Company reclassifies the property to investment property based on the carrying amount when the use is changed.

(iii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iv) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- | | |
|-------------------------------|-------------|
| 1) Buildings | 20-61 years |
| 2) Office and other equipment | 3-9 years |

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(l) Leases

(i) Identifying a lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(ii) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications such as lease subject, scope or other lease terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of IT equipment and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of lease income.

(m) Intangible assets

(i) Recognition and measurement

Intangible assets, including computer software and golf membership, that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

(iii) Amortization

The amortizable amount is the cost of an asset less its residual value. Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date that they are available for use.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

The estimated useful lives for current and comparative periods are as follows:

- | | |
|-----------------------|-------------|
| (1) Computer software | 3-12 years |
| (2) Golf membership | 10-12 years |

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Insurance liability

The Company determines reserves for insurance contracts in accordance with the "Regulations Governing the Provision of Various Reserves", "Regulations for Management of the Various Reserve of Compulsory Automobile Liability Insurance", "Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance", and "Regulations for the Reserve of Nuclear Insurance", methodologies used to determine the reserve are certified by the appointed actuary who is authorized by the Financial Supervisory Commission, Executive Yuan.

The methodologies used to determine the reserves are described as follows:

(i) Unearned premiums reserve:

Unearned premium reserve is determined based on the exposure of the unexpired period for the unexpired policies and the policies that have been not terminated.

(ii) Claim reserve:

The Company shall determine claim reserve, including case reserve and IBNR, using actuarial approaches, based on the historical experiences for each line of business. The case reserve shall be estimated case by case, based on actual relevant information.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(iii) Special reserve:

Special reserve comprises three parts, catastrophe reserve, risk volatility reserve and travel insurance reserve.

1) Special reserve - catastrophe special reserve

Catastrophe special reserve for each line of business shall be determined based on ratios regulated by the Authority. The portion of the losses over NT\$ 30 million shall be recovered from catastrophe special reserve. Catastrophe special reserve can be released after 15 years based on the mechanism decided by the appointed actuary and filed to the Authority.

From July 1, 2011, reserve of Commercial Earthquake Insurance and Typhoon and Flood Insurance can be released after 30 years and recognized in accordance with the “Regulations for Insurance Companies Determining Various Reserves of Commercial Earthquake Insurance and Typhoon and Flood Insurance”

2) Special reserve - risk volatility special reserve

If the actual loss, after deducting catastrophe special reserve, is less than the expected loss, an equalization special reserve shall be recognized at 15% of that difference. From July 1, 2011, according to “Regulations for Insurance Companies Determining Various Reserves of Commercial Earthquake Insurance and Typhoon and Flood Insurance”, for commercial earthquake insurance and typhoon and flood insurance, if the actual claim of the retention, deducted by the balance of the insurance written off by catastrophe special reserve, is lower than the expected claim, then an equalization special reserve shall be provided based on 75% of the difference. The expected claim shall not be less than 60% of the expected rate of loss.

If the actual loss, after deducting the catastrophe special reserve recovered for the line of business, exceeds the expected loss, the amount of that difference shall be recovered from the equalization special reserve. If the equalization special reserve is insufficient to deduct for a specific line of business, it can be released from other line of business. The amount released and the line of business from which shall follow the related regulations. If the cumulative equalization special reserve exceeds 60% of the net earned premium, the equalization special reserve shall be released by that difference. Although accident insurance and health insurance shall be released in accordance with the “Regulations Governing the Provision of Various Reserves” Art. 20.1.(3).

From July 1, 2011, according to “Regulations for Insurance Companies Determining Various Reserves of Commercial Earthquake Insurance and Typhoon and Flood Insurance”, if the equalization special reserve of commercial earthquake insurance exceeds 18 times of the net earned premium, or the equalization special reserve of typhoon and flood insurance exceeds 8 times of the net earned premium, the equalization special reserve shall be released by that difference.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

In addition, according to “Directions Concerning Enhanced Natural Disaster Reserve of Property Insurance (Commercial Earthquake Insurance, Typhoon Insurance, and Flood Insurance)” under Jin Guan Bao Cai Zi No. 10102515061, from January 1, 2013, “Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance” under Jin Guan Bao Cai Zi No. 10102531691, and “Regulations for Insurance Companies Determining Various Reserves of Nuclear Insurance” under Jin Guan Bao Cai Zi No. 10102517091, the Company should first fill the special catastrophe reserve and risk volatility reserve for commercial earthquake insurance and typhoon and flood insurance to maximum amount with the special catastrophe reserve and risk volatility reserve, which was in liability account and was provided before December 31, 2012, in the equity account. The calculation of the maximum amount of the special catastrophe reserve and risk volatility reserve for Commercial Earthquake Insurance, Typhoon Insurance, and Flood Insurance is to take the net earned premium of 2012 and the average amount of net earned premium from 2008 to 2012, which is higher, as the base. The catastrophe special reserve is calculated by the base amount described above multiply the catastrophe special reserve rate (7%) and cumulative age (30 years), and the maximum amount of risk volatility reserve is calculated by the base amount described above multiply the cumulative multiples (Commercial Earthquake Insurance multiply 18; Typhoon Insurance and Flood Insurance multiply 8).

The deficiency between the amount which was in liability and equity accounts on December 31, 2012 and the maximum amount of the special catastrophe reserve shall be first filled by special reserves of other insurances and then scaled to the risk volatility special reserve of Commercial Earthquake Insurance, Typhoon Insurance, and Flood Insurance. If there is any reserve left, the amount deducted by income tax calculated based on IAS 12 shall be reclassified to special reserve in equity account.

The amount that is transferred from special reserves of other insurances to catastrophe special reserve under liability accounts shall be released by one thirtieth of the ending balance of liability on January 1, 2013. The recoverable amount described above shall first deduct the amount of losses caused by the event exceed over NT\$ 30 million dollars for the individual company. If the cumulative amount of catastrophe special reserve is lower than the recoverable amount described above before deduction, the excess amount can only be released after the deficiency being filled. In addition, the recoverable amount described above shall be reviewed annually before 2025. If the recoverable amount described above is greater than the released amount of other types of accidents before the implementation of the precautions, the after tax difference shall be transferred to equity account. The difference described above shall be allocated in proportion to the retained premiums of other insurances of current period.

The “Regulations for Insurance Companies Determining Various Reserves of Commercial Earthquake Insurance and Typhoon and Flood Insurance” shall be followed when determining risk volatility special reserve of Commercial Earthquake Insurance and Typhoon and Flood Insurance.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

3) Special reserve – travel insurance special reserve

In accordance with the provisions of the Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. 10904939031 dated October 29, 2020, in order to improve the financial structure of the insurance enterprises, the insurance enterprises shall, at the end of each business year, set aside 10% of the total premium income based on the amount of insurance and the number of days of insurance, less 20% of the nominal tax rate, in the special reserve account under owners' equity in accordance with the "Standard Rate Schedule for Personal Travel Insurance Accidental Death and Dismemberment Benefit".

4) Compulsory automobile liability insurance

The special reserve of compulsory automobile liability insurance is determined in accordance with the Regulations for Management of the Various Reserve of Compulsory Automobile Liability Insurance. The amount calculated by sum of retention of earned premium, withdrawal of claims reserve and special reserve of prior period plus interests deducts retained claim payment and deposit claim reserve, shall be deposited as special reserve. If the former amount is less than the latter amount, the deficiency shall be recovered by the special reserve cumulated in previous periods. If the deficiency still exists, it shall be recorded by memo entries and recovered by the special reserve cumulated in future periods.

In accordance with the provisions of the Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. 11004107771 dated February 20, 2021, the insurance enterprises that operate as compulsory automobile liability insurance shall set aside a special reserve from the business expenses received from the operation of such business.

Except for the special reserve of compulsory automobile liability insurance, the provision each year is recognized in special reserve under equity account with the amount deducted by income tax. The amount is calculated based on IAS 12. For the amount which should be written off or reclaimed, the Company writes off and reclaims it via special reserve under equity account with the amount deducted by income tax.

(iv) Premium deficiency reserve

The company shall evaluate the future losses and expenses for the unexpired policies and the policies that have been not terminated. If the expected future losses and expenses exceed the sum of the recognized unearned premium reserve and the expected future premium income, a premium deficiency reserve shall be recognized at the amount of that difference.

(v) Liability adequacy reserve

In accordance with IFRS 4, the Company should assess whether its recognized insurance liabilities are adequate, using current estimates of future cash flows at the end of each reporting period. If that assessment shows that the carrying amount of its insurance liabilities (less related intangible assets) is inadequate, the entire deficiency shall be recognized as a liability adequacy reserve.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(p) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(q) Premium income and acquisition costs

Premium income direct business is recognized based on the written policies and endorsement. Since January 1, 2015, sales that are attributable to car insurance recognize revenue. Assumed reinsurance premiums for reinsurance assumed business is recognized when the reinsurance statement arrived. For those statements have not been received, assumed reinsurance premium shall be estimated by a reasonable and systematic method on the balance sheet date. The related acquisition costs (such as: commissions, brokerages, fees, reinsurance commissions and etc.) is recognized in the same period without deferring.

Unearned premium reserve is determined based on the exposure of the unexpired period for the unexpired policies and the policies that have been not terminated.

Unearned premium reserve for the compulsory auto liability is determined in accordance with the Regulations for Management of the Various Reserve of Compulsory Automobile Liability Insurance.

Unearned premium reserve for the Residential earthquake insurance is determined in accordance with the Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance.

Unearned premiums reserve for the nuclear insurance is determined in accordance with the Regulations for the Reserve of Nuclear Insurance.

The approaches to determine unearned premiums reserves selected based on the characteristics of the line of business and decided by the actuary (The approaches are not allowed to change without the permission of the Authority.) Unearned premium reserve shall be certified by the appointed actuary.

Income tax, based on Value added and Non value added Business Tax Act, the Stamp Tax Act, and other relevant laws and regulations, related to the premium income shall be recognized on accrual basis.

(r) The cost of insurance claims

Loss for direct business is recognized based on the paid losses for the reported claims. Loss shall be estimated case by case, based on the actual relevant information, and recognized as the net change in reported but unpaid reserve for the claims which have been not yet paid, either have been determined or not been determined by the claim department.

Assumed reinsurance loss for reinsurance assumed business is recognized when the statement is arrival. For those statements have not been received, assumed reinsurance, loss shall be estimated in a reasonable and systematic way and recognized as the net change in loss reserve.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Unreported loss for direct written business and reinsurance assumed business shall be estimated using actuarial methodologies, based on the historical experience, and recognized as net change in the IBNR.

The loss receivable from the reinsurance companies according to the reinsurance ceded contract shall be recognized as claims recovered from reinsurers if the loss has been paid and recognized as net change in loss reserve if the loss has not been paid.

The loss reserve is not discounted.

The loss reserve for compulsory automobile liability insurance is determined in accordance with the Regulations for Management of the Various Reserve of Compulsory Automobile Liability Insurance.

The loss reserve for residential earthquake insurance is determined in accordance with the Enforcement Rules for the Risk Spreading Mechanism of Residential Earthquake Insurance.

The loss reserve for nuclear insurance is determined based on the Regulations for the Reserve of Nuclear Insurance.

- (s) Coinsurance organization, coinsurance business and guarantee fund agreement.

The Company signed coinsurance contract of the compulsory automobile liability insurance with all the member companies which approved by the government to operate the compulsory automobile liability coinsurance. It was agreed that all business of compulsory automobile liability insurance should be covered by the coinsurance institution or the Company should pay the penalty and be audited by the auditor of the coinsurance organization. The business of the coinsurance was calculated based on pure premium, and distribute by coinsurance percentage.

- (t) Employee benefits

- (i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

- (ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

(iv) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(u) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) Assets and liabilities that are initially recognized but are not related to the business combination and have no effect on net income or taxable gains (losses) arising from the transaction.
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(v) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(w) Operating segments

Operating segments are units of the Company that engage in operating activities that may earn revenue and incur expenses, including revenue and expenses related to transactions with other units within the Company. The operating results of all operating divisions are reviewed regularly by the Company's chief operating decision maker to make decisions about the allocation of resources to those divisions and to evaluate their performance. Separate financial information is available for each operating segment.

(x) Salvage and subrogation

Salvage legally acquired from the claim procedure for direct written business shall be valued and recognized at its fair value. Subrogation legally acquired shall be recognized when the actual recovery is definite (the inflow of the economic benefits in the future is more likely than not), and its amount can be reliably measured.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRSs endorsed by the FSC. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

The carrying amount of the assets and liabilities as mentioned below may be affected by accounting estimates and judgment that have the most significant effects on the amounts recognized in the financial statements. The actual results may be influenced by the change of taken accounting estimates and professional judgments with the content has an existing significant difference as follows:

(a) Insurance liability

The Company measures insurance liabilities in accordance with “Regulations Governing the Provision of Various Reserves”.

- (i) Unearned premium reserve is estimated based on the exposure of the unexpired period of each business line. The provision of reserves is determined by actuarial specialists in accordance with of characteristics each business line.
- (ii) Claim reserve is estimated in accordance with the method of a loss triangle. The final claim cost is calculated based on the primary assumptions that are loss development factors and expected claim ratio. The loss development factors and expected claim ratio of each business line are calculated based on historical claim experience and adjusted by Company's policies such as insurance rate and claim management.

The professional judgment used in the above process will affect the amount recognized, including net change in insurance liability and the provision of insurance liability.

(b) Reinsurance Reserve assets

The estimate of ceded reinsurance unearned premiums reserve, ceded reinsurance claim reserve and ceded reinsurance liability reserve is according to with the “Regulations Governing the Provision of Various Reserves”.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	\$ 500	500
Petty cash	13,050	12,400
Cash in bank	2,857,262	1,803,141
Bonds purchased under resale agreements	<u>777,415</u>	<u>570,501</u>
Total	<u>\$ 3,648,227</u>	<u>2,386,542</u>

(b) Receivables and Payables

(i) Receivables

Item	December 31, 2021	December 31, 2020
Notes receivable	\$ 246,082	236,368
Premiums receivable	292,770	273,893
Other receivables	<u>142,132</u>	<u>157,549</u>
Total	<u>\$ 680,984</u>	<u>667,810</u>

(ii) Payables

Item	December 31, 2021	December 31, 2020
Commission payable	\$ 178,446	172,896
Due to ceding companies	96,636	60,797
Reinsurance premium payable	521,836	599,748
Reinsurance commission payable	1,611	1,712
Insurance claim payable	2,849	2,753
Other payables	<u>436,307</u>	<u>418,844</u>
Total	<u>\$ 1,237,685</u>	<u>1,256,750</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Receivables of insurance contracts

Item	December 31, 2021	December 31, 2020
Notes receivable	\$ 247,532	237,986
Less : Loss allowance	(1,450)	(1,618)
Total	<u>\$ 246,082</u>	<u>236,368</u>

Item	December 31, 2021	December 31, 2020
Premiums receivable		
Fire insurance	\$ 66,101	64,814
Marine insurance	39,286	28,507
Hull and fishing vessel insurance	9,043	9,199
Other accident insurance	128,088	97,190
Compulsory pure premium	9,466	10,230
Voluntary automobile insurance	3,236	17,859
Compulsory automobile liability insurance	4,551	4,772
Overdue receivables	36,986	46,257
Subtotal	296,757	278,828
Less : Loss allowance	(3,987)	(4,935)
Total	<u>\$ 292,770</u>	<u>273,893</u>

(iv) Other receivables

Item	December 31, 2021	December 31, 2020
Other receivables	\$ 176,514	187,153
Less : Loss allowance	(34,382)	(29,604)
Total	<u>\$ 142,132</u>	<u>157,549</u>

As of December 31, 2021 and 2020, the overdue receivables in notes receivable, premiums receivable and other receivable were \$71,802 and \$77,484, which provisioned the loss allowance \$39,819 and \$36,157, respectively. The movements of the loss allowance for receivable were as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 36,157	28,752
Loss recognized	3,662	7,405
Ending balance	<u>\$ 39,819</u>	<u>36,157</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

The Company's aging analysis of receivables is as follows:

	December 31, 2021	December 31, 2020
Under 90 days	\$ 663,368	646,679
90~270 days	26,887	30,726
More than 271 days	30,548	26,562

The estimate of expected credit losses of the Company's receivable please refer to Note 6(v)

(v) Payables of insurance contracts

Item	December 31, 2021	December 31, 2020
Commission payable	<u>\$ 178,446</u>	<u>172,896</u>

(c) Reinsurance assets

	December 31, 2021	December 31, 2020
Claims recoverable from reinsurers (Note 6(d))	\$ 249,297	354,660
Due from reinsurers and ceding companies — net (Note 6(e))	244,371	346,272
Reinsurance reserve assets (Note 6(o))		
Ceded unearned premiums reserve	1,742,957	1,907,983
Ceded claim reserve	<u>1,623,392</u>	<u>1,311,917</u>
Total	<u>\$ 3,860,017</u>	<u>3,920,832</u>

(d) Claims recoverable from reinsurers

Item	December 31, 2021	December 31, 2020
Fire insurance	\$ 9,633	7,990
Marine insurance	1,279	95
Land and air insurance	6	98
Liability insurance	69,309	78,633
Surety insurance	(1,701)	-
Other property insurance	95,164	156,371
Accident insurance	21,571	40,611
Health insurance	2,289	706
Compulsory automobile liability insurance	51,658	70,141
Overdue receivables	89	15
Less : Loss allowance	-	-
Total	<u>\$ 249,297</u>	<u>354,660</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(e) Due from (to) reinsurers and ceding companies

(i) Receivables of insurance contracts

Item	December 31, 2021	December 31, 2020
Due from ceding companies	\$ 151,236	215,149
Reinsurance premium receivable	78,663	62,081
Reinsurance commission receivable	8,638	61,381
Overdue receivable	5,834	45,574
Subtotal	244,371	384,185
Less : Loss allowance	-	(37,913)
Total	<u>\$ 244,371</u>	<u>346,272</u>

The movements of the loss allowance for receivables of insurance contracts were as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 37,913	37,816
(Reversal of) loss recognized	(37,913)	97
Ending balance	<u>\$ -</u>	<u>37,913</u>

(ii) Payables of insurance contracts

Item	December 31, 2021	December 31, 2020
Due to ceding companies	\$ 96,636	60,797
Reinsurance premium payable	521,836	599,748
Reinsurance commission payable	1,611	1,712
Total	<u>\$ 620,083</u>	<u>662,257</u>

(f) Financial assets

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

	December 31, 2021	December 31, 2020
Financial assets mandatorily measured at fair value through profit or loss:		
Beneficiary certificate	\$ 131,006	52,666
Real estate investment trust beneficiary certificate	342,856	353,825
Domestic listed stocks and OTC stocks	1,405,497	1,560,052
Total	<u>\$ 1,879,359</u>	<u>1,966,543</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Sensitivity analysis - the risk of equity price:

If there is an increase in the securities price of 1% on the reporting date (assume that all other variables remain the same), the impact on comprehensive income for 2021 and 2020 will increase \$18,794 and \$19,665, respectively. Conversely, if there is a decrease in the securities price of 1% on the reporting date based on all other variables remain the same, there will be the same amount but opposite direction of influence.

(ii) Financial assets at fair value through other comprehensive income

	December 31, 2021	December 31, 2020
Equity investments at fair value through other comprehensive income		
Domestic listed stocks and OTC stocks	\$ 2,065,027	2,342,540
Domestic unlisted stocks	15,372	13,944
Total	\$ 2,080,399	2,356,484

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold not for trading purposes.

During the years ended December 31, 2021 and 2020, the dividends of \$73,713 and \$67,954, respectively, related to equity investments at fair value through other comprehensive income held on the years then ended, were recognized; the dividend of \$5,530 and \$0, respectively, related to the investments derecognized during the year ended December 31, 2021 and 2020 were recognized.

The Company disposed shares designated as measured at fair value through other comprehensive income due to assets allocation, managing and rearranging portfolio. The disposed shares, during the December 31, 2020 and 2019, were as follows:

	For the years ended December 31,	
	2021	2020
Fair value	\$ 431,970	466,560
Accumulate gains by disposing	\$ 36,179	9,345

The accumulate gains by disposing above have been transferred from other equity to retained earning.

Sensitivity analysis-the risk of equity price:

If there is an increase in the securities price of 1% on the reporting date (assume that all other variables remain the same), the impact on comprehensive income for 2021 and 2020 will increase \$20,804 and \$23,565, respectively. Conversely, if there is an decrease in the securities price of 1% on the reporting date based on all other variables remain the same, there will be the same amount but opposite direction of influence.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Financial assets at amortized cost

	December 31, 2021	December 31, 2020
Government bonds	\$ 570,353	610,619
Financial bonds	300,000	300,000
Corporate bonds	950,000	950,000
Subtotal	1,820,353	1,860,619
Less: Securities serving as deposits paid	(423,641)	(365,852)
Loss allowance	(654)	(873)
Total	<u>\$ 1,396,058</u>	<u>1,493,894</u>

- 1) The Company assesses financial assets that are held to maturity in order to collect contractual cash flows, which are solely payments of principal and interest on the principal amount outstanding. Therefore, these financial assets are classified as measured at amortized cost.
- 2) Please refer to Note 6(v) for further information of credit risk and the movement in the loss allowance of financial assets measured at amortized cost.
- 3) The Company's financial assets measured at amortized cost had been pledged partially, please refer to Note 8.
- 4) The Company assessed the impairment of financial asset on December 31, 2021 and 2020, the amounts of the expected credit loss recognized (reversal of credit loss) were as follows:

	For the years ended December 31,	
	2021	2020
Beginning balance	\$ 873	949
(Reversal of) loss recognized	(219)	(76)
Ending balance	<u>\$ 654</u>	<u>873</u>

(iv) Other financial assets, net:

	December 31, 2021	December 31, 2020
Time deposits — initial maturity date over than three months	\$ 2,594,420	2,288,637
Less: Securities serving as deposits paid	(167,000)	(167,000)
Total	<u>\$ 2,427,420</u>	<u>2,121,637</u>

The Company's time deposits were pledged as securities serving as deposits paid, please refer to Note 8 for further information.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(v) Capital outsourcing information

As of December 31, 2021 and 2020, the Company has outsourced to Securities Investment Trust to manage investment project and capital amount. Further information were as follows:

Investment Trust Company	Investment	December 31, 2021 Amount	December 31, 2020 Amount
Nomura Asset Management	Domestic listed stocks and OTC stocks, bonds purchased under resale agreements, short term bills, etc.	\$ 600,000	500,000
Fuh Hwa Securities Investment Trust	"	600,000	500,000
Capital Investment Trust Corporation	"	600,000	500,000
		<u>\$ 1,800,000</u>	<u>1,500,000</u>

The investment project was mentioned above, and the carry amounts as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 682,233	499,330
Financial assets at fair value through profit or loss - stocks	1,220,996	1,243,321
	<u>\$ 1,903,229</u>	<u>1,742,651</u>

(g) Loss of control of subsidiary

The Company has completed the disposal of 62.39% ownership of China Insurance (THAI) Public Company Ltd. and lost control of it on January 7, 2020. The disposal price was \$74,980, and the disposal benefit of \$38,855 has been reported under the statements of comprehensive income item "Other net income (loss) from investments". The details of the carrying amounts of assets and liabilities of China Insurance (THAI) Public Company Ltd. at the date of loss of control were as follows:

Cash and cash equivalents	\$ 5,107
Financial assets at fair value through profit or loss	7,435
Other financial assets - net	60,588
Reinsurance assets	9,239
Other assets	7,342
Accounts payable	(13,523)
Insurance liabilities	(12,440)
Other liabilities	<u>(1,108)</u>
The carrying amounts of the subsidiary at the date when control is lost	<u>\$ 62,640</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(h) Investment property

The cost, depreciation, and impairment of the investment property of the Company for the years ended December 31, 2021 and 2020, were as follows:

	<u>Land and Improvement</u>	<u>Buildings and constructions</u>	<u>Total</u>
Cost or deemed cost:			
Balance at January 1, 2021	\$ 681,525	187,636	869,161
Additions	-	375	375
Reclassification from property, plant and equipment	53,931	32,686	86,617
Reclassification to property, plant and equipment	(7,569)	(3,593)	(11,162)
Balance at December 31, 2021	<u><u>\$ 727,887</u></u>	<u><u>217,104</u></u>	<u><u>944,991</u></u>
Balance at January 1, 2020	\$ 714,171	204,027	918,198
Additions	-	2,251	2,251
Disposal	(22,640)	(7,400)	(30,040)
Reclassification to property, plant and equipment	(10,006)	(11,242)	(21,248)
Balance at December 31, 2020	<u><u>\$ 681,525</u></u>	<u><u>187,636</u></u>	<u><u>869,161</u></u>
Accumulated depreciation and impairments			
Balance at January 1, 2021	\$ 2,359	74,922	77,281
Depreciation	-	4,226	4,226
Reclassification from property, plant and equipment	-	8,576	8,576
Reclassification to property, plant and equipment	-	(1,600)	(1,600)
Balance at December 31, 2021	<u><u>\$ 2,359</u></u>	<u><u>86,124</u></u>	<u><u>88,483</u></u>
Balance at January 1, 2020	\$ 2,359	76,752	79,111
Depreciation	-	4,262	4,262
Disposal	-	(1,987)	(1,987)
Reclassification to property, plant and equipment	-	(4,105)	(4,105)
Balance at December 31, 2020	<u><u>\$ 2,359</u></u>	<u><u>74,922</u></u>	<u><u>77,281</u></u>
Carrying amount:			
December 31, 2021	<u><u>\$ 725,528</u></u>	<u><u>130,980</u></u>	<u><u>856,508</u></u>
December 31, 2020	<u><u>\$ 679,166</u></u>	<u><u>112,714</u></u>	<u><u>791,880</u></u>
Fair value:			
December 31, 2021			<u><u>\$ 1,770,222</u></u>
December 31, 2020			<u><u>\$ 1,695,676</u></u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

On December 31, 2021 and 2020, the assessment of fair value of investment property mainly referred to the market trade.

As of December 31, 2021 and 2020, the Company's investment property has not been pledged as collateral.

(i) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2021 and 2020, were as follows:

	Land	Buildings and constructions	Computer Equipment	Transportation equipment	Other equipment	Leasehold improvement	Total
Cost:							
Balance at January 1, 2021	\$ 825,946	480,196	183,601	579	51,799	2,004	1,544,125
Additions	136,007	47,956	8,686	-	3,214	-	195,863
Reclassification from investment property	7,569	3,593	-	-	-	-	11,162
Reclassification to investment property	(53,931)	(32,686)	-	-	-	-	(86,617)
Scrap	-	-	(1,647)	-	(705)	-	(2,352)
Balance at December 31, 2021	<u>915,591</u>	<u>499,059</u>	<u>190,640</u>	<u>579</u>	<u>54,308</u>	<u>2,004</u>	<u>1,662,181</u>
Balance at January 1, 2020	802,214	441,007	182,043	579	47,893	7,216	1,480,952
Additions	14,580	30,243	5,632	-	6,060	199	56,714
Reclassification from investment property	10,006	11,242	-	-	-	-	21,248
Disposal	(854)	(2,296)	-	-	-	-	(3,150)
Scrap	-	-	(4,074)	-	(2,154)	(5,411)	(11,639)
Balance at December 31, 2020	<u>825,946</u>	<u>480,196</u>	<u>183,601</u>	<u>579</u>	<u>51,799</u>	<u>2,004</u>	<u>1,544,125</u>
Accumulated depreciation and impairment loss:							
Balance at January 1, 2021	15,196	163,931	155,754	564	42,041	858	378,344
Depreciation	-	14,097	12,444	15	4,090	458	31,104
Reclassification from investment property	-	1,600	-	-	-	-	1,600
Reclassification to investment property	-	(8,576)	-	-	-	-	(8,576)
Scrap	-	-	(1,647)	-	(705)	-	(2,352)
Balance at December 31, 2021	<u>15,196</u>	<u>171,052</u>	<u>166,551</u>	<u>579</u>	<u>45,426</u>	<u>1,316</u>	<u>400,120</u>
Balance at January 1, 2020	15,196	148,303	143,477	467	40,455	5,794	353,692
Depreciation	-	12,834	16,351	97	3,740	475	33,497
Reclassification from investment property	-	4,105	-	-	-	-	4,105
Disposal	-	(1,311)	-	-	-	-	(1,311)
Scrap	-	-	(4,074)	-	(2,154)	(5,411)	(11,639)
Balance at December 31, 2020	<u>15,196</u>	<u>163,931</u>	<u>155,754</u>	<u>564</u>	<u>42,041</u>	<u>858</u>	<u>378,344</u>
Carrying amount:							
December 31, 2021	<u>\$ 900,395</u>	<u>328,007</u>	<u>24,089</u>	<u>-</u>	<u>8,882</u>	<u>688</u>	<u>1,262,061</u>
December 31, 2020	<u>\$ 810,750</u>	<u>316,265</u>	<u>27,847</u>	<u>15</u>	<u>9,758</u>	<u>1,146</u>	<u>1,165,781</u>

As of December 31, 2021 and 2020, the Company's property, plant and equipment have not been pledged as collateral.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(j) Right-of-use assets

The changes in the Company's costs and depreciation of leasing buildings, constructions, and transportation equipment were as follows:

	Buildings and Constructions	Transportation Equipment	Total
Costs of right-of-use assets:			
January 1, 2021	\$ 27,162	5,434	32,596
Additions	21,821	4,436	26,257
Derecognition	(21,602)	(5,435)	(27,037)
December 31, 2021	<u>\$ 27,381</u>	<u>4,435</u>	<u>31,816</u>
January 1, 2020	\$ 27,052	5,434	32,486
Additions	5,345	-	5,345
Derecognition	(5,235)	-	(5,235)
December 31, 2020	<u>\$ 27,162</u>	<u>5,434</u>	<u>32,596</u>
Depreciation of right-of-use assets:			
January 1, 2021	\$ 20,835	3,951	24,786
Depreciation	13,385	2,289	15,674
Derecognition	(21,336)	(5,435)	(26,771)
December 31, 2021	<u>\$ 12,884</u>	<u>805</u>	<u>13,689</u>
January 1, 2020	\$ 11,391	1,511	12,902
Depreciation	13,798	2,440	16,238
Derecognition	(4,354)	-	(4,354)
December 31, 2020	<u>\$ 20,835</u>	<u>3,951</u>	<u>24,786</u>
Carrying amounts:			
December 31, 2021	<u>\$ 14,497</u>	<u>3,630</u>	<u>18,127</u>
December 31, 2020	<u>\$ 6,327</u>	<u>1,483</u>	<u>7,810</u>

(k) Lease liabilities

The Company's lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Within a year	\$ 12,760	6,526
One to five years	5,497	1,337
Total	<u>\$ 18,257</u>	<u>7,863</u>

The maturity analysis please refer to note 6(v) financial instruments.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2021	2020
Interest on lease liabilities	\$ 354	278

The amounts recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31,	
	2021	2020
Total cash outflow for leases	\$ 15,949	16,543

(i) Leases of buildings and constructions

The Company leases buildings and constructions for its office space. The leases of office space typically run for 1 to 3 years.

