

UNION INSURANCE CO., LTD.**Financial Statements****With Independent Auditors' Review Report
For the Three Months Ended March 31, 2025 and 2024**

Address: No. 219, Sec. 4, Zhongxiao E. Road, Taipei, Taiwan
Telephone: (02)27765567

The independent auditors' review 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' review report and financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所
KPMG

台北市110615信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666
傳真 Fax + 886 2 8101 6667
網址 Web kpmg.com/tw

Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying balance sheets of Union Insurance Co., LTD. as of March 31, 2025 and 2024, and the related statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2025 and 2024, and notes to the financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of Union Insurance Co., LTD. as of March 31, 2025 and 2024, and of its financial performance and its cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Wu, Cheng-Yen and Tsai, Pei-Ju.

KPMG

Taipei, Taiwan (Republic of China)

April 30, 2025

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 review such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review 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' review report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Balance Sheets

March 31, 2025, December 31, 2024, and March 31, 2024

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2025		December 31, 2024		March 31, 2024				March 31, 2025		December 31, 2024		March 31, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (note 6(a))	\$ 3,687,065	16	3,132,839	14	3,323,506	16	21000	Accounts payable (note 6(b) and (c))	\$ 1,229,681	6	1,463,821	7	1,293,724	6
12000	Receivables (note 6(b))	931,635	4	653,103	3	963,288	5	21700	Current tax liabilities	251,839	1	180,909	1	145,560	1
12600	Current tax assets	11,911	-	11,911	-	7,234	-	24000	Insurance liabilities (note 6(n))	14,429,308	62	14,097,745	61	12,828,660	61
14110	Financial assets at fair value through profit or loss (note 6(f))	1,860,003	8	2,541,497	11	2,574,888	12	27000	Provisions	69,586	-	69,727	-	98,761	-
14190	Financial assets at fair value through other comprehensive income (note 6(f))	2,963,943	13	2,878,010	12	2,372,729	11	23800	Lease liabilities (note 6(j))	28,405	-	13,351	-	15,393	-
14145	Financial assets at amortized cost (note 6(f))	3,063,777	13	3,063,738	13	2,662,268	13	28000	Deferred tax liabilities	62,700	-	63,920	-	63,920	-
14180	Other financial assets, net (note 6(f))	2,651,842	11	2,515,758	11	1,699,700	8	25000	Other liabilities	<u>20,435</u>	<u>-</u>	<u>26,148</u>	<u>-</u>	<u>20,067</u>	<u>-</u>
16700	Right-of-use assets (note 6(i))	28,287	-	13,211	-	15,203	-	Total liabilities		<u>16,091,954</u>	<u>69</u>	<u>15,915,621</u>	<u>69</u>	<u>14,466,085</u>	<u>68</u>
14200	Investment property (note 6(g))	861,134	4	862,333	4	845,864	4	Equity							
15000	Reinsurance assets (note 6(c))	5,220,851	22	5,327,368	23	4,222,280	20	31100	Ordinary share (note 6(p))	2,236,080	10	2,236,080	10	2,236,080	11
16000	Property and equipment (note 6(h))	1,494,333	6	1,486,826	6	1,484,380	7	33100	Legal reserve (note 6(p))	1,022,451	4	1,022,451	4	1,004,854	5
17000	Intangible assets	203,582	1	213,969	1	166,899	1	33200	Special reserve (note 6(n) and (p))	3,378,295	14	3,378,295	14	3,094,152	15
18000	Other assets	494,427	2	530,034	2	654,729	3	33300	Unappropriated retained earnings (note 6(p))	757,085	3	726,574	3	147,976	1
								34000	Other equity(note 6(p))	<u>(13,075)</u>	<u>-</u>	<u>(48,424)</u>	<u>-</u>	<u>43,821</u>	<u>-</u>
								Total equity		<u>7,380,836</u>	<u>31</u>	<u>7,314,976</u>	<u>31</u>	<u>6,526,883</u>	<u>32</u>
Total assets		<u>\$ 23,472,790</u>	<u>100</u>	<u>23,230,597</u>	<u>100</u>	<u>20,992,968</u>	<u>100</u>	Total liabilities and equity		<u>\$ 23,472,790</u>	<u>100</u>	<u>23,230,597</u>	<u>100</u>	<u>20,992,968</u>	<u>100</u>

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Comprehensive Income

For the three months ended March 31, 2025 and 2024

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

		For the three months ended March 31,			
		2025		2024	
		Amount	%	Amount	%
41000	Operating revenue:				
41110	Written premium	\$ 3,770,935	152	3,506,233	127
41120	Reinsurance premium	106,551	4	125,340	5
41100	Premium	3,877,486	156	3,631,573	132
51100	Less: Reinsurance expense	1,072,343	43	935,179	34
51310	Net change in unearned premiums reserve	343,651	14	389,494	14
41130	Retained earned premium	2,461,492	99	2,306,900	84
41300	Reinsurance commission received	171,889	7	166,791	6
41500	Net income (loss) from investments				
41510	Interest income	48,708	2	31,366	1
41521	Gains (losses) on financial assets at fair value through profit or loss	(227,252)	(9)	249,638	9
41527	Realized gains (losses) on financial assets at fair value through other comprehensive income	184	-	-	-
41550	Foreign exchange gains (losses), investments	11,156	-	1,509	-
41570	Gains (losses) on investment property	11,300	1	11,282	-
41585	Expected credit losses or reversal of expected credit losses of investments (note 6(f))	16	-	(235)	-
41800	Other operating income	6,214	-	3,932	-
	Total operating revenue	<u>2,483,707</u>	<u>100</u>	<u>2,771,183</u>	<u>100</u>
51000	Operating costs:				
51200	Insurance claim payment	1,862,932	75	1,346,998	49
41200	Less: Claims recovered from reinsurers	747,330	30	305,781	11
51260	Retained claim payment	1,115,602	45	1,041,217	38
51300	Net change in other insurance liability (note 6(n))				
51320	Net change in claim reserve	68,923	3	130,057	5
51340	Net change in special claim reserve	29,301	1	(7,910)	-
51350	Net change in premium deficiency reserve	61	-	697	-
51500	Commission expense	561,015	23	557,550	20
51800	Other operating costs	8,904	-	5,942	-
51700	Finance costs	1,921	-	2,608	-
	Total operating costs	<u>1,785,727</u>	<u>72</u>	<u>1,730,161</u>	<u>63</u>
58000	Operating expenses:				
58100	General expenses	490,048	20	456,387	16
58200	Administrative expenses	131,638	5	116,324	4
58300	Staff training expenses	186	-	156	-
58400	Expected credit losses or reversal of expected credit losses of non-investments (note 6(b))	(12,589)	(1)	14,457	1
	Total operating expenses	<u>609,283</u>	<u>24</u>	<u>587,324</u>	<u>21</u>
	Operating income	<u>88,697</u>	<u>4</u>	<u>453,698</u>	<u>16</u>
	Non-operating income and expenses:				
59100	Gains (losses) on disposals of property and equipment	8,385	-	-	-
59900	Other non-operating income and expenses, net	5,926	-	2,843	-
	Total non-operating income and expenses	<u>14,311</u>	<u>-</u>	<u>2,843</u>	<u>-</u>
62000	Net income before income tax	103,008	4	456,541	16
63000	Less: Income tax expenses (note 6(o))	72,497	3	51,959	2
	Net Income	<u>30,511</u>	<u>1</u>	<u>404,582</u>	<u>14</u>
83000	Other comprehensive income:				
83100	Components of other comprehensive income that will not be reclassified to profit or loss				
83190	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	27,007	1	21,654	1
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>27,007</u>	<u>1</u>	<u>21,654</u>	<u>1</u>
83200	Components of other comprehensive income that will be reclassified to profit or loss				
83290	Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	8,342	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>8,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
83000	Other comprehensive income (after tax)	<u>35,349</u>	<u>1</u>	<u>21,654</u>	<u>1</u>
	Total comprehensive income	<u>\$ 65,860</u>	<u>2</u>	<u>426,236</u>	<u>15</u>
97500	Basic earnings per share (NT dollars) (note 6(q))	<u>\$ 0.14</u>		<u>1.81</u>	
98500	Diluted earnings per share (NT dollars) (note 6(q))	<u>\$ 0.14</u>		<u>1.81</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Changes in Equity

For the three months ended March 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Share capital	Retained earnings			Other equity	
	Ordinary shares	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity
Balance at January 1, 2024	\$ 2,236,080	1,004,854	3,094,152	(256,606)	22,167	6,100,647
Net Income	-	-	-	404,582	-	404,582
Other comprehensive income	-	-	-	-	21,654	21,654
Total comprehensive income	-	-	-	404,582	21,654	426,236
Balance at March 31, 2024	<u>\$ 2,236,080</u>	<u>1,004,854</u>	<u>3,094,152</u>	<u>147,976</u>	<u>43,821</u>	<u>6,526,883</u>
Balance at January 1, 2025	\$ 2,236,080	1,022,451	3,378,295	726,574	(48,424)	7,314,976
Net Income	-	-	-	30,511	-	30,511
Other comprehensive income	-	-	-	-	35,349	35,349
Total comprehensive income	-	-	-	30,511	35,349	65,860
Balance at March 31, 2025	<u>\$ 2,236,080</u>	<u>1,022,451</u>	<u>3,378,295</u>	<u>757,085</u>	<u>(13,075)</u>	<u>7,380,836</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.**Statements of Cash Flows****For the three months ended March 31, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31,	
	2025	2024
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 103,008	456,541
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	14,842	12,098
Amortization expense	10,698	7,797
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	235,324	(247,407)
Net gain on financial assets or liabilities at fair value through other comprehensive income	(726)	-
Interest expense	1,921	2,608
Interest income	(48,708)	(31,366)
Dividend income	(3,700)	(2,231)
Net change in insurance liabilities	332,083	531,560
Net change in other provisions	(141)	(55)
(Reversal of expected credit losses) expected credit losses of investments	(16)	235
(Reversal of expected credit losses) expected credit losses of non-investments	(12,589)	14,457
Gain on disposal of property and equipment	(8,385)	-
Others	(3)	(1)
Total adjustments to reconcile profit (loss)	520,600	287,695
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes receivable	(53,513)	(16)
Increase in premiums receivable	(263,644)	(347,133)
Decrease (increase) in other receivables	52,342	(48,122)
Decrease (increase) in financial assets at fair value through profit or loss	446,170	(605,962)
Increase in financial assets at fair value through other comprehensive income	(49,876)	-
Increase in financial assets at amortized cost	-	(100,000)
(Increase) decrease in other financial assets	(136,084)	173,000
Decrease (increase) in reinsurance assets	124,850	(29,804)
Decrease in other assets	36,942	1,004
Total changes in operating assets	157,187	(957,033)
Changes in operating liabilities:		
(Decrease) increase in other payable	(234,140)	59,133
(Decrease) increase in other liabilities	(5,713)	398
Total changes in operating liabilities	(239,853)	59,531
Cash inflow (outflow) generated from operations	540,942	(153,266)
Interest received	29,232	15,233
Dividends received	3,830	1,923
Interest paid	(1,921)	(2,608)
Income taxes paid	(2,787)	(1,284)
Net Cash flows from operating activities	569,296	(140,002)
Cash flows from (used in) investing activities:		
Increase in prepayments	(1,538)	(6,824)
Acquisition of property and equipment	(22,392)	(3,421)
Proceeds from disposal of property and equipment	13,750	-
Acquisition of intangible assets	(748)	(1,380)
Net cash flows used in investing activities	(10,928)	(11,625)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(4,142)	(4,053)
Net cash flows used in financing activities	(4,142)	(4,053)
Net increase (decrease) in cash and cash equivalents	554,226	(155,680)
Cash and cash equivalents at beginning of period	3,132,839	3,479,186
Cash and cash equivalents at end of period	\$ 3,687,065	3,323,506

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Notes to the Financial Statements

For the three months ended March 31, 2025 and 2024

(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 April 30, 2025.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the IFRS Accounting Standards 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, 2025:

- Amendments to IAS21 “Lack of Exchangeability”

- (b) The impact of IFRS Accounting Standards endorsed 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, 2026, would not have a significant impact on its financial statements:

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

(Continued)

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

- (c) The impact of IFRS Accounting Standards 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

(Continued)

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

(Continued)

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.</p> <ul style="list-style-type: none"> ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes. 	January 1, 2027

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

(Continued)

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

The Company will adopt IFRS 17 "Insurance Contracts" effective January 1, 2026. In preparation for the application of IFRS 17, the Company has launched the IFRS 17 implementation project in 2018. The project includes personnel training, development of accounting policies and methodologies, evaluation and adoption of actuarial assumptions, construction of measurement models, adjustments of operating processes, system development and testing, planning of internal control process, financial statement presentation and disclosure, risk management, etc. The implementation is progressing in accordance with the established timeline and remains under continuous assessment.

