

UNION INSURANCE CO., LTD.**Financial Statements****With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2025 and 2024**

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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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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 September 30, 2025 and 2024, and the related statements of comprehensive income for the three months and nine months ended September 30, 2025 and 2024, as well as the changes in equity and cash flows for the nine months ended September 30, 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 September 30, 2025 and 2024, and of its financial performance for the three months and nine months ended September 30, 2025 and 2024, as well as its cash flows for the nine months ended September 30, 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)
October 31, 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

September 30, 2025, December 31, 2024, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2025		December 31, 2024		September 30, 2024				September 30, 2025		December 31, 2024		September 30, 2024	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
11000	Cash and cash equivalents (note 6(a))	\$ 3,722,046	14	3,132,839	14	4,246,014	18	21000	Accounts payable (note 6(b) and (c))	\$ 1,257,874	5	1,463,821	7	1,447,978	6
12000	Receivables (note 6(b))	1,010,061	4	653,103	3	951,629	4	21700	Current tax liabilities	56,178	-	180,909	1	96,666	-
12600	Current tax assets	-	-	11,911	-	7,234	-	24000	Insurance liabilities (note 6(n))	16,628,193	65	14,097,745	61	14,490,810	63
14110	Financial assets at fair value through profit or loss (note 6(f))	1,174,485	5	2,541,497	11	1,862,327	8	27000	Provisions	69,356	-	69,727	-	98,674	-
14190	Financial assets at fair value through other comprehensive income (note 6(f))	3,208,937	12	2,878,010	12	2,586,420	11	23800	Lease liabilities (note 6(j))	24,313	-	13,351	-	15,543	-
14145	Financial assets at amortized cost (note 6(f))	3,919,863	15	3,063,738	13	2,712,210	12	28000	Deferred tax liabilities	62,700	-	63,920	-	63,920	-
14180	Other financial assets, net (note 6(f))	2,859,800	11	2,515,758	11	2,252,200	10	25000	Other liabilities	26,056	-	26,148	-	28,949	-
16700	Right-of-use assets (note 6(i))	24,149	-	13,211	-	15,375	-		Total liabilities	18,124,670	70	15,915,621	69	16,242,540	69
14200	Investment property (note 6(g))	858,737	3	862,333	4	873,883	4		Equity						
15000	Reinsurance assets (note 6(c))	6,824,805	27	5,327,368	23	5,390,287	23	31100	Ordinary share (note 6(p))	2,236,080	9	2,236,080	10	2,236,080	10
16000	Property and equipment (note 6(h))	1,482,078	6	1,486,826	6	1,470,023	6	33100	Legal reserve (note 6(p))	1,224,828	5	1,022,451	4	1,022,451	5
17000	Intangible assets	182,258	1	213,969	1	201,414	1	33200	Special reserve (note 6(n) and (p))	3,426,719	13	3,378,295	14	3,092,980	13
18000	Other assets	435,912	2	530,034	2	609,896	3	33300	Unappropriated retained earnings (note 6(p))	731,076	3	726,574	3	607,656	3
								34000	Other equity(note 6(p))	(40,242)	-	(48,424)	-	(22,795)	-
									Total equity	7,578,461	30	7,314,976	31	6,936,372	31
	Total assets	\$ 25,703,131	100	23,230,597	100	23,178,912	100		Total liabilities and equity	\$ 25,703,131	100	23,230,597	100	23,178,912	100

(English Translation of Financial Statements Originally Issued in Chinese)

UNION INSURANCE CO., LTD.