(ii) Other leases

The Company leases transportation equipment with contract terms of 1 to 3 years.

(l) Operating lease

Leases as lessor

The Company leases out its investment properties (please refer to Note 6(h)). The future minimum lease payments under non-cancellable leases are as follows:

	December 31, 2021	December 31, 2020
Within a year	\$ 32,754	22,514
One to five years	85,968	43,556
More than five years	85,215	11,242
	\$ 203,937	77,312

Rental incomes from investment properties were \$25,027 and \$46,140 for 2021 and 2020, respectively.

(m) Employee benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value for the Company are as follows:

	December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	\$ (533,535)	(564,445)
Fair value of plan assets	354,458	350,402
Net defined benefit (liabilities) assets	\$ (179,077)	(214,043)

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$354,458 and \$350,402 as of December 31, 2021 and 2020, respectively. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for Company were as follows:

	For the years ended December 31,	
	2021	2020
Defined benefit obligation at January 1	\$ 564,445	540,267
Current serviced costs and interest cost	9,657	11,079
Past service cost	366	486
Remeasurements of net defined benefit liabilities		
— Actuarial gains or losses arising from changes of demographic assumptions	2,150	1,616
— Actuarial gains or losses arising from changes of financial assumptions	(19,497)	41,557
— Actuarial gains or losses arising from experience adjustments	2,574	(3,118)
Benefits paid by the plan	(26,160)	(27,442)
Defined benefit obligation at December 31	<u>\$ 533,535</u>	<u>564,445</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

	For the years ended December 31,	
	2021	2020
Fair value of plan assets at January 1	\$ 350,402	306,835
Interest income	1,367	2,025
Remeasurements of net defined benefit liabilities		
— Expected return on plan assets (excluding current interest)	4,820	10,240
Contribution made to the plan	24,029	58,744
Benefit paid by the plan	(26,160)	(27,442)
Fair value of plan assets at December 31	\$ 354,458	350,402

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

	For the years ended December 31,	
	2021	2020
Current service cost	\$ 7,456	7,513
Net interest of net liabilities (assets) for defined benefit obligations	834	1,541
Past service cost	366	486
	\$ 8,656	9,540

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2021 and 2020, was as follows:

	For the years ended December 31,	
	2021	2020
Accumulated amount at January 1	\$ 224,974	195,159
Recognized during the period	(19,593)	29,815
Accumulated amount at December 31	\$ 205,381	224,974

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	For the years ended December 31,	
	2021	2020
Discount rate	0.70%	0.39%
Expected return on planned assets	0.70%	0.39%
Future salary increases	1.50%	1.50%

The expected allocation payment to be made by the Company to the defined benefit plans for the one year period after the reporting date is \$7,816. The weighted average lifetime of the defined benefits plans is 11 years.

7) Sensitivity Analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including discount rate and future salary increases. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2021 and 2020, if the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows

	Effects to Defined Benefit Obligations	
	Increase	Decrease
December 31, 2021		
Discount rate (change 0.5%)	\$ 32,032	27,974
Future salary increases(change 0.5%)	31,609	27,939
December 31, 2020		
Discount rate (change 0.5%)	36,294	33,370
Future salary increases (change 0.5%)	35,699	33,195

The sensitivity analysis presented above is based on the condition that other variables are unchanged. In practice, the changes of many assumptions are correlated. The method that the sensitivity analysis adopted is in accordance with the method of calculating net pension liability.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2021 and 2020.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(ii) Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs of the Company incurred from the contributions to the Bureau of the Labor Insurance amounted to \$33,079 and \$31,948 for the years ended December 31, 2021 and 2020, respectively.

(n) Employee compensation and directors' remuneration

In accordance with the Articles of Incorporation the Company should contribute 1% ~5% of the profit as employee compensation, and no more than 5% directors' and supervisors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration and directors' remuneration amounting to \$28,500 and \$6,500 for both periods respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2021 and 2020. If the actual amounts were subsequently decided after the approval and the issuance date of the financial statements in the following year differ from the estimated amounts, the differences are accounted for as changes in accounting estimates and recognized in profit or loss in the following year. If the Board of Directors resolved to distribute the employees' remuneration in the form of shares, the number of shares of the distribution is based on the closing price of the day before the Board of Directors' meeting date.

The amounts of compensation for employees and directors of the Company in 2020 and 2019 were \$28,500 and \$6,500, \$28,000 and \$6,000, respectively. There is no difference in the actual distribution situation. Relevant information can be obtained from the Market Observation Post System.

(o) Insurance liability

	December 31, 2021	December 31, 2020
Unearned premium reserve	\$ 5,859,977	5,847,692
Claims reserve	3,931,668	3,325,019
Special reserve	1,166,829	1,153,951
Total	<u>\$ 10,958,474</u>	<u>10,326,662</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(i) Unearned premium reserve

1) Unearned premium reserve and ceded reinsurance unearned premiums reserve

December 31, 2021				
Item	Unearned premium reserve		Ceded unearned premiums reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 705,612	43,038	372,973	375,677
Marine insurance	83,200	829	73,501	10,528
Land and air insurance	42,275	671	29,124	13,822
Liability insurance	1,598,479	130,219	344,087	1,384,611
Surety insurance	7,451	348	3,976	3,823
Other property insurance	2,245,868	35,246	652,264	1,628,850
Accident insurance	406,884	1,796	40,613	368,067
Health insurance	26,511	-	6,541	19,970
Compulsory automobile liability insurance	366,445	165,105	219,878	311,672
Total	\$ 5,482,725	377,252	1,742,957	4,117,020

December 31, 2020				
Item	Unearned premium reserve		Ceded unearned premiums reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 732,273	35,118	388,904	378,487
Marine insurance	69,509	1,122	62,285	8,346
Land and air insurance	46,222	1,026	32,715	14,533
Liability insurance	1,510,914	223,871	415,550	1,319,235
Surety insurance	11,492	362	6,331	5,523
Other property insurance	2,244,480	37,288	734,876	1,546,892
Accident insurance	384,605	1,909	41,534	344,980
Health insurance	10,921	-	1,986	8,935
Compulsory automobile liability insurance	372,987	163,593	223,802	312,778
Total	\$ 5,383,403	464,289	1,907,983	3,939,709

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

2) Reserve for unearned premiums and reserve for unearned premiums out

For the years ended December 31, 2021													
Items	Premium revenue	Reinsurance premium	Reinsurance expense	Retained Premiums	Direct business Unearned premium reserve		Reinsurance ceded in Unearned premium reserve		Net change in unearned premiums reserve	Reinsurance ceded out Ceded unearned premium reserve		Net change in ceded unearned premiums reserve	Retained premiums earned
					Provision	Recover	Provision	Recover		Provision	Recover		
Compulsory insurance	\$ 967,046	299,770	408,888	857,928	366,445	372,987	165,105	163,593	(5,030)	219,878	223,802	(3,924)	859,034
Non-compulsory insurance	9,694,439	132,688	2,689,620	7,137,507	5,116,280	5,005,770	212,147	300,696	21,961	1,523,079	1,684,181	(161,102)	6,954,444
Total	\$ 10,661,485	432,458	3,098,508	7,995,435	5,482,725	5,378,757	377,252	464,289	16,931	1,742,957	1,907,983	(165,026)	7,813,478

For the years ended December 31, 2020													
Items	Premium revenue	Reinsurance premium	Reinsurance expenses	Retained Premiums	Direct business Unearned premium reserve		Reinsurance ceded in Unearned premium reserve		Net change in unearned premiums reserve	Reinsurance ceded out Ceded unearned premium reserve		Net change in ceded unearned premiums reserve	Retained premiums earned
					Provision	Recover	Provision	Recover		Provision	Recover		
Compulsory insurance	\$ 975,122	293,622	412,365	856,379	372,987	373,487	163,593	163,176	(83)	223,802	224,101	(299)	856,163
Non-compulsory insurance	9,247,767	125,650	2,846,664	6,526,753	5,010,416	4,680,272	300,696	397,581	233,259	1,684,181	1,689,462	(5,281)	6,288,213
Total	\$ 10,222,889	419,272	3,259,029	7,383,132	5,383,403	5,053,759	464,289	560,757	233,176	1,907,983	1,913,563	(5,580)	7,144,376

3) The movements in unearned premium reserve and ceded unearned premiums reserve were as follows:

Item	For the years ended December 31, 2021	
	Unearned premium reserve	Ceded unearned premiums reserve
Beginning balance	\$ 5,847,692	1,907,983
Provision	5,859,977	1,742,957
Recovery	(5,847,692)	(1,907,983)
Ending balance	\$ 5,859,977	1,742,957

Item	For the years ended December 31, 2020	
	Unearned premium reserve	Ceded unearned premiums reserve
Beginning balance	\$ 5,622,576	1,913,563
Provision	5,847,692	1,907,983
Recovery	(5,622,576)	(1,913,563)
Ending balance	\$ 5,847,692	1,907,983

The provision methods of unearned premiums reserve are determined by an actuary according to the characteristics of each insurance and are stated in the instruction of insurance commodity calculation and shall not be changed without the approval of the competent authority. The Company has submitted the provision method of unearned premiums reserve on Letter (Wang) Zong Jing Suan No. 1112 on October 24, 2011 and had been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Insurance Bureau Jin Guan Bao Cai Zi No. 10002518120.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

On October 9, 2014, the Company signed a specific business transferring contract with Asia Insurance Company Ltd. Taiwan Branch and accepted its long term fire insurance contracts on the delivery date, which was December 15, 2014. The Company undertook the amount of \$3,916 unearned premium reserve and charged \$3,648 to Asia Insurance Company Ltd. Taiwan Branch. According to IFRS 4 "Insurance Contract" that paragraph of insurance contracts acquired in business combination or portfolio transfer: the intangible asset recognized was the difference of \$268 from the fair value of the contractual insurance rights acquired and insurance obligations assumed to a liability measured in accordance with the insurer's accounting policies for insurance contracts that it issued. The subsequent measurement of this asset shall be consistent with the measurement of the related insurance liability.

On December 7, 2012, the Company signed a special business transferring contract with Walsun Insurance Ltd. and accepted its direct business of four types of insurance contracts on January 10, 2013: long term residential fire insurance contracts, employer's accidental liability insurance contracts, contractor's liability insurance contracts, and architect's professional liability insurance contracts. The Company undertook the amount of \$232,939 unearned premium reserve and requested for a grants of \$67,451 from the Insurance and Security Fund of the Corporation. According to IFRS 4 "Insurance Contract" that paragraph of insurance contracts acquired in business combination or portfolio transfer: the intangible asset recognized was the difference of \$165,488 from the fair value of the contractual insurance rights acquired and insurance obligations assumed to a liability measured in accordance with the insurer's accounting policies for insurance contracts that it issued. The subsequent measurement of this asset shall be consistent with the measurement of the related insurance liability

As of December 31, 2021 and 2020, the unearned premium reserve from the business transfer has recovered \$6,661 and \$11,565, respectively. According to relevant measurements, the intangible asset has reduced \$4,646 and \$8,060 as recovery deduction of unearned premium reserve, respectively. The amount of \$2,015 and \$3,505 were net recovered unearned premium reserve. .As of December 31, 2021 and 2020, the relevant unearned premium reserve from the business transfer and intangible assets were \$18,982 and \$13,328, \$25,643 and \$17,974, respectively.

(ii) Special reserve

1) Segmentation of specific assets

The Company is engaged in business of compulsory automobile liability insurance (hereinafter referred to as "this insurance") accounting to this insurance's relevant accounting of Compulsory Automobile Liability Insurance Law.

This insurance of special reserve provision obeys "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance" Article 5 that is to the insurer shall purchase treasury bills or deposit the reserve with a financial institution as a time deposit. Provided that with the approval of the competent authority, the insurer may purchase the following domestic securities:

a) Government bonds, not including exchangeable government bonds.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- b) Financial bonds, negotiable certificates of deposit, bankers' acceptances, and commercial paper guaranteed by a financial institution, provided that financial bonds shall be limited to ordinary financial bonds only.

The amount of treasury bills purchased or time deposits placed in a financial institution under the preceding paragraph shall not be less than 30 percent of the total amount of the insurer's retained earned pure premiums for this Insurance in the most recent period, as audited or reviewed by a certified public accountant. The competent authority may raise that percentage to a level it deems appropriate based on the insurer's operational status.

If the balance of special reserve is less than 30 percent of the total amount of the retained earned pure premiums for this insurance in the most recent period, as audited or reviewed by a certified public accountant, then the full amount of its special reserve shall be deposited in a financial institution as a time deposit or treasury bills.

According to Article 6 of "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance", funds (all types of reserves, payables, temporary credits and amounts to be carried forward) held by an insurer for this Insurance shall be deposited in a financial institution in the form of demand deposits and time deposits, provided that with the approval of the competent authority, an insurer may purchase any of the following domestic securities:

- a) Treasury bills.
- b) Negotiable certificates of deposit, bankers' acceptances, and commercial paper guaranteed by a financial institution.
- c) Government bonds in a repo transaction.

The amount of deposits deposited in financial institutions under the first paragraph shall not be less than 45 percent of the balance remaining after subtracting the amount of special reserves from the amount of funds held by the insurer due to the operation of this Insurance, or less than 30 percent of the retained earned pure premium for the most recent period as audited or reviewed by a certified public accountant. The competent authority may raise the percentage of deposits required by the insurer to a level it deems appropriate based on the insurer's operational status.

If the total amount of unearned premium reserve and loss reserve of the insurer with respect to this Insurance is less than 30 percent of the retained earned pure premiums of this Insurance for the most recent period as audited or reviewed by a certified public accountant, the funds held by the insurer through its conduct of this Insurance shall be deposited in full with a financial institution in the form of deposits.

Accounting Article 11 of "Regulations for the Management of the Various Reserves for Compulsory Automobile Liability Insurance", when an insurer suspends business operations or terminates its operation of this Insurance, the various reserves for this Insurance shall be transferred into the various reserves set aside for handling of this Insurance by the other insurer that assumes the business.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

When an insurer has been duly ordered to suspend business and undergo rehabilitation, ordered to dissolve, or its permission to operate this Insurance business has been revoked, and no other insurer is to assume this Insurance business, and there is no outstanding liability under this Insurance, and the balance of the special reserve is positive, the assets corresponding to the special reserve shall be transferred to the Motor Vehicle Accident Compensation Fund.

In accordance with the provisions of the Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. 11004107771 dated February 20, 2021, the insurance company that operates as compulsory automobile liability insurance shall set aside a special reserve from the business expenses received from the operation of such business.

In accordance with the provisions of the Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. 10904939031 dated October 29, 2020, in order to improve the financial structure of the insurance enterprises, the insurance enterprises shall, at the end of each business year, set aside 10% of the total premium income based on the amount of insurance and the number of days of insurance, less 20% of the nominal tax rate, in a special reserve account under owners' equity in accordance with the "Standard Rate Schedule for Personal Travel-Insurance Accidental Death and Dismemberment Benefit".

Special reserve – Compulsory Automobile Liability Insurance

Item	For the years ended December 31,	
	2021	2020
Beginning balance	\$ -	-
Provision	90,791	35,350
Recovery	(72,848)	(35,350)
Ending balance	\$ 17,943	-

Special reserve – Non-Compulsory Automobile Liability Insurance

Item	For the years ended December 31, 2021						
	Liability			Special reserve			
	Catastrophic risk	Contingency risk	Total	Contingency risk	Contingency risk	Travel Insurance	Total
Beginning balance	\$ 111,610	1,038,185	1,149,795	703,784	1,516,706	-	2,220,490
Provision	-	-	-	86,751	195,548	4,289	286,588
Recover	(5,065)	-	(5,065)	-	(61,841)	-	(61,841)
Ending balance	\$ 106,545	1,038,185	1,144,730	790,535	1,650,413	4,289	2,445,237

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Item	For the years ended December 31, 2020						
	Liability			Special reserve			
	Catastrophic risk	Contingency risk	Total	Contingency risk	Contingency risk	Travel Insurance	Total
Beginning balance	\$ 116,676	1,038,185	1,154,861	624,342	1,396,038	-	2,020,380
Provision	-	-	-	79,442	193,200	-	272,642
Recover	(5,066)	-	(5,066)	-	(72,532)	-	(72,532)
Ending balance	<u>\$ 111,610</u>	<u>1,038,185</u>	<u>1,149,795</u>	<u>703,784</u>	<u>1,516,706</u>	<u>-</u>	<u>2,220,490</u>

Note: The liability of special reserve mentioned above means non-compulsory automobile liability insurance reserve had been provisioned before January 1, 2011. In addition, Article 8 4 of Various Provisions of Insurance Industry and Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No.1002509161 on June, 16, 2011 also have set the standard that the business of commercial earthquake insurance and typhoon flood insurance should provision various reserve, which is the base of recovered special reserve as of December 31, 2021 and 2020.

2) Special reserves -Other

In 2013, the determination of cost of real estate and equipment based on the International Financial Reporting Standards No. 1 that approved by the Financial Supervisory Committee, the Company chose the exemption that the revaluation reserve of land and buildings according to the Generally Accepted Accounting Principles of the Republic of China transferred to retained earnings. However, according to the standard of the Preparation of Financial Reports by Insurance Enterprises, the revaluation reserve that estimated by the cash flow discount approach via contractual rent of the investment real estate target as the upper limit adjustment to define the cost and the value added part. Then, to fill the unrecognized pension loss, the unrecognized transition net payment obligation, the increase on defined benefit obligation based on the change of actuarial assumptions, and the employee's paid leave liability, those adjustment increased the special increase of \$4,156.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Claim reserve

- 1) Liabilities for claims are to be paid, reported but unpaid and incurred but not reported (IBNR).

December 31, 2021				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ -	600,260	53,835	654,095
Marine insurance	-	106,666	57,635	164,301
Land and air insurance	-	77,133	16,604	93,737
Liability insurance	386	971,331	275,476	1,246,807
Surety insurance	1	18,261	5,459	23,720
Other property insurance	1,709	681,395	45,574	726,969
Accident insurance	538	73,239	193,046	266,285
Health insurance	52	110	5,405	5,515
Compulsory automobile liability insurance	163	192,067	558,172	750,239
Total	\$ 2,849	2,720,462	1,211,206	3,931,668

December 31, 2020				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ -	325,150	30,219	355,369
Marine insurance	-	105,686	34,749	140,435
Land and air insurance	-	69,185	8,167	77,352
Liability insurance	392	751,959	211,272	963,231
Surety insurance	1	17,362	7,685	25,047
Other property insurance	1,730	541,193	40,491	581,684
Accident insurance	536	93,143	226,200	319,343
Health insurance	36	1,971	5,352	7,323
Compulsory automobile liability insurance	58	171,796	683,439	855,235
Total	\$ 2,753	2,077,445	1,247,574	3,325,019

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- 2) Reinsurance assets - the insurance ceded business for the policy holders with reported but unpaid or unreported claims

December 31, 2021			
Item	Reported but unpaid	IBNR	Total
Fire insurance	\$ 481,638	15,857	497,495
Marine insurance	92,935	43,037	135,972
Land and air insurance	67,448	10,863	78,311
Liability insurance	172,197	55,925	228,122
Surety insurance	8,358	1,669	10,027
Other property insurance	282,456	8,354	290,810
Accident insurance	32,119	45,580	77,699
Health insurance	13	1,138	1,151
Compulsory automobile liability insurance	71,404	232,401	303,805
Total	\$ 1,208,568	414,824	1,623,392

December 31, 2020			
Item	Reported but unpaid	IBNR	Total
Fire insurance	\$ 166,373	6,566	172,939
Marine insurance	95,164	20,622	115,786
Land and air insurance	61,569	2,565	64,134
Liability insurance	138,376	37,215	175,591
Surety insurance	8,059	2,872	10,931
Other property insurance	250,247	8,037	258,284
Accident insurance	52,406	85,918	138,324
Health insurance	54	911	965
Compulsory automobile liability insurance	68,837	306,126	374,963
Total	\$ 841,085	470,832	1,311,917

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

3) The net change of claim reserve and ceded reinsurance claim reserve

Item	For the years ended December 31, 2021							
	Direct underwrite business		Reinsurance ceded-in		The net change in claim reserve	Reinsurance ceded-out		The net change in ceded claim reserve
	Provision	Recover	Provision	Recover		Provision	Recover	
Fire insurance	\$ 636,718	351,230	17,377	4,139	298,726	497,495	172,939	324,556
Marine insurance	160,068	132,881	4,233	7,554	23,866	135,972	115,786	20,186
Land and air insurance	91,293	75,598	2,444	1,754	16,385	78,311	64,134	14,177
Liability insurance	1,236,198	951,224	10,609	12,007	283,576	228,122	175,591	52,531
Surety insurance	22,318	23,283	1,402	1,764	(1,327)	10,027	10,931	(904)
Other property insurance	723,902	578,526	3,067	3,158	145,285	290,810	258,284	32,526
Accident insurance	260,828	316,489	5,457	2,854	(53,058)	77,699	138,324	(60,625)
Health insurance	5,515	7,065	-	258	(1,808)	1,151	965	186
Compulsory automobile liability insurance	506,341	625,276	243,898	229,959	(104,996)	303,805	374,963	(71,158)
Total	<u>\$ 3,643,181</u>	<u>3,061,572</u>	<u>288,487</u>	<u>263,447</u>	<u>606,649</u>	<u>1,623,392</u>	<u>1,311,917</u>	<u>311,475</u>

Item	For the years ended December 31, 2020							
	Direct underwrite business		Reinsurance ceded-in		The net change in claim reserve	Reinsurance ceded-out		The net change in ceded claim reserve
	Provision	Recover	Provision	Recover		Provision	Recover	
Fire insurance	\$ 351,230	554,720	4,139	15,401	(214,752)	172,939	396,794	(223,855)
Marine insurance	132,881	151,355	7,554	7,064	(17,984)	115,786	127,196	(11,410)
Land and air insurance	75,598	123,308	1,754	2,431	(48,387)	64,134	115,930	(51,796)
Liability insurance	951,224	918,225	12,007	8,683	36,323	175,591	214,222	(38,631)
Surety insurance	23,283	23,994	1,764	521	532	10,931	10,590	341
Other property insurance	578,526	656,817	3,158	6,609	(81,742)	258,284	296,210	(37,926)
Accident insurance	316,489	284,371	2,854	5,096	29,876	138,324	126,828	11,496
Health insurance	7,065	3,389	258	397	3,537	965	726	239
Compulsory automobile liability insurance	625,276	633,326	229,959	227,245	(5,336)	374,963	379,732	(4,769)
Total	<u>\$ 3,061,572</u>	<u>3,349,505</u>	<u>263,447</u>	<u>273,447</u>	<u>(297,933)</u>	<u>1,311,917</u>	<u>1,668,228</u>	<u>(356,311)</u>

4) The movements in claim reserve and ceded claim reserve

Item	For the years ended December 31,			
	2021		2020	
	Claims reserve	Ceded claim reserve	Claims reserve	Ceded claim reserve
Beginning balance	\$ 3,325,019	1,311,917	3,622,952	1,668,147
Provision	3,931,668	1,623,392	3,325,019	1,311,917
Recovery	(3,325,019)	(1,311,917)	(3,622,952)	(1,668,228)
Impairment loss reversed(recognized)	-	-	-	81
Ending balance	<u>\$ 3,931,668</u>	<u>1,623,392</u>	<u>3,325,019</u>	<u>1,311,917</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

The methodology for providing claims reserve is decided by actuaries and reported to the Authority. If there is any change, it should adopt the same procedures as fore mentioned. The Company submitted the method of claims reserve provision in the letter of (Wang) Zong Qi Zi No. 1920 on December 23, 2009, which has been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Insurance Bureau Jin Guan Bao Cai Zi No. 09802245610. The relevant provision methods is explained as follows:

- 1) Regarding to the claims reserve for reported but not paid, it should be estimated based on actual situation by each case.
- 2) Regarding to the claims reserve for IBNR, it should be estimated based on the experience of claim loss development of each type insurance by actuary methodology.

(iv) Premium deficiency reserve

The methodology for premium deficiency reserve provision is decided by actuaries and shall report to the Authority, same as afterward change. The Company reported the methodology for premium deficiency reserve provision on February 16, 2012 in the letter of (Wang) Zong Jing Suan No.0005, which has been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No. No.10102503930.

As of December 31, 2021 and 2020, the Company had no provision for premium deficiency reserve recognized.

(p) Income tax

- (i) The components of the Company's income tax in the years 2021 and 2020 were as follows:

	For the years ended December 31,	
	2021	2020
Current income tax expenses	\$ -	
Current period	109,510	7,614
Adjustments for prior periods	83	(3,659)
Income tax expenses	\$ 109,593	3,955

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Reconciliation of income tax and profit before tax for the years ended December 31, 2021 and 2020 were as follows:

	For the years ended December 31,	
	2021	2020
Profit excluding income tax	\$ 806,261	706,052
Income tax using the Company's domestic tax rate	161,252	141,211
Adjustment items:		
Tax-exempt income	(89,311)	(32,698)
Change in unrecognized temporary differences	(7,012)	239
Usage of tax loss carry-forward	(2,518)	(102,768)
Prior income tax (over) under estimated	83	(3,659)
Additional tax on undistributed earnings	5,484	-
Income basic tax	6,215	7,614
Others	35,400	(5,984)
Income tax expenses	\$ 109,593	3,955

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	\$ 6,121	12,915
The carryforward of unused tax losses	-	17,329
Actuarial losses of defined benefit plans	41,076	44,995
Unrecognized deferred tax assets	\$ 47,197	75,239

2) Unrecognized deferred tax liabilities

	December 31, 2021	December 31, 2020
Taxable temporary differences	\$ 218	-

3) Recognized deferred income tax liabilities:

	December 31, 2021	December 31, 2020
Land value-added tax	\$ 63,920	63,920

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(iii) Assessment of tax

The Company's tax returns for the year through 2019 were assessed by the Taipei National Tax Administration tax authorities.

(q) Capital and other equity

(i) Share capital

The Company's transfer \$106,480 from retained earnings to common stocks distributed to shareholders was approved by the resolution of the shareholders' meeting held on June 24, 2020; therefore, total of 10,648 thousand shares were issued. This issuance of shares was approved by the Financial Supervisory Commission, R.O.C. (Taiwan) on August 14, 2020. The committee approved the declaration to take effect. The base date for the capital increase was set on September 18, 2020. The relevant statutory registration procedures have been completed.

As of December 31, 2021 and 2020, the number of authorized ordinary shares were both \$6,236,320 with par value of \$10 per share, i.e. 623,632 thousand shares. The issued shares were both 223,608 thousand shares of common stock.

(ii) Retained earnings

1) Legal reserve

According to the Company Act, the Company is able to issue new stock or cash dividend from legal reserve if there is no deficit as long as the legal reserve is over 25% of the paid in capital.

2) Special reserve

Based on Financial Supervisory Commission Jin Guan Bao Cai Zi No.10102508861 on June 5, 2011, when the Company distributes retained surplus that transferred from the special reserve of unrealized revaluation increment \$12,143, it should be accounted a decrease in other equity, with the same amount of the prior years' inappropriate retained earning provision being equal to current year's net income. The amount of decrease in other equity belonged to the prior accumulation, the same amount of special reserve should be not appropriated. However, the Company's has provisioned the special reserve based on former standard, the difference between the provision amount and the decrease in other equity has been provision special reserve. Then, if a reversal of shareholders' equity contra account occurs, the reversed portion of the special reserve could be distributed as dividends.

According to the letter from the Financial Supervisory Commission Jin Guan Bao Cai Zi No. 10502066464 on July 13, 2016. The insurance industry should allocate a special surplus reserve from 0.5% to 1% of the net profit after tax when the 2016-2018 fiscal year surplus is distributed. Moreover, since 2017, the expense of employee transferring training, transferring occupation, and settle down during the development of financial technology should be reversal. As of December 31, 2021 and 2020, the special reserve distributed by the Company in accordance with the regulations were \$2,510 and \$2,798, respectively.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

3) Undistributed retained earnings appropriated

Under the Company's Article of Incorporation, the Company's net income after deduction of income tax and losses (if any) and offset the prior years' deficits, should be provisioned 20% of remaining amount as legal reserve, except the legal reserve is equal to the capital. In addition to any remaining profit together with any undistributed retained earnings shall be distributed based on the Company considering the operating need and legal requirement to provision special reserve, the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

The Board of Directors is authorized to distribute all or parts of the dividends and bonuses in cash to the shareholders by a resolution decided by the Board, with at least two-thirds or a majority of the directors present in the board meeting.

The remuneration of non-executive director in the Company is authorized to the board's meeting to set rational remuneration, and do not attend the earning distribution. The Company belongs to property and casualty insurance, the enterprise development should cooperate with the Government's policy and risk based capital, the ability of underwriting and solvency have to be stronger. The Company's earning distribution policy has to consider the current and future investment environment, capital requirement, market competition situation and budget, etc., with the benefit of shareholders, balancing dividend and long term financial plan, etc. and then the earning distribution that the board's meeting set will provide to the shareholder's meeting. The earning distribution should be in form of cash or stock dividend to distribute, in addition to the amount of cash dividend should not be lower than 10% of stock dividend. However, the amount of par cash dividend is lower than \$0.1, the dividend should use the form of stock dividend to distribute.

Earnings distribution for 2020 and 2019 was decided by the resolution adopted, at the general meeting of shareholders held on July 30, 2021 and June 24, 2020, respectively. The relevant dividend distributions to shareholders were as follows:

	For the years ended December 31,			
	2020		2019	
	Allotment per share	Total Amount	Allotment per share	Total Amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 0.80	178,886	0.88	187,405
Shares	-	-	0.50	106,480
Total		<u>178,886</u>		<u>293,885</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

The amount of cash dividends on the appropriations of earnings for 2021 had been approved during the board meeting on March 24, 2022, as follow:

	For the years ended December 31,	
	2021	
	Allotment per share	Total Amount
Dividends distributed to ordinary shareholders		
Cash	\$ 1.00	223,608

The relevant information about distribution of retained earnings under the consent of the shareholders' meeting, can be obtained on the website of Market Observation Post System.