As of the date of issuance of this financial report, significant progress has been made in the implementation of IFRS 17 "Insurance Contracts". However, certain key parameters are still under evaluation, the Company is not yet able to reliably estimate the impact of adoption of IFRS 17 on the Company's financial statements.

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"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

(4) Summary of material accounting policies:

(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 guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual financial statements.

Except the following accounting policies mentioned below, the material accounting policies adopted in the financial statements are the same as those in the financial statement for the year ended December 31, 2024. For the related information, please refer to note 4 of the financial statements for the year ended December 31, 2024.

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

(b) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled and recognized directly in equity or other comprehensive income as tax expense.

(c) Employee benefits

The pension cost in the interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for subsequent significant market fluctuations and for significant workforce reduction, settlements, or other significant one-off events.

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

The preparation of the financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed by the FSC requires management to make judgments, and estimates about the future, including climate-related risks and opportunities, that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In these financial statements, judgments and key sources of estimation uncertainty used by management in the application of critical accounting policies are expected to be consistent with those of Note 5 of the financial statements for the year ended December 31, 2024.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the financial statements for the current period and the 2024 financial statements. Please refer to Note 6 of the 2024 annual financial statements.

(a) Cash and cash equivalents

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	\$ 398	473	500
Petty cash	13,210	13,210	13,010
Cash in bank	2,235,949	2,146,564	2,261,044
Bonds purchased under resale agreements	1,437,508	972,592	1,048,952
Total	<u>\$ 3,687,065</u>	<u>3,132,839</u>	<u>3,323,506</u>

(Continued)

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

(b) Receivables and Payables

(i) Receivables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 296,417	243,248	259,376
Premiums receivable	481,388	223,808	503,513
Other receivables	153,830	186,047	200,399
Total	<u>\$ 931,635</u>	<u>653,103</u>	<u>963,288</u>

(ii) Payables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Commission payable	\$ 262,417	231,513	243,065
Due to ceding companies	235,599	129,732	232,801
Reinsurance premium payable	386,601	610,796	424,142
Reinsurance commission payable	10	1,639	1,411
Insurance claims payable	26,200	10,446	17,393
Other payables	318,854	479,695	374,912
Total	<u>\$ 1,229,681</u>	<u>1,463,821</u>	<u>1,293,724</u>

(iii) Receivables of insurance contracts

Item	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	\$ 296,888	243,375	259,529
Less : Loss allowance	(471)	(127)	(153)
Total	<u>\$ 296,417</u>	<u>243,248</u>	<u>259,376</u>

(Continued)

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

Item	March 31, 2025	December 31, 2024	March 31, 2024
Premiums receivable			
Fire insurance	\$ 66,515	25,750	54,003
Marine insurance	77,891	37,491	77,188
Hull and fishing vessel insurance	5,742	3,878	6,851
Other accident insurance	208,961	9,488	219,924
Compulsory pure premium	5,783	6,735	6,342
Voluntary automobile insurance	26,895	8,552	29,956
Compulsory automobile liability insurance	2,580	3,323	2,839
Overdue receivables	<u>102,004</u>	<u>137,509</u>	<u>115,523</u>
Subtotal	496,371	232,726	512,626
Less : Loss allowance	<u>(14,983)</u>	<u>(8,918)</u>	<u>(9,113)</u>
Total	<u><u>\$ 481,388</u></u>	<u><u>223,808</u></u>	<u><u>503,513</u></u>

(iv) Other receivables

Item	March 31, 2025	December 31, 2024	March 31, 2024
Other receivables	\$ 198,590	231,472	244,359
Less : Loss allowance	<u>(44,760)</u>	<u>(45,425)</u>	<u>(43,960)</u>
Total	<u><u>\$ 153,830</u></u>	<u><u>186,047</u></u>	<u><u>200,399</u></u>

As of March 31, 2025, December 31 and March 31, 2024, the overdue receivables in notes receivable, premiums receivable and other receivables were \$146,797, \$182,542 and \$158,794, which provisioned the loss allowance \$60,214, \$54,470 and \$53,226, respectively. The movements of the loss allowance for receivables were as follows:

	For the three months ended March 31,	
	2025	2024
Beginning balance	\$ 54,470	48,698
Loss recognized	<u>5,744</u>	<u>4,528</u>
Ending balance	<u><u>\$ 60,214</u></u>	<u><u>53,226</u></u>

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

	March 31, 2025	December 31, 2024	March 31, 2024
Under 90 days	\$ 936,539	617,677	923,695
91~270 days	13,801	48,778	54,482
More than 271 days	41,509	41,118	38,337

The estimate of expected credit losses of the Company's receivables please refer to Note 6(u).

(Continued)

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

(v) Payables of insurance contracts

Item	March 31, 2025	December 31, 2024	March 31, 2024
Commission payable	\$ <u>262,417</u>	<u>231,513</u>	<u>243,065</u>

(c) Reinsurance assets

	March 31, 2025	December 31, 2024	March 31, 2024
Claims recoverable from reinsurers (Note 6(d))	\$ 204,711	231,448	202,125
Due from reinsurers and ceding companies — net (Note 6(e))	460,926	430,853	325,478
Reinsurance reserve assets (Note 6(n))			
Ceded unearned premiums reserve	2,117,993	2,069,609	1,788,341
Ceded claim reserve	2,404,411	2,587,434	1,906,248
Ceded premium deficiency reserve	<u>32,810</u>	<u>8,024</u>	<u>88</u>
Total	<u>\$ 5,220,851</u>	<u>5,327,368</u>	<u>4,222,280</u>

(d) Claims recoverable from reinsurers

Item	March 31, 2025	December 31, 2024	March 31, 2024
Fire insurance	\$ 48,078	21,863	9,666
Marine insurance	855	188	338
Land and air insurance	8	26	71
Liability insurance	41,011	47,612	52,013
Surety insurance	200	173	3,166
Other property insurance	63,963	85,540	86,798
Accident insurance	4,888	6,664	5,919
Health insurance	126	273	1,422
Compulsory automobile liability insurance	45,532	67,526	42,653
Overdue receivables	50	1,583	79
Less : Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 204,711</u>	<u>231,448</u>	<u>202,125</u>

(Continued)

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

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

(i) Receivables of insurance contracts

Item	March 31, 2025	December 31, 2024	March 31, 2024
Due from ceding companies	\$ 261,329	160,892	117,541
Reinsurance premium receivable	56,249	61,652	61,626
Reinsurance commission receivable	138,916	202,012	146,236
Overdue receivables	<u>10,504</u>	<u>30,702</u>	<u>24,480</u>
Subtotal	466,998	455,258	349,883
Less : Loss allowance	<u>(6,072)</u>	<u>(24,405)</u>	<u>(24,405)</u>
Total	<u><u>\$ 460,926</u></u>	<u><u>430,853</u></u>	<u><u>325,478</u></u>

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

	For the three months ended March 31, 2025	2024
Beginning balance	\$ 24,405	14,451
Loss recognized (reversal)	<u>(18,333)</u>	<u>9,954</u>
Ending balance	<u><u>\$ 6,072</u></u>	<u><u>24,405</u></u>

(ii) Payables of insurance contracts

Item	March 31, 2025	December 31, 2024	March 31, 2024
Due to ceding companies	\$ 235,599	129,732	232,801
Reinsurance premium payable	386,601	610,796	424,142
Reinsurance commission payable	<u>10</u>	<u>1,639</u>	<u>1,411</u>
Total	<u><u>\$ 622,210</u></u>	<u><u>742,167</u></u>	<u><u>658,354</u></u>

(Continued)

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

(f) Financial assets

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Beneficiary certificate	\$ 673,345	687,181	414,333
Real estate investment trust beneficiary certificate	284,043	290,284	325,648
Domestic listed stocks and OTC stocks	761,363	1,383,750	1,779,655
Foreign stock	<u>141,252</u>	<u>180,282</u>	<u>55,252</u>
Total	<u>\$ 1,860,003</u>	<u>2,541,497</u>	<u>2,574,888</u>

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 net income before income tax for the three months ended March 31, 2025 and 2024 will increase \$18,600 and \$25,749, 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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Debt investments at fair value through other comprehensive income:			
Financial bonds	\$ 168,755	164,773	-
Corporate bonds	<u>565,287</u>	<u>510,343</u>	<u>-</u>
Subtotal	<u>734,042</u>	<u>675,116</u>	<u>-</u>
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks and OTC stocks	\$ 2,215,929	2,188,572	2,358,239
Domestic unlisted stocks	<u>13,972</u>	<u>14,322</u>	<u>14,490</u>
Subtotal	<u>2,229,901</u>	<u>2,202,894</u>	<u>2,372,729</u>
Total	<u>\$ 2,963,943</u>	<u>2,878,010</u>	<u>2,372,729</u>

(Continued)

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

- 1) Debt investments at fair value through other comprehensive income

The Company has assessed that the securities are held within a business model whose objective is achieved by both collecting the contractual cash flows and selling securities. Therefore, the investment was classified as financial assets measured at fair value through other comprehensive income.

- 2) Equity investments at fair value through other comprehensive income

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

During the three months then ended March 31, 2025 and 2024, no dividend income was recognized for equity investments measured at fair value through other comprehensive income held at the three months then ended, respectively; there was no disposal of equity investments during the three months then ended March 31, 2025 and 2024. Accordingly, no cumulative gains or losses were transferred within equity during the periods.

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 other comprehensive income before taxes for the three months ended March 31, 2025 and 2024 will increase \$22,299 and \$23,727, 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.

- 3) Please refer to Note 6(u) for further information of credit risk.
- 4) The Company had assessed the impairment of the debt instruments of financial assets measured at fair value through other comprehensive income for the three months ended March 31, 2025. Please refer to Note 6(u) for further information of the movement in loss allowance of debt investments at fair value through other comprehensive income.

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

(iii) Financial assets at amortized cost

	March 31, 2025	December 31, 2024	March 31, 2024
Government bonds	\$ 614,118	614,233	614,585
Financial bonds	1,700,000	1,700,000	1,300,000
Corporate bonds	<u>1,150,000</u>	<u>1,150,000</u>	<u>1,150,000</u>
Subtotal	3,464,118	3,464,233	3,064,585
Less: Security deposits	(397,016)	(397,136)	(397,500)
Loss allowance	<u>(3,325)</u>	<u>(3,359)</u>	<u>(4,817)</u>
Total	<u><u>\$ 3,063,777</u></u>	<u><u>3,063,738</u></u>	<u><u>2,662,268</u></u>

- 1) The Company assessed 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 were classified as measured at amortized cost.
- 2) Please refer to Note 6(u) for further information of credit risk.
- 3) The Company's financial assets measured at amortized cost had been pledged partially, please refer to Note 8.
- 4) Please refer to Note 6(u) for further information of the movement in loss allowance of financial assets at amortized cost.

(iv) Other financial assets, net:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits— initial maturity date over than three months	\$ 2,651,842	2,515,758	1,746,700
Less: Security deposits	<u>-</u>	<u>-</u>	<u>(47,000)</u>
Total	<u><u>\$ 2,651,842</u></u>	<u><u>2,515,758</u></u>	<u><u>1,699,700</u></u>

The Company's time deposits were provided as pledged assets and were reclassified to refundable deposits, please refer to Note 8 for further information.