(r) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were shown as follows:

	For the years ended December 31,	
	2021	2020
Basic earnings per share		
Net income attributable to ordinary shareholders of the Company	\$ 696,668	702,097
Weighted average number of ordinary shares (thousands shares)	223,608	223,608
Basic earnings per share (in dollars)	\$ 3.12	3.14
Diluted earnings per share		
Net income attributable to ordinary shareholders of the Company	\$ 696,668	702,097
Weighted average number of ordinary shares (thousands shares)	223,608	223,608
Employee share options	1,763	1,732
Weighted average number of ordinary shares (Dilutive potential common shares)(thousands shares)	225,371	225,340
Diluted earnings per share (in dollars)	\$ 3.09	3.12

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(s) Disclosure of acquisition cost of insurance contracts

Acquisition cost of insurance contracts

For the years ended December 31, 2021						
Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 118,905	-	-	2,451	-	121,356
Marine insurance	25,261	-	-	539	-	25,800
Land and air insurance	8,791	-	-	213	-	9,004
Liability insurance	555,855	-	-	146	-	556,001
Surety insurance	2,229	-	-	17	-	2,246
Other property insurance	623,846	-	-	8,352	-	632,198
Accident insurance	208,501	-	-	12	-	208,513
Health insurance	13,623	-	-	-	-	13,623
Compulsory automobile liability insurance	129,030	-	-	-	-	129,030
Total	\$ 1,686,041	-	-	11,730	-	1,697,771

For the years ended December 31, 2020						
Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 119,591	-	-	5,165	-	124,756
Marine insurance	20,654	-	-	629	-	21,283
Land and air insurance	13,166	-	-	384	-	13,550
Liability insurance	516,729	-	-	244	-	516,973
Surety insurance	2,732	-	-	13	-	2,745
Other property insurance	600,910	-	-	9,204	-	610,114
Accident insurance	190,335	-	-	93	-	190,428
Health insurance	6,025	-	-	-	-	6,025
Compulsory automobile liability insurance	132,652	-	-	-	-	132,652
Total	\$ 1,602,794	-	-	15,732	-	1,618,526

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(t) Disclosure of insurance cost benefit analysis

(i) Direct written business cost benefit analysis

For the years ended December 31, 2021						
Item	Written premium	The net change in unearned premium reserve	Insurance contract acquisition cost	Claims	The net change in claims reverse	Gain (Loss)
Fire insurance	\$ 1,326,327	(22,015)	118,905	613,932	285,488	330,017
Marine insurance	271,423	13,691	25,261	71,738	27,187	133,546
Land and air insurance	85,968	(3,947)	8,791	9,913	15,695	55,516
Liability insurance	3,143,976	87,565	555,855	1,646,323	284,974	569,259
Surety insurance	16,512	(4,041)	2,229	(6,538)	(965)	25,827
Other property insurance	3,715,703	1,388	623,846	1,942,206	145,376	1,002,887
Accident insurance	1,067,972	22,279	208,501	565,494	(55,661)	327,359
Health insurance	66,558	15,590	13,623	21,597	(1,550)	17,298
Compulsory automobile liability insurance	967,046	(6,542)	129,030	660,187	(118,935)	303,306
Total	\$ 10,661,485	103,968	1,686,041	5,524,852	581,609	2,765,015
For the years ended December 31, 2020						
Item	Written premium	The net change in unearned premium reserve	Insurance contract acquisition cost	Claims	The net change in claims reverse	Gain (Loss)
Fire insurance	\$ 1,272,828	(27,861)	119,591	458,216	(203,490)	926,372
Marine insurance	241,233	2,801	20,654	53,268	(18,474)	182,984
Land and air insurance	100,710	4,719	13,166	91,447	(47,710)	39,088
Liability insurance	2,934,833	146,657	516,729	1,632,461	32,999	605,987
Surety insurance	19,445	(447)	2,732	44	(711)	17,827
Other property insurance	3,650,001	189,786	600,910	1,977,531	(78,291)	960,065
Accident insurance	1,001,610	10,459	190,335	598,697	32,118	170,001
Health insurance	27,107	4,030	6,025	14,540	3,676	(1,164)
Compulsory automobile liability insurance	975,122	(500)	132,652	718,341	(8,050)	132,679
Total	\$ 10,222,889	329,644	1,602,794	5,544,545	(287,933)	3,033,839

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(ii) Reinsurance cost-benefit analysis

For the years ended December 31, 2021						
Item	Reinsurance premium	The net change in unearned premium reserve	Reinsurance commission expense	Reinsurance Claims	The net change in claim reverse	Ceded in Gain (Loss)
Fire insurance	\$ 80,320	7,920	2,451	364	13,238	56,347
Marine insurance	7,161	(293)	539	652	(3,321)	9,584
Land and air insurance	1,250	(355)	213	6,764	690	(6,062)
Liability insurance	1,844	(93,652)	146	93,435	(1,398)	3,313
Surety insurance	1,146	(14)	17	983	(362)	522
Other property insurance	35,421	(2,042)	8,352	11,767	(91)	17,435
Accident insurance	5,546	(113)	12	7,318	2,603	(4,274)
Health insurance	-	-	-	-	(258)	258
Compulsory automobile liability insurance	299,770	1,512	-	277,747	13,939	6,572
Total	\$ 432,458	(87,037)	11,730	399,030	25,040	83,695
For the years ended December 31, 2020						
Item	Reinsurance premium	The net change in unearned premium reserve	Reinsurance commission expense	Reinsurance Claims	The net change in claim reverse	Ceded in Gain (Loss)
Fire insurance	\$ 69,748	5,217	5,165	8,520	(11,262)	62,108
Marine insurance	5,792	(163)	629	809	490	4,027
Land and air insurance	2,230	543	384	798	(677)	1,182
Liability insurance	2,001	(104,055)	244	86,227	3,324	16,261
Surety insurance	1,107	-	13	92	1,243	(241)
Other property insurance	38,466	1,735	9,204	14,140	(3,451)	16,838
Accident insurance	6,306	(162)	93	902	(2,242)	7,715
Health insurance	-	-	-	-	(139)	139
Compulsory automobile liability insurance	293,622	417	-	270,000	2,714	20,491
Total	\$ 419,272	(96,468)	15,732	381,488	(10,000)	128,520

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Gain/Loss on reinsurance contracts

For the years ended December 31, 2021						
Item	Reinsurance expense	The net change in unearned premium reserve	Reinsurance commission received	Claims recovered from reinsurers	The net change in ceded claim reserve	Ceded out Gain (Loss)
Fire insurance	\$ (884,294)	(15,931)	72,431	442,686	324,556	(60,552)
Marine insurance	(176,760)	11,216	12,527	31,723	20,186	(101,108)
Land and air insurance	(59,337)	(3,591)	2,017	4,295	14,177	(42,439)
Liability insurance	(479,266)	(71,463)	131,576	364,080	52,531	(2,542)
Surety insurance	(6,725)	(2,355)	1,237	(570)	(904)	(9,317)
Other property insurance	(783,415)	(82,612)	175,550	515,369	32,526	(142,582)
Accident insurance	(290,950)	(921)	55,569	205,108	(60,625)	(91,819)
Health insurance	(8,873)	4,555	(243)	6,102	186	1,727
Compulsory automobile liability insurance	(408,888)	(3,924)	-	393,918	(71,158)	(90,052)
Total	\$ (3,098,508)	(165,026)	450,664	1,962,711	311,475	(538,684)

For the years ended December 31, 2020						
Item	Reinsurance expense	The net change in unearned premium reserve	Reinsurance commission received	Claims recovered from reinsurers	The net change in ceded claim reserve	Ceded out Gain (Loss)
Fire insurance	\$ (803,613)	(26,873)	124,197	372,035	(223,855)	(558,109)
Marine insurance	(166,393)	4,565	10,778	37,717	(11,410)	(124,743)
Land and air insurance	(74,961)	(810)	1,772	89,284	(51,796)	(36,511)
Liability insurance	(511,956)	(44,006)	145,433	362,679	(38,631)	(86,481)
Surety insurance	(8,557)	(138)	1,790	33	341	(6,531)
Other property insurance	(974,190)	62,022	236,650	587,160	(37,926)	(126,284)
Accident insurance	(302,893)	(917)	57,624	257,947	11,496	23,257
Health insurance	(4,101)	876	1,276	2,535	239	825
Compulsory automobile liability insurance	(412,365)	(299)	-	426,763	(4,769)	9,330
Total	\$ (3,259,029)	(5,580)	579,520	2,136,153	(356,311)	(905,247)

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- (u) Disclosure of insurance contract risk
 - (i) The purpose, policy, procedure and the managing method of risk related to the risk management of control insurance contract
 - 1) The range of risk management in framework, organizational, accountability
 - a) Risk management of framework and organization

The Company's risk managing organizational framework includes the Board of Directors, Risk Management Committee, Risk Management Department, operating segments and Audit department.
 - b) The responsibility of various unit are as follows:
 - i) The Board of Directors

The Board of Directors is the highest decision making unit of risk management in the Company, which is responsible for approving risk management policy and framework, establishing the risk management culture, ensuring the effectiveness of risk management, and bear the ultimate responsibility of risk management.
 - ii) Risk Management Committee
 - 1. In charge of making the risk management policy, framework, organization function, in order to establish the managing quality and quantity standard. To submit regularly the report of the executing the risk management to the Board of Directors, in case providing the necessary improve suggestion.
 - 2. To execute the Board of Directors' decision, and entirely and periodically oversee the development, establishment and executing performance.
 - 3. To assist and oversee various segments' risk management activities.
 - 4. To consider the environment to adjust the types of risk, risk limit allocating and the bearing method.
 - 5. To coordinate interaction and communication of the risk managing function between departments.
 - iii) Risk Management Department
 - 1. To be responsible for risk monitoring, measuring, evaluating executive layer of routine affairs, which should be independent to the executing right of operating segments.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

2. Should depend on the type of operating business to execute:
 - To assist and execute the Board setting risk management policies and strategies.
 - Accounting the Company risk appetite set risk tolerance
 - Summarize risk information, coordinated and communicated for carrying out policy and quota of each unit.
 - Risk management report is proposed regularly.
 - Monitor the risk of each operating segments regularly.
 - Assistance of pressure test.
 - Back testing.
 - Others
 3. To deal with the violation of other units by the authorization of the Board of Directors or Risk Management Committee
- iv) Operating segments
1. The responsibilities of operating segments supervisor to execute the risk management are as follows:
 - To be responsible for preparing daily risk report, taking actions.
 - To monitor related information of risk management and report to risk management department regularly.
 2. The responsibilities of operating segments to execute the risk management are as follows:
 - To recognize risk, and to report the information of risk exposure situation.
 - To measure the influence of degree of risk occurred (quality and quantity), and response the accurate solution with passing the risk information.
 - Reviewing the effectiveness of the setting risk tolerance.
 - Monitor risk exposure and measure the risk exceed the tolerance.
 - To assist the risk modelling development, ensuring that the uses and hypothesis of measuring, modeling are rational and consist of the basis.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- Ensure the effectiveness of internal control.
- Gather the information which is related to operational risk.

v) Audit department

Based on incumbent related legal regulation, to audit the implementation of risk management of each department in the Company.

2) Scope and nature of risk reporting or measure system

The Company's insurance risk monitoring included the entire or individual deal process of operating segments and various insurance goods, such as business volume, loss rate change, business structure, etc., should be in accordance with the standard, the limit, the process of over limit and the authorization. Then, through operating segments supervisors report daily or regularly to higher management level and Risk Management Department to summarize.

The Company holds Risk Management Committee periodically to report officially the insurance risk management monitor for decision making by the operating level.

3) Procedures for risk assuming, measurement, monitoring and control, as well as adequate risk classification and the underwriting policy

The Company set the underwriting policy which is following the Company's target, client demand and market competition environment. The unit of underwriting should process danger options in accordance with the underwriting policy. In addition the underwriting should cooperate with operating in term of assessment of danger and choice of business, policy due to the organization become more and more big and the market become more competitive. To achieve the goal of good quality, higher quantity, faster receivable rolling and faster claim procedure which is customer focus, the Company should enhance the method of thinking and innovation in underwriting, operating, claim and managing.

4) The range of entire basic evaluation assessment of the enterprise and risk management

The entire risk as a basic identify the Company's insurance risk, includes the design and price set risk, underwriting risk, insurance risk, claim risk, catastrophic risk and reserve risk, etc., in accordance with the various insurance risk of insurance risk management.

5) Limiting insurance risk exposure and avoiding the concentrations of insurance risk

The business of retained, ceded in reinsurance, ceded out reinsurance of the Company is under "Regulations Governing Insurance Enterprises Engaging in Operating Reinsurance and Other Risk Spreading Mechanisms" to establish the mechanism of risk management, and considering the risk bearing capacity, formulating a reinsurance risk management plan and implementing.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2021 and 2020, the amount of the retained risk limit per unit for each type of insurance is disclosed in the following table:

Insurance by Type	December 31, 2021	December 31, 2020
Fire insurance	\$ 400,000	350,000
Hull insurance	100,000	100,000
Fishing vessel insurance	50,000	50,000
Aviation insurance	200,000	200,000
Marine cargo insurance	500,000	300,000
Accident insurance	200,000	200,000
Engineering insurance	300,000	300,000
Casualty insurance	360,000	360,000
Vehicle insurance	30,000	30,000
Automobile liability insurance	120,000	120,000
Other property insurance	300,000	300,000
Health insurance	4,000	4,000
Accident insurance - travel insurance	240,000	240,000

6) The method of assets and liabilities management

The Company's assets and liabilities are coordinate with the factor of risk, including market risk, liquidity risk and insurance risk, which depend on the various risk management mechanism of monitor assets and liabilities cash flows, and using such as ratio of debt to assets, net debt to assets, etc., to entirely evaluate and analyze the appropriateness of managing assets and liabilities.

7) The illustration of management, monitor and control procedure of taking extra liabilities and equities promise when obtaining or providing on special events.

Under the Insurance Act, the Company's risk based capital ratio (RBC) should be at least 200%. Otherwise, the Company would be required to raise additional capital within a certain period; in addition, the Company will be prohibited from appropriating its earnings. Moreover, the authorities will restrict the Company's operations and use of capital.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(ii) Insurance risk information

1) Sensitivity analysis of insurance risk

Item	For the years ended December 31, 2021				
	Written premium	Expected rate of loss	Effect of profit or loss on 1% movement of expected rate of loss		
			Before reinsurance	After reinsurance	
Fire insurance	\$ 1,406,647	66.81%	14,254	5,252	
Marine insurance	278,584	63.57%	2,652	994	
Land and air insurance	87,218	69.05%	915	282	
Liability insurance	3,145,820	65.90%	31,519	26,012	
Surety insurance	17,658	72.41%	217	126	
Other property insurance	3,751,124	64.75%	37,518	28,858	
Accident insurance	1,073,518	74.71%	10,514	7,595	
Health insurance	66,558	68.90%	510	467	
Compulsory automobile liability insurance	1,266,816	No applicable	No applicable	No applicable	

Item	For the years ended December 31, 2020				
	Written premium	Expected rate of loss	Effect of profit or loss on 1% movement of expected rate of loss		
			Before reinsurance	After reinsurance	
Fire insurance	\$ 1,342,576	66.79%	13,733	5,428	
Marine insurance	247,025	63.55%	2,444	826	
Land and air insurance	102,940	69.66%	977	219	
Liability insurance	2,936,834	66.07%	28,942	23,383	
Surety insurance	20,552	72.40%	210	123	
Other property insurance	3,688,467	64.77%	34,969	25,848	
Accident insurance	1,007,916	75.60%	9,976	6,938	
Health insurance	27,107	81.60%	231	199	
Compulsory automobile liability insurance	1,268,744	No applicable	No applicable	No applicable	

Note: Due to various insurance contract frameworks are difference, the impact of a one percent change in rate of expected loss is not linear relationship to incomes and losses.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

2) Concentration of insurance risk

The risk of insurance risk concentration is controlled by reinsurance transfer method. For example, the risk caused by natural disasters is based on the RMS and AIR natural disaster model and the selected 250-year regression period is used as the basis for arranging the natural disaster reinsurance contract. Its content is used as a reference for setting key risk indicators for catastrophe.

a) The premium proportion of underwriting and ceded in reinsurance.

The insurance contracts which the Company underwrites are separated in various types of insurances, and not concentrated in any single type of insurance. The top 3 insurances in terms of proportion is voluntary automobile insurance, compulsory automobile liability insurance and accident insurance. The voluntary automobile insurance has the highest proportion accounts for 54.34% and 53.83% for 2021 and 2020, respectively. Although the proportion is slightly higher than other insurances, the loss experience of voluntary automobile insurance is stable and the risk variation is low. The remaining types of insurance are no risk concentration.

The premium proportion of underwriting insurance and ceded in reinsurance:

Type	For the years ended December 31,			
	2021		2020	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 677,072	6.10%	628,648	5.91%
Marine cargo insurance	196,504	1.77%	176,782	1.66%
Hull, fishing vessel and aviation insurance	166,720	1.50%	169,467	1.59%
Voluntary automobile insurance	6,028,065	54.34%	5,728,134	53.83%
Compulsory automobile liability insurance	1,266,816	11.42%	1,268,744	11.92%
Liability insurance	344,969	3.11%	336,375	3.16%
Engineering and nuclear insurance	432,633	3.90%	486,219	4.57%
Surety and credit insurance	17,658	0.16%	20,515	0.19%
Other property insurance	62,576	0.56%	42,850	0.40%
Accident insurance	1,073,518	9.68%	1,007,916	9.47%
Typhoon, flood and earthquake insurance	722,518	6.51%	709,421	6.67%
Personal and commercial all-risk insurance	28,761	0.26%	31,487	0.30%
Health insurance	66,558	0.60%	27,107	0.25%
Overseas ceded-in reinsurance	9,575	0.09%	8,496	0.08%
Total	<u>\$ 11,093,943</u>	<u>100.00%</u>	<u>10,642,161</u>	<u>100.00%</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

b) Percentage of retained premium

The top 3 insurances with the highest proportion is voluntary automobile insurance, compulsory automobile liability insurance, accident insurance in term of retained business. The voluntary automobile insurance which has the highest proportion accounts for 64.30% and 63.53% for 2021 and 2020, respectively. The Company assesses the possibility of accumulated loss in order to arrange the contracts of reinsuring to diversify the risk. Therefore, there is no the situation of risk concentration.

In addition, the insurance which is likely to result in significant accumulated loss such as catastrophe insurance (earthquake, typhoon and flood) and the insurances are likely to result in accumulation are property insurance (fire insurance and engineering insurance), marine insurance and accident insurance should avoid the operating risk resulting from the underwriting risk concentration, the Company has bought catastrophe reinsurance contracts in advance for abovementioned insurances to diversify the risk.

The percentage of retained premium was as follows:

Type	For the years ended December 31,			
	2021		2020	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 313,483	3.92%	339,970	4.61%
Marine cargo insurance	116,498	1.46%	94,500	1.28%
Hull, fishing vessel and aviation insurance	12,609	0.16%	12,982	0.18%
Voluntary automobile insurance	5,141,238	64.30%	4,690,764	63.53%
Compulsory automobile liability insurance	857,928	10.73%	856,379	11.60%
Liability insurance	217,658	2.72%	217,775	2.95%
Engineering and nuclear insurance	195,385	2.44%	166,830	2.26%
Surety and credit insurance	10,933	0.14%	11,993	0.16%
Other property insurance	51,820	0.65%	32,810	0.44%
Accident insurance	782,568	9.79%	705,023	9.55%
Typhoon, flood and earthquake insurance	201,813	2.52%	194,486	2.63%
Personal and commercial all-risk insurance	28,193	0.35%	30,705	0.42%
Health insurance	57,685	0.72%	23,006	0.31%
Overseas ceded-in reinsurance	7,624	0.10%	5,909	0.08%
Total	\$ 7,995,435	100.00%	7,383,132	100.00%

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

c) Claims trend

For the year ended December 31, 2021

Occurrence year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
1	35,468,198	2,724,767	2,593,826	3,019,920	3,505,019	4,231,875	3,846,573	4,548,623	4,201,280	4,120,597	4,742,417
2	35,385,434	2,990,271	2,885,933	3,216,949	3,615,016	4,483,260	4,058,010	4,804,267	4,901,074	4,890,228	
3	35,436,279	2,954,427	2,855,978	3,161,079	3,557,644	4,338,968	3,989,815	4,784,261	4,774,671		
4	35,322,695	2,934,992	2,837,248	3,151,586	3,530,087	4,331,187	3,997,617	4,714,228			
5	35,297,200	2,908,274	2,835,816	3,151,839	3,505,206	4,348,353	3,972,187				
6	35,279,780	2,881,191	2,830,761	3,130,980	3,518,795	4,300,980					
7	35,251,157	2,880,642	2,834,001	3,155,004	3,501,489						
8	35,233,142	2,875,661	2,849,616	3,128,978							
9	35,219,765	2,900,934	2,833,969								
10	35,509,280	2,877,029									
11	35,193,324										
Estimates	35,193,324	2,877,029	2,833,969	3,128,978	3,501,489	4,300,980	3,972,187	4,714,228	4,774,671	4,890,228	4,742,417
Actual	35,176,272	2,853,282	2,829,214	3,118,743	3,494,127	4,286,414	3,921,591	4,627,738	4,611,354	4,540,681	2,954,797
Subtotal	17,052	23,747	4,755	10,235	7,362	14,566	50,596	86,490	163,317	349,547	1,787,620
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	17,052	23,747	4,755	10,235	7,362	14,566	50,596	86,490	163,317	349,547	1,787,620

For the year ended December 31, 2020

Occurrence year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
1	31,856,311	3,422,196	2,724,767	2,593,826	3,019,920	3,505,019	4,231,875	3,846,573	4,548,623	4,201,280	4,053,992
2	32,046,002	3,619,245	2,990,271	2,885,933	3,216,949	3,615,016	4,483,260	4,058,010	4,804,267	4,843,061	
3	31,766,189	3,712,638	2,954,427	2,855,978	3,161,079	3,557,644	4,338,968	3,989,815	4,730,282		
4	31,723,641	3,646,063	2,934,992	2,837,248	3,151,586	3,530,087	4,331,187	3,964,421			
5	31,676,632	3,633,221	2,908,274	2,835,816	3,151,839	3,505,206	4,320,542				
6	31,663,979	3,618,015	2,881,191	2,830,761	3,130,980	3,500,447					
7	31,661,765	3,613,200	2,880,642	2,834,001	3,129,167						
8	31,637,957	3,612,072	2,875,661	2,834,283							
9	31,621,070	3,611,620	2,877,806								
10	31,608,145	3,582,469									
11	31,608,398										
Estimates	31,608,398	3,582,469	2,877,806	2,834,283	3,129,167	3,500,447	4,320,542	3,964,421	4,730,282	4,843,061	4,053,992
Actual	31,593,052	3,578,711	2,849,059	2,829,528	3,118,932	3,493,254	4,293,122	3,903,485	4,541,350	4,447,550	2,901,504
Subtotal	15,346	3,758	28,747	4,755	10,235	7,193	27,420	60,936	188,932	395,511	1,152,488
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	15,346	3,758	28,747	4,755	10,235	7,193	27,420	60,936	188,932	395,511	1,152,488

3) Credit risk of insurance contracts

a) Credit risk

i) Compliance with the “Regulations Governing the Provision of Unauthorized Reinsurance Reserves for Insurance Company” No.5, the transaction with unauthorized reinsurers shall be represented in the notes of financial statements and the content shall include:

1. The summary of unauthorized reinsurance contracts and types of reinsurance.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

2. The reinsurance premium expense of unauthorized reinsurance contracts.
 3. General description of the amount of unauthorized reserve and its components.
- ii) The abstract and related insurance of unauthorized reinsurance contracts in the Company were as follows:

As of December 31, 2021,

Company	Annotation
Asia Capital Reinsurance Group Pte Ltd.	Facultative reinsurance of each kind of insurance
Asia Capital Reinsurance Group Pte Ltd. (Hong Kong Branch)	Treaty and Facultative reinsurance of each kind of insurance
Trust International Insurance and Reinsurance CO.B.S.C (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance.
Mugatlal Bhagwandas Boda & Company	Treaty reinsurance of engineering insurance

As of December 31, 2020

Company	Annotation
Asia Capital Reinsurance Group Pte Ltd.	Facultative reinsurance of each kind of insurance
Asia Capital Reinsurance Group Pte Ltd. (Hong Kong Branch)	Treaty and Facultative reinsurance of each kind of insurance
Trust International Insurance and Reinsurance CO. B.S.C. (C) Trust Re	Treaty and Facultative reinsurance of each kind of insurance
Tugu Insurance Company Limited, HK	Facultative reinsurance of marine insurance
Mugatlal Bhagwandas Boda & Company	Treaty reinsurance of engineering insurance

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- iii) For the years ended December 31, 2021 and 2020, the reinsurance premium expenses (reversal) for unauthorized reinsurance in the Company amounted to \$(95) and \$(908), respectively.
- iv) The principle summary of amounts and component items of unauthorized reinsurance reserve in the Company was as follows:

	December 31, 2021	December 31, 2020
Unearned premium reserve	\$ -	3
Claims recoverable from reinsurers of paid claims overdue in nine month	-	13
Claims recoverable from reinsurers reported but unpaid	4,465	4,520
The unauthorized reinsurance reserves-Total	\$ 4,465	4,536

b) Liquidity risk

The Company's liquidity risk includes capital liquidity risk and market liquidity risk of insurance contracts, via monitoring and managing the liquidity risk of risk management to maintain the sufficient liquidity when the occasion events and raise the balance of assets income investment.

To ensure the operating stability, the Company needs the sufficient liquidity assets that can immediately into cash in case the needs of premium deficiency or unexpected claim duty increase sharply.

c) Market risk

The market risk of insurance contracts in the Company includes interest rate risk, foreign currency risk and price risk. The monitoring market risk includes the overall and individual transaction processes of each trading unit and each financial product, such as change in positions, change in profit and loss, trading patterns and trading targets, etc., which should be carried out within the scope of the Company including quota, stop loss and over limit treatment. The competent authority shall conduct risk reporting according to its responsibilities and the risk management department shall regularly report the market risk monitoring table to the operating management and report to the risk management committee and the Board of Directors regularly.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

Maximum credit risk exposure were as follows:

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 3,648,227	2,386,542
Receivables	680,984	667,810
Financial assets measured at fair value through profit or loss	1,879,359	1,966,543
Financial assets at fair value through other comprehensive income	2,080,399	2,356,484
Financial assets measured at amortized cost	1,396,058	1,493,894
Other financial assets	2,427,420	2,121,637
Reinsurance contract assets	3,860,017	3,920,832
Other assets	<u>702,841</u>	<u>637,804</u>
Total	<u>\$ 16,675,305</u>	<u>15,551,546</u>

The Company does not involve into lending business. The financial assets are mainly receivables, reinsurance contract assets and investment projects in the open market. The credit risk is controlled by the limit method and the risk status of the counterparty is assessed regularly.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

3) The movement in loss allowance and information of credit quality of financial assets at amortized cost

a) The movement in loss allowance

For the year ended December 31, 2021						
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	\$ 873	-	-	873	-	873
Changes	(219)	-	-	(219)	-	(219)
Ending balance	<u>\$ 654</u>	<u>-</u>	<u>-</u>	<u>654</u>	<u>-</u>	<u>654</u>

For the year ended December 31, 2020						
	12-month ECL stage 1	Lifetime ECL (assessed on collective) stage 2	Lifetime ECL (assessed on individual) stage 3	The provision of impairment in accordance with IFRS9 (subtotal)	The provision of impairment in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises.	Total
Beginning balance	\$ 949	-	-	949	-	949
Changes	(76)	-	-	(76)	-	(76)
Ending balance	<u>\$ 873</u>	<u>-</u>	<u>-</u>	<u>873</u>	<u>-</u>	<u>873</u>

b) The information of credit quality

December 31, 2021											
stage1				stage2				stage3		Allowance impairment loss	
	Low-risk	Moderate-ris k	High-risk	Total	Low-risk	Moderate-ris k	High-risk	Total			
Financial assets at amortized cost (including statutory deposit)	<u>\$ 1,820,353</u>	<u>-</u>	<u>-</u>	<u>1,820,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>654</u>	<u>1,819,699</u>

December 31, 2020											
stage1				stage2				stage3		Allowance impairment loss	
	Low-risk	Moderate-ris k	High-risk	Total	Low-risk	Moderate-ris k	High-risk	Total			
Financial assets at amortized cost (including statutory deposit)	<u>\$ 1,860,619</u>	<u>-</u>	<u>-</u>	<u>1,860,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>873</u>	<u>1,859,746</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(ii) Liquidity risk

The following table shows the maturity date of financial liabilities. The Company does not anticipate that the cash flow of the maturity analysis will occur significantly earlier, or the actual amount will be significantly different.

		December 31, 2021					
		Contract undiscount ed cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months	
		Amount					
Payables							
Claims payable	\$	2,849	2,849	182	135	53	2,479
Commissions payable		178,446	178,446	178,446	-	-	-
Due to ceding companies		620,083	620,083	577,166	40,301	-	2,616
Other payables		436,307	436,307	400,982	35,000	10	315
Lease liabilities		18,257	18,545	3,662	6,596	2,728	5,559
Other liabilities							
Guarantee deposits received		6,730	6,730	1,161	1,382	149	4,038
Reinsurance liability reserve deposits		3,754	3,754	3,754	-	-	-
Total		<u>\$ 1,266,426</u>	<u>1,266,714</u>	<u>1,165,353</u>	<u>83,414</u>	<u>2,940</u>	<u>15,007</u>
		December 31, 2020					
		Contract undiscount ed cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months	
		Amount					
Payables							
Claims payable	\$	2,753	2,753	723	1,170	16	844
Commissions payable		172,896	172,896	172,896	-	-	-
Due to ceding companies		662,257	662,257	631,236	24,567	-	6,454
Other payables		418,844	418,844	382,531	35,524	159	630
Lease liabilities		7,863	7,950	2,638	3,225	735	1,352
Other liabilities							
Guarantee deposits received		4,814	4,814	-	1,565	1	3,248
Reinsurance liability reserve deposits		11,963	11,963	11,963	-	-	-
Total		<u>\$ 1,281,390</u>	<u>1,281,477</u>	<u>1,201,987</u>	<u>66,051</u>	<u>911</u>	<u>12,528</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(iii) Foreign currency risk

1) Exposure about foreign currency risk

The amounts of the original currency (in thousands) exposed to the significant foreign currency exchange rate risk were as follows:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
<u>Financial assets</u>		
<u>Monetary items</u>		
USD	\$ 6,777	4,641
EUR	63	59
JPY	120	26
HKD	50	383
KRW	153	54
CNY	40	-
GBP	25	20
THB	1,322	1,811
<u>Financial liability</u>		
<u>Monetary items</u>		
USD	4,040	2,777
KRW	365	117

Important rate:

	Rates	
	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
USD	\$ 27.68	28.48
EUR	31.32	35.02
JPY	0.2405	0.2763
HKD	3.55	3.67
KRW	0.0235	0.0264
CNY	4.34	4.38
GBP	37.30	38.90
THB	0.8347	0.9556

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

2) Sensitivity analysis

As of December 31, 2021 and 2020, with all other variable factors that remain constant, when NTD increases 1% compared to other currency, the amount of the Company's comprehensive income will increase as follows:

	December 31, 2021	December 31, 2020
USD(increases 1%)	\$ 606	531
EUR(increases 1%)	16	21
HKD(increases 1%)	1	14
CNY(increases 1%)	1	-
GBP(increases 1%)	7	8
THB(increases 1%)	9	17

Conversely, if there is a decrease of 1% compared to other currency based on all other variables remain the same, there will be the same amount but opposite direction of influence as of December 31, 2021 and 2020.

(iv) Interest rate risk

1) Summary

The amounts of interest bearing financial instruments related to interest rate risk on the reporting date were as follows:

	Carring Amount	
	December 31, 2021	December 31, 2020
Variable interest rate instrument:		
Term deposit	\$ 457,000	1,568,125

2) Sensitivity Analysis of variable interest rate financial instruments

Based on the carrying amount of those financial instruments on the reporting date, assuming they are held for one year, and all other variable factors remaining constant, when interest rate change 10 basis points, the Company's net income will increase or decrease as follows:

	December 31, 2021	December 31, 2020
Increase 10 basis points	\$ 457	1,568
Decrease 10 basis points	(457)	(1,568)

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(v) Fair value and hierarchy information

1) Fair value information

a) General description

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction among market participants at the measurement date.

b) Definition of fair value hierarchy

i) Level 1

The input of Level 1 is the public quote of the same financial instrument in an active market. An active market is a market that meets all the conditions listed below: Products traded in the market is of homogeneity; it is able to reach buyer and seller anytime in the market and the price information can be accessed by the public. Listed stock, OTC stock, beneficiary certificates, as well as equity and derivative instruments with public quote in an active market possessed by the Company belong to Level 1.

ii) Level 2

The input of Level 2 refers to observable price except public quote in an active market, including direct observable input parameters (such as price) or indirect observable input parameters (derivation from price).

iii) Level 3

The input of level 3 is the parameters of measuring fair value, which is from neither on direct market data nor from the counter party.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

2) Based on fair value measurement

a) Hierarchy information of fair value

The Company's financial instruments measured at fair value are evaluated on a recurring basis. The financial assets and liabilities measured at fair value were as follows:

		December 31, 2021			
Assets and liabilities	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<u>Repeatable fair value measurement</u>					
<u>Non-derivative financial assets and liabilities</u>					
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 131,006	131,006	-	-	
Real estate investment trust beneficiary certificates	342,856	342,856	-	-	
Stocks	1,405,497	1,405,497	-	-	
Financial assets at fair value through other comprehensive income					
Stocks	2,080,399	2,065,027	-	-	15,372
		December 31, 2020			
Assets and liabilities	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<u>Repeatable fair value measurement</u>					
<u>Non-derivative financial assets and liabilities</u>					
Financial assets at fair value through profit or loss					
Beneficiary certificates	\$ 52,666	52,666	-	-	
Real estate investment trust beneficiary certificates	353,825	353,825	-	-	
Stocks	1,560,052	1,560,052	-	-	
Financial assets at fair value through other comprehensive income					
Stocks	2,356,484	2,342,540	-	-	13,944

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

b) Valuation techniques of fair value measurement

The valuation of non-derivative financial instruments are based on transparent offer price as fair value if there is existence of active market. The basic of fair value is the market price announced by stock exchange, OTC, etc., the listed stocks and OTC stocks as equity instruments, and debt instruments in active market.

If obtaining frequently and timely transparent offers from stock exchange, brokers, securities underwriter, industrial union and set price service organization or supervisor organization that means the price is actual and frequent fair market deal that is the transparent offer price as fair value in the active market. If the conditions above mentioned are fail, the market is considered as non active market. Generally, the difference between bid ask is big and significant or with the volume of deal is few would be indicated that non active market. The equity of non transparent offer price shall be evaluated by valuation techniques by using the Market approach public company comparable with the discount of lack equity liquidity.

c) Transfer between Level 1 and Level 2

There is no transfer between Level 1 and Level 2 for the years ended December 31, 2021 and 2020.

d) Movements of financial assets at fair value classified into Level 3

Name	For the year ended December 31, 2021							Balance at the end of the year
	Balance at the beginning of the year	Gains and losses on valuation		Increase		Decrease		
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3	
Financial assets at fair value through other comprehensive income	\$ 13,944	-	1,428	-	-	-	-	15,372

Name	For the year ended December 31, 2020							Balance at the end of the year
	Balance at the beginning of the year	Gains and losses on valuation		Increase		Decrease		
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3	
Financial assets at fair value through other comprehensive income	\$ 13,524	-	420	-	-	-	-	13,944

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- e) Quantified information of fair value measurement for significant unobservable inputs (Level 3)

The Company's Level 3 fair value measurements are financial assets at fair value through other comprehensive income – equity instruments investment.

The Company's equity instruments investment without active market include multiple significant unobservable inputs. Those unobservable inputs of equity instrument without active market are independent from each other, thus, they are not correlative. Since the correlation between significant unobservable inputs and fair value cannot be fully measured in practical, the quantified information is not disclosed.

<u>Items</u>	<u>Evaluation</u>	<u>significant unobservable inputs</u>	<u>relationship between significant unobservable inputs and the fair value</u>
Financial assets at fair value through other comprehensive income - equity instruments without an active market	Market method	<ul style="list-style-type: none"> · Price to Book Ratio · Discount for lack of marketability 	<ul style="list-style-type: none"> · The higher price to book ratio is, the higher fair value is. · The higher discount for lack of marketability is, the lower the fair value is.

- f) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Company made for the financial instruments is deemed reasonable; however, different valuation models or inputs could result in different valuation results. Specifically, if the valuation input of financial instruments classified in the Level 3 changes by 1%, the effects on other comprehensive income are as follows:

	<u>Change in fair value recognized in other comprehensive income</u>	
	<u>Favorable</u>	<u>Unfavorable</u>
December 31, 2021		
Financial assets fair value through other comprehensive income	<u>\$ 154</u>	<u>(154)</u>
December 31, 2020		
Financial assets fair value through other comprehensive income	<u>\$ 139</u>	<u>(139)</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Favorable and unfavorable movements of the Company refer to the fluctuation of fair value, and the fair value is calculated through the valuation technique according to the unobservable inputs to different extent. If the fair value of a financial instrument is affected by more than one input, the above table only illustrates the effect as a result of one single input, and the correlation and variance among multiple inputs are not listed here.

(vi) Financial instruments not measured at fair value

1) Fair value information

The carrying amounts of financial instruments not measured at fair value, such as cash and cash equivalents, account receivables, reinsurance contract assets, account payables and other financial liabilities that are approximate to the fair value in the Company does not disclose the fair value, except for below items:

Item	Carrying amount	Fair value
December 31, 2021		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	\$ 1,819,699	1,831,958
Investment Property	856,508	1,770,222
December 31, 2020		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	1,859,746	1,893,480
Investment Property	791,880	1,695,676

2) Fair value information

Item	December 31, 2021			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at amortized cost (included statutory deposits)	\$ 1,831,958	-	1,831,958	-
Investment property	1,770,222	-	-	1,770,222

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

Item	December 31, 2020			
	Total	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets at amortized cost (included statutory deposits)	\$ 1,893,480	-	1,893,480	-
Investment property	1,695,676	-	-	1,695,676

3) Valuation techniques

The valuation assumption and methods of financial instruments not measured at fair value is used by the Company were as follows:

- a) The fair value of short-term financial commodity is estimated by the carrying amount of balance sheet. The carrying amount is the reasonable basis to estimate the fair value, because the maturity date of the commodity is near. The method applied on cash and equivalent cash, accounts receivables and accounts payables.
- b) Financial assets at amortized cost (bond investments without active market)

If investments assets measured at amortized cost have transaction price or quotes of the market makers, use the recent transaction price and quotes as the basis of estimating fair value. If without market value, discounted cash flow method or the quotes of the counterparties are used to calculate fair value or the quoted prices of the counter party.
- c) The refundable deposits and guarantee deposits have no specific maturity date, as a result, using the carrying amount on the balance sheet as the fair value.
- d) The fair value of investment property is assessed by the market practices.

4) Transfer between Level 1 and Level 2

There were no transfer in 2021 and 2020.

(w) Financial risk management

(i) Overview

1) Credit risk

Credit risk is that borrowers failing to make payments, including pre settlement risk and settlement risk. The settlement risk is the counterparties' violation, and the problem of their liquidity limit and procedure. The pre settlement risk is that during the period of deal, the counterparties cannot perform their obligation of the contract, resulting in the risk of loss.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

2) Liquidity risk

The liquidity risk indicates that the deficiency of trading volume or lack of trading counterparties results in the risk of finished trade out of expecting timing.

3) Market risk

Market risk includes foreign exchange rates and interest rates. The risk of foreign exchange rates comes from the change of price of foreign currency, includes the change of value, and the change of relationship between currencies, and currency depreciation. The risk of interest rates comes from the change of bond's price, i.e. yield curve risk, when the shape of yield curve risk changes, the risk will occur.

(ii) The framework of risk management

Please refer to Note(6)(u)(i)1).

(iii) Credit risk

1) The financial assets are classification of credit risk quantity as an assessment of loss. The Company' internal credit risk is classified as low risk, moderate risk and high risk as definition as follows:

- a) Low risk: The issuers or the counterparties are rated as robust or above to fulfill their obligation of the contracts. Even under various negative news or disadvantageous economic conditions, the companies are capable of dealing with the situations.
- b) Medium risk: The issuers or the counterparties have lower capability of fulfilling their obligation, disadvantage operation, financial and economic conditions, resulting in weaken capability of dealing with the situations.
- c) High risk: The possibility that the issuers or counterparties fulfill their obligation is remote and mainly relies on the business environment. Negative news or disadvantageous economic conditions will lower their ability and willingness to fulfill their obligation.
- d) The impaired items represent the amount of loss allowance provided for financial assets based on the regulations of accounting standards. Under the principle of prudence, the impaired amount is able to reflect the current value of the impaired assets.

2) Determining the credit risk has increased significantly since initial recognition

- a) At each reporting date, the Company assessed all the financial instruments applicable for IFRS 9 to determine whether the credit risk has increased significantly since the initial recognition. In order to make this assessment, the Company considers reasonable and supportable information (including forward looking information) that is indicative of significant increases in credit risk since initial recognition. The criteria include external credit rating, overdue status, credit spreads, and other market information related to the issuers or debtors.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- b) Low credit risk: If it is determined that the credit risk of a financial instrument at the reporting date is low, it can be assumed that the credit risk of the financial instrument has not increased significantly since the date of initial recognition. Judgment criteria: external credit rating above investment grade (Baa3).
- 3) Measuring the expected credit losses
- a) The methods and assumptions
 - If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company shall measure the allowance for impairment of the financial instrument using the 12 month expected credit losses; if the credit risk on a financial instrument has increased significantly since initial recognition, the Company shall measure the allowance for impairment using the lifetime expected credit losses.
 - In order to measure expected credit losses, the Company considers the default probability (Probability of default, "PD") of financial assets or issuers or debtors, and loss given default rate ("LGD") multiplying the exposure at default ("EAD"), taking into account the time value of money as well evaluate 12 month and lifetime loss.
 - Default probability is the probability that the issuers or the debtors defaults, and the loss given default rate is the rate of loss caused by default by the issuers or debtors. The relevant indicators used by the Company are based on the default rate and loss given default rate published by Moody's.
 - The Company measures the Exposure at default based on the amortized cost of financial instruments plus accrued interest.

4) Consideration of forward-looking information

The Company obtains forward-looking information which it takes into consideration when determining whether the credit risk of financial instruments has increased significantly since initial recognition and assessing the expected credit losses. The default probability used for impairment assessment of the Company is based on the information which already includes forward-looking general economic information published by Moody's.

(iv) Liquidity risk

The Company's approach to managing liquidity is to ensure that there is sufficient liquidity to support the liabilities which is going to expire. The investment targets all have an active market. Financial assets are expected to be sold at a price close to fair value and the own operating capital are sufficient to support the demand for funds needed. so there is no liquidity risk due to the inability to make funds.

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(v) Market risk

The goal of market risk management is to control the market risk exposure to an acceptable level and optimize investment returns. The Company uses VAR values to measure price risk. Regularly compare the holding of investment targets with market prices and strictly observe the restrictions on stop-loss. The investment targets do not involve emerging market and commodity risks. It's only foreign currency financial assets and liabilities expose to foreign currency risk and Interest rate risk. The Company conducts stress tests and sensitivity analysis for exchange rate and interest rate risk to ensure that the maximum loss does not endanger the Company's operations.

(x) Capital Management

The policy of the Board of Directors is to maintain robust capital base, and to uphold the confidence of investors, creditors and the market, as well as to support the development of future operations. The capital includes the Company's share capital, capital reserve and undistributed surplus. The Board of Directors controls the rate of return on capital and controls the level of common stock dividends.

As of December 31, 2021, the method of capital management of the Company remains the same.

(y) Structured entities not included in the financial statements

(i) The Company possesses the equities of the following structured entities which are not included in the financial statements. The fund is from the Company and an outside third party:

<u>Types of structured entity</u>	<u>Characteristic and purpose</u>	<u>Equity owned by the Company</u>
Assets securitization products-REITS	Invests in assets securitization products of commercial real estate.	Asset backed securities issued by the entity

(ii) The carrying amount of the assets related to the structured entities recognized by the Company but not yet included in the financial statements on December 31, 2021 and 2020, were as follows:

<u>December 31, 2021</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ 342,856
Total assets possessed by the company	<u>\$ 342,856</u>
<u>December 31, 2020</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ 353,825
Total assets possessed by the company	<u>\$ 353,825</u>

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

The maximum exposure of the possible loss from the entity is the carrying amount of the assets possessed.

- (iii) The Company did not provide any financial support for the asset securitization products not included in the financial statements for the years ended December 31, 2021 and 2020.

(7) Related-party transactions:

- (a) Final controller

Mr. Tsai Yan Ming is the Company final controller.

- (b) Names and relationship of related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Want Want Co., Ltd.	Material related party
Want Chia Enterprises Co.,Ltd.	Material related party
H.Y. Tsai Co., Ltd.	Material related party
Tsai Ho Want Enterprises Co., Ltd.	Material related party
Want Want Constructions Co., Ltd.	Material related party
Digital Commercial Times Inc.	Material related party
CTI Television Incorporation Co., Ltd.	Material related party
China Times Culture Co., Ltd.	Material related party
China Times Travel Service Co., Ltd.	Material related party
China Television Company Co., Ltd.	Material related party
Touche Innovative Media Co., Ltd.	Material related party
China Times Study Services Co Ltd.	Material related party
Media Sphere Communications Ltd.	Material related party
K Venture Co., Ltd.	Material related party
TY Star Network Technology Co., Ltd.	Material related party
Cnplus Production, Inc.	Material related party
Want Tai Media Co., Ltd.	Material related party
I Lan Foods Ind. Co., Ltd.	Material related party
First Family Enterprise Co., Ltd.	Material related party
Want Pu Trading Limited, Taiwan Branch (B.V.I)	Material related party
Newwing Limited, Taiwan Branch (B.V.I)	Material related party
Twitcher Taiwan Limited, Taiwan Branch (B.V.I)	Material related party
San Want Hotel Co., Ltd.	Material related party

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Name of Related Party	Relationship with the Company
Shao Yuan Co., Ltd.	Material related party
Jia Peng Development Co., Ltd.	Material related party
Ho Yuan Want Co., Ltd.	Material related party
Taiwan Marketing Logistics Co., Ltd.	Material related party
Hao Want Co., Ltd.	Material related party
Wulai Tourism Co., Ltd.	Material related party
Ren Want Co., Ltd.	Material related party
Apollo Marketing Research Co.,Ltd.	Material related party
Earth Want Co., Ltd.	Material related party
IBF Securities Co., Ltd.	Material related party
International Bills Finance Corp.	Material related party
Nuowant Biomedical Technology Co., Ltd.	Material related party
CTV Charities Aid Foundation	Material related party
Commercial Culture Co., Ltd.	Material related party
Hongkong Hai Tian Aquaculture Holdings Limited, Taiwan Branch (Previous Company Name : HongKong Da Want Aquaculture Holdings Limited, Taiwan Branch)	Material related party

All directors, supervisors, managers, chairman of the board, general managers are the Company's related parties.

(c) Compensation of key management personnel

	For the years ended December 31,	
	2021	2020
Short-term employee benefits	\$ 41,554	46,487
Short-term employee benefits-paid leave	523	626
Post-employment benefits	546	821
Total	\$ 42,623	47,934

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(d) Significant transactions with related parties were as follows:

(i) The details of written premium, account receivables, and prepaid expenses were as follows:

1) Written premium

	For the years ended December 31,	
	2021	2020
	<u>Amount</u>	<u>Amount</u>
Written premium		
Other related parties	\$ 16,925	17,111
Key management personnel	<u>864</u>	<u>818</u>
Total	<u>\$ 17,789</u>	<u>17,929</u>

2) Account receivables

	December 31,	December 31,
	<u>2021</u>	<u>2020</u>
Premiums receivable:		
Other related parties	\$ 214	516
Key management personnel	<u>6</u>	<u>-</u>
Total	<u>\$ 220</u>	<u>516</u>

The terms of transactions were similar to those of non related parties.

3) Prepaid expenses

	December 31,	December 31,
	2021	2020
	<u></u>	<u></u>
Prepaid expenses:		
Other related parties	<u>\$ -</u>	<u>4,003</u>

(ii) General expense:

Related parties	For the years ended December 31,	
	2021	2020
	<u></u>	<u></u>
Other related parties	<u>\$ 7,051</u>	<u>4,798</u>

(iii) Rental revenue:

Related parties	For the years ended December 31,	
	2021	2020
	<u></u>	<u></u>
Key Management personnel	<u>\$ 60</u>	<u>-</u>

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(8) Pledged assets:

As of December 31, 2021 and 2020, the assets pledged or guarantee were as follows:

Pledged Assets	December 31, 2021	December 31, 2020	Purpose of pledge
Other financial assets - Time deposit	\$ 167,000	167,000	Guarantee for the insurance business
Financial assets at amortized cost	423,641	365,852	Guarantee for operating business, suit, and contract performance
Total	<u>\$ 590,641</u>	<u>532,852</u>	

(9) Commitments and contingencies:

- (a) The Company had several significant insurance lawsuits and was required to pay indemnities of \$154,810, of which approximately \$110,986 were reinsured. The remain had been accrued. These cases have not been resolved with District Court of Appeal as of December 31, 2021.
- (b) In order to improve computer equipment and IT systems, the Company is in contract with several IT companies. As of December 31, 2021, there is \$71,416 unpaid.

(10) Losses Due to Major Disasters:None.

(11) Subsequent Events:None.

(12) Other:

- (a) A summary of employee benefits, depreciation and amortization:

Function	For the years ended December 31,					
	2021			2020		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employees Benefits:						
Salaries	348,399	760,919	1,109,318	361,667	779,705	1,141,372
Labor and health insurance	-	83,637	83,637	-	77,988	77,988
Pension	-	41,735	41,735	-	41,488	41,488
Remuneration of directors	-	23,241	23,241	-	23,122	23,122
Others	-	45,688	45,688	-	44,905	44,905
Depreciation	4,226	46,778	51,004	4,262	49,735	53,997
Amortization	-	17,462	17,462	-	17,301	17,301

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

(b) Disclosure of earned retention premium by compulsory and non-compulsory insurance

For the year ended December 31, 2021						
Item	Premium Revenue (1)	Reinsurance Premium (2)	Reinsurance Expense (3)	Net change in unearned premium reserve (4)=(1)+(2)-(3)	Net change in unearned premium reserve(5)	Retention of earned premium (6)=(4)-(5)
Compulsory insurance	\$ 967,046	299,770	408,888	857,928	(1,106)	859,034
Non-compulsory insurance	9,694,439	132,688	2,689,620	7,137,507	183,063	6,954,444
Total	\$ 10,661,485	432,458	3,098,508	7,995,435	181,957	7,813,478

For the year ended December 31, 2020						
Item	Premium Revenue (1)	Reinsurance Premium (2)	Reinsurance Expense (3)	Net change in unearned premium reserve (4)=(1)+(2)-(3)	Net change in unearned premium reserve(5)	Retention of earned premium (6)=(4)-(5)
Compulsory insurance	\$ 975,122	293,622	412,365	856,379	216	856,163
Non-compulsory insurance	9,247,767	125,650	2,846,664	6,526,753	238,540	6,288,213
Total	\$ 10,222,889	419,272	3,259,029	7,383,132	238,756	7,144,376

(c) Disclosure of self-claim by compulsory and non-compulsory insurance

For the year ended December 31, 2021				
Item	Claim (included related expenses) (1)	Reinsurance claim (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 660,187	277,747	393,918	544,016
Non-compulsory insurance	4,864,665	121,283	1,568,793	3,417,155
Total	\$ 5,524,852	399,030	1,962,711	3,961,171

For the year ended December 31, 2020				
Item	Claim (included related expenses) (1)	Reinsurance claim (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 718,341	270,000	426,763	561,578
Non-compulsory insurance	4,826,204	111,488	1,709,390	3,228,302
Total	\$ 5,544,545	381,488	2,136,153	3,789,880

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(d) Reserves accrued and recovered for compulsory automobile and motorcycle insurance:

For the years ended December 31, 2021

Type	Beginning	Provision	Recovered	Ending	Note
Unearned premium reserve					
Compulsory automobile liability insurance	\$ 394,655	399,078	394,655	399,078	
Compulsory motorcycle liability insurance	141,925	132,472	141,925	132,472	
Special reserve					
Compulsory automobile liability insurance	(300,611)	86,256	62,574	(276,929)	
Compulsory motorcycle liability insurance	300,611	4,535	10,274	294,872	
Claim reserve					
Compulsory automobile liability insurance	667,234	569,388	667,234	569,388	
Compulsory motorcycle liability insurance	188,001	180,851	188,001	180,851	
Total	\$ 1,391,815	1,372,580	1,464,663	1,299,732	

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2020

Type	Beginning	Provision	Recovered	Ending	Note
Unearned premium reserve					
Compulsory automobile liability insurance	\$ 381,506	394,655	381,506	394,655	
Compulsory motorcycle liability insurance	155,157	141,925	155,157	141,925	
Special reserve					
Compulsory automobile liability insurance	(329,245)	35,350	6,716	(300,611)	
Compulsory motorcycle liability insurance	329,245	-	28,634	300,611	
Claim reserve					
Compulsory automobile liability insurance	663,646	667,234	663,646	667,234	
Compulsory motorcycle liability insurance	196,925	188,001	196,925	188,001	
Total	\$ 1,397,234	1,427,165	1,432,584	1,391,815	

(e) Balance sheet and operating revenue and cost of compulsory automobile liability insurance:

(i) Balance sheet of compulsory automobile liability insurance:

Items	Amount		Items	Amount	
	December 31, 2021	December 31, 2020		December 31, 2021	December 31, 2020
<u>Asset</u>			<u>Liabilities</u>		
Cash and bank deposit	\$ 728,157	727,228	Claims payable	\$ 163	58
Notes receivable	7,860	7,876	Reinsurance indemnity payable	70,785	71,546
Premiums receivable	9,466	10,230	Unearned premium reserves	531,550	536,580
Claim recoverable from reinsures	51,658	70,141	Claims reserves	750,239	855,235
Due from reinsurers and ceding companies	49,805	48,867	Special reserves	17,943	-
Reserve - ceded unearned premiums	219,878	223,802			
Reserve - ceded claim	303,805	374,963		-	-
Temporary payments	51	312			
Total assets	\$ 1,370,680	1,463,419	Total liabilities	\$ 1,370,680	1,463,419

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(ii) Operating revenue and cost of compulsory automobile liability insurance:

Item	For the years ended December 31,	
	2021	2020
Operating revenue	572,972	567,727
Direct insurance premium revenue	681,456	687,257
Reinsurance premium	299,770	293,622
Premium	981,226	980,879
Less: Reinsurance expense	(408,888)	(412,365)
Net change in unearned premium reserve	1,106	(216)
Retained earned premium	573,444	568,298
Interest income	(472)	(571)
Operating costs	590,695	567,727
Insurance claim payment	660,187	718,341
Reinsurance claim payment	277,747	270,000
Less: Claim recovered from reinsurers	(393,918)	(426,763)
Retained claim payment	544,016	561,578
Net change in claim reserve	(33,838)	(567)
Net change in special reserve	80,517	6,716

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- (f) The amounts of the Company expecting to recover (paid) within (over) 12 months of the balance sheet date were as follows:

Assets	December 31, 2021		
	Within 12 months	Over 12 months	Total
Cash and cash equivalents	\$ 3,648,227	-	3,648,227
Receivables	680,984	-	680,984
Financial assets at fair value through profit or loss	1,879,359	-	1,879,359
Financial assets at fair value through other comprehensive income	-	2,080,399	2,080,399
Financial assets at amortized cost	-	1,396,058	1,396,058
Other financial assets	2,300,920	126,500	2,427,420
Right-of-use assets	-	18,127	18,127
Investment property	-	856,508	856,508
Reinsurance assets	3,466,616	393,401	3,860,017
Property and equipment	-	1,262,061	1,262,061
Intangible assets	-	120,574	120,574
Other assets	50,112	741,091	791,203
Total assets	\$ 12,026,218	6,994,719	19,020,937

Liabilities	December 31, 2021		
	Within 12 months	Over 12 months	Total
Accounts payable	\$ 1,232,275	5,410	1,237,685
Current tax liabilities	102,936	-	102,936
Insurance liabilities	10,202,544	755,930	10,958,474
Provisions	-	179,077	179,077
Lease liabilities	12,760	5,497	18,257
Deferred tax liabilities	-	63,920	63,920
Other liabilities	14,777	4,038	18,815
Total liabilities	\$ 11,565,292	1,013,872	12,579,164

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

Assets	December 31, 2020		
	Within 12 months	Over 12 months	Total
Cash and cash equivalents	\$ 2,386,542	-	2,386,542
Receivables	667,810	-	667,810
Current tax assets	302	-	302
Financial assets at fair value through profit or loss	1,966,543	-	1,966,543
Financial assets at fair value through other comprehensive income	-	2,356,484	2,356,484
Financial assets at amortized cost	40,037	1,453,857	1,493,894
Other financial assets	1,949,664	171,973	2,121,637
Right-of-use assets	-	7,810	7,810
Investment property	-	791,880	791,880
Reinsurance assets	3,515,764	405,068	3,920,832
Property and equipment	-	1,165,781	1,165,781
Intangible assets	-	136,982	136,982
Other assets	-	728,235	728,235
Total assets	\$ 10,526,662	7,218,070	17,744,732

Liabilities	December 31, 2020		
	Within 12 months	Over 12 months	Total
Accounts payable	\$ 1,248,822	7,928	1,256,750
Current tax liabilities	180	-	180
Insurance liabilities	9,610,980	715,682	10,326,662
Provisions	-	214,043	214,043
Lease liabilities	6,526	1,337	7,863
Deferred tax liabilities	-	63,920	63,920
Other liabilities	24,873	3,248	28,121
Total liabilities	\$ 10,891,381	1,006,158	11,897,539

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

- (g) Other disclosures in accordance with regulations governing the preparation of financial reports by insurance enterprises:
- (i) The details of the market values of investments which were held for investment purpose by the discretionary investment trust fund: Refer to Note 6(f).
 - (ii) Information regarding to discontinued operations: None.
 - (iii) Material revolutions of adjustments of organization and management policy: None.
 - (iv) Material influence because of the regulations changed: None.
 - (v) The Loan because of paying large amount of claims: None.
- (h) Disclosure in accordance to "catastrophe special reserve and equalization special reserve", "the special reserve for resident earthquake insurance" and "the special reserve for nuclear insurance":

For the years ended December 31, 2021 and 2020, the influence for not applying the notification on net income, liabilities, and equity of the Company resulted in an increase of \$111,532, an increase of \$116,212, a decrease of \$111,532, a decrease of \$116,212, an increase of \$111,532, an increase of \$116,212, respectively. The influence on the Company for not applying the notification resulted in an increase in the EPS by \$0.50 and \$0.52, respectively.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the “the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises” for the Company:

(i) Acquisition of individual real estate with amount exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Occurrence date	Amount	Amount Paid	Counterparty	Relationship	Previous transfer information, as the counterparty is a related party				Reference price	Purpose and usage	Others
							Owner	Relations with the issuer	Transfer date	Amount			
The Company	2F, No.467, Sec. 6, Zhongxiao E. Rd., Nangang Dist., Taipei City	2021.5.11	167,020	167,020	Natural person	Not related party	-	-	-	-	Appraisal report	Owner-occupied property	None

(ii) Disposal of individual real estate with amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(iii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(iv) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None.

(v) Trading in derivative instruments: None.

(b) Information on investees:None.

(c) Information on investment in mainland China:None.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Tsai Ho Want Enterprises Co., Ltd.		49,961,671	22.34%
Want Chia Enterprises Co., Ltd.		48,480,873	21.68%
Want Want Co., Ltd.		46,689,943	20.88%

Notes: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks be different from the capital stocks disclosed in the financial statement due to different calculation basis.

UNION INSURANCE CO., LTD.
Notes to the Financial Statements

(14) Segment information:

(a) General information

The Company primarily conducts its business in property insurance, which is the single mostly significant business unit for the Company, furthermore major decisions are based on the business activity's company-wide report to determine performance evaluation and the allocation of information, therefore it is not necessary to individually disclose operational information of reportable segments.

(b) Region information

The Company's business is primarily located in Taiwan.

(c) Important client information

The Company does not receive premium revenue from any single customer which exceeds 10% of the direct written premiums received and there is no need to disclose major customer information.

Union Insurance Co., LTD.
Statement of cash and cash equivalents
December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount
Cash:		
Cash on hand		\$ 500
Petty cash		13,050
Demand deposits		2,252,660
Checking deposits		3,711
Foreign currency deposits	Included original currency (in thousands) and exchange rate:	154,412
	USD 5,415 @27.6800	
	HKD 50 @3.5500	
	GBP 22 @37.3000	
	JPY 120 @0.2405	
	AUD 22 @20.0800	
	EUR 63 @31.3200	
	CNY 1 @21.6200	
	SGD 4 @20.4600	
	THB 1,173 @0.8347	
Time deposits	Due date from Jan. 05, 2022 to Mar. 05, 2022, interest rate from 0.10% to 0.41%	446,479
Cash equivalents:		
Bonds purchased under resale agreements	Due date from Jan. 03, 2022 to Jan. 19, 2022, interest rate from 0.19% to 0.30%	777,415
Total		<u>\$ 3,648,227</u>

Union Insurance Co., LTD.