(Continued)

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

(v) Capital outsourcing information

As of March 31, 2025, December 31 and March 31, 2024, the Company had outsourced to Securities Investment Trust to manage investment project and capital amount. Further information were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Investment	Amount	Amount	Amount
Domestic listed stocks and OTC stocks, bonds, bonds purchased under resale agreements, short term bills, deposits in financial institutions, etc.	<u>\$ 1,900,000</u>	<u>1,900,000</u>	<u>1,700,000</u>

The investment project was mentioned above, and the carrying amount as of March 31, 2025, December 31 and March 31, 2024 were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Cash and cash equivalents	\$ 575,035	321,148	393,418
Financial assets at fair value through profit or loss - stocks	459,777	886,896	1,551,205
Financial assets at fair value through other comprehensive income - bonds	<u>734,042</u>	<u>675,116</u>	<u>-</u>
Total	<u>\$ 1,768,854</u>	<u>1,883,160</u>	<u>1,944,623</u>

(g) Investment property

The cost, accumulated depreciation, and accumulated impairment loss of the investment property of the Company for the three months ended March 31, 2025 and 2024, were as follows:

	Land and improvement	Buildings and construction	Total
Cost or deemed cost:			
Balance at January 1, 2025	\$ 754,383	226,645	981,028
Balance at March 31, 2025	<u>\$ 754,383</u>	<u>226,645</u>	<u>981,028</u>
Balance at January 1, 2024	\$ 920,829	224,477	1,145,306
Reclassification from property, plant and equipment	1,845	411	2,256
Reclassification to property, plant and equipment	(194,546)	(8,085)	(202,631)
Balance at March 31, 2024	<u>\$ 728,128</u>	<u>216,803</u>	<u>944,931</u>

(Continued)

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

	<u>Land and improvement</u>	<u>Buildings and construction</u>	<u>Total</u>
Accumulated depreciation and impairment loss			
Balance at January 1, 2025	\$ 12,709	105,986	118,695
Depreciation	<u>-</u>	<u>1,199</u>	<u>1,199</u>
Balance at March 31, 2025	<u><u>\$ 12,709</u></u>	<u><u>107,185</u></u>	<u><u>119,894</u></u>
Balance at January 1, 2024	\$ 2,359	95,438	97,797
Depreciation	-	1,287	1,287
Reclassification from property, plant and equipment	-	127	127
Reclassification to property, plant and equipment	-	(144)	(144)
Balance at March 31, 2024	<u><u>\$ 2,359</u></u>	<u><u>96,708</u></u>	<u><u>99,067</u></u>
Carrying amount:			
January 1, 2025	<u><u>\$ 741,674</u></u>	<u><u>120,659</u></u>	<u><u>862,333</u></u>
March 31, 2025	<u><u>\$ 741,674</u></u>	<u><u>119,460</u></u>	<u><u>861,134</u></u>
January 1, 2024	<u><u>\$ 918,470</u></u>	<u><u>129,039</u></u>	<u><u>1,047,509</u></u>
March 31, 2024	<u><u>\$ 725,769</u></u>	<u><u>120,095</u></u>	<u><u>845,864</u></u>
Fair value:			
January 1, 2025			<u><u>\$ 1,938,755</u></u>
March 31, 2025			<u><u>\$ 1,938,755</u></u>
January 1, 2024			<u><u>\$ 2,058,304</u></u>
March 31, 2024			<u><u>\$ 1,857,837</u></u>

On March 31, 2025, December 31 and March 31, 2024, the assessment of fair value of investment property mainly referred to the market trade.

As of March 31, 2025, December 31 and March 31, 2024, the Company's investment property had not been pledged as collateral.

(Continued)

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

(h) Property, plant and equipment

The cost, accumulated depreciation, and accumulated impairment loss of the property, plant and equipment of the Company for the three months ended March 31, 2025 and 2024, were as follows:

	<u>Land</u>	<u>Buildings and construction</u>	<u>Computer equipment</u>	<u>Transportation equipment</u>	<u>Other equipment</u>	<u>Leasehold improvement</u>	<u>Total</u>
Cost:							
Balance at January 1, 2025	\$ 1,116,493	539,357	215,117	579	58,918	8,091	1,938,555
Additions	-	4,531	16,249	-	946	666	22,392
Disposal	(5,351)	(36)	-	-	-	-	(5,387)
Scrap	-	-	(1,033)	-	(324)	-	(1,357)
Balance at March 31, 2025	<u>1,111,142</u>	<u>543,852</u>	<u>230,333</u>	<u>579</u>	<u>59,540</u>	<u>8,757</u>	<u>1,954,203</u>
Balance at January 1, 2024	951,838	529,263	191,948	579	56,092	2,930	1,732,650
Additions	-	1,199	1,082	-	1,140	-	3,421
Reclassification from investment property	194,546	8,085	-	-	-	-	202,631
Reclassification to investment property	(1,845)	(411)	-	-	-	-	(2,256)
Scrap	-	-	(496)	-	(7)	-	(503)
Balance at March 31, 2024	<u>1,144,539</u>	<u>538,136</u>	<u>192,534</u>	<u>579</u>	<u>57,225</u>	<u>2,930</u>	<u>1,935,943</u>
Accumulated depreciation and impairment loss:							
Balance at January 1, 2025	15,196	209,527	174,867	579	49,179	2,381	451,729
Depreciation	-	4,175	3,980	-	975	390	9,520
Disposal	-	(22)	-	-	-	-	(22)
Scrap	-	-	(1,033)	-	(324)	-	(1,357)
Balance at March 31, 2025	<u>15,196</u>	<u>213,680</u>	<u>177,814</u>	<u>579</u>	<u>49,830</u>	<u>2,771</u>	<u>459,870</u>
Balance at January 1, 2024	15,196	201,268	176,952	579	49,169	2,122	445,286
Depreciation	-	3,869	1,824	-	998	72	6,763
Reclassification from investment property	-	144	-	-	-	-	144
Reclassification to investment property	-	(127)	-	-	-	-	(127)
Scrap	-	-	(496)	-	(7)	-	(503)
Balance at March 31, 2024	<u>15,196</u>	<u>205,154</u>	<u>178,280</u>	<u>579</u>	<u>50,160</u>	<u>2,194</u>	<u>451,563</u>
Carrying amount:							
January 1, 2025	\$ <u>1,101,297</u>	<u>329,830</u>	<u>40,250</u>	<u>-</u>	<u>9,739</u>	<u>5,710</u>	<u>1,486,826</u>
March 31, 2025	\$ <u>1,095,946</u>	<u>330,172</u>	<u>52,519</u>	<u>-</u>	<u>9,710</u>	<u>5,986</u>	<u>1,494,333</u>
January 1, 2024	\$ <u>936,642</u>	<u>327,995</u>	<u>14,996</u>	<u>-</u>	<u>6,923</u>	<u>808</u>	<u>1,287,364</u>
March 31, 2024	\$ <u>1,129,343</u>	<u>332,982</u>	<u>14,254</u>	<u>-</u>	<u>7,065</u>	<u>736</u>	<u>1,484,380</u>

As of March 31, 2025, December 31 and March 31, 2024, the Company's property, plant and equipment had not been pledged as collateral, and there are no restrictions on the ownership of overseas real estate.

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

(i) Right-of-use assets

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

	Buildings and construction	Transportation equipment	Total
Cost of right-of-use assets:			
January 1, 2025	\$ 26,427	11,634	38,061
Additions	16,951	2,482	19,433
Derecognition	<u>(16,988)</u>	<u>(3,839)</u>	<u>(20,827)</u>
March 31, 2025	<u>\$ 26,390</u>	<u>10,277</u>	<u>36,667</u>
January 1, 2024	\$ 26,197	9,902	36,099
Additions	1,550	-	1,550
Derecognition	<u>(1,635)</u>	<u>-</u>	<u>(1,635)</u>
March 31, 2024	<u>\$ 26,112</u>	<u>9,902</u>	<u>36,014</u>
Depreciation of right-of-use assets:			
January 1, 2025	\$ 19,009	5,841	24,850
Depreciation	3,160	963	4,123
Derecognition	<u>(16,754)</u>	<u>(3,839)</u>	<u>(20,593)</u>
March 31, 2025	<u>\$ 5,415</u>	<u>2,965</u>	<u>8,380</u>
January 1, 2024	\$ 11,767	6,599	18,366
Depreciation	3,223	825	4,048
Derecognition	<u>(1,603)</u>	<u>-</u>	<u>(1,603)</u>
March 31, 2024	<u>\$ 13,387</u>	<u>7,424</u>	<u>20,811</u>
Carrying amount:			
January 1, 2025	<u>\$ 7,418</u>	<u>5,793</u>	<u>13,211</u>
March 31, 2025	<u>\$ 20,975</u>	<u>7,312</u>	<u>28,287</u>
January 1, 2024	<u>\$ 14,430</u>	<u>3,303</u>	<u>17,733</u>
March 31, 2024	<u>\$ 12,725</u>	<u>2,478</u>	<u>15,203</u>

(j) Lease liabilities

The Company's lease liabilities were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Less than one year	\$ 14,670	7,617	12,501
Between one and five years	<u>13,735</u>	<u>5,734</u>	<u>2,892</u>
Total	<u>\$ 28,405</u>	<u>13,351</u>	<u>15,393</u>

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

The maturity analysis please refer to Note 6(u) financial instruments.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2025	2024
Interest on lease liabilities	\$ <u>131</u>	<u>99</u>

The amounts recognized in the statement of cash flows were as follows:

	For the three months ended March 31,	
	2025	2024
Total cash outflow for leases	\$ <u>4,273</u>	<u>4,152</u>

(i) Leases of buildings and construction

The Company leases buildings and construction as offices with usual lease terms of 1 to 5 years.

(ii) Other leases

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

(k) Operating lease

The Company leases out its investment properties, during the three months ended March 31, 2025 and 2024, there are no significant new operating lease agreements, please refer to Notes 6(k) of the financial statements for the year ended December 31, 2024 for related information.

(l) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material workforce reduction, reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2024 and 2023.

The Company's expenses recognized in profit or loss amounted to \$1,662 and \$1,766 for the three months ended March 31, 2025 and 2024, respectively.

(ii) Defined contribution plan

The pension costs of the Company incurred from the contributions to the Bureau of the Labor Insurance amounted to \$10,655 and \$8,500 for the three months ended March 31, 2025 and 2024, respectively.

(Continued)

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

(m) Remunerations to employees and directors

In accordance with the Articles of Incorporation, once the Company has annual profit, it should appropriate 1%~ 5% of the profit to its employees and no more than 5% to its directors as remunerations. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

For the three months ended March 31, 2025 and 2024, the Company estimated its employees remuneration amounting to \$5,000 and \$2,000 ,and remunerations to directors were \$1,500 and \$0, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remunerations to employees and directors of each period, and after deducting accumulated losses, then multiplied by the percentage of remunerations to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or expenses for each period. 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 amount, 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 remunerations to employees of the Company in 2024 and 2023 were \$27,000, \$2,000 and remunerations to directors were \$6,000 and \$0, respectively. There is no difference in the actual distribution situation. Relevant information can be obtained from the Market Observation Post System.

(n) Insurance liability

	March 31, 2025	December 31, 2024	March 31, 2024
Unearned premium reserve	\$ 7,318,078	6,926,563	6,699,846
Claims reserve	6,143,764	6,257,864	5,160,373
Special reserve	934,508	905,207	966,104
Premium deficiency reserve	32,958	8,111	2,337
Total	<u><u>\$ 14,429,308</u></u>	<u><u>14,097,745</u></u>	<u><u>12,828,660</u></u>

(Continued)

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

(i) Unearned premium reserve

1) Unearned premium reserve and ceded unearned premium reserves

March 31, 2025				
Item	Unearned premium reserve		Ceded unearned premium reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 1,058,677	25,852	652,727	431,802
Marine insurance	93,844	190	70,968	23,066
Land and air insurance	22,123	-	20,847	1,276
Liability insurance	1,990,235	13,428	245,425	1,758,238
Surety insurance	21,231	945	13,644	8,532
Other property insurance	3,055,810	58,847	850,287	2,264,370
Accident insurance	454,220	3,175	56,814	400,581
Health insurance	10,784	-	10	10,774
Compulsory automobile liability insurance	345,411	163,306	207,271	301,446
Total	\$ 7,052,335	265,743	2,117,993	5,200,085

December 31, 2024				
Item	Unearned premium reserve		Ceded unearned premium reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 1,051,045	27,916	665,538	413,423
Marine insurance	96,826	524	83,143	14,207
Land and air insurance	33,251	-	31,916	1,335
Liability insurance	1,857,279	14,800	246,792	1,625,287
Surety insurance	11,815	584	6,311	6,088
Other property insurance	2,878,702	63,034	799,343	2,142,393
Accident insurance	364,085	3,284	28,165	339,204
Health insurance	10,895	-	4	10,891
Compulsory automobile liability insurance	347,302	165,221	208,397	304,126
Total	\$ 6,651,200	275,363	2,069,609	4,856,954

(Continued)

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

March 31, 2024				
Item	Unearned premium reserve		Ceded unearned premium reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 843,197	32,852	475,647	400,402
Marine insurance	84,676	579	60,582	24,673
Land and air insurance	35,232	-	25,206	10,026
Liability insurance	1,861,672	24,749	264,219	1,622,202
Surety insurance	11,682	712	5,994	6,400
Other property insurance	2,794,358	52,499	708,631	2,138,226
Accident insurance	427,324	3,528	36,922	393,930
Health insurance	9,260	-	596	8,664
Compulsory automobile liability insurance	350,882	166,644	210,544	306,982
Total	\$ 6,418,283	281,563	1,788,341	4,911,505

2) The Net change in reserve for unearned premiums and reserve for ceded unearned premiums

For the three months ended March 31, 2025													
Items	Premium revenue	Reinsurance premium	Reinsurance expense	Retained Premium	Direct business Unearned premium reserve		Reinsurance ceded in Unearned premium reserve		Net change in unearned premium reserve	Reinsurance ceded out Unearned premium reserve		Net change in ceded unearned premium reserve	Retained earned premium
					Provision	Recovery	Provision	Recovery		Provision	Recovery		
Compulsory insurance	\$ 221,674	76,946	92,559	206,061	345,411	347,302	163,306	165,221	(3,806)	207,271	208,397	(1,126)	208,741
Non-compulsory insurance	3,549,261	29,605	979,784	2,599,082	6,706,924	6,303,378	102,437	110,142	395,841	1,910,722	1,861,212	49,510	2,252,751
Total	\$ 3,770,935	106,551	1,072,343	2,805,143	7,052,335	6,650,680	265,743	275,363	392,035	2,117,993	2,069,609	48,384	2,461,492

For the three months ended March 31, 2024													
Items	Premium revenue	Reinsurance premium	Reinsurance expenses	Retained Premium	Direct business Unearned premium reserve		Reinsurance ceded in Unearned premium reserve		Net change in unearned premium reserve	Reinsurance ceded out Unearned premium reserve		Net change in ceded unearned premium reserve	Retained earned premium
					Provision	Recovery	Provision	Recovery		Provision	Recovery		
Compulsory insurance	\$ 226,325	80,947	94,444	212,828	350,882	353,893	166,644	165,127	(1,494)	210,544	212,351	(1,807)	212,515
Non-compulsory insurance	3,279,908	44,393	840,735	2,483,566	6,067,401	5,666,146	114,919	114,676	401,498	1,577,797	1,565,480	12,317	2,094,385
Total	\$ 3,506,233	125,340	935,179	2,696,394	6,418,283	6,020,039	281,563	279,803	400,004	1,788,341	1,777,831	10,510	2,306,900

(Continued)

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

- 3) The movements in unearned premium reserve and ceded unearned premium reserve were as follows:

Item	For the three months ended March 31, 2025	
	Unearned premium reserve	Ceded unearned premium reserve
Beginning balance	\$ 6,926,563	2,069,609
Provision	7,318,078	2,117,993
Recovery	(6,926,563)	(2,069,609)
Ending balance	<u>\$ 7,318,078</u>	<u>2,117,993</u>

Item	For the three months ended March 31, 2024	
	Unearned premium reserve	Ceded unearned premium reserve
Beginning balance	\$ 6,300,340	1,777,831
Provision	6,699,846	1,788,341
Recovery	(6,300,340)	(1,777,831)
Ending balance	<u>\$ 6,699,846</u>	<u>1,788,341</u>

The provision methods of unearned premium 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 premium 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.

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.

(Continued)

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

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 grant 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 March 31, 2025, December 31 and March 31, 2024, the relevant unearned premium reserve from the business transfer and intangible assets were \$9,316, \$6,532 and \$10,055 and \$7,052, \$12,182 and \$8,549, 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.
- 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.

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

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.

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.

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

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 three months ended March 31,	
	2025	2024
Beginning balance	\$ 176,135	135,259
Provision	30,550	9,281
Recovery	-	(15,941)
Ending balance	<u><u>\$ 206,685</u></u>	<u><u>128,599</u></u>

Special reserve – Non-Compulsory Automobile Liability Insurance

Item	For the three months ended March 31, 2025						
	Liability			Special reserve			
	Catastrophic risk	Contingency risk	Total	Catastrophic risk	Contingency risk	Travel Insurance	Total
Beginning balance	\$ 91,348	633,568	724,916	1,106,799	2,223,234	36,119	3,366,152
Recovery	(1,249)	-	(1,249)	-	-	-	-
Ending balance	<u><u>\$ 90,099</u></u>	<u><u>633,568</u></u>	<u><u>723,667</u></u>	<u><u>1,106,799</u></u>	<u><u>2,223,234</u></u>	<u><u>36,119</u></u>	<u><u>3,366,152</u></u>

Item	For the three months ended March 31, 2024						
	Liability			Special reserve			
	Catastrophic risk	Contingency risk	Total	Catastrophic risk	Contingency risk	Travel Insurance	Total
Beginning balance	\$ 96,414	738,185	834,599	992,188	2,066,074	22,575	3,080,837
Recovery	(1,250)	-	(1,250)	-	-	-	-
Ending balance	<u><u>\$ 95,164</u></u>	<u><u>738,185</u></u>	<u><u>833,349</u></u>	<u><u>992,188</u></u>	<u><u>2,066,074</u></u>	<u><u>22,575</u></u>	<u><u>3,080,837</u></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, Financial Supervisory Commission, R.O.C. (Taiwan) Jin Guan Bao Cai Zi No.11101405951, which is the base of recovered special reserve for the three months ended March 31, 2025 and 2024.

(Continued)

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

2) Special reserve -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.

(iii) Claims reserve

- 1) Liabilities for claims are to be paid, reported but unpaid and incurred but not reported (IBNR).

March 31, 2025				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ 8	1,300,413	169,501	1,469,914
Marine insurance	865	88,000	65,021	153,021
Land and air insurance	-	10,026	18,207	28,233
Liability insurance	12,262	1,307,473	518,034	1,825,507
Surety insurance	1	30,214	9,758	39,972
Other property insurance	8,472	1,220,249	203,359	1,423,608
Accident insurance	1,448	45,312	339,037	384,349
Health insurance	173	1,315	27,166	28,481
Compulsory automobile liability insurance	2,971	222,376	568,303	790,679
Total	\$ 26,200	4,225,378	1,918,386	6,143,764

(Continued)

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

December 31, 2024				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ -	1,581,989	159,851	1,741,840
Marine insurance	-	72,224	65,248	137,472
Land and air insurance	-	11,003	18,386	29,389
Liability insurance	2,264	1,340,287	491,327	1,831,614
Surety insurance	1	28,764	7,931	36,695
Other property insurance	4,462	1,114,409	199,286	1,313,695
Accident insurance	525	60,162	279,384	339,546
Health insurance	123	1,610	15,774	17,384
Compulsory automobile liability insurance	3,071	222,369	587,860	810,229
Total	\$ 10,446	4,432,817	1,825,047	6,257,864

March 31, 2024				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ -	924,620	128,122	1,052,742
Marine insurance	-	83,708	64,569	148,277
Land and air insurance	-	16,963	18,172	35,135
Liability insurance	4,236	1,268,054	409,357	1,677,411
Surety insurance	1	24,037	6,783	30,820
Other property insurance	6,941	947,770	109,784	1,057,554
Accident insurance	2,557	74,574	224,639	299,213
Health insurance	190	1,450	16,699	18,149
Compulsory automobile liability insurance	3,468	230,061	611,011	841,072
Total	\$ 17,393	3,571,237	1,589,136	5,160,373

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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

March 31, 2025			
Item	Reported but unpaid	IBNR	Total
Fire insurance	\$ 987,006	48,220	1,035,226
Marine insurance	68,133	44,589	112,722
Land and air insurance	2,380	13,093	15,473
Liability insurance	155,961	71,067	227,028
Surety insurance	13,548	2,753	16,301
Other property insurance	558,922	46,576	605,498
Accident insurance	4,751	54,170	58,921
Health insurance	163	4,069	4,232
Compulsory automobile liability insurance	83,020	245,990	329,010
Total	<u><u>\$ 1,873,884</u></u>	<u><u>530,527</u></u>	<u><u>2,404,411</u></u>
December 31, 2024			
Item	Reported but unpaid	IBNR	Total
Fire insurance	\$ 1,237,853	45,372	1,283,225
Marine insurance	53,745	44,568	98,313
Land and air insurance	4,342	13,098	17,440
Liability insurance	177,773	69,057	246,830
Surety insurance	11,529	2,059	13,588
Other property insurance	475,123	48,176	523,299
Accident insurance	9,592	49,867	59,459
Health insurance	168	3,289	3,457
Compulsory automobile liability insurance	84,237	257,586	341,823
Total	<u><u>\$ 2,054,362</u></u>	<u><u>533,072</u></u>	<u><u>2,587,434</u></u>

(Continued)

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

March 31, 2024			
Item	Reported but unpaid	IBNR	Total
Fire insurance	\$ 654,662	41,598	696,260
Marine insurance	55,849	44,405	100,254
Land and air insurance	10,459	13,041	23,500
Liability insurance	163,117	64,319	227,436
Surety insurance	8,883	1,887	10,770
Other property insurance	403,363	27,434	430,797
Accident insurance	9,718	45,437	55,155
Health insurance	232	2,926	3,158
Compulsory automobile liability insurance	87,538	271,380	358,918
Total	\$ 1,393,821	512,427	1,906,248

3) The net change of claims reserve and ceded claims reserve

For the three months ended March 31, 2025								
Item	Direct underwrite business		Reinsurance ceded-in		The net change in claims reserve	Reinsurance ceded-out		The net change in ceded claims reserve
	Provision	Recovery	Provision	Recovery		Provision	Recovery	
Fire insurance	\$ 1,426,944	1,498,028	42,970	243,812	(271,926)	1,035,226	1,283,225	(247,999)
Marine insurance	147,801	132,356	5,220	5,116	15,549	112,722	98,313	14,409
Land and air insurance	26,931	27,925	1,302	1,464	(1,156)	15,473	17,440	(1,967)
Liability insurance	1,791,396	1,798,916	34,111	32,698	(6,107)	227,028	246,830	(19,802)
Surety insurance	37,179	34,500	2,793	2,195	3,277	16,301	13,588	2,713
Other property insurance	1,386,438	1,274,769	37,170	38,926	109,913	605,498	523,299	82,199
Accident insurance	361,124	320,834	23,225	18,712	44,803	58,921	59,459	(538)
Health insurance	25,224	14,929	3,257	2,455	11,097	4,232	3,457	775
Compulsory automobile liability insurance	550,909	571,816	239,770	238,413	(19,550)	329,010	341,823	(12,813)
Total	\$ 5,753,946	5,674,073	389,818	583,791	(114,100)	2,404,411	2,587,434	(183,023)

For the three months ended March 31, 2024								
Item	Direct underwrite business		Reinsurance ceded-in		The net change in claims reserve	Reinsurance ceded-out		The net change in ceded claims reserve
	Provision	Recovery	Provision	Recovery		Provision	Recovery	
Fire insurance	\$ 1,019,036	963,732	33,706	34,219	54,791	696,260	638,337	57,923
Marine insurance	143,236	164,660	5,041	5,106	(21,489)	100,254	120,963	(20,709)
Land and air insurance	33,592	54,037	1,543	2,517	(21,419)	23,500	45,261	(21,761)
Liability insurance	1,647,956	1,621,996	29,455	27,508	27,907	227,436	241,717	(14,281)
Surety insurance	28,749	22,545	2,071	1,985	6,290	10,770	10,023	747
Other property insurance	1,036,818	995,445	20,736	20,533	41,576	430,797	436,972	(6,175)
Accident insurance	283,407	269,620	15,806	15,384	14,209	55,155	56,468	(1,313)
Health insurance	15,941	18,169	2,208	2,201	(2,221)	3,158	3,164	(6)
Compulsory automobile liability insurance	602,513	555,767	238,559	233,732	51,573	358,918	332,183	26,735
Total	\$ 4,811,248	4,665,971	349,125	343,185	151,217	1,906,248	1,885,088	21,160

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

4) The movements in claims reserve and ceded claims reserve

Item	For the three months ended March 31,			
	2025		2024	
	Claims reserve	Ceded claims reserve	Claims reserve	Ceded claims reserve
Beginning balance	\$ 6,257,864	2,587,434	5,009,156	1,885,063
Provision	6,143,764	2,404,411	5,160,373	1,906,248
Recovery	(6,257,864)	(2,587,434)	(5,009,156)	(1,885,088)
Ending balance	<u>\$ 6,143,764</u>	<u>2,404,411</u>	<u>5,160,373</u>	<u>1,906,248</u>

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

- 1) Premium deficiency reserve and ceded premium deficiency reserve

Item	March 31, 2025			
	Premium deficiency reserve		Ceded premium deficiency reserve	Retained business
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	
Fire insurance	\$ 32,681	129	32,810	-
Land and air insurance	148	-	-	148
Total	<u>\$ 32,829</u>	<u>129</u>	<u>32,810</u>	<u>148</u>

Item	December 31, 2024			
	Premium deficiency reserve		Ceded premium deficiency reserve	Retained business
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	
Fire insurance	\$ 7,972	52	8,024	-
Land and air insurance	87	-	-	87
Total	<u>\$ 8,059</u>	<u>52</u>	<u>8,024</u>	<u>87</u>

(Continued)

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

March 31, 2024				
Item	Premium deficiency reserve		Ceded premium deficiency reserve	Retained business
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	
Marine insurance	\$ <u>2,337</u>	<u>-</u>	<u>88</u>	<u>2,249</u>