Statement of notes receivable

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Customer</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
<u>Non-Related Parties</u>			
A company		\$ 18,717	
B company		15,815	
Others		213,000	Each customer balance is less than 5% of account balance.
Less: Loss allowance		<u>(1,450)</u>	
Total (net)		<u>\$ 246,082</u>	

Statement of premiums receivable

<u>Customer</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
<u>Related Parties</u>			
Other related parties		\$ 214	
Key management personnel		6	
<u>Non-Related Parties</u>			
C company		57,605	
Others		238,932	Each customer balance is less than 5% of account balance.
		296,757	
Less: Loss allowance		<u>(3,987)</u>	
Total (net)		<u>\$ 292,770</u>	

Union Insurance Co., LTD.
Statement of other receivables
December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Interests receivable	Bond interest	\$ 34,900	
	Time deposit interest	<u>4,483</u>	
	Subtotal	<u>39,383</u>	
Overdue commissions of premium refund receivables		33,658	
Less: Loss allowance for overdue commissions of premium refund receivables		(30,928)	
	Subtotal	<u>2,730</u>	
Other receivables	From credit card	67,951	
	From convenience store	34,615	
	Others	907	Each item amount is less than 5% of account balance.
Less: Loss allowance for other receivables		(3,454)	
	Subtotal	<u>100,019</u>	
Total		<u><u>\$ 142,132</u></u>	

Union Insurance Co., LTD.

Statement of financial assets at fair value through profit or loss

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Financial assets Name	Description	Shares/ Units	Par Value	Principal Amount	Rate	Acquisition Cost	Fair Value		Change in fair value attributable to change in credit risk	Note
							Unit Price	Total		
<u>Beneficiary certificate</u>										
	Others(less than 5%)	-	\$ -	-	-	125,254	-	131,006	-	
<u>Domestic listed stocks and OTC stocks</u>										
	Taiwan Semiconductor Manufacturing Co., Ltd.	459,000	10	4,590	-	256,427	615.00	282,285	-	
	Others(less than 5%)	-	-	-	-	901,070	-	1,123,212	-	
<u>Domestic unlisted stocks</u>										
	CHINA REBAR CO., LTD.	5,644,203	10	56,442	-	296,010	-	-	-	
<u>REITs</u>										
	Cathay R1	18,911,000	-	-	-	325,074	18.13	342,856	-	
	Subtotal					1,903,835		<u>1,879,359</u>		
	Less: Valuation adjustment					(24,476)				
	Total (net)					<u>1,879,359</u>				

Union Insurance Co., LTD.

Statement of financial assets at fair value through other comprehensive income

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Financial assets Name	Description	Shares/ Units	Par Value	Principal Amount	Loss Allowance	Allowance Adjustments for Valuation	Acquisition Cost	Fair Value		Note
								Unit Price	Total	
<u>Domestic listed stock and OTC stocks</u>										
Taiwan Cement Corp. 2nd Preferred Shares		2,785,000	\$ 10	27,850	-	3,180	141,083	51.80	144,263	
Cathay Financial Holding Co., Ltd. Preferred Stock A		5,000,000	10	50,000	-	14,500	300,000	62.90	314,500	
Cathay Financial Holding Co., Ltd. Preferred Stock B		2,709,011	10	27,090	-	9,482	162,541	63.50	172,022	
Taishin Financial Holding CO., LTD. Class E Preferred Shares		6,328,000	10	63,280	-	18,554	317,463	53.10	336,017	
Taishin Financial Holding CO., LTD. Class E Preferred Shares II		2,000,000	10	20,000	-	3,800	100,000	51.90	103,800	
CTBC Financial Holding CO., LTD. Preferred Shares C		8,333,000	10	83,330	-	13,333	499,980	61.60	513,313	
Chailease Holding CO., LTD. Class A Preferred Shares		2,990,000	10	29,900	-	3,965	299,520	101.50	303,485	
Others(less than 5%)		-	-	-	-	(1,442)	179,068	-	177,627	
Subtotal					-	65,372	1,999,655		2,065,027	
<u>Domestic unlisted stocks</u>										
Minchali Metal Industry CO., LTD.		1,400,000	10	14,000	-	14,112	1,260	10.98	15,372	
Total					-	79,484	2,000,915		2,080,399	

Union Insurance Co., LTD.

Statement of financial assets measured at amortized cost

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Bonds Name	Description	Quantity	Par Value	Principal Amount	Rate	Loss Allowance	(Discount) Premium Unamortised	Book Value	Note
Central Government Construction Bonds:									
Bond A7 issued in 2002	Due on 2022.08.16. Interests paid once a year	-	-	\$ 50,000	3.750%	-	111	50,111	100% of securities serving
Bond A3 issued in 2003	Due on 2023.02.18. Interests paid once a year	-	-	300,000	2.500%	-	(1,043)	298,957	76.5% of securities serving
Bond A2 issued in 2006	Due on 2026.02.24. Interests paid once a year	-	-	50,000	1.875%	-	(280)	49,720	100% of securities serving
Bond A7 issued in 2006	Due on 2026.11.10. Interests paid once a year	-	-	50,000	2.125%	-	(96)	49,904	76.00% of securities serving
Bond A8 issued in 2012	Due on 2042.08.24. Interests paid once a year	-	-	100,000	1.625%	-	21,661	121,661	47.00% of securities serving
Subtotal				<u>550,000</u>		<u>-</u>	<u>20,353</u>	<u>570,353</u>	
Corporate Bonds:									
NAN SHAN Life Insurance Subordinated Corporate Bonds 2016 1	Cumulative without due date	-	-	300,000	3.500%	(112)	-	299,888	
SHIN KONG Life Insurance Subordinated Corporate Bonds 2016 1	"	-	-	80,000	3.800%	(65)	-	79,935	
Mercuries Life Insurance Subordinated Corporate Bonds 2016 1	"	-	-	170,000	3.700%	(174)	-	169,826	
Taiwan Life Insurance Subordinated Corporate Bonds 2017 1	"	-	-	200,000	3.450%	(74)	-	199,926	
NAN SHAN Life Insurance Subordinated Corporate Bonds 2018 1	"	-	-	100,000	3.300%	(37)	-	99,963	
SHIN KONG Life Insurance Subordinated Corporate Bonds 2018 1	"	-	-	100,000	3.500%	(82)	-	99,918	
Subtotal				<u>950,000</u>		<u>(544)</u>	<u>-</u>	<u>949,456</u>	
Financial Bonds:									
First Commercial Bank Subordinated Financial Bonds issued in 2018 2	Debenture Bonds, non-cumulative without due date	-	-	100,000	2.360%	(37)	-	99,963	
HUA NAN Commercial Bank Subordinated Financial Bonds issued in 2019 1	"	-	-	200,000	1.950%	(73)	-	199,927	
Subtotal				<u>300,000</u>		<u>(110)</u>	<u>-</u>	<u>299,890</u>	
Less: Guarantee for operating business and suit				(414,500)			(9,141)	(423,641)	
Total				<u>\$ 1,385,500</u>		<u>(654)</u>	<u>11,212</u>	<u>1,396,058</u>	

Union Insurance Co., LTD.
Statement of other financial assets
December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Time deposit—initial maturity date over than three months		\$ 2,594,420	
Less: Securities serving as deposits paid (Note)		(167,000)	
Total		<u>\$ 2,427,420</u>	

Note: Securities serving as deposits paid are kinds of guarantee deposits paid which transfer from the time deposits pledged as collateral.

Statement of changes in right-of-use assets

Item	Beginning Balance	Increased	Decreased	Ending Balance	Note
Buildings and constructions	\$ 27,162	21,821	21,602	27,381	
Transportation equipment	5,434	4,436	5,435	4,435	
	<u>\$ 32,596</u>	<u>26,257</u>	<u>27,037</u>	<u>31,816</u>	

Union Insurance Co., LTD.

**Statement of changes in accumulated depreciation of
right-of-use assets**

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning Balance	Increased	Decreased	Ending Balance	Note
Buildings and constructions	\$ 20,835	13,385	21,336	12,884	
Transportation equipment	3,951	2,289	5,435	805	
	\$ 24,786	15,674	26,771	13,689	

Union Insurance Co., LTD.

Statement of changes in investment property

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance			Addition			Decrease			Ending Balance			Collateral pledge	Note
	Initial Recognition Amount	Accumulated Changes in Fair Value	Total	Initial Recognition Amount	Accumulated Changes in Fair Value	Total	Initial Recognition Amount	Accumulated Changes in Fair Value	Total	Initial Recognition Amount	Accumulated Changes in Fair Value	Total		
Land and improvement	\$ 681,525	-	681,525	53,931	-	53,931	(7,569)	-	(7,569)	727,887	-	727,887	None	
Buildings and constructions	187,636	-	187,636	33,061	-	33,061	(3,593)	-	(3,593)	217,104	-	217,104	"	
Total	\$ 869,161	-	869,161	86,992	-	86,992	(11,162)	-	(11,162)	944,991	-	944,991		

Union Insurance Co., LTD.

Statement of changes in accumulated depreciation of investment property

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Addition		Decrease		Ending Balance	Note
		Provision	Reclassification	Sold and Scrap	Reclassification		
Buildings and constructions	<u>\$ 73,140</u>	<u>4,226</u>	<u>8,400</u>	<u>-</u>	<u>(1,600)</u>	<u>84,166</u>	

Note: Provision depreciated by using the straight-line method over useful life of 20 to 61 years.

Union Insurance Co., LTD.

**Statement of changes in accumulated impairment of
investment property**

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Addition	Decrease	Ending Balance	Note
Land and improvement	\$ 2,359	-	-	2,359	
Buildings and constructions	1,782	176	-	1,958	
Total	\$ 4,141	176	-	4,317	

Union Insurance Co., LTD.
Statement of claims and payments recoverable from
reinsurers

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Yearly renewable term commercial fire insurance		\$ 6,927	
Domestic transportation insurance		6	
Marine cargo insurance		799	
Fishing vessel insurance		480	
Personal automobile physical damage insurance		80,620	
Commercial automobile physical damage insurance		4,553	
Personal automobile liability insurance		44,700	
Commercial automobile liability insurance		15,691	
Compulsory personal automobile liability insurance		41,936	
Compulsory commercial automobile liability insurance		594	
Compulsory motorcycle liability insurance		9,128	
General liability insurance		8,044	
Professional indemnity insurance		874	
Engineering insurance		9,842	
Guarantee insurance		(1,701)	
Other property insurance		141	
Accident insurance		21,571	
Personal all risks insurance		8	
Typhoon and flood insurance		2,451	
Health insurance		2,289	
Commercial earthquake insurance		255	
Overdue claims recoverable from reinsurers		89	
Total		<u>\$ 249,297</u>	

Union Insurance Co., LTD.

**Statement of due from and due to reinsurers and
ceding companies**

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Description</u>	<u>Debit</u>	<u>Description</u>	<u>Credit</u>	<u>Note</u>
ERIF Insurance Broker Ltd.	\$ 69,583	Miller Insurance Services LLP-UK	25,962	
Elicon Risk Services Ltd.	39,658	Aon Taiwan Ltd.	21,743	
WOCA Insurance Broker Ltd.	38,031	Arthur J. Gallagher (UK) Limited	17,876	
Foreign exchange gains (losses) and others	3,964	Marsh Ltd., Taiwan Branch	13,906	
		Central Reinsurance Corporation	8,277	
		Foreign exchange gains (losses) and others	8,872	Each customer account balance is less than 5% of account balance.
Subtotal	<u>151,236</u>	Subtotal	<u>96,636</u>	
Reinsurance receivable	78,663	Reinsurance payable	521,836	
Reinsurance commission receivable	8,638	Reinsurance commission payable	1,611	
Overdue from ceding companies	<u>5,834</u>			
Total (net)	<u><u>\$ 244,371</u></u>		<u><u>620,083</u></u>	

Union Insurance Co., LTD.

Statement of change in property and equipment

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Addition		Decrease		Ending Balance	Collateral or pledge	Note
		Purchase	Reclassification	Sold and Scrap	Reclassification			
Land	\$ 825,946	136,007	7,569	-	(53,931)	915,591	None	
Buildings and constructions	480,196	47,956	3,593	-	(32,686)	499,059	"	
Computer equipment	183,601	8,686	-	(1,647)	-	190,640	"	
Transportation equipment	579	-	-	-	-	579	"	
Other equipment	51,799	3,214	-	(705)	-	54,308	"	
Leasehold improvements	2,004	-	-	-	-	2,004	"	
Total	\$ 1,544,125	195,863	11,162	(2,352)	(86,617)	1,662,181		

Union Insurance Co., LTD.

Statement of changes in accumulated depreciation of property and equipment

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Addition		Decrease		Ending Balance	Note
		Provision	Reclassification	Sold and Scrap	Reclassification		
Buildings and constructions	\$ 161,810	14,097	1,600	-	(8,400)	169,107	Note
Computer equipment	155,754	12,444	-	(1,647)	-	166,551	"
Transportation equipment	564	15	-	-	-	579	"
Other equipment	42,041	4,090	-	(705)	-	45,426	"
Leasehold improvements	858	458	-	-	-	1,316	"
Total	\$ 361,027	31,104	1,600	(2,352)	(8,400)	382,979	

Note: Both buildings and structures and miscellaneous equipment are depreciated by using the straight line method over useful life of 21 to 60 years and 3 to 9 years, respectively.

Union Insurance Co., LTD.

**Statement of changes in accumulated impairment of
property and equipment**

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Addition	Decrease	Reclassification	Ending Balance	Note
Land	\$ 15,196	-	-	-	15,196	
Buildings and constructions	2,121	-	-	(176)	1,945	
Total	\$ 17,317	-	-	(176)	17,141	

Statement of changes in intangible assets

Items	Beginning Balance	Addition	Decrease	Reclassification	Note
Computer software	\$ 70,403	5,700	(14,135)	61,968	Note 1, 2
Golf club card	48,605	-	(3,327)	45,278	Note 3, 4
Other intangible assets - others	17,974	-	(4,646)	13,328	Note 5
Total	\$ 136,982	5,700	(22,108)	120,574	

Note 1: Cost of computer software is amortized by straight line method over useful life of 3 to 12 years.

Note 2: The increase of \$855 is addition, and the decrease of \$14,135 is amortization expense.

Note 3: The decrease of \$3,327 is amortization expense.

Note 4: Cost of golf club card is amortized by using the straight line method over useful life of 10 to 20 years.

Note 5: In accordance with IFRS 4, the intangible asset recognized was the difference from the fair value of the contractual insurance rights acquired and insurance obligations assumed to a liability measured in accordance with the insurer's accounting policies for insurance contracts that it issues. The subsequent measurement of this asset shall be consistent with the measurement of the related insurance liability.

Union Insurance Co., LTD.

Statement of other assets

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Gurantee deposits	Operation	\$ 334,572	
	Performance bond	262,336	
	Membership	69,748	
	Others	36,069	Each item amount is less than 5% of account balance.
	Subtotal	<u>702,725</u>	
Suspense payment		85,481	
Others		2,997	Each item amount is less than 5% of account balance.
Total		<u><u>\$ 791,203</u></u>	

Union Insurance Co., LTD.
Statement of insurance and reinsurance indemnity
payables
December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>
Personal automobile physical damage insurance		\$ 51
Personal automobile liability insurance		154
Commercial automobile liability insurance		5
Compulsory personal automobile liability insurance		143
Compulsory commercial automobile liability insurance		3
Compulsory motorcycle liability insurance		17
General liability insurance		227
Engineering insurance		4
Surety insurance		1
Accident insurance		538
Personal all risks insurance		1,604
Commercial all risks insurance		50
Health insurance		<u>52</u>
Total		<u>\$ 2,849</u>

Note: All of the above are direct businesses.

Union Insurance Co., LTD.

Statement of other payables

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Accrued expenses	Salary compensation and year-end bonus	\$ 273,069	
	Others	46,200	Each item amount is less than 5% of account balance.
	Subtotal	<u>319,269</u>	
Accrued taxes		38,943	
Other payables	Stock settlement	31,228	
	Others	46,867	Each item amount is less than 5% of account balance.
	Subtotal	<u>78,095</u>	
Total		<u><u>\$ 436,307</u></u>	

Union Insurance Co., LTD.

Statement of changes in unearned premium reserve

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Total:

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Yearly renewable term dwelling fire insurance	\$ 70,496	2,170	-	72,666	
Long-term dwelling fire insurance	91,741	(22,943)	-	68,798	
Yearly renewable term commercial fire insurance	240,913	4,220	-	245,133	
Long-term commercial fire insurance	500	(178)	-	322	
Domestic transportation insurance	11,694	(561)	-	11,133	
Marine cargo insurance	44,930	5,606	-	50,536	
Hull insurance	12,881	9,358	-	22,239	
Fishing vessel insurance	12,615	(1,581)	-	11,034	
Aviation insurance	34,528	(3,386)	-	31,142	
Personal automobile physical damage insurance	1,551,395	(12,573)	-	1,538,822	
Commercial automobile physical damage insurance	68,431	14,966	-	83,397	
Personal automobile liability insurance	1,063,375	57,274	-	1,120,649	
Commercial automobile liability insurance	307,251	9,073	-	316,324	
Compulsory personal automobile liability insurance	315,013	3,750	-	318,763	
Compulsory commercial automobile liability insurance	79,642	673	-	80,315	
Compulsory motorcycle liability insurance	141,925	(9,453)	-	132,472	
General liability insurance	122,135	18,950	-	141,085	
Professional indemnity insurance	18,676	2,260	-	20,936	
Engineering insurance	627,748	(11,211)	-	616,537	
Nuclear risks insurance	4,260	(625)	-	3,635	
Surety insurance	11,854	(4,055)	-	7,799	
Other property insurance	20,386	7,512	-	27,898	
Accident insurance	386,514	22,166	-	408,680	
Commercial earthquake insurance	120,536	(4,453)	-	116,083	
Personal all risks insurance	9,548	1,277	-	10,825	
Typhoon and flood insurance	95,921	(4,240)	-	91,681	
Policy-oriented earthquake insurance	145,266	4,307	-	149,573	
Yearly health insurance	10,921	15,590	-	26,511	
Overseas ceded-in reinsurance	226,597	(91,608)	-	134,989	
Total	<u>\$ 5,847,692</u>	<u>12,285</u>	<u>-</u>	<u>5,859,977</u>	

Overseas Ceded-in Reinsurance

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Fire insurance	\$ 2,018	2,376	-	4,394	
Hull insurance	205	15	-	220	
Aviation insurance	1,026	(355)	-	671	
Other liability insurance	223,348	(93,644)	-	129,704	
Total	<u>\$ 226,597</u>	<u>(91,608)</u>	<u>-</u>	<u>134,989</u>	

Union Insurance Co., LTD.

Statement of changes in unearned premium reserve

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Ceded-out:

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Long-term dwelling fire insurance	\$ 43,395	(10,372)	-	33,023	
Yearly renewable term commercial fire insurance	107,556	(736)	-	106,820	
Long-term commercial fire insurance	112	(43)	-	69	
Domestic transportation insurance	1,169	(56)	-	1,113	
Marine cargo insurance	39,132	2,720	-	41,852	
Hull insurance	12,835	9,352	-	22,187	
Fishing vessel insurance	10,113	(869)	-	9,244	
Aviation insurance	30,898	(3,289)	-	27,609	
Personal automobile physical damage insurance	319,781	(62,420)	-	257,361	
Commercial automobile physical damage insurance	12,269	362	-	12,631	
Personal automobile liability insurance	156,275	(19,189)	-	137,086	
Commercial automobile liability insurance	50,801	(6,743)	-	44,058	
Compulsory personal automobile liability insurance	133,076	170	-	133,246	
Compulsory commercial automobile liability insurance	37,749	(128)	-	37,621	
Compulsory motorcycle liability insurance	52,977	(3,966)	-	49,011	
General liability insurance	39,536	13,047	-	52,583	
Professional indemnity insurance	7,156	16	-	7,172	
Engineering insurance	398,959	(20,705)	-	378,254	
Surety insurance	6,331	(2,355)	-	3,976	
Other property insurance	3,861	157	-	4,018	
Accident insurance	41,534	(921)	-	40,613	
Commercial earthquake insurance	59,190	(4,574)	-	54,616	
Personal all risks insurance	6	(6)	-	-	
Typhoon and flood insurance	49,704	(2,625)	-	47,079	
Policy-oriented earthquake insurance	128,947	2,419	-	131,366	
Health insurance	1,986	4,555	-	6,541	
Overseas ceded-in reinsurance	162,635	(58,827)	-	103,808	
Total	\$ 1,907,983	(165,026)	-	1,742,957	

Overseas Ceded-in Reinsurance

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Hull insurance	\$ 205	13	-	218	
Aviation insurance	648	(246)	-	402	
Other liability insurance	161,782	(58,594)	-	103,188	
Total	\$ 162,635	(58,827)	-	103,808	

Union Insurance Co., LTD.

Statement of changes in loss reserve

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Total:

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Yearly renewable term dwelling fire insurance	\$ 24,338	(5,803)	-	18,535	
Long-term dwelling fire insurance	1,342	(198)	-	1,144	
Yearly renewable term commercial fire insurance	280,922	307,464	-	588,386	
Long-term commercial fire insurance	232	(217)	-	15	
Domestic transportation insurance	5,839	(151)	-	5,688	
Marine cargo insurance	17,413	15,084	-	32,497	
Hull insurance	87,585	27,552	-	115,137	
Fishing vessel insurance	33,919	(18,086)	-	15,833	
Aviation insurance	70,651	15,189	-	85,840	
Personal automobile physical damage insurance	314,240	103,208	-	417,448	
Commercial automobile physical damage insurance	26,972	17,466	-	44,438	
Personal automobile liability insurance	661,768	138,477	-	800,245	
Commercial automobile liability insurance	221,922	91,406	-	313,328	
Compulsory personal automobile liability insurance	565,435	(88,365)	-	477,070	
Compulsory commercial automobile liability insurance	101,799	(9,481)	-	92,318	
Compulsory motorcycle liability insurance	188,001	(7,150)	-	180,851	
General liability insurance	71,313	47,599	-	118,912	
Professional indemnity insurance	4,385	6,352	-	10,737	
Engineering insurance	229,685	24,319	-	254,004	
Nuclear risks insurance	186	258	-	444	
Surety insurance	25,047	(1,327)	-	23,720	
Other property insurance	8,534	985	-	9,519	
Accident insurance	319,343	(53,058)	-	266,285	
Commercial earthquake insurance	39,213	433	-	39,646	
Personal all risks insurance	1,994	(948)	-	1,046	
Typhoon and flood insurance	8,856	(5,162)	-	3,694	
Health insurance	7,323	(1,808)	-	5,515	
Overseas ceded-in reinsurance	6,762	2,611	-	9,373	
Total	\$ 3,325,019	606,649	-	3,931,668	

Overseas Ceded-in Reinsurance

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Fire insurance	\$ 466	2,209	-	2,675	
Marine cargo insurance	102	(12)	-	90	
Hull insurance	1,416	(672)	-	744	
Automobile insurance	38	(1)	-	37	
Engineering insurance	35	(2)	-	33	
Aviation insurance	862	1,347	-	2,209	
Other liability insurance	3,843	(258)	-	3,585	
Total	\$ 6,762	2,611	-	9,373	

Union Insurance Co., LTD.

Statement of changes in loss reserve

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Ceded-out:

Insurance	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Long-term dwelling fire insurance	\$ 275	(229)	-	46	
Yearly renewable term commercial fire insurance	158,685	324,746	-	483,431	
Long-term commercial fire insurance	60	(59)	-	1	
Domestic transportation insurance	269	110	-	379	
Marine cargo insurance	6,276	7,303	-	13,579	
Hull insurance	84,017	27,091	-	111,108	
Fishing vessel insurance	25,493	(14,208)	-	11,285	
Aviation insurance	63,865	14,067	-	77,932	
Personal automobile physical damage insurance	87,146	9,899	-	97,045	
Commercial automobile physical damage insurance	5,340	2,245	-	7,585	
Personal automobile liability insurance	118,329	25,836	-	144,165	
Commercial automobile liability insurance	36,778	7,249	-	44,027	
Compulsory personal automobile liability insurance	257,812	(69,874)	-	187,938	
Compulsory commercial automobile liability insurance	46,840	(9,101)	-	37,739	
Compulsory motorcycle liability insurance	70,311	7,817	-	78,128	
General liability insurance	19,787	18,223	-	38,010	
Professional indemnity insurance	697	1,223	-	1,920	
Engineering insurance	164,934	21,015	-	185,949	
Guarantee insurance	10,931	(904)	-	10,027	
Other property insurance	795	(679)	-	116	
Accident insurance	138,324	(60,625)	-	77,699	
Commercial earthquake insurance	11,930	201	-	12,131	
Personal all risks insurance	69	46	-	115	
Typhoon and flood insurance	1,989	(103)	-	1,886	
Health insurance	965	186	-	1,151	
Total	\$ 1,311,917	311,475	-	1,623,392	

Union Insurance Co., LTD.
Statement of changes in special reserves
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Net Change	Other Change	Ending Balance	Note
Compulsory personal automobile liability insurance	\$ 131,559	61,761	-	193,320	
Compulsory commercial automobile liability insurance	(432,170)	(38,079)	-	(470,249)	
Compulsory motorcycle liability insurance	300,611	(5,739)	-	294,872	
Nuclear risks insurance	82,796	-	-	82,796	
Commercial earthquake insurance	722,414	(2,787)	-	719,627	
Typhoon and flood insurance	217,474	(2,278)	-	215,196	
Policy-oriented earthquake insurance	127,111	-	-	127,111	
Others(Note)	4,156	-	-	4,156	
Total	<u>\$ 1,153,951</u>	<u>12,878</u>	<u>-</u>	<u>1,166,829</u>	

Note: In 2013, the determination of cost of real estate and equipment based on the International Financial Reporting Standards No. 1 that approved by the Financial Supervisory Commission, the Company chose the exemption that the revaluation reserve of land and buildings according to the Generally Accepted Accounting Principles of the Republic of China, and transferred it to retained earnings. However, according to the standard of the Preparation of Financial Reports by Insurance Enterprises, the revaluation reserve that estimated by the cash flow discount approach via contractual rent of the investment real estate target as the upper limit adjustment to define the cost and the value added part. Then, to fill the unrecognized pension loss, the unrecognized transition net payment obligation, the increase on defined benefit obligation based on the change of actuarial assumptions, and the employee's paid leave liability, those adjustments increased the special by \$4,156.

Union Insurance Co., LTD.

Statement of changes in special reserves (special reserves for
catastrophic event and fluctuation of risk)

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Provision	Recovery	Ending Balance	Note
Yearly renewable term dwelling fire insurance	\$ 74,521	10,273	(6,357)	78,437	
Long-term dwelling fire insurance	14,586	1,141	(5,156)	10,571	
Yearly renewable term commercial fire insurance	70,023	7,051	(3,345)	73,729	
Long-term commercial fire insurance	1,221	35	(110)	1,146	
Domestic transportation insurance	8,831	1,729	-	10,560	
Marine cargo insurance	83,628	5,066	-	88,694	
Hull insurance	8,352	7	(95)	8,264	
Fishing vessel insurance	6,984	957	-	7,941	
Aviation insurance	4,376	600	-	4,976	
Personal automobile physical damage insurance	418,534	49,939	-	468,473	
Commercial automobile physical damage insurance	8,360	1,019	(2,042)	7,337	
Personal automobile liability insurance	120,564	32,143	-	152,707	
Commercial automobile liability insurance	23,189	4,329	-	27,518	
General liability insurance	164,843	8,329	(31,251)	141,921	
Professional indemnity insurance	5,528	92	(1,376)	4,244	
Engineering insurance	126,532	14,319	-	140,851	
Nuclear risks insurance	39,613	2,788	-	42,401	
Guarantee insurance	7,170	2,040	-	9,210	
Credit insurance	718	8	(7)	719	
Other property insurance	17,481	1,213	-	18,694	
Accident insurance	276,414	31,724	(11,915)	296,223	
Commercial earthquake insurance	280,820	40,497	-	321,317	
Personal all risks insurance	10,217	2,420	-	12,637	
Commercial all risks insurance	8,906	-	-	8,906	
Typhoon and flood insurance	222,770	33,345	-	256,115	
Policy-oriented earthquake insurance	191,945	27,438	-	219,383	
Yearly health insurance	11,722	3,121	-	14,843	
Overseas ceded-in reinsurance	12,642	676	(187)	13,131	
Total	\$ 2,220,490	282,299	(61,841)	2,440,948	

Overseas Ceded-in Reinsurance

Items	Beginning Balance	Provision	Recovery	Ending Balance	Note
Fire insurance	\$ 6,435	275	-	6,710	
Marine cargo insurance	710	11	(96)	625	
Hull insurance	1,707	76	(91)	1,692	
Fishing vessel insurance	1	-	-	1	
Automobile insurance	163	-	-	163	
Engineering insurance	600	-	-	600	
Aviation insurance	909	34	-	943	
Other property insurance	59	-	-	59	
Other liability insurance	2,058	280	-	2,338	
Total	\$ 12,642	676	(187)	13,131	

Union Insurance Co., LTD.

Statement of changes in special reserves (special reserves for travel insurance)

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Beginning Balance	Provision	Recovery	Ending Balance
Accident insurance	<u>\$ -</u>	<u>4,289</u>	<u>-</u>	<u>4,289</u>

Union Insurance Co., LTD.