2) The net change in premium deficiency reserve and ceded premium deficiency reserve

For the three months ended March 31, 2025									
Item	Direct underwrite		Reinsurance ceded-in		The net change in premium deficiency	Reinsurance ceded-out		The net change in premium ceded deficiency	Net deposit of premium deficiency reserve
	Provision	Recover	Provision	Recover		Provision	Recover		
Fire insurance	\$ 32,681	7,972	129	52	24,786	32,810	8,024	24,786	-
Land and air insurance	148	87	-	-	61	-	-	-	61
Total	\$ <u>32,829</u>	<u>8,059</u>	<u>129</u>	<u>52</u>	<u>24,847</u>	<u>32,810</u>	<u>8,024</u>	<u>24,786</u>	<u>61</u>

For the three months ended March 31, 2024									
Item	Direct underwrite		Reinsurance ceded-in		The net change in premium deficiency	Reinsurance ceded-out		The net change in premium ceded deficiency	Net deposit of premium deficiency reserve
	Provision	Recover	Provision	Recover		Provision	Recover		
Fire insurance	\$ -	12,183	-	353	(12,536)	-	12,536	(12,536)	-
Marine insurance	2,337	1,552	-	-	785	88	-	88	697
Total	\$ <u>2,337</u>	<u>13,735</u>	<u>-</u>	<u>353</u>	<u>(11,751)</u>	<u>88</u>	<u>12,536</u>	<u>(12,448)</u>	<u>697</u>

3) The movements in premium deficiency reserve and ceded premium deficiency reserve

Item			For the three months ended March 31, 2025	
			Premium deficiency reserve	Ceding premium deficiency reserve
Beginning balance		\$	8,111	8,024
Provision			32,958	32,810
Recovery			(8,111)	(8,024)
Ending balance		\$	<u>32,958</u>	<u>32,810</u>

Item			For the three months ended March 31, 2024	
			Premium deficiency reserve	Ceding premium deficiency reserve
Beginning balance		\$	14,088	12,536
Provision			2,337	88
Recovery			(14,088)	(12,536)
Ending balance		\$	<u>2,337</u>	<u>88</u>

(Continued)

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

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.

(o) Income tax

The components of the Company's income tax were as follows:

	For the three months ended March 31,	
	2025	2024
Current income tax expenses	\$ 72,931	51,959
Deferred tax income	(434)	-
Total	<u><u>\$ 72,497</u></u>	<u><u>51,959</u></u>

The Company's tax returns for the year through 2021 were assessed by the Taipei National Tax Administration tax authorities.

(p) Capital and other equity

(i) Share capital

As of March 31, 2025, December 31 and March 31, 2024, the number of authorized ordinary shares were all \$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, 2012, 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.

(Continued)

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

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 March 31, 2025, December 31 and March 31, 2024 the special reserve distributed by the Company in accordance with the regulations were \$0, \$0 and \$1,172, respectively.

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 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.

The amount of cash dividends on the appropriations of earnings for 2024 had been proposed during the board meeting on March 11, 2025, as follow:

	For the years ended December 31, 2024	
	Allotment per share (NT dollars)	Total Amount
Dividends distributed to ordinary shareholders :		
Cash	\$ 1.50	<u><u>335,412</u></u>

The shareholder's meeting passed the profit and loss make-up proposal for 2023 on June 24, 2024.

(Continued)

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

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.

(iii) Other equity (after tax)

	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income
January 1, 2025	\$ (48,424)
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	36,075
Cumulative gains (losses) reclassified to profit or loss on disposal of investments in debt instrument at fair value through other comprehensive income	(726)
March 31, 2025	<u>\$ (13,075)</u>
January 1, 2024	\$ 22,167
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	21,654
March 31, 2024	<u>\$ 43,821</u>

(q) Earnings per share

The calculation of basic earnings per share and diluted earnings per share were shown as follows:

	For the three months ended March 31,	
	2025	2024
Net income attributable to ordinary shareholders of the Company	<u>\$ 30,511</u>	<u>404,582</u>
Weighted average number of ordinary shares (thousands shares)	<u>223,608</u>	<u>223,608</u>
Basic earnings per share (NT dollars)	<u>\$ 0.14</u>	<u>1.81</u>
Diluted earnings per share		
Net income attributable to ordinary shareholders of the Company	<u>\$ 30,511</u>	<u>404,582</u>
Weighted average number of ordinary shares (thousands shares)	223,608	223,608
Employee share options	784	67
Weighted average number of ordinary shares (Dilutive potential common shares)(thousands shares)	<u>224,392</u>	<u>223,675</u>
Diluted earnings per share (NT dollars)	<u>\$ 0.14</u>	<u>1.81</u>

(Continued)

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

(r) Disclosure of acquisition cost of insurance contracts

Acquisition cost of insurance contracts

For the three months ended March 31, 2025						
Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 61,778	-	-	458	-	62,236
Marine insurance	8,251	-	-	5	-	8,256
Land and air insurance	1,122	-	-	-	-	1,122
Liability insurance	187,801	-	-	541	-	188,342
Surety insurance	2,070	-	-	-	-	2,070
Other property insurance	188,247	-	-	2,600	-	190,847
Accident insurance	70,341	-	-	-	-	70,341
Health insurance	8,581	-	-	-	-	8,581
Compulsory automobile liability insurance	29,220	-	-	-	-	29,220
Total	<u>\$ 557,411</u>	<u>-</u>	<u>-</u>	<u>3,604</u>	<u>-</u>	<u>561,015</u>
For the three months ended March 31, 2024						
Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 48,356	-	-	206	-	48,562
Marine insurance	8,151	-	-	60	-	8,211
Land and air insurance	1,120	-	-	-	-	1,120
Liability insurance	185,375	-	-	1,275	-	186,650
Surety insurance	957	-	-	-	-	957
Other property insurance	204,357	-	-	4,834	-	209,191
Accident insurance	66,698	-	-	-	-	66,698
Health insurance	6,033	-	-	-	-	6,033
Compulsory automobile liability insurance	30,128	-	-	-	-	30,128
Total	<u>\$ 551,175</u>	<u>-</u>	<u>-</u>	<u>6,375</u>	<u>-</u>	<u>557,550</u>

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

(s) Disclosure of insurance cost-benefit analysis

(i) Direct written business cost-benefit analysis

For the three months ended March 31, 2025						
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	\$ 648,826	8,152	61,778	388,209	(71,084)	261,771
Marine insurance	85,575	(2,982)	8,251	(1,106)	15,445	65,967
Land and air insurance	13,708	(11,128)	1,122	103	(994)	24,605
Liability insurance	1,068,975	132,956	187,801	468,822	(7,520)	286,916
Surety insurance	15,796	9,416	2,070	1,205	2,679	426
Other property insurance	1,290,131	177,108	188,247	498,486	111,669	314,621
Accident insurance	383,889	90,135	70,341	98,671	40,290	84,452
Health insurance	42,361	(111)	8,581	5,160	10,295	18,436
Compulsory automobile liability insurance	221,674	(1,891)	29,220	125,033	(20,907)	90,219
Total	<u>\$ 3,770,935</u>	<u>401,655</u>	<u>557,411</u>	<u>1,584,583</u>	<u>79,873</u>	<u>1,147,413</u>
For the three months ended March 31, 2024						
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	\$ 501,397	(20,292)	48,356	53,256	55,304	364,773
Marine insurance	71,099	6,596	8,151	12,321	(21,424)	65,455
Land and air insurance	14,931	(14,911)	1,120	2,247	(20,445)	46,920
Liability insurance	1,034,236	134,076	185,375	473,196	25,960	215,629
Surety insurance	6,177	461	957	4,484	6,204	(5,929)
Other property insurance	1,306,636	230,634	204,357	460,239	41,373	370,033
Accident insurance	322,653	66,558	66,698	108,272	13,787	67,338
Health insurance	22,779	(1,867)	6,033	8,325	(2,228)	12,516
Compulsory automobile liability insurance	226,325	(3,011)	30,128	135,045	46,746	17,417
Total	<u>\$ 3,506,233</u>	<u>398,244</u>	<u>551,175</u>	<u>1,257,385</u>	<u>145,277</u>	<u>1,154,152</u>

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

(ii) Reinsurance cost-benefit analysis

For the three months ended March 31, 2025						
Item	Reinsurance premium	The net change in unearned premium reserve	Reinsurance commission expense	Reinsurance Claims	The net change in claims reverse	Ceded in Gain (Loss)
Fire insurance	\$ 13,288	(2,064)	458	200,142	(200,842)	15,594
Marine insurance	646	(334)	5	(5)	104	876
Land and air insurance	-	-	-	(80)	(162)	242
Liability insurance	3,201	(1,372)	541	1,256	1,413	1,363
Surety insurance	731	361	-	-	598	(228)
Other property insurance	10,269	(4,187)	2,600	4,664	(1,756)	8,948
Accident insurance	1,470	(109)	-	1,059	4,513	(3,993)
Health insurance	-	-	-	-	802	(802)
Compulsory automobile liability insurance	76,946	(1,915)	-	71,313	1,357	6,191
Total	<u>\$ 106,551</u>	<u>(9,620)</u>	<u>3,604</u>	<u>278,349</u>	<u>(193,973)</u>	<u>28,191</u>
For the three months ended March 31, 2024						
Item	Reinsurance premium	The net change in unearned premium reserve	Reinsurance commission expense	Reinsurance Claims	The net change in claims reverse	Ceded in Gain (Loss)
Fire insurance	\$ 18,078	(2,479)	206	198	(513)	20,666
Marine insurance	1,036	(336)	60	(102)	(65)	1,479
Land and air insurance	-	-	-	38	(974)	936
Liability insurance	5,471	(4,241)	1,275	7,824	1,947	(1,334)
Surety insurance	484	157	-	(4)	86	245
Other property insurance	17,562	7,383	4,834	4,070	203	1,072
Accident insurance	1,762	(241)	-	371	422	1,210
Health insurance	-	-	-	-	7	(7)
Compulsory automobile liability insurance	80,947	1,517	-	77,218	4,827	(2,615)
Total	<u>\$ 125,340</u>	<u>1,760</u>	<u>6,375</u>	<u>89,613</u>	<u>5,940</u>	<u>21,652</u>

(Continued)

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

(iii) Gain/Loss on reinsurance contracts

For the three months ended March 31, 2025						
Item	Reinsurance expense	The net change in unearned premium reserve	Reinsurance commission received	Claims recovered from reinsurers	The net change in ceded claims reserve	Ceded out Gain (Loss)
Fire insurance	\$ (460,756)	(12,811)	54,208	521,264	(247,999)	(146,094)
Marine insurance	(52,374)	(12,175)	3,997	2,095	14,409	(44,048)
Land and air insurance	(7,316)	(11,069)	449	52	(1,967)	(19,851)
Liability insurance	(113,361)	(1,367)	37,366	64,330	(19,802)	(32,834)
Surety insurance	(8,277)	7,333	191	200	2,713	2,160
Other property insurance	(287,195)	50,944	66,420	72,672	82,199	(14,960)
Accident insurance	(50,272)	28,649	9,158	11,189	(538)	(1,814)
Health insurance	(233)	6	100	227	775	875
Compulsory automobile liability insurance	(92,559)	(1,126)	-	75,301	(12,813)	(31,197)
Total	<u>\$ (1,072,343)</u>	<u>48,384</u>	<u>171,889</u>	<u>747,330</u>	<u>(183,023)</u>	<u>(287,763)</u>
For the three months ended March 31, 2024						
Item	Reinsurance expense	The net change in unearned premium reserve	Reinsurance commission received	Claims recovered from reinsurers	The net change in ceded claims reserve	Ceded out Gain (Loss)
Fire insurance	\$ (355,826)	(24,967)	42,119	20,986	57,923	(259,765)
Marine insurance	(38,087)	(4,542)	3,871	7,820	(20,709)	(51,647)
Land and air insurance	(8,386)	(15,694)	446	1,425	(21,761)	(43,970)
Liability insurance	(128,145)	14,586	42,182	80,371	(14,281)	(5,287)
Surety insurance	(2,069)	(59)	69	3,166	747	1,854
Other property insurance	(282,974)	38,418	71,550	100,331	(6,175)	(78,850)
Accident insurance	(25,244)	5,928	6,551	9,591	(1,313)	(4,487)
Health insurance	(4)	(1,353)	3	1,457	(6)	97
Compulsory automobile liability insurance	(94,444)	(1,807)	-	80,634	26,735	11,118
Total	<u>\$ (935,179)</u>	<u>10,510</u>	<u>166,791</u>	<u>305,781</u>	<u>21,160</u>	<u>(430,937)</u>

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

(t) Disclosure of insurance contract risk

Except for the following disclosure, there were no significant changes in the Company's objectives, policies, procedures and methods used to manage the risk management of insurance contracts and the credit risk, liquidity risk and market risk of insurance contracts for the three months ended March 31, 2025 and 2024. For the related information, please refer to Note 6(t) of the financial statements for the year ended December 31, 2024.