Calculation of special reserves (special reserves for catastrophic event and fluctuation of risk) allocated

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Insurance	Retained Earned premium	Expected Claim		Retained Claim payment	Provision Rate	Special Reserve Provision			
		Expected Probability of Loss	Expected Claim Amount			Standard Provision	Less than Expected Claim Provision	Effects of Income Tax	Total Provision
Yearly renewable term dwelling fire insurance	\$ 130,210	55.90%	72,786	13,218	3.00%	3,906	8,935	(2,568)	10,273
Long-term dwelling fire insurance	12,432	70.40%	8,752	69	1.00%	124	1,302	(285)	1,141
Yearly renewable term commercial fire insurance	176,286	62.47%	110,132	123,978	5.00%	8,814	-	(1,763)	7,051
Long-term commercial fire insurance	133	74.00%	99	(147)	5.00%	6	37	(8)	35
Domestic transportation insurance	20,761	60.50%	12,560	2,303	3.00%	623	1,538	(432)	1,729
Marine cargo insurance	93,356	60.50%	56,478	45,382	5.00%	4,668	1,664	(1,266)	5,066
Hull insurance	189	68.30%	129	230	5.00%	9	-	(2)	7
Fishing vessel insurance	6,003	69.30%	4,160	(1,814)	5.00%	300	896	(239)	957
Aviation insurance	7,221	72.30%	5,220	3,585	7.00%	505	245	(150)	600
Personal automobile physical damage insurance	2,500,369	65.40%	1,635,214	1,385,750	1.00%	25,004	37,420	(12,485)	49,939
Commercial automobile physical damage insurance	127,461	65.00%	82,849	85,402	1.00%	1,274	-	(255)	1,019
Personal automobile liability insurance	1,815,611	65.40%	1,187,493	1,040,672	1.00%	18,156	22,023	(8,036)	32,143
Commercial automobile liability insurance	541,066	65.14%	352,461	407,619	1.00%	5,411	-	(1,082)	4,329
General liability insurance	240,115	70.68%	169,712	116,314	1.00%	2,401	8,010	(2,082)	8,329
Professional indemnity insurance	11,431	67.30%	7,693	9,413	1.00%	115	-	(23)	92
Engineering insurance	179,547	59.30%	106,471	47,002	5.00%	8,978	8,921	(3,580)	14,319
Nuclear risks insurance	6,969	- %	-	-	- %	-	3,485	(697)	2,788
Guarantee insurance	12,633	72.41%	9,148	(5,322)	3.00%	379	2,171	(510)	2,040
Credit insurance	-	66.30%	-	(61)	3.00%	-	8	-	8
Other property insurance	44,466	66.30%	29,481	28,262	3.00%	1,334	182	(303)	1,213
Accident insurance	747,424	74.71%	558,399	377,344	1.67%	12,495	27,159	(7,930)	31,724
Commercial earthquake insurance	94,653	63.40%	60,008	1,346	7.00%	6,626	43,996	(10,125)	40,497
Personal all risks insurance	26,910	71.51%	19,245	864	1.00%	269	2,757	(606)	2,420
Commercial all risks insurance	-	65.30%	-	-	3.00%	-	-	-	-
Typhoon and flood insurance	72,483	63.26%	45,851	(2,959)	7.00%	5,074	36,607	(8,336)	33,345
Policy-oriented earthquake insurance	34,285	- %	-	-	- %	-	34,298	(6,860)	27,438
Health insurance	44,487	68.90%	30,652	13,544	3.00%	1,335	2,566	(780)	3,121
Overseas ceded-in reinsurance	40,404	- %	26,993	33,581		632	213	(169)	676
	\$ 6,986,905		4,591,986	3,725,575		108,438	244,433	(70,572)	282,299

Overseas Ceded-in Reinsurance

Insurance	Retained Earned premium	Expected Claim		Retained Claim Payment	Provision Rate	Special Reserve Provision			
		Expected Probability of Loss	Expected Claim Amount			Standard Provision	Less than Expected Claim Provision	Effects of Income Tax	Total Provision
Fire insurance	\$ 4,681	62.47%	2,925	2,197	0.05%	234	109	(68)	275
Marine cargo insurance	96	60.50%	58	(4)	0.05%	5	9	(3)	11
Hull insurance	(2)	68.30%	-	(633)	0.05%	-	95	(19)	76
Fishing vessel insurance	-	69.30%	-	-	0.05%	-	-	-	-
Automobile insurance	29	65.40%	19	58	0.01%	-	-	-	-
Engineering insurance	-	59.30%	-	3	0.05%	-	-	-	-
Aviation insurance	610	72.30%	441	8,071	0.07%	43	-	(9)	34
Other property insurance	-	66.30%	-	-	0.03%	-	-	-	-
Other liability insurance	34,990	67.30%	23,550	23,889	1.00%	350	-	(70)	280
	\$ 40,404		26,993	33,581		632	213	(169)	676

Union Insurance Co., LTD.

Calculation of special reserves (special reserves for catastrophic event and fluctuation of risk) recovered

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Insurance	Previous Accumulated Special Reserve	Previous Accumulated Special Reserve added Provision	Special Reserve Recovery					Total Recoverable amount	Accumulated Special Reserve
			More than Expected Claim Recovery	More than Retained Earned Premium Recovery	Special Reserve Recovered for Serious Accident	Effects of Income Tax			
Yearly renewable term dwelling fire insurance	\$ 74,521	84,794	-	(7,946)	-	1,589	(6,357)	78,437	
Long-term dwelling fire insurance	14,586	15,727	-	(6,445)	-	1,289	(5,156)	10,571	
Yearly renewable term commercial fire insurance	70,023	77,074	(4,181)	-	-	836	(3,345)	73,729	
Long-term commercial fire insurance	1,221	1,256	-	(138)	-	28	(110)	1,146	
Domestic transportation insurance	8,831	10,560	-	-	-	-	-	10,560	
Marine cargo insurance	83,628	88,694	-	-	-	-	-	88,694	
Hull insurance	8,352	8,359	(101)	(18)	-	24	(95)	8,264	
Fishing vessel insurance	6,984	7,941	-	-	-	-	-	7,941	
Aviation insurance	4,376	4,976	-	-	-	-	-	4,976	
Personal automobile physical damage insurance	418,534	468,473	-	-	-	-	-	468,473	
Commercial automobile physical damage insurance	8,360	9,379	(2,552)	-	-	510	(2,042)	7,337	
Personal automobile liability insurance	120,564	152,707	-	-	-	-	-	152,707	
Commercial automobile liability insurance	23,189	27,518	-	-	-	-	-	27,518	
General liability insurance	164,843	173,172	-	(39,064)	-	7,813	(31,251)	141,921	
Professional indemnity insurance	5,528	5,620	(1,720)	-	-	344	(1,376)	4,244	
Engineering insurance	126,532	140,851	-	-	-	-	-	140,851	
Nuclear risks insurance	39,613	42,401	-	-	-	-	-	42,401	
Guarantee insurance	7,170	9,210	-	-	-	-	-	9,210	
Credit insurance	718	726	-	(8)	-	1	(7)	719	
Other property insurance	17,481	18,694	-	-	-	-	-	18,694	
Accident insurance	276,414	308,138	-	(14,894)	-	2,979	(11,915)	296,223	
Commercial earthquake insurance	280,820	321,317	-	-	-	-	-	321,317	
Personal all risks insurance	10,217	12,637	-	-	-	-	-	12,637	
Commercial all risks insurance	8,906	8,906	-	-	-	-	-	8,906	
Typhoon and flood insurance	222,770	256,115	-	-	-	-	-	256,115	
Policy-oriented earthquake insurance	191,945	219,383	-	-	-	-	-	219,383	
Health insurance	11,722	14,843	-	-	-	-	-	14,843	
Overseas ceded-in reinsurance	12,642	13,318	-	(234)	-	47	(187)	13,131	
	\$ 2,220,490	2,502,789	(8,554)	(68,747)	-	15,460	(61,841)	2,440,948	

Overseas Ceded-in Reinsurance

Insurance	Previous Accumulated Special Reserve	Previous Accumulated Special Reserve added Provision	Special Reserve Recovery					Accumulated Special Reserve
			More than Expected Claim Recovery	More than Retained Earned Premium Recovery	Special Reserve Recovered for Serious Accident	Effects of Income Tax	Total Recovery	
Fire insurance	\$ 6,435	6,710	-	-	-	-	-	6,710
Marine cargo insurance	710	721	-	(120)	-	24	(96)	625
Hull insurance	1,707	1,783	-	(114)	-	23	(91)	1,692
Fishing vessel insurance	1	1	-	-	-	-	-	1
Automobile insurance	163	163	-	-	-	-	-	163
Engineering insurance	600	600	-	-	-	-	-	600
Aviation insurance	909	943	-	-	-	-	-	943
Other property insurance	59	59	-	-	-	-	-	59
Other liability insurance	2,058	2,338	-	-	-	-	-	2,338
	\$ 12,642	13,318	-	(234)	-	47	(187)	13,131

Union Insurance Co., LTD.

Statement of provisions

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Provisions for employee benefits		<u>\$ 179,077</u>	

Union Insurance Co., LTD.

Statement of lease liabilities

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Leasing Term	Discount Rate	Ending Balance	Note
Buildings and constructions		2019.04.01~2024.10.31	1.80%~2.10%	\$ 14,600	
Transportation equipment		2021.04.28~2024.09.26	2.80%	3,657	
				<u>\$ 18,257</u>	

Statement of deferred tax liabilities

Items	Description	Amount	Note
Provisions for land value-added tax		<u>\$ 63,920</u>	

Union Insurance Co., LTD.

Statement of other liabilities

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Premiums received in advance		\$ 1,452	
Guarantee deposits	Leasehold	6,556	
	Others	174	
Reinsurance liability reserve deposits		3,754	
Suspense receipts		6,563	
Others		316	Each item amount is less than 5% of account balance
Total		<u>\$ 18,815</u>	

Union Insurance Co., LTD.

Statement of retained earned premium income

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Insurance	Written Premium	Reinsurance Premium	Reinsurance Expense	Retained Premium	Provision Method	Net Change in Unearned Premiums Reserve	Retained Earned Premium	Note
Yearly renewable term dwelling fire insurance	\$ 132,380	-	-	132,380	Note	2,170	130,210	
Long-term dwelling fire insurance	(165)	(15)	(41)	(139)	"	(7,925)	7,786	
Yearly renewable term commercial fire insurance	524,407	20,465	363,630	181,242	"	4,956	176,286	
Long-term commercial fire insurance	-	-	-	-	"	(133)	133	
Domestic transportation insurance	24,011	-	3,755	20,256	"	(505)	20,761	
Marine cargo insurance	169,106	3,387	76,251	96,242	"	2,886	93,356	
Hull insurance	76,947	-	76,753	194	"	5	189	
Fishing vessel insurance	25,370	2,446	22,524	5,292	"	(711)	6,003	
Aviation insurance	61,957	-	54,834	7,123	"	(98)	7,221	
Personal automobile physical Damage insurance	3,059,691	41	509,515	2,550,217	"	49,848	2,500,369	
Commercial automobile physical Damage insurance	167,393	-	25,328	142,065	"	14,604	127,461	
Personal automobile liability insurance	2,154,975	47	262,948	1,892,074	"	76,463	1,815,611	
Commercial automobile liability insurance	645,908	10	89,036	556,882	"	15,816	541,066	
General liability insurance	314,988	1,718	112,723	203,983	"	5,903	198,080	
Professional indemnity insurance	28,105	158	14,588	13,675	"	2,244	11,431	
Engineering insurance	400,199	26,090	237,248	189,041	"	9,494	179,547	
Guarantee insurance	16,512	1,146	6,725	10,933	"	(1,700)	12,633	
Other property insurance, accident	33,062	-	10,300	22,762	"	1,177	21,585	
Other property insurance- automobile	29,058	-	-	29,058	"	6,177	22,881	
Agricultural insurance	456	-	456	-	"	-	-	
Accident insurance	1,067,972	5,546	290,950	782,568	"	23,087	759,481	
Commercial earthquake insurance	229,630	8,671	143,528	94,773	"	120	94,653	
Personal all risks insurance	25,844	2,917	568	28,193	"	1,283	26,910	
Typhoon and flood insurance	183,348	7,966	120,447	70,867	"	(1,616)	72,483	
Health insurance	66,558	-	8,873	57,685	"	11,035	46,650	
Overseas ceded-in reinsurance — fire insurance	-	7,057	-	7,057	"	2,376	4,681	
Overseas ceded-in reinsurance — marine cargo insurance	-	96	-	96	"	-	96	
Overseas ceded-in reinsurance — hull insurance	-	1,232	1,232	-	"	2	(2)	
Overseas ceded-in reinsurance — automobile insurance	-	29	-	29	"	-	29	
Overseas ceded-in reinsurance — aviation insurance	-	1,250	748	502	"	(108)	610	
Overseas ceded-in reinsurance — other liability insurance	-	(89)	(29)	(60)	"	(35,050)	34,990	
Nuclear risks insurance	-	6,344	-	6,344	"	(625)	6,969	
Compulsory personal automobile liability insurance	676,853	193,380	266,492	603,741	"	3,580	600,161	
Compulsory commercial automobile liability insurance	137,680	35,234	75,242	97,672	"	801	96,871	
Compulsory motorcycle liability insurance	152,513	71,156	67,154	156,515	"	(5,487)	162,002	
Policy-oriented earthquake insurance	256,727	36,176	256,730	36,173	"	1,888	34,285	
Total	\$ 10,661,485	432,458	3,098,508	7,995,435		181,957	7,813,478	

Note : The provision methods of unearned premiums reserve are determined by an actuary according to the characteristics of each insurance, and are stated in the instruction of insurance commodity calculation, and shall not be changed without the approval of the competent authority. The Company has submitted the provision method of unearned premiums reserve on Letter (Wang) Zong Jing Suan No. 1112 on October 24, 2011, and has been approved by Financial Supervisory Commission, R.O.C. (Taiwan) Insurance Bureau Jin Guan Bao Cai Zi No. 10002518120.

Union Insurance Co., LTD.
Statement of interest income
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Government bonds, financial bonds, and corporate bonds		\$ 54,979	
Cash in banks		16,026	
Others	Imputed-interest for deposit	2,652	Each item amount is less than 5% of account balance.
Total		<u>\$ 73,657</u>	

Statement of gain (loss) on financial assets and liabilities at fair value through profit or loss

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Equity instrument	Realized gains (losses)	\$ 357,531	
	Valuation gains (losses)	(3,799)	
Liability instrument	Realized gains (losses)	21,728	
	Valuation gains (losses)	<u>(7,882)</u>	
		<u>\$ 367,578</u>	

Union Insurance Co., LTD.

**Statement of realized gain (loss) on financial assets at
fair value through other comprehensive income**

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Amount</u>	<u>Note</u>
Equity instrument:		
Cash dividends	<u>\$ 73,713</u>	

Statement of foreign exchange gain (loss)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Valuation for foreign currency deposits		<u>\$ (50)</u>	

Statement of gain (loss) on investment property

<u>Items</u>	<u>Amount</u>	<u>Note</u>
Rental revenue	\$ 25,027	
Depreciation expense	<u>(4,226)</u>	
Total	<u>\$ 20,801</u>	

Union Insurance Co., LTD.

**Statement of expected credit loss and reversal on
investment**

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Impairment Losses</u>	<u>Reversal of Impairment Losses</u>	<u>Note</u>
Government bonds	\$ -	141	
Financial bonds	-	13	
Corporate bonds	-	65	
	<u>\$ -</u>	<u>219</u>	

Statement of other operating income or cost

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Income:			
Exchange gains— non-investment		\$ 9,851	
Total		<u>\$ 9,851</u>	
Costs:			
Exchange losses— non-investment		\$ 11,047	
Reserve for industry stability fund		21,322	
Others		90	
Total		<u>\$ 32,459</u>	

Union Insurance Co., LTD.

Statement of retained claims payments

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Insurance	Claim(included related expense)	Reinsurance claim	Claims recovery from reinsurers	Retained claim payment	Note
Yearly renewable term dwelling fire insurance	\$ 18,891	-	-	18,891	
Long-term dwelling fire insurance	-	28	-	28	
Yearly renewable term commercial fire insurance	586,872	291	437,565	149,598	
Domestic transportation insurance	2,831	-	283	2,548	
Marine cargo insurance	44,150	85	6,028	38,207	
Hull insurance	17,599	-	16,629	970	
Fishing vessel insurance	9,989	537	9,066	1,460	
Aviation insurance	7,082	-	4,012	3,070	
Personal automobile physical damage insurance	1,707,853	-	412,733	1,295,120	
Commercial automobile physical damage insurance	87,919	-	17,294	70,625	
Personal automobile liability insurance	1,134,873	3	202,071	932,805	
Commercial automobile liability insurance	390,972	2	65,069	325,905	
General liability insurance	114,829	622	27,080	88,371	
Professional indemnity insurance	5,649	-	1,189	4,460	
Engineering insurance	117,496	10,916	84,010	44,402	
Guarantee insurance	(6,538)	983	(570)	(4,985)	
Credit insurance	-	(61)	-	(61)	
Other property insurance,	2,643	3	1,025	1,621	
Other property insurance,	25,015	-	-	25,015	
Accident insurance	565,494	7,318	205,108	367,704	
Commercial earthquake insurance	3,115	-	1,995	1,120	
Personal all risks insurance	1,280	842	307	1,815	
Typhoon and flood insurance	5,054	-	3,126	1,928	
Health insurance	21,597	-	6,102	15,495	
Overseas ceded-in reinsurance — fire insurance	-	45	-	45	
Overseas ceded-in reinsurance — marine cargo insurance	-	8	-	8	
Overseas ceded-in reinsurance — hull insurance	-	22	-	22	
Overseas ceded-in reinsurance — automobile insurance	-	59	-	59	
Overseas ceded-in reinsurance — engineering insurance	-	5	-	5	
Overseas ceded-in reinsurance — aviation Insurance	-	6,764	-	6,764	
Overseas ceded-in reinsurance — other liability insurance	-	92,808	68,671	24,137	
Nuclear risks insurance	-	3	-	3	
Compulsory personal automobile liability insurance	475,230	146,176	283,538	337,868	
Compulsory commercial automobile liability insurance	86,337	23,213	52,314	57,236	
Compulsory motorcycle liability insurance	98,620	108,358	58,066	148,912	
Total	\$ 5,524,852	399,030	1,962,711	3,961,171	

Union Insurance Co., LTD.
Statement of commission expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Commission expense from underwriting:			
yearly renewable term dwelling fire insurance		\$ 21,746	
Long-term dwelling fire insurance		(17)	
Yearly renewable term commercial fire insurance		50,341	
Domestic transportation insurance		3,755	
Marine cargo insurance		23,556	
Hull insurance		416	
Fishing vessel insurance		1,289	
Aviation insurance		5,036	
Personal automobile physical damage insurance		539,757	
Commercial automobile physical damage insurance		30,384	
Personal automobile liability insurance		380,407	
Commercial automobile liability insurance		114,662	
Compulsory personal automobile liability insurance		109,455	
Compulsory commercial automobile liability insurance		4,663	
Compulsory motorcycle liability insurance		14,912	
General liability insurance		56,732	
Professional indemnity insurance		4,054	
Engineering insurance		37,983	
Guarantee insurance		2,229	
Other property insurance		9,797	
Accident insurance		208,501	
Commercial earthquake insurance		16,673	
Personal all risks insurance		5,925	
Typhoon and flood insurance		15,226	
Policy-oriented earthquake insurance		14,936	
Health insurance		13,623	
Total		<u>\$ 1,686,041</u>	

Union Insurance Co., LTD.
Statement of commission expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Items	Description	Amount	Note
Reinsurance commission expense:			
Long-term dwelling fire insurance		\$ (7)	
Yearly renewable term commercial fire insurance		625	
Marine cargo insurance		102	
Fishing vessel insurance		348	
Personal automobile physical damage insurance		8	
Personal automobile liability insurance		3	
Commercial automobile liability insurance		1	
General liability insurance		161	
Professional indemnity insurance		13	
Engineering insurance		7,833	
Nuclear risks insurance		382	
Guarantee insurance		17	
Other property insurance		11	
Accident insurance		12	
Commercial earthquake insurance		288	
Personal all risks insurance		291	
Typhoon and flood insurance		253	
Policy-oriented earthquake insurance		62	
Reinsurance assumed business		1,327	
Total		<u>\$ 11,730</u>	

Union Insurance Co., LTD.

Statement of finance costs

For the year ended December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>
Deferred interest expense	Deferred interest payment due to claim disputation	\$ 4,336	
Interest expense of lease liability		354	
Total		<u>\$ 4,690</u>	

Statement of general expenses

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Remarks</u>
Salary expense	Employee salary and year-end bonuses	\$ 574,842	
Taxes	Value-added and stamp tax	246,545	
Entertainment expense		229,999	
Advertisement expense		134,818	
Handling fee		119,279	
Others		342,018	Each item amount is less than 5% of account balance.
Total		<u>\$ 1,647,501</u>	

Union Insurance Co., LTD.
Statement of administrative expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salary expense	Employee salary and year-end bonuses	\$ 208,964	
Professional service expense		63,988	
Postage expense		19,899	
Others		104,082	Each item amount is less than 5% of account balance.
Total		<u>\$ 396,933</u>	

Union Insurance Co., LTD.

**Summary of employee benefits, depreciation,
depletion and amortization expenses by functional
account**

For the year ended December 31, 2021 and 2020

(Expressed in thousands of New Taiwan Dollars)

Nature	Function	2021			2020		
		Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employees Benefits							
Salaries		348,399	760,919	1,109,318	361,667	779,705	1,141,372
Labor and health insurance		-	83,637	83,637	-	77,988	77,988
Pension		-	41,735	41,735	-	41,488	41,488
Remuneration of directors		-	23,241	23,241	-	23,122	23,122
Others		-	45,688	45,688	-	44,905	44,905
Depreciation		4,226	46,778	51,004	4,262	49,735	53,997
Amortization		-	17,462	17,462	-	17,301	17,301

An additional information on the numbers of employees and employee benefits of The Company for 2021 and 2020 were as follow:

	<u>2021</u>	<u>2020</u>
Employees	<u>1,118</u>	<u>1,119</u>
Numbers of directors-non-employees	<u>7</u>	<u>7</u>
Average expense employee benefits	<u>\$ 1,152</u>	<u>1,174</u>
Average employee salary expense	<u>\$ 998</u>	<u>1,026</u>
Adjustment to average employee salaries and wages	<u>(2.73)%</u>	
Supervisor's remuneration	<u>-</u>	<u>-</u>

Remuneration policy (includes directors, managers and employees):

(1) Directors and appointed managers:

(a) It is handled in accordance with the Company's "Salary and Remuneration Committee Organizational Rules", "Performance and Salary and Remuneration Evaluation Methods for Directors and Managers" and " Performance System and Evaluation Mechanism for the Chairman and General Manager ".

(b) Directors:

(i) The salary and remuneration of the Company's directors is based on a monthly salary system, and transportation fees are paid based on actual attendance of the board of directors and their respective functional committees.

- (ii) The remuneration of the chairman of the Board also includes an annual performance bonus and is handled in accordance with the "Performance System and Evaluation Mechanism for the Chairman and General Manager".
 - (iii) The remuneration of the Company's directors (including transportation fees) is based on the provisions of the Articles of Incorporation, and the amount is authorized to be paid by the Board of Directors according to usual standards of the industry.
- (c) Appointed managers:
- (i) The remuneration of appointed managers is based on a monthly salary system plus various bonuses; they are in nature to motivate or reward appointed managers ; and depend on the Company's overall operating performance during the year and the achievement of the unit. They include year-end and variable performance bonuses, etc.
 - (ii) The remuneration of the general manager is handled in accordance with the content stipulated in the appointment contract, and "Performance System and Evaluation Mechanism for the Chairman and General Manager".
 - (iii) The remuneration of the Company's appointed managers is based on the regulations of the Articles of Incorporation, which shall be submitted to the Board of Directors for discussion.
- (d) Regarding the distribution of flexible bonuses to the Company's directors and appointed managers, the Company's overall operating results for the year and the comprehensive evaluation of the operating performance of the units under its jurisdiction shall be considered. Reasonableness and fairness and the provisions of the Articles of Incorporation shall be paid attention to during the evaluation.
- (e) The salary and remuneration of the directors and appointed managers of the Company shall be discussed by the salary and remuneration committee before the board of directors resolution.

(2) Employee:

The employees' annual salary includes 12-months salary, year-end bonus and employee compensation. Year-end bonuses are paid based on the Company's operating performance and individual employee performance for the year; employee compensation is based on the Company's Articles of Incorporation. If the Company makes a profit during the year, one to five percent shall be allocated as employee compensation. However, if the Company still has accumulated losses, it shall first make up for the accumulated losses before the balance can be allocated and distributed.

Union Insurance Co., LTD.
Statement of non-operating income and expenses
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Recovery claim		\$ 13,156	
Reclassification of overdue liabilities to income		1,653	
Miscellaneous income		1,053	Each item amount is less than 5% of account balance.
Recovery service expense		(3,688)	
Other expense		(30)	Each item amount is less than 5% of account balance.
Total		<u>\$ 12,144</u>	

(English Translation of Other Disclosures in Financial Reports and Report Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Other Disclosures in Financial Reports

For the Year Ended December 31, 2021

Union Insurance Co., LTD.
Review Report of Other Disclosures in Financial Reports

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

We have audited the financial statements of Union Insurance Co., LTD. for the year ended December 31, 2021. Our audit was made in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and Republic of China generally accepted auditing standards, and we issued the audit report thereon on March 24, 2022. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The attached “Other Disclosures in Financial Reports” (Other Disclosures) is prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. We have reviewed the information included in the Other Disclosures in accordance with article 25 of Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

Based on our review, the Other Disclosures in Financial Reports of Union Insurance Co., LTD. for the year ended December 31, 2021, are in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The financial information disclosed is consistent with the basic financial statements, and does not need any modification.

The engagement partners on the reviews resulting in this independent auditors’ review report are WU, CHENG YEN and CHUNG, TAN TAN.

KPMG

Taipei, Taiwan (Republic of China)
March 24, 2022

**(English Translation of Other Disclosures in Financial Reports and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards**

UNION INSURANCE CO., LTD.

Other Disclosures in Financial Reports

For the year ended December 31, 2021

(1) Information on business conditions

(a) Significant business matters

- (i) Acquisition or merger: None.
- (ii) Demerger: None.
- (iii) Change in management rights (equity) reaching 10% or more: None.
- (iv) Transfer of business: None.
- (v) Investments in affiliated enterprises arising over the most recent 5 fiscal years

(In Thousands of New Taiwan Dollars/shares)

Name of investee	Year 2021		2020		2019		2018		2017	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares
China Insurance (Thai) Public Company Limited	-	-	-	-	39,080	3,743	38,794	3,743	41,140	3,743

Note: On December 30, 2019, the Board of Directors of the Company approved to sell China Insurance (THAI) Public Company Ltd., the subsidiary of the Company. All shares would be transferred in January 2020.

- (vi) Reorganization: None
- (vii) Acquisition or disposal of major assets arising over the most recent 5 fiscal years

1) Acquisition of major assets

(In Thousands of New Taiwan Dollars)

Type of property	Acquisition date		Amount	Counterparty	Relationship	Previous transfer information, as the counterparty is a related party				Reference for price	Purpose of acquisition	Current condition
	Date of contract	Occurrence date				Counterparty	Relations with the Company	Date	Amount			
Property	2021.5.12	2021.8.4	167,020	Natural person	Non related parties	-	-	-	-	Appraisal report	Owner-occupied property	Owner-occupied property

2) Disposal of major assets: None

- (viii) Significant changes in operation method (including sales system) or business activity

The Company's main business is property insurance, engaging in the sales of various insurances and related business operations. There was no major change in the last five years.

(b) Remuneration to directors, supervisors, president, vice presidents, and Chairmen of the board and presidents rehired as consultants after retiring from the insurance enterprise or its affiliate enterprises and related information

(i) Remuneration paid to directors, supervisors, president, vice presidents, and consultants

1) Remuneration to directors (include independent directors)

(In Thousands of New Taiwan Dollars)

Title	Name	Remuneration of directors								Ratio of total remuneration (A+B+C+D) to net income				Relevant remuneration received by directors who are also employees								Ratio of total remuneration (A+B+C+D+E+F+G) to net income				Compensation paid to directors from an invested company other than the Company's subsidiary		
		Compensation (A)		Retirement pension (B)		Bonus to directors (C)		Business execution fee (D)		The Company		All companies in the consolidated		Salary, bonuses, and allowances (E)		Retirement pension (F)		Employees' compensation (G)				The Company		All companies in the consolidated				
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Total	Ratio	Total	Ratio	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		Total	Ratio	Total	Ratio			
																			Cash	Stock	Cash	Stock						
Director	Director of the Board	WANT-WANT Co., Ltd.																										
	President of the Board	WANT-WANT Co., Ltd. (legal representative, HUNG, CHI-HSIUNG)																										
	Director of the Board	WANT-WANT Co., Ltd. (legal representative, SYU, SHH-WEI)																										
	Director of the Board	WANT-WANT Co., Ltd. (legal representative, HSU, HAI-LUN)	11,800	-	-	-	6,500	-	1,731	-	20,031	2.88%	-	-	7,452	-	108	-	249	-	-	-	-	27,840	4.00%	-	-	None
	Director of the Board	WANT-WANT Co., Ltd. (legal representative, MA, CHIA-YING)																										
	Director of the Board	WANT-WANT Co., Ltd. (legal representative, LIU, CHIH-MING)																										
Independent Director	Independent Director	WANG, TUNG-LIANG																										
	Independent Director	KUO, PING-SHEN	2,340	-	-	-	-	870	-	3,210	0.46%	-	-	-	-	-	-	-	-	-	-	-	-	3,210	0.46%	-	-	None
	Independent Director	MA, YU-FENG																										

Except listed above, there are 0 thousand dollars remuneration for services directors provided to all companies in financial statements, such as being consultants who are non-employees.

Note1: The relationship between the policy, the regulation, the structure, and the standard of remuneration paid to independent directors and the amount of remuneration:

- (1) According to Art. 36.2 of the Articles of Incorporation of the Company, the remuneration paid to independent directors is reasonably decided by the Board. Independent directors would not participate in earning distribution. Regarding to the amount of remuneration (including the amount of reward for driver), by Art. 28 of the Articles of Incorporation of the Company, is decided by the Board, which refers to the standard of the same trade.
- (2) According to the regulation of remuneration paid to directors and functional committee members, independent directors are given fixed payment without participating in earning distribution.
- (3) According to the regulation of performance and remuneration of directors and managers, they should follow the principle of sustainable development and stable profits and keep from high-risk operating mode and high-volatility investment strategy.

Note2: Employment data of the year 2021.

Note3: Retirement pension contains provision and payment.

Note4: The amount of reward for driver of \$1,564 was excluded.

Range of remuneration

Range of remuneration paid to directors	Name of directors			
	Total of remuneration (A+B+C+D)		Total of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies in the consolidated financial statements (H)	The Company	All companies in the consolidated financial statements (I)
Under TWD 1,000,000	Legal representative of WANT-WANT Co., Ltd., : SYU,SHIH-WEI ; HSU, HAI-LUN ; MA, CHIA-YING ; LIU, CHIH-MING	-	Legal representative of WANT-WANT Co., Ltd., : SYU,SHIH-WEI ; HSU, HAI-LUN ; MA, CHIA-YING	-
TWD 1,000,000(included)~ TWD 2,000,000 (excluded)	WANG, TUNG-LIANG ; KUO, PING-SHEN ; MA, YU-FENG ;	-	WANG, TUNG-LIANG ; KUO, PING-SHEN ; MA, YU-FENG ;	-
TWD 2,000,000(included)~ TWD 3,500,000 (excluded)	-	-	-	-
TWD 3,500,000(included)~ TWD 5,000,000 (excluded)	-	-	-	-
TWD 5,000,000(included)~ TWD 10,000,000 (excluded)	WANT-WANT Co., Ltd.	-	WANT-WANT Co., Ltd. and Legal representative of WANT-WANT Co., Ltd., : LIU, CHIH-MING	-
TWD 10,000,000(included)~ TWD 15,000,000 (excluded)	Legal representative of WANT-WANT Co., Ltd., : HUNG, CHI-HSIUNG	-	Legal representative of WANT-WANT Co., Ltd., : HUNG, CHI-HSIUNG	-
TWD 15,000,000(included)~ TWD 30,000,000 (excluded)	-	-	-	-
TWD 30,000,000(included)~ TWD 50,000,000 (excluded)	-	-	-	-
TWD 50,000,000(included)~ TWD 100,000,000 (excluded)	-	-	-	-
Over TWD100,000,000	-	-	-	-
Total	9 people	-	9 people	-

Note: Listing legal director and representative respectively.

2) Remuneration paid to supervisors: None.