(i) Insurance risk information

1) Sensitivity analysis of insurance risk

Item	For the three months ended March 31, 2025			
	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	\$ 662,114	62.82 %	6,565	1,830
Marine insurance	86,221	61.79 %	895	250
Land and air insurance	13,708	65.92 %	248	65
Liability insurance	1,072,176	67.27 %	9,406	8,259
Surety insurance	16,527	84.67 %	68	58
Other property insurance	1,300,400	64.35 %	11,275	8,912
Accident insurance	385,359	71.51 %	2,953	2,737
Health insurance	42,361	81.89 %	425	422
Compulsory automobile liability insurance	298,620	No applicable	No applicable	No applicable

(Continued)

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

For the three months ended March 31, 2024				
Item	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	\$ 519,475	64.19 %	5,427	1,620
Marine insurance	72,135	61.74 %	659	232
Land and air insurance	14,931	78.26 %	298	58
Liability insurance	1,039,707	67.08 %	9,099	7,963
Surety insurance	6,661	72.70 %	60	39
Other property insurance	1,324,198	64.10 %	10,862	8,416
Accident insurance	324,415	76.06 %	2,581	2,388
Health insurance	22,779	61.00 %	246	233
Compulsory automobile liability insurance	307,272	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.

(Continued)

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 Verisk Touchstone (AIR) natural disaster model 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. In terms of proportion, the voluntary automobile insurance is the highest proportion accounts for 45.63% and 49.26% for the three months ended March 31, 2025 and 2024, 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 three months ended March 31,			
	2025		2024	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 366,846	9.46 %	293,497	8.08 %
Marine cargo insurance	82,970	2.14 %	69,378	1.91 %
Hull, fishing vessel and aviation insurance	16,949	0.44 %	17,693	0.49 %
Voluntary automobile insurance	1,769,174	45.63 %	1,788,886	49.26 %
Compulsory automobile liability insurance	298,620	7.70 %	307,272	8.46 %
Liability insurance	244,598	6.31 %	226,402	6.24 %
Engineering and nuclear insurance	301,771	7.78 %	304,107	8.37 %
Surety and credit insurance	16,528	0.43 %	6,661	0.18 %
Other property insurance	16,723	0.43 %	17,210	0.48 %
Accident insurance	385,358	9.94 %	324,415	8.93 %
Typhoon, flood and earthquake insurance	294,004	7.58 %	225,979	6.22 %
Personal and commercial all-risk insurance	40,309	1.04 %	27,300	0.75 %
Health insurance	42,361	1.09 %	22,779	0.63 %
Overseas ceded-in reinsurance	1,275	0.03 %	(6)	- %
Total	<u>\$ 3,877,486</u>	<u>100.00 %</u>	<u>3,631,573</u>	<u>100.00 %</u>

(Continued)

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

b) Percentage of retained premium

In term of retained business, the voluntary automobile insurance which is the highest proportion accounts for 55.67% and 58.76% for the three months ended March 31, 2025 and 2024, 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 three months ended March 31,			
	2025		2024	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 112,283	4.00 %	91,955	3.41 %
Marine cargo insurance	39,254	1.40 %	39,095	1.45 %
Hull, fishing vessel and aviation insurance	975	0.03 %	1,472	0.05 %
Voluntary automobile insurance	1,561,637	55.67 %	1,584,430	58.76 %
Compulsory automobile liability insurance	206,061	7.35 %	212,828	7.89 %
Liability insurance	197,966	7.06 %	180,952	6.71 %
Engineering and nuclear insurance	165,842	5.91 %	152,347	5.65 %
Surety and credit insurance	8,251	0.29 %	4,592	0.17 %
Other property insurance	14,269	0.51 %	14,615	0.54 %
Accident insurance	335,086	11.95 %	299,171	11.10 %
Typhoon, flood and earthquake insurance	87,811	3.13 %	71,695	2.66 %
Personal and commercial all-risk insurance	32,305	1.15 %	20,442	0.76 %
Health insurance	42,128	1.50 %	22,775	0.85 %
Overseas ceded-in reinsurance	1,275	0.05 %	25	- %
Total	<u>\$ 2,805,143</u>	<u>100.00 %</u>	<u>2,696,394</u>	<u>100.00 %</u>

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

3) Claims trend

For the three months ended March 31, 2025

Occurrence year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
1	47,810,138	4,231,875	3,846,573	4,548,623	4,201,280	4,120,597	4,742,416	6,043,107	5,311,099	5,639,134	1,341,920
2	47,801,397	4,483,260	4,058,010	4,804,267	4,901,074	4,890,228	5,292,664	6,640,880	5,527,739	5,836,549	
3	47,677,394	4,338,968	3,989,815	4,784,261	4,774,671	4,886,780	5,098,963	6,568,063	5,491,522		
4	47,626,471	4,331,187	3,997,617	4,714,228	4,775,424	4,899,446	5,094,772	6,529,217			
5	47,565,613	4,348,353	3,972,187	4,711,259	4,745,935	4,899,727	5,091,712				
6	47,933,629	4,300,980	3,971,299	4,695,182	4,750,543	4,894,416					
7	47,534,789	4,301,352	3,969,391	4,694,608	4,750,259						
8	47,532,482	4,305,090	3,947,881	4,693,407							
9	47,519,398	4,303,991	3,947,422								
10	47,482,445	4,303,920									
11	47,480,464										
Estimates	47,480,464	4,303,920	3,947,422	4,693,407	4,750,259	4,894,416	5,091,712	6,529,217	5,491,522	5,836,549	1,341,920
Actual	47,478,119	4,290,475	3,942,692	4,677,454	4,736,306	4,833,466	5,029,034	6,276,439	4,843,369	4,056,072	210,571
Subtotal	2,345	13,445	4,730	15,953	13,953	60,950	62,678	252,778	648,153	1,780,477	1,131,349
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	2,345	13,445	4,730	15,953	13,953	60,950	62,678	252,778	648,153	1,780,477	1,131,349

For the three months ended March 31, 2024

Occurrence year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
1	44,182,975	3,505,019	4,231,875	3,846,573	4,548,623	4,201,280	4,120,597	4,742,416	6,043,107	5,311,099	870,990
2	44,305,119	3,615,016	4,483,260	4,058,010	4,804,267	4,901,074	4,890,228	5,292,664	6,640,880	5,654,507	
3	44,186,381	3,557,644	4,338,968	3,989,815	4,784,261	4,774,671	4,886,780	5,098,963	6,642,283		
4	44,119,750	3,530,087	4,331,187	3,997,617	4,714,228	4,775,424	4,899,446	5,101,752			
5	44,096,384	3,505,206	4,348,353	3,972,187	4,711,259	4,745,935	4,898,910				
6	44,060,407	3,518,795	4,300,980	3,971,299	4,695,182	4,749,850					
7	44,414,834	3,501,489	4,301,352	3,969,391	4,694,614						
8	44,033,300	3,502,875	4,305,090	3,950,564							
9	44,029,607	3,500,708	4,304,270								
10	44,018,689	3,500,677									
11	43,993,689										
Estimates	43,993,689	3,500,677	4,304,270	3,950,564	4,694,614	4,749,850	4,898,910	5,101,752	6,642,283	5,654,507	870,990
Actual	43,980,759	3,498,356	4,290,722	3,939,843	4,676,507	4,723,604	4,818,346	4,934,363	6,065,779	3,908,149	198,252
Subtotal	12,930	2,321	13,548	10,721	18,107	26,246	80,564	167,389	576,504	1,746,358	672,738
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	12,930	2,321	13,548	10,721	18,107	26,246	80,564	167,389	576,504	1,746,358	672,738

(Continued)

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

(ii) Credit risk of insurance contracts

1) Credit risk

- a) 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:
- i) The summary of unauthorized reinsurance contracts and types of reinsurance.
 - ii) The reinsurance premium expense of unauthorized reinsurance contracts.
 - iii) General description of the amount of unauthorized reserve and its components.
- b) The abstract and related insurance of unauthorized reinsurance contracts in the Company were as follows:

As of March 31, 2025

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

As of December 31, 2024

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

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

As of March 31, 2024

<u>Company</u>	<u>Annotation</u>
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

- c) For the three months ended March 31, 2025 and 2024, the reinsurance premium expenses for unauthorized reinsurance in the Company were all \$0, respectively.
- d) The principal summary of amounts and component items of unauthorized reinsurance reserve in the Company were as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Claims recoverable from reinsurers reported but unpaid	\$ 92	92	853
Total unauthorized reinsurance reserve	<u>\$ 92</u>	<u>92</u>	<u>853</u>

2) 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.

3) 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.

(Continued)

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

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

Maximum credit risk exposure was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Cash and cash equivalents	\$ 3,687,065	3,132,839	3,323,506
Receivables	931,635	653,103	963,288
Financial assets at fair value through profit or loss	1,860,003	2,541,497	2,574,888
Financial assets at fair value through other comprehensive income	2,963,943	2,878,010	2,372,729
Financial assets at amortized cost	3,063,777	3,063,738	2,662,268
Other financial assets	2,651,842	2,515,758	1,699,700
Reinsurance contract assets	665,637	662,301	527,603
Other assets	480,903	518,336	577,086
Total	<u>\$ 16,304,805</u>	<u>15,965,582</u>	<u>14,701,068</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.

As of March 31, 2025, December 31 and March 31, 2024, the overdue refundable deposits accounted for under other assets were all \$20,000, which provisioned the loss allowance all \$20,000.

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

2) Impairment loss of receivables

The expected credit losses of receivables were as follows:

		March 31, 2025				
		Not overdue	Overdue under 90 days	Overdue for 91-270 days	Overdue 271 over days	Total
Notes receivable:						
Expected credit loss rate		0.05%	100%	100%	100%	
Carrying amount	\$	296,558	330	-	-	296,888
Expected credit loss amount		141	330	-	-	471
Premiums receivable:						
Expected credit loss rate		2.20%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$	394,367	89,009	11,741	1,254	496,371
Expected credit loss amount		8,692	4,280	757	1,254	14,983
Other receivables:						
Carrying amount	\$	154,127	2,148	2,060	40,255	198,590
Expected credit loss amount		1,343	1,102	2,060	40,255	44,760
		December 31, 2024				
		Not overdue	Overdue under 90 days	Overdue for91-270 days	Overdue 271 over days	Total
Notes receivable:						
Expected credit loss rate		0.05%	100%	100%	100%	
Carrying amount	\$	243,361	14	-	-	243,375
Expected credit loss amount		113	14	-	-	127
Premiums receivable:						
Expected credit loss rate		2.09%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$	95,217	90,117	46,137	1,255	232,726
Expected credit loss amount		1,986	3,281	2,396	1,255	8,918
Other receivables:						
Carrying amount	\$	186,454	2,514	2,641	39,863	231,472
Expected credit loss amount		1,567	1,354	2,641	39,863	45,425

(Continued)

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

March 31, 2024					
	Not overdue	Overdue under 90 days	Overdue for 91-270 days	Overdue 271 over days	Total
Notes receivable:					
Expected credit loss rate	0.06%	100%	100%	100%	
Carrying amount	\$ 259,529	-	-	-	259,529
Expected credit loss amount	153	-	-	-	153
Premiums receivable:					
Expected credit loss rate	0.68%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$ 397,103	63,710	50,680	1,133	512,626
Expected credit loss amount	2,701	2,480	2,799	1,133	9,113
Other receivables:					
Carrying amount	\$ 201,088	2,265	3,802	37,204	244,359
Expected credit loss amount	1,603	1,351	3,802	37,204	43,960

3) The movement in loss allowance

a) The movement in loss allowance of debt investments at fair value through other comprehensive income

	For the three months ended March 31, 2025					
					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
	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)		
Beginning balance	\$ 127	-	-	127	-	127
Changes in financial instruments that have been identified at the beginning of the period:						
— The financial assets that have been derecognized	(21)	-	-	(21)	-	(21)
Originated or purchased new financial assets	38	-	-	38	-	38
Foreign exchange and other movement	1	-	-	1	-	1
Ending balance	\$ 145	-	-	145	-	145

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

b) The movement in loss allowance of financial assets at amortized cost

For the three months ended March 31, 2025					
	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.
Beginning balance	\$ 1,718	1,641	-	3,359	-
Changes	(49)	15	-	(34)	-
Ending balance	<u>\$ 1,669</u>	<u>1,656</u>	<u>-</u>	<u>3,325</u>	<u>-</u>
For the three months ended March 31, 2024					
	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.
Beginning balance	\$ 1,723	2,859	-	4,582	-
Changes	208	27	-	235	-
Ending balance	<u>\$ 1,931</u>	<u>2,886</u>	<u>-</u>	<u>4,817</u>	<u>-</u>