3) Remuneration paid to president and vice presidents

(In Thousands of New Taiwan Dollars)

Title	Name	Salary (A)		Retirement pension (B)		Bonuses, and Allowances (C)		Employees' compensation (D)				Ratio of total remuneration (A+B+C+D) to net income				Compensation paid to president and vice presidents from an invested company other than the Company's subsidiary
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company		All companies in the consolidated financial statements		The Company		All companies in the consolidated financial statements		
								Cash	Stock	Cash	Stock	Amount	Ratio	Amount	Ratio	
President	LIU, CHIH-MING	10,737	-	546	-	7,413	-	686	-	-	-	19,382	2.78%	-	-	None
Vice President	TSAO, SHENG-KUANG															
Vice President	WU, FU-CHEUNG															
Vice President	PAN, SHAO-YUN															
Chief Audit Officer	Note (D)															
Chief Compliance Officer	WANG, LI-HUNG															
	KO, CHING-HUA															

Note1: Dismissed on May 1, 2021.

Note2: The amount of reward for driver of \$980 was excluded.

Note3: Retirement pension contains provision and payment.

Range of remuneration

Range of remuneration paid to president and vice presidents	Name of president and vice presidents	
	The Company	All companies in the consolidated financial statements (E)
Under TWD 1,000,000	-	-
TWD 1,000,000(included)~ TWD 2,000,000 (excluded)	PAN, SHAO-YUN ;	
TWD 2,000,000(included)~ TWD 3,500,000 (excluded)	KO, CHING-HUA ; WANG, LI-HUNG ; WU, FU-CHENG ;	-
TWD 3,500,000(included)~ TWD 5,000,000 (excluded)	TSAO, SHENG-KUANG	-
TWD 5,000,000(included)~ TWD 10,000,000 (excluded)	LIU, CHIH-MING ;	-
TWD 10,000,000(included)~ TWD 15,000,000 (excluded)	-	-
TWD 15,000,000(included)~ TWD 30,000,000 (excluded)	-	-
TWD 30,000,000(included)~ TWD 50,000,000 (excluded)	-	-
TWD 50,000,000(included)~ TWD 100,000,000 (excluded)	-	-
Over TWD100,000,000	-	-
Total	6 people	-

4) Top 5 managers' remuneration of the listed insurance companies : Not applicable.

5) Employees' compensation distributed to managers

(In Thousands of New Taiwan Dollars)

Item	Title	Name	Bonus - in Stock	Bonus - in Cash	Total	Ratio of total amount to net income (%)
Management	President	LIU, CHIH-MING	-	3,532	3,532	0.51%
	Vice President	TSAO, SHENG-KUANG				
	Vice President	WU, FU-CHENG				
	Chief Audit Officer	WANG, LI-HUNG				
	Chief Compliance Officer	KO, CHING-HUA				
	Senior Manager	CHEN, TAI-LUNG				
	Senior Manager	LAI, HUNG-TE				
	Senior Manager	HUANG, CHIN-PIN				
	Manager	CHANG, HUI-KUO				
	Senior Manager	LAI, SUNG-YEN				
	Senior Manager	LO, YU-CHENG				
	Manager	YEN, HSU-NAN				
	Senior Manager	LAI, TUNG-I				
	Manager	LIN, CHING HSIN				
	Manager	WU, PI-TU				
	Senior Manager	YEN, KUO-CHUNG				
	Manager	CHENG, KUO JUNG				
	Manager	LU, TSUNG HSUN (Note 4)				
	Senior Manager	HSU, JUI-LIN				
	Manager	SU, CHIEN-JUNG (Note 3)				
	Manager	LAI, CHIN FANG				
	Manager	TSENG, MEI-HUI				
	Manager	WU, SHU CHUAN				
	Senior Manager	TSAI, WAN-HUA				
	Manager	CHANG, SUNG TSE				
	Manager	LIN, HOUNG HUA				
	Manager	LIU, SEN JUNG				
	Manager	LI, HUI YING				
	Manager	LIN, TSANG CHING				
	Senior Manager	HSU, CHE CHANG				
	Senior Manager	TSUI, CHUAN SHENG				
	Manager	HUNG, KUO CHUN				
	Manager	WU, HSING-KUN				
Senior Manager	WU, TA-CHUN					
Senior Manager	LI, WEN-JUI					
Manager	HSU, CHUN-YU					
Manager	WU, YI CHENG					
Manager	HSU, MIN YUAN					
Chief Financial Officer	HSUEH, CHANG HSIAO					
Chief Accounting Officer	KUO, FEI WEN					

Note 1: Employment data on December 31, 2021.

Note 2: Estimated with percentage which is calculated by actual payment last year.

Note 3: Dismissed on January 1, 2022.

Note 4: Dismissed on March 1, 2022.

- 6) Chairmen of the board and presidents rehired as consultants after retirement: None.
- (ii) The Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPA or at an affiliated enterprise: None.
- (c) Labor-management relations
 - (i) Agreements between labor and management and the implementation
 - 1) Employee benefit policies

The Company established Employees' Welfare Committee, which is comprised of employees recommend. They hold various of welfare activities in accordance with Rules for Employees' Welfare.
 - 2) Professional development and training

The Company provides employees systematic and professional education training in concert with interdisciplinary learning program, multiple training program, and self-learning program.
 - 3) Retirement programs

In compliance with the Labor Standards Act and Labor Pension Act, the Company shall make a monthly contribution to the labor pension reserve funds and labor pension funds. The calculation of the defined benefit obligations is performed annually by a qualified actuary with actuarial report to protect the workers' rights and interests.
 - 4) Other major agreements: None.
 - (ii) Loss sustained as a result of labor disputes in the most recent 3 fiscal years: None.
 - (iii) Violation of the Labor Standards Act found during the labor inspection: None.
- (d) Cyber Security Management
 - (i) Implementation of Cyber Security Management
 - 1) Structure of cyber security risk management

The Company has established the Cyber Security Management Promotion Committee, which is responsible for the discussion and resolution of matters related to the cyber security management system. The cyber security management promotion committee includes the cyber security executive team, the cyber security audit team and the cyber security incident notification team. The cyber security executive team is responsible for planning, establishment, implementation, maintenance, review and continuously improving the Company's cyber security management system in accordance with the resolutions of the Committee. The cyber security audit team is responsible for evaluating the implementation and compliance of the cyber security management system and conducting audits. The cyber security incident notification team performs cyber incident reporting and business continuity management projects.

2) Policy of cyber security

To ensure a normal, safe and stable operation of the Company's information system services, the cyber security management system that regulates the maintenance and operation process of the Company's information platform is the highest guideline to establish secure and reliable information system services, to ensure the confidentiality, integrity and availability of information assets, to meet the requirements of relevant laws and regulations, to maintain the continuous operation of the information platform, to reduce information operation risks, and to protect the rights of information system service users.

a) Information Security Policy Statement

The ultimate goal of the Company's information security work is to ensure the safety and effective operation of the information processing operations of the information platform through the management of personnel, operations and information technology, as well as to prevent security incidents affecting the confidentiality, integrity and availability of information during the information processing operations in order to protect the privacy rights of customers and personal information.

- i) The Information Management Promotion Committee was established to be responsible for the establishment and promotion of the Company's information security management system.
- ii) Evaluate the relevant laws and regulations and operational requirements, conduct information risk assessment of information assets, determine information operation security requirements, establish operation standard procedures, and adopt appropriate information security measures to ensure information asset security.
- iii) Establish an evaluation or assessment system based on the roles and functions of personnel, and conduct information security education and training and promotional activities according to actual needs.
- iv) Grant access rights to information assets according to business needs, taking into account the limit of authorization, segregation of authorization and responsibility, as well as independence review.
- v) Establish information on security incident management procedures to ensure proper incident response, control and handling, develop business continuity plans, as well as conduct regular drills to ensure the continued operation on information systems or services.
- vi) Handle and protect personal information and intellectual property rights in accordance with the relevant provisions of the Personal Information Protection Act and the Intellectual Property Rights.
- vii) Perform information security audits regularly to review the implementation of the information security management system.
- viii) All employees of the Company shall be responsible for information security and comply with the relevant information security management regulations.
- ix) The policy shall be effective upon announcement after being approved by the Board of Directors, and shall also be effective upon amendment.

b) Information Security Goal

- i) The Company aims to protect the confidentiality, integrity and availability of information assets in order to:
 - 1. Maintain the business continuity of the information platform maintenance process.
 - 2. Protect the information assets related to the information platform maintenance process from improper or illegal use, and stop hackers, viruses, and other intrusive and destructive behaviors.
 - 3. Establish standard operating procedures for information platform maintenance processes to avoid human errors and accidents, as well as to enhance the awareness of information security among employees.
- ii) This policy shall be evaluated at least once a year to reflect the latest developments in relevant laws and regulations, technology and the Company's business, and shall be revised as appropriate.

3) Specific Management Solutions

- a) The Information Security Promotion Committee shall convene a management review meeting at least once a year, and if necessary, an ad hoc meeting.
- b) The minutes of the meeting which the management reviews should include the following:
 - i) Status of implementation of resolutions at the previous management review meeting: Follow-up on the issues resolved at the previous meeting.
 - ii) Changes on internal and external issues related to information security management system: Review on the entire identification results of the organization.
 - iii) Feedback on information security performance, including the following trends:
 - 1. Non-conforming items and corrective measures: Proper handling of information on safety events and improvement operations.
 - 2. Supervision and measurement results.
 - 3. Audit results: Information security internal and external audit results and suggested improvement items.
 - 4. Achievement of information on security objectives: Implementation of status report regarding the information security objectives.
 - iv) Feedback from observers: Suggestions from employees, third parties and other stakeholder groups.
 - v) Risk assessment results and status of risk management plan: Risk assessment and feedback review.
 - vi) Opportunities for continuous improvement: Suggestions for improving information security that can be provided.

- c) The conclusion of the minutes of the meeting should include that the output of the management review should include decisions related to continuous improvement concerning opportunities and any need for changes on the information security management system.
 - d) Management review is an important activity of the information security management system, and the review records should be handled in accordance with the record management requirements of the information security management system.
- 4) Input resources for Ares security management
- a) WAF information security device protection
 - b) HiNet DDoS protection
 - c) Annual evaluation on information security evaluation
 - d) Annual exercises on social engineering
 - e) Annual implementation of ISO27001 certification
 - f) Import of Microsoft WVD two-factor certificate
 - g) Introduction on privilege tools
 - h) Adaption of employee account behavior pattern analysis system
 - i) Adaption of credit card identification mechanism
- (ii) Losses due to significant information security incidents in the most recent year: None.
 - (iii) Impact of Ares security risk on the Company's financial operations and measures to address it.

The Company has established internal operation regulations related to information security to strengthen the implementation of internal audit and internal control. It promptly controls any information security incidents to effectively reduce any damage in order to protect customer data security and achieve sustainable business operation.

- (e) Changes in president, chief audit officer and actuaries in the most recent 2 years
 - (i) Changes in president, chief audit officer: None
 - (ii) Changes in qualified actuaries

The Company's Board of Directors approved on October 30, 2020 that the appointed actuary was switched from chief actuary LIN, CHIN-YUAN, to manager WU, YI-CHENG. This case was approved by the governmental authority for review on February 23, 2021.

- (f) Changes in the method for provision of all kinds of reserves: None.
- (g) The situation in the most recent year where its shareholders meeting has adopted the resolution to carry out capital increase or decrease or its Board of Directors (council) has adopted the resolution to issue new shares but the application (or filing) has not been approved (or has not been approved for record) by the FSC, or where its application for capital change registration has not been approved by the Ministry of Economic Affairs: None.

- (h) Cases of claim payment and claim recovery from reinsurer involving amount exceeding NT\$20 million in the most recent 3 years and financial impact analysis

For the year ended December 31, 2021			
Insurance	Insurance Claim Payment (A)	Claims Recoverable from Reinsurers (B)	Retained Claim Payment (C)=(A)-(B)
Commercial fire insurance	570,600	548,100	22,500
Hull insurance	30,011	30,004	7
	\$ 600,611	578,104	22,507
For the year ended December 31, 2020			
Insurance	Insurance Claim Payment (A)	Claims Recoverable from Reinsurers (B)	Retained Claim Payment (C)=(A)-(B)
Accident insurance	\$ 26,000	19,000	7,000
Commercial fire insurance	109,000	30,700	78,300
	\$ 135,000	49,700	85,300
For the year ended December 31, 2019			
Insurance	Insurance Claim Payment (A)	Claims Recoverable from Reinsurers (B)	Retained Claim Payment (C)=(A)-(B)
Commercial fire insurance	208,000	158,000	50,000
Engineering insurance	54,000	50,970	3,030
	\$ 262,000	208,970	53,030

- (i) Names of reinsurers to whom the reinsurance premium expenses paid in the most recent year account for more than 1% of total premium income and the credit rating of those reinsurers

Reinsurer	Credit Rating	Credit Rating Agency
Central Reinsurance Corporation	A	S & P
Transatlantic Reinsurance Company, Hong Kong Branch	A+	S & P
Swiss Re Asia Pte. Ltd, Hong Kong Branch	AA-	S & P

- (j) Entrust credit rating agency to rating reinsurers

The Company entrusted Taiwan Ratings to make the credit rating in connection with financial condition and issuer. On September 22, 2021, the result of Taiwan Ratings is twAA, and the credit rating vision is stable. On September 22, 2021, the result of Standard & Poor 's is A-, and the credit rating vision is stable. On June 4, 2021, the result of A.M. Best Company is A-, and the credit rating vision is stable.

(2) Market price of securities, dividend and dispersion of ownership

- (a) Per share market price, net worth, earnings per share, dividends in the past 2 years

(New Taiwan Dollars/in Thousands of shares)

Item		Year	2021	2020
Market price per share	Highest		22.20	22.90
	Lowest		19.10	15.60
	Average		20.23	19.49
Net worth per share	Before distribution		28.81	26.15
	After distribution		27.81	25.35
Earnings per share	Weighted average number of ordinary shares		223,608	223,608
	Earnings per share		3.12	3.14
Dividends per share	Cash dividend		1.00	0.80
	Issuance of bonus shares	Stock dividend from retained earnings	-	-
		Stock dividend from capital reserve	-	-
	Accumulated undistributed dividends		-	-
Analysis of return on investment	Price-earnings ratio		6.48	6.21
	Price-dividend ratio		20.23	24.36
	Cash dividend yield		4.94%	4.10%

(b) Dispersion of ownership

(i) Common shares

Ordinary Par Value Per Share NT10		As of December 31, 2021		
Class of Shareholding		Number of Shareholders	Shareholding	Percentage
1~	999	8,640	1,679,045	0.7509%
1,000~	5,000	3,470	7,265,693	3.2493%
5,001~	10,000	705	5,148,501	2.3025%
10,001~	15,000	282	3,375,032	1.5094%
15,001~	20,000	138	2,485,730	1.1116%
20,001~	30,000	161	3,996,481	1.7873%
30,001~	40,000	77	2,726,106	1.2191%
40,001~	50,000	47	2,124,794	0.9502%
50,001~	100,000	109	7,615,671	3.4058%
100,001~	200,000	56	7,910,174	3.5375%
200,001~	400,000	21	5,785,135	2.5872%
400,001~	600,000	18	8,824,157	3.9463%
600,001~	800,000	3	1,878,757	0.8402%
800,001~	1,000,000	4	3,947,191	1.7652%
1,000,001 or over		8	158,845,533	71.0375%
Total		13,739	223,608,000	100.00%

(ii) Preferred shares: The Company have no preferred share.

(c) Net change in shareholding of directors, supervisors, managerial officers, and shareholders with 10% shareholdings or more.

(i) Net change in shareholding of directors, supervisors, managerial officers, and shareholders with 10% shareholdings or more

Title	Name	2021		As of February 28, 2022	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Senior manager	CHEN, TAI-LUNG	(6,000)	-	-	-
Manager	WU, PI-TU	(6,054)	-	-	-

Note 1: Employment data on December 31, 2021.

(ii) Shares Transferring

(New Taiwan Dollars, Shares)

Name	Reason for transfer	Date of transaction	Transferee	Relationship between transferee and the Company as well as the Company's directors, supervisors, and shareholders holding more than 10% of the entire shares	Shares	Transaction Price
None	-				-	

(iii) Shares Pledge

(New Taiwan Dollars, Shares)

Name	Reason for pledge	Date of transaction	Transferee	Relationship between transferee and the Company as well as the Company's directors, supervisors, and shareholders holding more than 10% of the entire shares	Shares	Shares holding (%)	Shares pledged (%)	Pledged amount
None					-	- %	- %	-

(d) Information for shelf registration: Not applicable.

(3) Financial Information

(a) Concise balance sheet and statement of comprehensive income

(i) Concise Balance Sheet from 2017 to 2021

(In Thousands of New Taiwan Dollars)

Item	Year	Financial summary for the most recent five years (Note 1)				
		2021	2020	2019	2018	2017
Cash and cash equivalents		3,648,227	2,386,542	2,117,261	2,268,129	2,585,164
Account receivables		680,984	667,810	858,220	888,537	711,557
Assets classified as held-for- sale		-	-	39,080	-	-
Financial assets and loans		8,639,744	8,730,438	8,344,160	7,793,073	7,002,017
Reinsurance assets		3,860,017	3,920,832	4,149,186	4,510,868	4,151,807
Property and equipment		1,262,061	1,165,781	1,127,260	1,037,396	816,841
Intangible assets		120,574	136,982	133,831	134,484	74,893
Other assets		809,330	736,347	764,990	708,472	880,406
Total assets		19,020,937	17,744,732	17,533,988	17,340,959	16,222,685
Accounts payable		1,237,685	1,256,750	1,283,230	1,209,944	1,254,165
Liabilities related to assets classified as held-for-sale		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Insurance liabilities and reserve for insurance with nature of financial instrument		10,958,474	10,326,662	10,404,545	10,899,072	10,284,374
Provisions		179,077	214,043	233,432	275,649	254,150
Other liabilities		203,928	100,084	194,940	118,486	115,590
Total liabilities	Before distribution	12,579,164	11,897,539	12,116,147	12,503,151	11,908,279
	After distribution	12,802,772	12,076,425	12,303,552	12,694,815	12,057,351
Ordinary share		2,236,080	2,236,080	2,129,600	2,129,600	2,129,600
Capital surplus		-	-	-	-	-
Retained earnings	Before distribution	4,126,209	3,552,655	3,164,913	2,652,316	2,171,062
	After distribution	3,902,601	3,373,769	2,871,028	2,460,652	2,021,990
Other equity interest		79,484	58,458	123,328	55,892	13,744
Total equity	Before distribution	6,441,773	5,847,193	5,417,841	4,837,808	4,314,406
	After distribution	6,218,165	5,668,307	5,230,436	4,646,144	4,165,334

Note 1: Financial summary for the most recent five years has been audited by CPA.

(ii) Concise comprehensive income statement from 2017 to 2021

(In Thousands of New Taiwan Dollars)

Item	Year	Financial summary for the most recent five years (Note 1)				
		2021	2020	2019	2018	2017
Operating revenue		8,809,911	8,237,782	8,065,998	7,695,690	7,220,409
Operating cost		6,004,143	5,509,703	5,346,030	5,160,294	4,727,178
Operating expense		2,011,651	2,054,189	2,032,547	1,942,719	1,834,876
Non-operating income and expense		12,144	32,162	13,930	34,069	5,103
Income before tax		806,261	706,052	701,351	626,746	663,458
Net income (after tax)		696,668	702,097	703,782	605,620	663,458
Other comprehensive income		76,798	(82,387)	67,915	55,757	45,305
Earnings per share (Note 2) (in New Taiwan dollars)		3.12	3.14	3.15	2.84	3.12

Note 1: Financial summary for the most recent five years has been audited by CPA.

Note 2: Earnings(Loss) per share is calculated by retrospective-adjusted weighted average number of ordinary shares. If capital increase by retained earning or share premium, or capital decrease due to reverse share split happened, the shares will be retrospective-adjusted according to ratio of increased and decreased capital, regardless of the outstanding period.

(b) Financial ratios analysis

Item	Year	Financial ratios analysis for the most recent five years (Note 1)				
		2021	2020	2019	2018	2017
Business analysis (%)	Rate of change in direct written premiums	4.29	3.96	0.08	8.12	7.21
	Rate of change in claims paid	(0.36)	(1.38)	15.65	(3.47)	10.92
	Rate of change in net premiums	8.29	5.45	(0.28)	5.21	15.58
	Rate of net value	33.87	32.95	30.90	27.90	26.59
Profitability analysis (%)	Return on assets	3.81	3.99	4.05	3.62	4.21
	Return on equity	11.34	12.47	13.72	13.23	16.75
	Net return on fund	3.47	3.24	2.91	2.04	2.18
	Return on investment	3.16	2.93	2.63	1.84	1.96
	Net combined ratio	95.49	96.03	96.83	93.39	93.21
	Net expense ratio	41.02	42.17	42.90	40.80	40.79
Overall operation analysis (%)	Net loss ratio	54.47	53.86	53.93	52.59	52.42
	Net premiums to shareholders' equity	124.12	126.27	129.24	145.13	154.68
	Gross premiums to shareholders' equity	172.22	182.00	188.89	211.63	223.90
	Net reinsurance commission to equity	5.13	7.85	8.69	10.11	10.85
	Reserves to equity	170.12	176.61	192.04	225.29	238.37
	Rate of change in equity	10.17	7.92	11.99	12.13	19.66
	Expense rate	33.63	34.70	35.08	33.97	34.19

Note 1: Financial summary for the most recent five years has been audited by CPA.

The reason why change in financial business indicator for the most recent two years

(i) Rate of change in net premiums:

The increase in the rate of change in net premiums resulted from the fact that the written premium on automobile insurance benefited from the promotion of various car manufacturers and the government's replacement subsidy program.

(ii) Net reinsurance commission to equity ratio:
Net reinsurance commission to equity ratio decreased due to the decrease in auto reinsurance commission income driven by the decrease in auto reinsurance ceded ratio.

(c) Other significant information sufficient to enhance understanding of its financial position, financial performance and cash flows or trends of change (e.g. the effects of exchange rate fluctuation): None.

(4) Financial position and financial performance analysis

(a) Financial position analysis

(In Thousands of New Taiwan Dollars)

Item	Year	2021	2020	Difference	
				Amount	%
Cash and cash equivalents		3,648,227	2,386,542	1,261,685	52.87
Account Receivables		680,984	667,810	13,174	1.97
Assets classified as held-for-sale		-	-	-	-
Financial assets and loans		8,639,744	8,730,438	(90,694)	(1.04)
Reinsurance assets		3,860,017	3,920,832	(60,815)	(1.55)
Property and equipment		1,262,061	1,165,781	96,280	8.26
Intangible assets		120,574	136,982	(16,408)	(11.98)
Other assets		809,330	736,347	72,983	9.91
Total assets		19,020,937	17,744,732	1,276,205	7.19
Accounts payable		1,237,685	1,256,750	(19,065)	(1.52)
Liabilities related to assets classified as held-for-sale		-	-	-	-
Financial liabilities		-	-	-	-
Insurance liabilities and reserve for insurance with nature of financial instrument		10,958,474	10,326,662	631,812	6.12
Provisions		179,077	214,043	(34,966)	(16.34)
Other liabilities		203,928	100,084	103,844	103.76
Total liabilities		12,579,164	11,897,539	681,625	5.73
Capital stock		2,236,080	2,236,080	-	-
Capital surplus		-	-	-	-
Retained earnings		4,126,209	3,552,655	573,554	16.14
Other equity interest		79,484	58,458	21,026	35.97
Total equity		6,441,773	5,847,193	594,580	10.17

Analysis of change over 20%:

(i) Cash and cash equivalents:

The increase in the current period compared with the previous period was mainly due to profits from investment portfolio and continued growth in the property insurance market as a result of a significant increase in cash and cash equivalents.

(ii) Other liabilities:

The increase in the current period compared with the previous period was mainly due to the decrease in the deductible loss carryforward, resulting in an increase in tax liabilities.

(iii) Other equity interest:

The financial assets measured at fair value through other comprehensive income resulted in the increase in unrealized gains.

(b) Financial performance analysis

(In Thousands of New Taiwan Dollars)

Item	Year	2021	2020	Change in amount	Change of rate (%)
Operating revenue		8,809,911	8,237,782	572,129	6.95
Operating cost		6,004,143	5,509,703	494,440	8.97
Operating expense		2,011,651	2,054,189	(42,538)	(2.07)
Income from operation		794,117	673,890	120,227	17.84
Non-operating income and expense		12,144	32,162	(20,018)	(62.24)
Profit (loss) from continuing operations before tax		806,261	706,052	100,209	14.19
Tax (income) expense		109,593	3,955	105,638	2,671.00
Profit (loss) from continuing operations		696,668	702,097	(5,429)	(0.77)

Analysis of change over 20%:

(i) Income from operation:

The increase in the current period compared with the previous period was mainly due to the growth of the overall general property insurance market driven by the increase in retained premium income.

(ii) Non-operating income and expense:

The decrease in the current period compared with the previous period was mainly due to the receipt of the second creditor's rights allocation from Walsun Insurance Ltd in the prior period.

(iii) Income tax expense:

The increase in the current period compared with the previous period was mainly due to the decrease in the deductible loss carryforward resulting in an increase in tax expense.

(5) CPA information

(a) Information on Accountants' Fees

- (i) Audit fees and non-audit fees paid to the CPA, to the accounting firm of the CPA, and to any affiliated enterprise of such accounting firms.

(In Thousands of New Taiwan Dollars)

Accounting firm	Name of accountant	Audit period	Audit fee	Non-audit fee	Total	Note
KPMG	WU, CHENG-YEN	2021.01.01~ 2021.12.31	3,950	16,500	20,450	Change of accountant in accordance with the organizational restructuring of the firm
	CHUNG, TAN-TAN					

Non-audit services mainly include tax compliance audit and project services.

- (ii) Alter the CPA Firm and the audit fee in altering year is less than that in the previous year: None.
- (iii) The audit fee is reduced by over 10% compared with the previous year: None.
- (b) Alternation of CPA.
- (i) About the Former CPA

Date of change	2021.3.26		
Reasons and explanation of changes	In accordance with the organizational restructuring of the firm		
State whether the appointment is terminated or rejected by the consignor or CPAs	Status	CPA	Consignor
	Appointment terminated automatically		
	Appointment rejected (discontinued)		
Other issues (except for unqualified issues) in the audit reports within the last two years	None		
Is there any disagreement in opinion with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or steps
			Other
	No		
	Explanation		
Other revealed matters (Disclosure according to Article 24.2.1.4 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.)	None		

(ii) About successor CPA

Name of the accounting firm	KPMG
Name of CPA	WU, CHENG-YEN & CHUNG, TAN-TAN
Date of appointment	2021.3.26
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement	None
Successor CPA's written opinion of disagreement toward the former CPA	None

(iii) The former accountant's response to the matters required by Article 24.2.1 and Article 24.2.2.3 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises: None.

Union Insurance Co., LTD.

Chairman: HUNG, CHI-HSIUNG

President: LIU, CHIH-MING

Chief Accounting Officer: KUO, FEI-WEN

Chapter 7. Risk Management and Analysis on Financial Status and Financial Performance

I Financial position: Main reasons and effects of significant changes in assets, liabilities and equity in the last two years

Comparative Analysis of Financial Position

Unit: NT\$ Thousand; %

Item	Year	2021	2020	Difference	
				Amount	%
Cash and cash equivalents		3,648,227	2,386,542	1,261,685	52.87
Accounts receivables		680,984	667,810	13,174	1.97
Assets classified as held-for-sale		-	-	-	-
Financial assets and loans		8,639,744	8,730,438	(90,694)	(1.04)
Reinsurance contract assets		3,860,017	3,920,832	(60,815)	(1.55)
Property and equipment		1,262,061	1,165,781	96,280	8.26
Intangible assets		120,574	136,982	(16,408)	(11.98)
Other assets		809,330	736,347	72,983	9.91
Total Assets		19,020,937	17,744,732	1,276,205	7.19
Accounts payable		1,237,685	1,256,750	(19,065)	(1.52)
Liabilities directly related to assets classified as held-for-sale		-	-	-	-
Financial liabilities		-	-	-	-
Reserves for insurance liability and insurance contracts with the nature of a financial product		10,958,474	10,326,662	631,812	6.12
Provisions for liabilities		179,077	214,043	(34,966)	(16.34)
Other Liabilities		203,928	100,084	103,844	103.76
Total liabilities		12,579,164	11,897,539	681,625	5.76
Share capital		2,236,080	2,236,080	-	-
Capital surplus		-	-	-	-
Retained earnings		4,126,209	3,552,655	573,554	16.14
Other Equity		79,484	58,458	21,026	35.97
Total Equity		6,441,773	5,847,193	594,580	10.17

Explanation of items having material changes:

- (1) Cash and cash equivalents: the increase over the previous period was mainly due to the sharp increase in cash and cash equivalents due to the profit from investment positions and the continuous growth of property insurance market performance.
- (2) Other liabilities: the increase over the previous period is mainly due to the decrease of deductible loss deduction in the current period compared with the previous period, resulting in the increase of income tax liabilities in the current period.
- (3) Other equity: the increase from the previous period was mainly due to the increase in unrealized benefits of investment positions measured by fair value through other comprehensive gains and losses in the current period.

II Financial performance: The main reasons for the significant changes in operating revenue, operating profit, and net profit before tax in the most recent two years, and the expected sales volume and its basis, as well as the possible impact on the Company's financial condition and countermeasures

Analysis of operating results

Unit: NT\$ Thousand

Item	Year	2021	2020	Changed amount	Change (%)
Operating revenue		8,809,911	8,237,782	572,129	6.95
Operating costs		6,004,143	5,509,703	494,440	8.97
Operating expenses		2,011,651	2,054,189	(42,538)	(2.07)
Operating profit		794,117	673,890	120,227	17.84
Non-operating income and expenses		12,144	32,162	(20,018)	(62.24)
Pure profit (pure loss) before income tax from continuing operations		806,261	706,052	100,209	14.19
Income tax expense		109,593	3,955	105,638	2671.00
Net profit (net loss) from continuing operation		696,668	702,097	(5,429)	(0.77)

Explanation of items having material changes:

- (1) Operating profit: the increase in this period compared with the previous period is mainly due to the growth of the overall property insurance market and the increase of self retained expiration premium income.
- (2) Non-operating income and expenses: decreased as compared to last period mainly due to receipt of the second round of proceeds distribution for the Company's creditor's right to Huashan Property Insurance.
- (3) Income tax (expense): the increase in the current period compared with the previous period is mainly due to the decrease in the deductible loss deduction in the current period compared with the previous period, resulting in the increase of income tax expense.

III Review and analysis of cash flows

Analysis of changes in cash flow and improvement plans for liquidity inadequacy in the most recent fiscal year, and liquidity analysis of cash flows in the coming fiscal year

Liquidity analysis

(I) Analysis of cash flows in the consolidated company Unit: NT\$ Thousand

Cash balance amount at the beginning of the year (1)	Net cash flow from operating activities in the year (2)	Net cash inflow (outflow) from investing activities and financing activities (3)	Amount of cash surplus (Inadequacy) (1) + (2) + (3)	Remedial measures for cash inadequacy															
				Investment Plan	Financing plan														
2,386,542	1,658,236	(396,551)	3,648,227	None	None														
<p>Explanation:</p> <ol style="list-style-type: none"> 1. Analysis of changes in cash flows in the current year: <ol style="list-style-type: none"> (1) Operating activities: the net cash inflow was NT\$ 1,658,236 thousand, mainly due to the net profit inflow of NT\$ 806,261 thousand in the current period, the decrease of insurance liabilities and the decrease of financial assets measured at fair value. (2) Investing activities and financing activities: The net cash outflow of NT\$396,551 thousand mainly went to property and equipment of NT\$195,863 thousand cash dividends payment of NT\$178,886 thousand. 2. Remedial measures for cash inadequacy and analysis of liquidity: not applicable. <p>Liquidity analysis of cash flows in the coming year Unit: NT\$ Thousand</p> <table border="1"> <thead> <tr> <th rowspan="2">Cash balance amount at the beginning of the year (1)</th> <th rowspan="2">Net cash flow from operating activities in the year (2)</th> <th rowspan="2">Net cash inflow (outflow) from investing activities and financing activities (3)</th> <th rowspan="2">Amount of cash surplus (Inadequacy) (1) + (2) + (3)</th> <th colspan="2">Remedial measures for cash inadequacy</th> </tr> <tr> <th>Investment Plan</th> <th>Financing plan</th> </tr> </thead> <tbody> <tr> <td>3,648,227</td> <td>(171,804)</td> <td>(382,787)</td> <td>3,093,636</td> <td>None</td> <td>None</td> </tr> </tbody> </table>						Cash balance amount at the beginning of the year (1)	Net cash flow from operating activities in the year (2)	Net cash inflow (outflow) from investing activities and financing activities (3)	Amount of cash surplus (Inadequacy) (1) + (2) + (3)	Remedial measures for cash inadequacy		Investment Plan	Financing plan	3,648,227	(171,804)	(382,787)	3,093,636	None	None
Cash balance amount at the beginning of the year (1)	Net cash flow from operating activities in the year (2)	Net cash inflow (outflow) from investing activities and financing activities (3)	Amount of cash surplus (Inadequacy) (1) + (2) + (3)	Remedial measures for cash inadequacy															
				Investment Plan	Financing plan														
3,648,227	(171,804)	(382,787)	3,093,636	None	None														

IV Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

Significant capital expenditures of the Company in the most recent two years and the expected five years in the future: None.

V Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Reinvestment Profitability, and Investment Plans for Coming Year:

The Company takes the property and casualty insurance business as the core development, is committed to the R&D of new policies and expands property and casualty insurance services, and follows the principles of obtaining long-term stable returns and diversifying risks.

VI Analysis and assessment of risk issues (the most recent year and as of the

date of publication of the Annual Report)

(1) Effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate

The Company's investment positions are mostly fixed-rate products and are held for a long time, which are less impacted by changes in the financial environment. When market interest rates and credit spreads fluctuate greatly, the Company will buy fixed-income products with investment-grade credit ratings and good physique in a timely manner, in an effort to improve the overall rate of return. For the part of demand deposits and cash equivalents, if the interest rate drops by 10Bp, the expected interest income will decrease by approximately NT\$3,648 thousand. Regarding deposits, the Company will continue to pay close attention to future changes in interest rates and adjust asset allocation in due course.

2. Changes in exchange rates

The Company has sufficient working capital. The major foreign currency financial assets in 2021 were equivalent to approximately NT\$191,980 thousand; among them, US dollars accounted for approximately 97.71% of foreign currency financial assets. For reinsurance and amortization of foreign currencies, natural hedging methods are adopted to avoid exchange rate risks. The Company's relevant authority and responsibility units collect exchange rate information at any time, and grasp the trends and changes of international exchange rates. After deducting the position of major foreign currency financial assets, if the exchange rate changes by 1%, it will affect approximately NT\$801 thousand.

3. Inflation situation

The Company is engaged in the insurance industry, and its business scope does not involve raw materials, so inflation has no significant impact on the Company's profit and loss.

(2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

The insurance industry stipulates that it is not allowed to endorse guarantees for others, and the Company does not have any endorsement guarantees. Regarding high-risk and high-leveraged investments in derivative financial products, the Company has not made any investment activities so far. As for capital loans to others, the Insurance Act has specified the upper limit of the investment ratio, and there has been no case of capital loans to others.

(3) Future R&D Projects and Expected R&D Expenditure

International Financial Reporting Standard No. 17 International Insurance Contracts will be applied in 2023, and Taiwan is expected to apply the same in 2026. In view of the huge difference between the relevant calculation method of insurance liabilities regulated by the standard and the original calculation method, the cash flow of the incurred claim provision liability needs to be estimated at each point in the future. The time value of money can be used to evaluate the future of insurance contracts. The cash flow amount is

in time, and the risk adjustment is the compensation required relative to the fixed future cash flow present value. In order to successfully complete the system-related construction work, in addition to the need to increase manpower and continue to educate and train related personnel, the Company also conducts related system construction work with experienced manufacturers. It is estimated that the cost for completion will be about NT\$60~70 million by the end of 2023.

(4) Effect on the Company’s financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response

In order to assist in the development of prevention and mitigation measures that are equivalent to money laundering and capital terrorist financing risks, the Company has established regular and comprehensive money laundering and capital terrorist financing risk assessment operations in accordance with the regulations of the competent authority and a risk-based method to timely and effectively understand the overall money laundering and terrorist financing risks faced, and accurately assess and reduce the customers’ money laundering and terrorist financing risks.

In addition, for the benefit of the financial service industry to comply with laws and regulations, and to pay attention to and implement financial consumer protection, the competent authority requires all financial service industries to formulate “Principles for Fair Treatment of Customers” to achieve a corporate culture with fair treatment of customers as the core and enhance the financial service industry employees’ awareness of financial consumer protection and compliance with relevant laws and regulations on financial consumer protection, in an effort to reduce illegal costs and risks, increasing financial consumers’ confidence in the financial service industry, helping the sustainable development of the financial service industry. The Company will strengthen the implementation of the “principles for fair treatment of customers” strategy, and closely track and supervise the implementation effects of various departments, so as to comprehensively enhance the Company’s image and pursue perfection.

The Company will continue to pay close attention to changes in the Insurance Act, the Company Act and other related laws, as well as the competent authority’s letter of interpretation, to ensure compliance with all laws and regulations.

(5) Effect on the Company’s financial operations of developments in science and technology (including information security risks) as well as industrial change, and measures to be taken in response

The Company continuously invests in R&D of new products in response to industry growth and market demand, and responds to the needs and changes brought about by technological changes at any time, in an effort to provide policyholders with comprehensive and multi-faceted risk protection and services, and to pursue long-term and stable development of the Company’s financial business.

(6) Effect on the Company’s crisis management of changes in the company’s corporate image, and measures to be taken in response

The Company regularly convenes shareholders’ meetings and makes real-time announcements of material messages to increase financial business transparency in response to operating conditions. At the same time, in response to potential crises that may

affect the Company's image, the Company has internally formulated various risk management measures and "Operational Crisis Response Measures". When an operating crisis occurs, the crisis response team will promptly coordinate and initiate response measures. After the crisis subsides, press releases will be issued to important customers to explain the Company's financial and business conditions in order to maintain the Company's image.

- (7) **Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response: None.**
- (8) **Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response: Not applicable to the insurance industry**
- (9) **Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: Not applicable to the insurance industry**
- (10) **Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken**

In February 2020, the change of shareholding of the Company's major shareholders had no impact on the Company's share price and operation due to the transfer of shareholding between the same related parties.

The price of the stocks held by the Company's existing shareholders may be affected by the sale of shares held by major shareholders. Therefore, if the Company's major shareholders have any shareholding changes, they shall report or apply for approval in accordance with relevant regulations.

Directors, Supervisors or Major Shareholders	April 30, 2022 Number of Shares	Shareholding Ratio
TSAI HO WANT ENTERPRISES CO., LTD.	49,961,671	22.34%
Wang Chia Enterprise Co., Ltd.	48,480,873	21.68%
Want Want Co., Ltd.	46,689,943	20.88%
H.Y. TSAI CO., LTD.	3,743,478	1.67%
Shao Yuan Co., Ltd.	1,256,972	0.56%
Total	150,132,937	67.14%

- (11) **The impact, risks of the change of managerial control on the Company and countermeasures**

The Company's shareholder structure is stable and its operations are normal. The Company's overall operating performance is in line with the usual level of domestic peers. Moreover, the Company implements a professional managerial officer management system. Therefore, the impact and risk of the change in managerial control on the Company are quite small.

- (12) **Disclosure of issues in dispute, monetary amount of claims, filing date, parties involved, and status of any litigation or other legal proceedings within the latest fiscal year and as of the date of the annual report where the Company and/or any of its directors, supervisors, General Manager, person in charge, shareholders with 10% or more share ownership, or affiliates are involved in a pending litigation, legal proceedings or administrative proceedings, or a final judgment or ruling which may have a material adverse effect on the Company's shareholder equity or price of securities: None.**
- (13) **The Company's Risk Management Policy**

1. The Company’s risk management policy

In order to ensure the Company’s stable operation and sustainable development, the Risk Management Committee has formulated the “Risk Management Policy and Guiding Principles” approved by the Board of Directors, and established the overall risk management organization structure and various risk management mechanisms in accordance with the “Code of Practice for Risk Management in the Insurance Industry”, the Company’s business strategy and objectives, and consideration of factors such as business growth, risks and rewards.

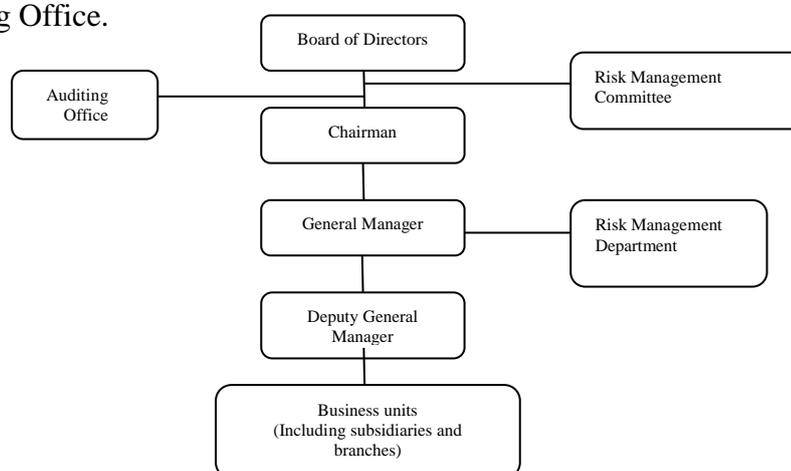
The risk management of the Company is at a strategic position, and risks are taken into consideration when forming related decisions. The Company identifies, measures, monitors and reports risks through qualitative or quantitative management methods and maintains the possible risks from operating activities within an acceptable range in order to pursue steady operating policy and uphold the spirit of consistent execution.

Based on the Company’s business strategy and objectives and considering factors such as business growth, risks and rewards, the Company has set an overall risk appetite risk capital adequacy ratio (RBC ratio) of over 300% and the result of Taiwan Ratings as twAA- above. In addition, based on the risk characteristics and risk appetite, the Company sets each major risk limit, and regularly monitors and implements the execution of the limit exceeding.

2. Risk management structure, organization and scope of powers and responsibilities

(1) Risk management structure and organization

The Company’s risk management organization structure includes the Board of Directors, Risk Management Committee, Risk Management Department, various business units and Auditing Office.



(2) The responsibilities of each unit are as follows:

A. Board of Directors

The Board of Directors acts as the highest decision-making unit of the Company’s risk management. It is responsible for approving the Company’s risk management policy, structure, and establishing the Company’s risk management culture, ensuring the effectiveness of risk management, and taking the ultimate responsibility for overall risk management.

B. Risk Management Committee

(A) Formulate risk management policies, structures, and organizational

functions, establish quality management and quantitative management standards, and regularly and timely report to the Board of Directors for the implementation of risk management and necessary improvements.

(B) Execute the Board of Directors' risk management decisions and regularly review the development, implementation, and performance of the Company's overall risk management mechanism.

(C) Assist and supervise the risk management of each department.

(D) Assist in reviewing relevant operations related to the formulation of risk limits.

(E) Adjust the risk category, risk limit allocation, and commitment method depending on the environment.

(F) Coordinate cross-department interaction and communication of risk management functions.

C. Risk Management Department

(A) Responsible for the Company's daily risk monitoring, measurement and evaluation and other executive-level affairs, and it shall exercise its powers independently of the business units.

(B) The following powers shall be performed according to the type of business:

- Assist in the formulation and implementation of risk management policies and guidelines approved by the Board of Directors.

- Assist in drawing up risk limits based on risk appetite.

- Consolidate the risk information provided by each unit, coordinate and communicate with each unit to implement policies and limits.

- Provide regular risk management reports.

- Regularly monitor the risk limits and application status of each business unit.

- Assist in stress testing.

- Perform back-testing when necessary.

- Other risk management related matters.

(C) Authorized by the Board of Directors or the Risk Management Committee to handle matters when other units violate the risk limit.

D. Business units

(A) The duties of the head of the business unit to perform risk management operations are as follows:

- Responsible for the daily risk management and reporting of the affiliated unit, and take necessary countermeasures.

- Supervise the regular delivery of relevant risk management information to the risk management unit.

(B) The duties of the business unit to perform risk management operations are as follows:

- Identify risks and report risk exposure status.

- Measure the degree of impact when the risk occurs (quantitative or

qualitative), and transmit risk information in a timely and correct manner.

·Regularly review various risks and limits to ensure the effective implementation of risk limits in business units.

·Monitoring the status of risk exposures and reporting over-limits, including measures taken by business units for over-limits.

·Assist in the development of risk models to ensure that the measurement of risks in the business unit, the use of models and the setting of assumptions are carried out on a reasonable and consistent basis.

·Ensure the effective implementation of internal control procedures of business units to comply with relevant regulations and company risk management policies.

·Assist in the collection of operational risk related data.

All subsidiaries and branches of the Company shall handle risk management matters and establish authorized units in accordance with the regulations of the competent authority and relevant laws and regulations, and provide relevant documents and data to the Company's Risk Management Committee for review in accordance with risk management policies and guidelines.

E. Auditing office

Check the implementation status of risk management of all units, subsidiaries and branches of the Company in accordance with current relevant laws and regulations.

3. Various risk management mechanisms

Formulate relevant management mechanisms based on the various risks involved in the Company's operations, including market risk management measures, credit risk management measures, liquidity risk management measures, operational risk management measures, insurance risk management measures, asset-liability coordination risk management measures, key points of risk assessment of anti-money laundering and counter-terrorist financing, and emerging risk management measures, etc.

(1)Market Risks

Market risks refer to the potential risks of losing assets due to the change in the value of assets over a certain period of time due to market price fluctuations. The management mechanism includes the formulation of relevant risk control methods for major assets and qualitative or quantitative market risk measurement methods. At the same time, it cooperates with the competent authority in conducting stress testing, evaluating the impact of specific events on the holding positions, and regularly monitors the use of assets held.

(2)Credit Risks

Credit risks refer to risks involving creditors' downgrade of credit or failure to repay debts or inability or refusal of transaction counterparties to perform their obligations. The management mechanism includes credit risk management before the transaction, credit grading limit management and credit risk management after the transaction. Regularly monitor changes in the credit ratings of counterparties, and notify the decision-making unit to implement necessary countermeasures in case of abnormal situations.

(3)Liquidity Risks

Liquidity risks include “capital liquidity risk” and “market liquidity risk”. “Capital liquidity risks” refer to the risks of the failure in cashing on assets or obtaining sufficient funds and thus the failure in performing due obligations; market liquidity risks refer to the risks of facing significant changes in market price when disposing or offsetting positions it holds due to insufficient market depth or market disorder. The Company has formulated the “Criteria for Fund Liquidity Risk Management and Abnormal Emergency Fund Requirements”. Its management mechanism includes the establishment of a fund dispatch unit independent of the transaction units for comprehensive fund management, consideration of the proportionality of market transaction volume and positions held, and response to abnormal or dispatch of capital demand caused by emergency situations, supplemented by indicators such as current ratio and quick ratio, to monitor the Company’s overall liquidity risk in a timely manner.

(4)Operation risks

Operational risk refers to the Company’s risk of suffering losses for reasons of inappropriateness or errors found in the internal operating procedures, employees and systems, or as a result of external events. Such risk includes legal risk, but excludes strategic risk and reputational risk. The management mechanism includes various control measures, risk identification, risk measurement, and the establishment of qualitative or quantitative risk management tools to manage operational risks. Regularly carry out internal control self-check, self-assessment of compliance matters and self-assessment of operation risk control, so as to detect potential operation risks as early as possible to prevent operation risks in the first place.

(5)Insurance risk

Insurance risk refers the risks borne by the Company after they are transferred from the insured to the Company upon payment of the insurance premiums. They are risks of losses due to non-expected changes when the Company pays for insurance claims and related expenses in accordance with the contract. The management mechanism includes procedures such as risk identification, risk measurement, risk response, risk monitoring and risk reporting to ensure the effectiveness of the operation of the risk control system. The Company has formulated the “Risk Limit Operating Procedure” to regularly monitor the application of insurance risks, supplemented by notifications of key risk indicators, so as to grasp the insurance risks of the Company’s operations in a timely manner.

(6)Asset-liability matching risk

Asset-liability matching risk refers to the risk caused by inconsistent changes in the value of assets and liabilities. The management mechanism includes procedures such as risk identification, risk measurement, risk response, risk monitoring and risk reporting to ensure the effectiveness of the operation of the risk control system. The Company implements the debt-to-asset ratio as an early warning indicator for asset-liability matching risks, and cooperates with the monitoring of the use of risk limits to grasp the Company’s risk exposure in a timely manner.

(7)Risk of anti-money laundering and counter-terrorist financing

The Company adopts appropriate measures by considering business, product and customer characteristics, and establishes regular and comprehensive money laundering

and terrorist financing risk assessment operations, in order to timely and effectively understand the overall money laundering and terrorist financing risks it faces. The management mechanism includes the identification, assessment, management and formulation of related policies and procedures for money laundering and terrorist financing risks, and the formulation of anti-money laundering and counter-terrorist financing plans based on money laundering and terrorist financing risks and business scale and regular reviews, so as to ensure the effectiveness of the operation of the risk control system.

(8) Climate change risk

Climate change risks are divided into "physical risk" and "transformation risk". "Physical risk" refers to direct or indirect losses caused by specific natural disaster events or long-term changes in climate patterns caused by climate change; "transformation risk" comes from the process of social transformation to low-carbon under the influence of policies and regulations, low-carbon emission technologies and social preferences. The management mechanism includes procedures such as risk identification, risk measurement, risk response, risk monitoring and risk reporting to ensure the effectiveness of the operation of the risk control system.

(9) Emerging risks

Emerging risks refer to risks that have not yet emerged but may be caused by environmental changes. They usually result from changes in politics, regulations, markets or the natural environment, including, but not limited to, climate change risks, infectious disease risks, and information security risks (cyber risks), etc. The management mechanism includes the management of emerging risks through risk identification, assessment and risk response.

(10) Other risks

Other risks refer to risks other than the above-mentioned risks faced during business operations. Based on the characteristics of the risks and their impact on the Company, the Company has established appropriate risk control and management procedures through risk identification, measurement, response, monitoring and risk reporting.

(14) Other important risks, and mitigation measures being or to be taken:

In the face of the advent of the era of financial technology, the security of information systems is an important key to ensure the safety of information platforms and the quality of customer service. Through the management of personnel, operations and information technology, the Company ensures that the information processing operations of the information platform can operate in a safe and effective manner, and prevents the information processing operations from occurring security incidents that affect the confidentiality, integrity and availability of information, so as to safeguard the privacy rights of customers and personal information. In addition, the Company takes the following control measures from the management and technical aspects:

1. Formulate guidelines such as "Information Security Policies" and "Information Security Protection Practices", incorporates information security management into the corporate governance structure, and encourages management to establish a corporate information security management vision and overall strategic direction.

2. Conduct information security self-assessment every year, build a website firewall and vulnerability scanning system, and provide suggestions after analysis by professionals, as the basis for the information security risk improvement plan, and form a continuous improvement and strengthening management cycle to provide customers with more safe trading environment and data protection mechanism.
3. Strengthen the ability to respond to information security incidents, establish a “Information Communication Security Emergency Response Plan and Operational Procedures”, supplemented by regular education, training and advocacy, to strengthen employees' information security awareness and familiarize themselves with the information security management system, improve the ability of personnel to respond to emergencies and coordinate communication, thus avoiding or reducing the damage caused by information security incidents.
4. Regularly update and effectively use various information security protection equipment, including remote host backup and data backup mechanisms, DDoS drills, and strengthen employee security awareness and optimize information security specifications and management process through information security education and training, social engineering drills.
5. Build Microsoft employee account behavior pattern analysis system, use endpoint detection and protection tools to protect endpoint devices, and account activity detection mechanism to track account activity to ensure that the interior is not penetrated. The Microsoft information security team will conduct threat monitoring and analysis of information security improvement suggestions.
6. Comply with the “Financial Security Action Plan” policy of the competent authority, strengthen information security supervision, deepen information security governance, lean financial resilience, and leverage information security joint defense to pursue safe, convenient and uninterrupted financial services.

In addition, in order to ensure the confidentiality of the Company's information and the protection of personal data, the Company has obtained ISO 27001 information security management system and BS 10012 personal information security management system certification, and continues to update the latest version of the certification. The Company did not have any material information security or personal asset risk incidents in 2021 and this year as of the date of publication of the Annual Report.

VII Other Important Matters: None.

Chapter 8. Special Disclosure

I Information on Affiliates

In the most recent year, the Company's consolidated financial statements and relational reports prepared in accordance with the consolidated financial statements of the affiliated enterprises and the standards for the preparation of relational reports issued by the Financial Supervisory Commission: None.

II Private Placement of Securities During the Most Recent Fiscal Year up to the Date of Publication of the Annual Report:

None.

III Holding or Disposal of the Company's Shares by the Subsidiaries of the Most Recent Year up to the Date of Publication of the Annual Report:

None.

IV Other Supplementary Information:

None.

V Any Events that Had Significant Impacts on Shareholder's Equity or Security Prices as referred to in Paragraph 3, Subparagraph 2 of Article 36 of the Securities and Exchange Act:

None.

Addresses of Head Office & Branches

Head Office: 12F., No.219, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.) Tel.: (02)2776--5567 Fax: (02)2711--8610 Toll-free Services: 0800--024024 E-mail: info@wwunion.com Website: http://www.wwunion.com/	HEAD OFFICE 12 F, No.219, CHUNG-HSIAO E. ROAD. SEC.4, TAIPEI, TAIWAN. TEL.: (02)2776-5567 FAX.: (02)2711-8610 E-MAIL: info@wwunion.com http://www.wwunion.com/	
Head Office 12F., No.219, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City 106, Taiwan (R.O.C.) Tel.: (02)2776-5567 Fax: (02)2711-8610		
YuanAn Branch 2F., No.467, Sec. 6, Zhongxiao E. Rd., Nangang Dist., Taipei City 106, Taiwan (R.O.C.) Tel.: (02)2788-8111 Fax: (02)2653-3998	<ul style="list-style-type: none"> ● Songshan Liaison Office 2F., No. 78, Sec. 4, Bade Rd., Taipei City Tel.: (02)2763-6517 Fax: (02)2742-3642 ● Shihlin Service Center 1F., No. 16, Jiantan Rd., Taipei City Tel.: (02)2880-2858 Fax: (02)2880-3588 ● Hualien Service Center No. 76, Rongzheng Street, Hualien City Tel.: (038)359851 Fax: (038)338743 	<ul style="list-style-type: none"> ● Keelung Service Center 3F.-2, No. 122, Yiyi Rd., Zhongzheng Dist., Keelung City Tel.: (02)2428-3390 Fax: (02)2428-3389 ● Langyang Service Center 3F., No.184, Sec. 3, Zhongzheng Rd., Wujie Township, Yilan County 268, Taiwan (R.O.C.) Tel.: (03)9657221 Fax: (03)9652554
Taipei Branch 9F., No.453, Sec. 2, Wenhua Rd., Banqiao Dist., New Taipei City 220, Taiwan (R.O.C.) Tel.: (02)2257-6455 Fax: (02)2255-6991	<ul style="list-style-type: none"> ● Sindian Liaison Office 2F., No. 123, Minquan Rd., Xindian Dist., New Taipei City Tel.: (02)2218-8265 Fax: (02)2218-8412 ● Sanchong Service Center 8F., No. 111-33, Sec. 4, Sanhe Rd., Sanchong Dist., New Taipei City Tel.: (02)2287-6818 Fax: (02)2287-728 	<ul style="list-style-type: none"> ● Shulin Liaison Office No. 26, Lane 248, Zhongzheng Rd., Shulin Dist., New Taipei City Tel.: (02)2688-8672 Fax: (02)2688-8673
Taoyuan Branch 2F., No.6, Sec. 2, Daxing W. Rd., Taoyuan City 330, Taiwan (R.O.C.) Tel.: (03)301-9211 Fax: (03)301-9212	<ul style="list-style-type: none"> ● Bade Liaison Office No. 380, Jieshou Rd., Taoyuan City Tel.: (03)367-1776 Fax: (03)362-4862 	
Zongli Branch 13F.-5, No. 398, Huanbei Rd., Zhongli Dist., Taoyuan City 320, Taiwan (R.O.C.) Tel.: (03)426-5266 Fax: (03)426-5267		
Hsinchu Branch 3F.-2, No.55, Dongguang Rd., East Dist., Hsinchu City 300, Taiwan (R.O.C.) Tel.: (03)575-3966 Fax: (03)575-2177	<ul style="list-style-type: none"> ● Miaoli Service Center No. 93--3, 17 Lin Fuli Li, Miaoli City, Miaoli County Tel.: (037)326-464 Fax: (037)335-957 ● Toufen Service Center No. 750, Minzu Rd., Toufen Township, Miaoli County Tel.: (037)615227 Fax: (037)614261 	<ul style="list-style-type: none"> ● Zhubei Liaison Office 3F.-2, No. 231, Guangming 9th Rd., Zhubei City, Hsinchu County Tel.: (03)558--4101 Fax: (03)558--4100
Taichung Branch 4F., No.230, Sec. 3, Wenxin Rd., Xitun Dist., Taichung City 407, Taiwan (R.O.C.) Tel.: (04)2314-1666 Fax: (04)2313-1241	<ul style="list-style-type: none"> ● Minquan Liaison Office 1F., No. 102, Minquan Rd., Central Dist., Taichung City Tel.: (04)2229-6111 Fax: (04)2229-5528 	
Fengyuan Branch 7F., No.23, Yuanhuan W. Rd., Fengyuan Dist., Taichung City 420, Taiwan (R.O.C.) Tel.: (04)2522-6102 Fax: (04)2527-8047	<ul style="list-style-type: none"> ● Shalu Service Center No. 290, Sec. 2, Zhonghua Rd., Wuqi Dist., Taichung City Tel.: (04)2665-5719 Fax: (04)2665-5721 	

Changhua Branch 7F., No.401, Sec. 1, Zhongshan Rd., Changhua City, Changhua County 500, Taiwan (R.O.C.) Tel.: (04)7632355 Fax: (04)7632351	● Yuanlin Liaison Office No. 687, Juguang Rd., Yuanlin Township, Changhua County Tel.: (04)8332591-2 Fax: (04)8327359	● Xihu Liaison Office No. 91, Dafa Rd., Xihu Town, Changhua County Tel.: (04)882-2452 Fax: (04)882-2453
Nantou Branch 4F.-1, No. 94, Hexing St., Caotun Township, Nantou County 542, Taiwan (R.O.C.) Tel.: (049)2310598 Fax: (049)2301313	● Puli Liaison Office No. 1011, Xinyi Rd., Puli Township, Nantou County Tel.: (049)291-7676 Fax: (049)291-3232	● Dali Service Center 13F., No. 393 Daming Rd., Dali Dist., Taichung City Tel.: (04)2481-3879 Fax: (04)2481-2466
Chiayun Branch 9F.-1, No. 336-1, Xingye W. Rd., West Dist., Chiayi City 600, Taiwan (R.O.C.) Tel.: (05)235-6999 Fax: (05)235-8222	● Dounan Liaison Office No. 88, Guangxing Rd., Dounan Town, Yunlin County Tel.: (05)596-6011 Fax: (05)596-5952	● Beigang Service Center No. 131, Huasheng Rd., Beigang Town, Yunlin County Tel.: (05)782-5383 Fax: (05)782-6383
Tainan Branch 6F., No.75, Nanmen Rd., West Central Dist., Tainan City 700, Taiwan (R.O.C.) Tel.: (06)226-0603 Fax: (06)226-9414	● Xigang Liaison Office No. 242, Zhongshan Rd., Xigang Dist., Tainan City Tel.: (06)795-1307 Fax: (06)795-2487	
Yongkang Branch 17F.-1, No.425, Zhonghua Rd., Yongkang Dist., Tainan City 710, Taiwan (R.O.C.) Tel.: (06)303-5533 Fax: (06)3036622	● Madou Service Center No. 610, Xincheng North Rd., Madou Township, Tainan County Tel.: (06)571-2310 Fax: (06)571-3236	
Kaohsiung Branch 10F., No.533, Zhongshan 2nd Rd., Qianjin Dist., Kaohsiung City 801, Taiwan (R.O.C.) Tel.: (07)201-0201 Fax: (07)231-5415	● Nanzi Liaison Office No. 272, Huifeng Street, Nanzi Dist., Kaohsiung City Tel.: (07)362-5331 Fax: (07)362-5414	● Taitung Service Center No. 423, Zhengqi North Rd., Taitung City, Taitung County Tel.: (089)322695 Fax: (089)342564
Gangshan Branch 1F. & 2F., No. 74, Jiesshou Rd., Gangshan Dist., Kaohsiung City 820, Taiwan (R.O.C.) Tel.: (07)625-6656 Fax: (07)625-6228		
Pingtung Branch No.19-4, Gongyuan Rd., Pingtung City, Pingtung County 900, Taiwan (R.O.C.) Tel.: (08)733-3579 Fax: (08)733-7581	● Chaozhou Liaison Office No. 372, Beimen Rd., Chaozhou Town, Pingtung County Tel.: (08)780-2501-2 Fax: (08)780-2500	● Donggang Liaison Office No. 71, Sec. 1, Guangfu Rd., Donggang Town, Pingtung County Tel.: (08)835-4902 Fax: (08)835-4903



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



Chairman: 洪吉雄 



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

10690 12F., No.219, Sec. 4, Zhongxiao E. Rd.,
Da'an Dist., Taipei City 106, Taiwan (R.O.C.)

TEL : (02)2776-5567 FAX : (02)2711-8610

<http://www.wunion.com/>

Toll-free Services: 0800--024--024