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

4) The information of credit quality

March 31, 2025											
stage1				stage2				stage3	Allowance impairment loss	Total	
Low-risk	Moderate- risk	High-risk	Total	Low-risk	Moderate- risk	High-risk	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 734,042	-	-	734,042	-	-	-	-	-	-	734,042
Financial assets at amortized cost (including statutory deposit)	3,294,118	-	-	3,294,118	170,000	-	-	170,000	-	3,325	3,460,793
Total	<u>\$ 4,028,160</u>	<u>-</u>	<u>-</u>	<u>4,028,160</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>3,325</u>	<u>4,194,835</u>

December 31, 2024											
stage1				stage2				stage3	Allowance impairment loss	Total	
Low-risk	Moderate- risk	High-risk	Total	Low-risk	Moderate- risk	High-risk	Total				
Financial assets at fair value through other comprehensive income - debt instruments	\$ 675,116	-	-	675,116	-	-	-	-	-	-	675,116
Financial assets at amortized cost (including statutory deposit)	3,294,233	-	-	3,294,233	170,000	-	-	170,000	-	3,359	3,460,874
Total	<u>\$ 3,969,349</u>	<u>-</u>	<u>-</u>	<u>3,969,349</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>3,359</u>	<u>4,135,990</u>

March 31, 2024											
stage1				stage2				stage3	Allowance impairment loss	Total	
Low-risk	Moderate- risk	High-risk	Total	Low-risk	Moderate- risk	High-risk	Total				
Financial assets at amortized cost (including statutory deposit)	<u>\$ 2,894,585</u>	<u>-</u>	<u>-</u>	<u>2,894,585</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>4,817</u>	<u>3,059,768</u>

(Continued)

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.

March 31, 2025						
	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
Non-derivative financial liabilities						
Payables						
Claims payable	\$ 26,200	26,200	24,815	72	58	1,255
Commissions payable	262,417	262,417	262,417	-	-	-
Due to ceding companies	622,210	622,210	595,497	11,482	-	15,231
Other payables	318,854	318,854	223,256	33,007	54,080	8,511
Lease liabilities	28,405	29,163	4,102	7,556	3,572	13,933
Other liabilities						
Guarantee deposits received	10,011	10,011	153	268	57	9,533
Total	\$ 1,268,097	1,268,855	1,110,240	52,385	57,767	48,463
December 31, 2024						
	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
Non-derivative financial liabilities						
Payables						
Claims payable	\$ 10,446	10,446	9,051	81	68	1,246
Commissions payable	231,513	231,513	231,513	-	-	-
Due to ceding companies	742,167	742,167	661,730	62,159	5,060	13,218
Other payables	479,695	479,695	446,694	33,001	-	-
Lease liabilities	13,351	13,687	3,326	3,233	1,289	5,839
Other liabilities						
Guarantee deposits received	10,011	10,011	1	276	144	9,590
Total	\$ 1,487,183	1,487,519	1,352,315	98,750	6,561	29,893

(Continued)

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

March 31, 2024						
	Amount	Contract undiscounted cash amount	Overdue under 3 months	Overdue for 3 - 9 months	Overdue for 9 - 12 months	Overdue over 12 months
Non-derivative financial liabilities						
Payables						
Claims payable	\$ 17,393	17,393	16,061	176	47	1,109
Commissions payable	243,065	243,065	243,065	-	-	-
Due to ceding companies	658,354	658,354	620,112	37,381	-	861
Other payables	374,912	374,912	321,397	2,004	49,500	2,011
Lease liabilities	15,393	15,642	3,973	6,630	2,086	2,953
Other liabilities						
Guarantee deposits received	9,939	9,939	199	172	-	9,568
Total	<u>\$ 1,319,056</u>	<u>1,319,305</u>	<u>1,204,807</u>	<u>46,363</u>	<u>51,633</u>	<u>16,502</u>

(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>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 28,702	25,491	4,619
EUR	96	99	103
JPY	35	35	20,087
HKD	82	30	40
KRW	4	4	7
CNY	8	33	49
GBP	34	34	36
THB	3	10	33
<u>Non-Monetary items</u>			
JPY	-	-	261,237
USD	4,253	5,498	-
<u>Financial liability</u>			
<u>Monetary items</u>			
USD	1,220	2,480	2,308

(Continued)

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

Important rate:

	Rates		
	March 31, 2025	December 31, 2024	March 31, 2024
USD	\$ 33.21	32.79	32.00
EUR	35.97	34.14	34.46
JPY	0.2227	0.2099	0.2115
HKD	4.27	4.22	4.09
KRW	0.0228	0.0225	0.0239
CNY	4.57	4.48	4.41
GBP	43.05	41.19	40.39
THB	0.9842	0.9623	0.8840

2) Sensitivity analysis

As of March 31, 2025 and 2024, with all other variable factors that remain constant, when NTD decreases 1% compared to other currency, the amount of the Company's comprehensive income will increase as follows:

	March 31, 2025	March 31, 2024
USD(increases 1%)	\$ 8,431	591
EUR(increases 1%)	28	28
JPY(increases 1%)	-	476
HKD(increases 1%)	3	1
GBP(increases 1%)	12	12
CNY(increases 1%)	-	2

Conversely, if there is a increase 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 March 31, 2025 and 2024.

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

(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:

	Carrying Amount		
	March 31, 2025	December 31, 2024	March 31, 2024
Variable interest rate instrument:			
Term deposit	\$ <u>1,405,000</u>	<u>1,405,000</u>	<u>1,189,000</u>

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 before income tax will increase or decrease as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Increase 10 basis points	\$ 1,405	1,405	1,189
Decrease 10 basis points	(1,405)	(1,405)	(1,189)

(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.

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

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.

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:

		March 31, 2025		
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>Repeatability fair value measurement</u>				
<u>Non-derivative financial assets</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 673,345	673,345	-	-
Real estate investment trust beneficiary certificates	284,043	284,043	-	-
Stocks	902,615	902,615	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,229,901	2,215,929	-	13,972
Bonds	734,042	-	734,042	-
		December 31, 2024		
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>Repeatability fair value measurement</u>				
<u>Non-derivative financial assets</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 687,181	687,181	-	-
Real estate investment trust beneficiary certificates	290,284	290,284	-	-
Stocks	1,564,032	1,564,032	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,202,894	2,188,572	-	14,322
Bonds	675,116	-	675,116	-

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

	March 31, 2024			
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets and liabilities	Total			
<u>Repeatable fair value measurement</u>				
<u>Non-derivative financial assets</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 414,333	414,333	-	-
Real estate investment trust beneficiary certificates	325,648	325,648	-	-
Stocks	1,834,907	1,834,907	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,372,729	2,358,239	-	14,490

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 three months ended March 31, 2025 and 2024.

d) Movements of financial assets at fair value classified into Level 3

Name	For the three months ended March 31, 2025						
	Gains and losses on valuation			Increase		Decrease	
	Balance at the beginning of the year	Recognized in other comprehensive income		Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3
		Recognized in profit or loss	comprehensive income				
Financial assets at fair value through other comprehensive income	\$ 14,322	-	(350)	-	-	-	13,972

Name	For the three months ended March 31, 2024						
	Gains and losses on valuation			Increase		Decrease	
	Balance at the beginning of the year	Recognized in other comprehensive income		Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3
		Recognized in profit or loss	comprehensive income				
Financial assets at fair value through other comprehensive income	\$ 14,658	-	(168)	-	-	-	14,490

(Continued)

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.

Items	Evaluation	significant unobservable inputs	relationship between significant unobservable inputs and the fair value
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:

	Change in fair value recognized in other comprehensive income before tax	
	Favorable	Unfavorable
March 31, 2025		
Financial assets fair value through other comprehensive income	\$ <u>140</u>	<u>(140)</u>
December 31, 2024		
Financial assets fair value through other comprehensive income	\$ <u>143</u>	<u>(143)</u>
March 31, 2024		
Financial assets fair value through other comprehensive income	\$ <u>145</u>	<u>(145)</u>

(Continued)

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 amount of financial instruments not measured at fair value, such as cash and cash equivalents, receivables, reinsurance assets, other financial 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
March 31, 2025		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	\$ 3,460,793	3,427,967
Investment Property	861,134	1,938,755
December 31, 2024		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	3,460,874	3,428,695
Investment Property	862,333	1,938,755
March 31, 2024		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	3,059,768	3,034,447
Investment Property	845,864	1,857,837

2) Fair value information

March 31, 2025				
Item	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)	3,427,967	-	3,427,967	-
Investment property	1,938,755	-	-	1,938,755

(Continued)

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

December 31, 2024				
Item	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)	3,428,695	-	3,428,695	-
Investment property	1,938,755	-	-	1,938,755
March 31, 2024				
Item	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)	3,034,447	-	3,034,447	-
Investment property	1,857,837	-	-	1,857,837

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 for the three months ended March 31, 2025 and 2024.

(Continued)

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

(v) Financial risk management

There were no significant changes in the Company's financial risk management objectives and policies as disclosed in Note 6(v) of the financial statements for the year ended December 31, 2024.

(w) Capital Management

Management believes that the objectives, policies and processes of capital management of the Company has been applied consistently with those described in the financial statements for the year ended December 31, 2024. For the related information, please refer to Note 6(w) of the financial statements for the year ended December 31, 2024.

(x) 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 March 31, 2025, December 31 and March 31, 2024, were as follows:

<u>March 31, 2025</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ <u>284,043</u>
Total assets possessed by the company	\$ <u><u>284,043</u></u>
<u>December 31, 2024</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ <u>290,284</u>
Total assets possessed by the company	\$ <u><u>290,284</u></u>

(Continued)

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

<u>March 31, 2024</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ 325,648
Total assets possessed by the company	<u><u>\$ 325,648</u></u>

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 three months ended March 31, 2025 and 2024.

(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.	Substantive related party
Want Chia Enterprises Co.,Ltd.	Substantive related party
H.Y. Tsai Co., Ltd.	Substantive related party
Tsai Ho Want Enterprises Co., Ltd.	Substantive related party
Want Want Constructions Co., Ltd.	Substantive related party
Digital Commercial Times Inc.	Substantive related party
CTI Television Incorporation Co., Ltd.	Substantive related party
China Times Culture Co., Ltd.	Substantive related party
China Television Company Co., Ltd.	Substantive related party
Infotimes Co., Ltd.	Substantive related party
Touche Innovative Media Co., Ltd.	Substantive related party
Media Sphere Communications Ltd.	Substantive related party
TY Star Network Technology Co., Ltd.	Substantive related party
Want Tai Media Co., Ltd.	Substantive related party
I Lan Foods Ind. Co., Ltd.	Substantive related party
First Family Enterprise Co., Ltd.	Substantive related party
Want Pu Construction Co.,Ltd.	Substantive related party
Want Pu Trading Limited, Taiwan Branch (B.V.I)	Substantive related party

(Continued)

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

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Newwing Limited, Taiwan Branch (B.V.I)	Substantive related party
Twitcher Taiwan Limited, Taiwan Branch (B.V.I)	Substantive related party
Shao Yuan Co., Ltd.	Substantive related party
Jia Peng Development Co., Ltd.	Substantive related party
Ho Yuan Want Co., Ltd.	Substantive related party
Taiwan Marketing Logistics Co., Ltd.	Substantive related party
Hao Want Co., Ltd.	Substantive related party
Wulai Tourism Co., Ltd.	Substantive related party
Ren Want Co., Ltd.	Substantive related party
IBF Securities Co., Ltd.	Substantive related party
Nuowant Biomedical Technology Co., Ltd.	Substantive related party
CTV Charities Aid Foundation	Substantive related party
Commercial Culture Co., Ltd.	Substantive related party
Hongkong Hai Tian Aquaculture Holdings Limited, Taiwan Branch	Substantive related party
Chunyuan Hospitality Ltd.	Substantive related party
Pozzo Bakery Co., Ltd.	Substantive related party
Porker Co., Ltd.	Substantive related party
Chaopin Food Co., Ltd.	Substantive related party
Jinping Development Co., Ltd.	Substantive related party
Duozi Duosun Duofuqi Co., Ltd.	Substantive related party
Zuocheng Law Firm	Substantive related party
All directors, supervisors, managers, chairman of the board, general managers are the Company's related parties.	

(c) Compensation of key management personnel

	<u>For the three months ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 15,829	13,067
Short-term employee benefits-paid leave	1,374	1,319
Post-employment benefits	<u>302</u>	<u>300</u>
Total	<u><u>\$ 17,505</u></u>	<u><u>14,686</u></u>

(Continued)

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

(d) Significant transactions with related parties were as follows:

(i) The details of written premium and account receivables were as follows:

1) Written premium

	For the three months ended March 31,	
	2025	2024
	Amount	Amount
Written premium		
Other related parties	\$ 2,695	2,619
Key management personnel	221	210
Total	<u>\$ 2,916</u>	<u>2,829</u>

2) Account receivables

	March 31, 2025	December 31, 2024	March 31, 2024
	Amount	Amount	Amount
Notes receivables :			
Other related parties	<u>\$ -</u>	<u>-</u>	<u>18</u>
Premiums receivable:			
Other related parties	\$ 150	642	471
Key management personnel	-	1	-
Total	<u>\$ 150</u>	<u>643</u>	<u>471</u>

The terms of transactions were similar to those of non-related parties.

(ii) The details of general expense were as follows:

Related parties	For the three months ended March 31,	
	2025	2024
Other related parties	<u>\$ 1,434</u>	<u>1,120</u>

(Continued)

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

(8) Pledged assets:

As of March 31, 2025, December 31 and March 31, 2024, the assets pledged or guaranteed were as follows:

Pledged Assets	March 31, 2025	December 31, 2024	March 31, 2024	Purpose of pledge
Other financial assets - Time deposit	\$ -	-	47,000	Guarantee for the insurance business
Financial assets at amortized cost	397,016	397,136	397,500	Guarantee for operating business, suit, and contract performance
Total	<u>\$ 397,016</u>	<u>397,136</u>	<u>444,500</u>	

(9) Commitments and contingencies:

- (a) The Company had several significant insurance lawsuits and was required to pay indemnities of \$136,429, of which approximately \$98,496 were reinsured. The remain had been accrued. These cases have not been resolved with District Court of Appeal as of March 31, 2025.
- (b) In order to improve computer equipment and IT systems, the Company is in contract with several IT companies. As of March 31, 2025, there is \$52,745 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 three months ended March 31,					
	2025			2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employees Benefits:						
Salaries	112,213	223,594	335,807	113,003	211,272	324,275
Labor and health insurance	-	26,995	26,995	-	25,713	25,713
Pension	-	12,317	12,317	-	10,266	10,266
Remuneration of directors	-	5,924	5,924	-	4,082	4,082
Others	-	14,291	14,291	-	12,709	12,709
Depreciation	1,199	13,643	14,842	1,287	10,811	12,098
Amortization	-	10,698	10,698	-	7,797	7,797

(Continued)

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

(b) Disclosure of earned retention premium by compulsory and non-compulsory insurance

For the three months ended March 31, 2025						
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	\$ 221,674	76,946	92,559	206,061	(2,680)	208,741
Non-compulsory insurance	3,549,261	29,605	979,784	2,599,082	346,331	2,252,751
Total	<u>\$ 3,770,935</u>	<u>106,551</u>	<u>1,072,343</u>	<u>2,805,143</u>	<u>343,651</u>	<u>2,461,492</u>

For the three months ended March 31, 2024						
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	\$ 226,325	80,947	94,444	212,828	313	212,515
Non-compulsory insurance	3,279,908	44,393	840,735	2,483,566	389,181	2,094,385
Total	<u>\$ 3,506,233</u>	<u>125,340</u>	<u>935,179</u>	<u>2,696,394</u>	<u>389,494</u>	<u>2,306,900</u>

(c) Disclosure of self-claim by compulsory and non-compulsory insurance

For the three months ended March 31, 2025				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 125,033	71,313	75,301	121,045
Non-compulsory insurance	1,459,550	207,036	672,029	994,557
Total	<u>\$ 1,584,583</u>	<u>278,349</u>	<u>747,330</u>	<u>1,115,602</u>

For the three months ended March 31, 2024				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 135,045	77,218	80,634	131,629
Non-compulsory insurance	1,122,340	12,395	225,147	909,588
Total	<u>\$ 1,257,385</u>	<u>89,613</u>	<u>305,781</u>	<u>1,041,217</u>

(Continued)

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

(d) Reserves accrued and recovered for compulsory automobile and motorcycle insurance:

For the three months ended March 31, 2025

Type	Beginning	Provision	Recovery	Ending	Note
Unearned premium reserve					
Compulsory automobile liability insurance	\$ 382,123	378,545	382,123	378,545	
Compulsory motorcycle liability insurance	126,458	125,781	126,458	125,781	
Compulsory mini electric two-wheel vehicle liability insurance	3,942	4,391	3,942	4,391	
Special reserve					
Compulsory automobile liability insurance	(170,333)	21,046	-	(149,287)	
Compulsory motorcycle liability insurance	345,763	9,344	-	355,107	
Compulsory mini electric two-wheel vehicle liability insurance	705	160	-	865	
Claim reserve					
Compulsory automobile liability insurance	646,446	633,381	646,446	633,381	
Compulsory motorcycle liability insurance	162,046	155,265	162,046	155,265	
Compulsory mini electric two-wheel vehicle liability insurance	1,737	2,033	1,737	2,033	
Total	\$ 1,498,887	1,329,946	1,322,752	1,506,081	

(Continued)

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

For the three months ended March 31, 2024

Type	Beginning	Provision	Recovery	Ending	Note
Unearned premium reserve					
Compulsory automobile liability insurance	\$ 389,897	388,543	389,897	388,543	
Compulsory motorcycle liability insurance	126,834	126,543	126,834	126,543	
Compulsory mini electric two-wheel vehicle liability insurance	2,289	2,440	2,289	2,440	
Special reserve					
Compulsory automobile liability insurance	(185,237)	4,487	15,941	(196,691)	
Compulsory motorcycle liability insurance	320,178	4,681	-	324,859	
Compulsory mini electric two-wheel vehicle liability insurance	318	113	-	431	
Claim reserve					
Compulsory automobile liability insurance	621,470	668,085	621,470	668,085	
Compulsory motorcycle liability insurance	167,415	172,099	167,415	172,099	
Compulsory mini electric two-wheel vehicle liability insurance	614	888	614	888	
Total	\$ 1,443,778	1,367,879	1,324,460	1,487,197	

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

(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	
	March 31, 2025	March 31, 2024		March 31, 2025	March 31, 2024
<u>Asset</u>			<u>Liabilities</u>		
Cash and cash in bank	\$ 930,954	877,943	Claims payable	\$ 2,971	3,468
Notes receivable	5,042	5,307	Due to reinsurers and ceding companies	64,188	61,456
Premiums receivable	5,783	6,342	Unearned premium reserve	508,717	517,526
Claim recoverable from reinsures	45,532	42,653	Claims reserve	790,679	841,072
Due from reinsurers and ceding companies	49,470	50,411	Special reserve	206,685	128,599
Ceded unearned premium reserve	207,271	210,544			
Ceded claims reserve	329,010	358,918			
Temporary payments	178	3			
Total assets	\$ 1,573,240	1,552,121	Total liabilities	\$ 1,573,240	1,552,121

(ii) Operating revenue and cost of compulsory automobile liability insurance:

Item	For the three months ended March 31,	
	2025	2024
Operating revenue	142,042	144,120
Pure premium	154,227	157,397
Reinsurance premium	76,946	80,947
Premium	231,173	238,344
Less: Reinsurance expense	(92,559)	(94,444)
Net change in unearned premium reserve	2,680	(313)
Retained earned premium	141,294	143,587
Interest income	748	533
Operating costs	144,858	149,807
Insurance claim payment	125,033	135,045
Reinsurance claim payment	71,313	77,218
Less: Claim recovered from reinsurers	(75,301)	(80,634)
Retained claim payment	121,045	131,629
Net change in claim reserve	(6,737)	24,838
Net change in special reserve	30,550	(6,660)

(Continued)

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

- (f) The amounts of total assets and liabilities which will be recovered or paid within or over 12 months of the balance sheet date are as follows:

Assets	March 31, 2025		
	Within 12 months	Over 12 months	Total
Cash and cash equivalents	\$ 3,687,065	-	3,687,065
Receivables	931,635	-	931,635
Current tax assets	11,911	-	11,911
Financial assets at fair value through profit or loss	1,860,003	-	1,860,003
Financial assets at fair value through other comprehensive income	-	2,963,943	2,963,943
Financial assets at amortized cost	-	3,063,777	3,063,777
Other financial assets	2,651,842	-	2,651,842
Right-of-use assets	-	28,287	28,287
Investment property	-	861,134	861,134
Reinsurance assets	4,585,271	635,580	5,220,851
Property and equipment	-	1,494,333	1,494,333
Intangible assets	-	203,582	203,582
Other assets	49,939	444,488	494,427
Total assets	\$ 13,777,666	9,695,124	23,472,790

Liabilities	March 31, 2025		
	Within 12 months	Over 12 months	Total
Accounts payable	\$ 1,204,684	24,997	1,229,681
Current tax liabilities	251,839	-	251,839
Insurance liabilities	13,152,324	1,276,984	14,429,308
Provisions	-	69,586	69,586
Lease liabilities	14,670	13,735	28,405
Deferred tax liabilities	-	62,700	62,700
Other liabilities	10,902	9,533	20,435
Total liabilities	\$ 14,634,419	1,457,535	16,091,954

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

Assets	December 31, 2024		
	Within 12 months	Over 12 months	Total
Cash and cash equivalents	\$ 3,132,839	-	3,132,839
Receivables	653,103	-	653,103
Current tax assets	11,911	-	11,911
Financial assets at fair value through profit or loss	2,541,497	-	2,541,497
Financial assets at fair value through other comprehensive income	-	2,878,010	2,878,010
Financial assets at amortized cost	-	3,063,738	3,063,738
Other financial assets	2,515,758	-	2,515,758
Right-of-use assets	-	13,211	13,211
Investment property	-	862,333	862,333
Reinsurance assets	4,572,416	754,952	5,327,368
Property and equipment	-	1,486,826	1,486,826
Intangible assets	-	213,969	213,969
Other assets	-	530,034	530,034
Total assets	<u>\$ 13,427,524</u>	<u>9,803,073</u>	<u>23,230,597</u>

Liabilities	December 31, 2024		
	Within 12 months	Over 12 months	Total
Accounts payable	\$ 1,449,357	14,464	1,463,821
Current tax liabilities	180,909	-	180,909
Insurance liabilities	12,649,490	1,448,255	14,097,745
Provisions	-	69,727	69,727
Lease liabilities	7,617	5,734	13,351
Deferred tax liabilities	-	63,920	63,920
Other liabilities	16,558	9,590	26,148
Total liabilities	<u>\$ 14,303,931</u>	<u>1,611,690</u>	<u>15,915,621</u>

(Continued)

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

Assets	March 31, 2024		
	Within 12 months	Over 12 months	Total
Cash and cash equivalents	\$ 3,323,506	-	3,323,506
Receivables	963,288	-	963,288
Current tax assets	7,234	-	7,234
Financial assets at fair value through profit or loss	2,574,888	-	2,574,888
Financial assets at fair value through other comprehensive income	-	2,372,729	2,372,729
Financial assets at amortized cost	-	2,662,268	2,662,268
Other financial assets	1,684,700	15,000	1,699,700
Right-of-use assets	-	15,203	15,203
Investment property	-	845,864	845,864
Reinsurance assets	3,545,434	676,846	4,222,280
Property and equipment	-	1,484,380	1,484,380
Intangible assets	-	166,899	166,899
Other assets	47,000	607,729	654,729
Total assets	\$ 12,146,050	8,846,918	20,992,968

Liabilities	March 31, 2024		
	Within 12 months	Over 12 months	Total
Accounts payable	\$ 1,289,743	3,981	1,293,724
Current tax liabilities	145,560	-	145,560
Insurance liabilities	11,701,562	1,127,098	12,828,660
Provisions	-	98,761	98,761
Lease liabilities	12,501	2,892	15,393
Deferred tax liabilities	-	63,920	63,920
Other liabilities	10,499	9,568	20,067
Total liabilities	\$ 13,159,865	1,306,220	14,466,085

(Continued)

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 three months ended March 31, 2025 and 2024, the influence for not applying the notification on net income, liabilities, and equity of the Company resulted in an increase of \$13,591, an increase of \$18,099, a decrease of \$13,591, a decrease of \$18,099, an increase of \$13,591, an increase of \$18,099, respectively. The influence on the Company for not applying the notification resulted in the EPS (NT dollars) by an increase of \$0.06 and an increase of \$0.08, respectively.

(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: 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 amount exceeding the lower of NT\$100 million or 20% of the capital stock: None.
 - (iv) Receivables from related parties with amount 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.

(Continued)

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

(d) Major shareholders:

Units: in shares

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.

(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 resources, 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.