Statements of Comprehensive Income

For the three months and nine months ended September 30, 2025 and 2024

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

		For the three months ended September 30,				For the nine months ended September 30,			
		2025		2024		2025		2024	
		Amount	%	Amount	%	Amount	%	Amount	%
41000	Operating revenue:								
41110	Written premium	\$ 3,353,542	114	3,510,346	133	10,949,338	135	10,615,933	131
41120	Reinsurance premium	99,403	3	116,384	5	301,679	4	352,760	4
41100	Premium	3,452,945	117	3,626,730	138	11,251,017	139	10,968,693	135
51100	Less: Reinsurance expense	1,091,113	37	1,119,770	43	3,411,499	42	3,342,212	41
51310	Net change in unearned premiums reserve	(64,931)	(2)	19,456	1	384,559	5	534,556	7
41130	Retained earned premium	2,426,763	82	2,487,504	94	7,454,959	92	7,091,925	87
41300	Reinsurance commission received	158,181	5	167,497	6	495,785	6	508,191	6
41500	Net income (loss) from investments								
41510	Interest income	48,875	2	40,936	2	156,248	2	110,696	2
41521	Gains (losses) on financial assets at fair value through profit or loss	199,874	7	(156,634)	(6)	(83,781)	(1)	270,077	3
41527	Realized gains (losses) on financial assets at fair value through other comprehensive income	100,849	3	90,813	4	131,204	2	97,986	1
41550	Foreign exchange gains (losses), investments	(3,215)	-	(11,650)	-	(108,621)	(1)	(10,617)	-
41570	Gains (losses) on investment property	11,320	1	10,836	-	33,926	-	32,978	1
41585	Expected credit losses or reversal of expected credit losses of investments (Note 6(f))	(275)	-	(38)	-	(333)	-	(379)	-
41800	Other operating income	4,188	-	8,256	-	21,748	-	16,021	-
	Total operating revenue	<u>2,946,560</u>	<u>100</u>	<u>2,637,520</u>	<u>100</u>	<u>8,101,135</u>	<u>100</u>	<u>8,116,878</u>	<u>100</u>
51000	Operating costs:								
51200	Insurance claim payment	1,503,954	51	1,444,008	54	4,851,420	60	4,306,471	53
41200	Less: Claims recovered from reinsurers	309,006	10	300,401	11	1,442,900	18	929,100	11
51260	Retained claim payment	1,194,948	41	1,143,607	43	3,408,520	42	3,377,371	42
51300	Net change in other insurance liability (note 6(n))								
51320	Net change in claim reserve	233,534	8	176,616	7	404,642	5	435,447	5
51340	Net change in special claim reserve	41,824	1	17,874	1	71,181	1	(31,667)	-
51350	Net change in premium deficiency reserve	-	-	(3,551)	-	(87)	-	(1,384)	-
51500	Commission expense	498,253	17	516,571	20	1,600,816	20	1,592,026	20
51800	Other operating costs	17,530	1	8,894	-	65,898	1	20,768	-
51700	Finance costs	3,078	-	2,563	-	6,878	-	7,194	-
	Total operating costs	<u>1,989,167</u>	<u>68</u>	<u>1,862,574</u>	<u>71</u>	<u>5,557,848</u>	<u>69</u>	<u>5,399,755</u>	<u>67</u>
58000	Operating expenses:								
58100	General expenses	445,558	15	459,441	17	1,432,358	18	1,380,982	17
58200	Administrative expenses	118,508	4	108,824	4	360,806	4	331,311	4
58300	Staff training expenses	888	-	880	-	1,445	-	1,441	-
58400	Expected credit losses or reversal of expected credit losses of non-investments (note 6(b))	(2,698)	-	1,935	-	(10,902)	-	16,050	-
	Total operating expenses	<u>562,256</u>	<u>19</u>	<u>571,080</u>	<u>21</u>	<u>1,783,707</u>	<u>22</u>	<u>1,729,784</u>	<u>21</u>
	Operating income	<u>395,137</u>	<u>13</u>	<u>203,866</u>	<u>8</u>	<u>759,580</u>	<u>9</u>	<u>987,339</u>	<u>12</u>
	Non-operating income and expenses:								
59100	Gains (losses) on disposals of property and equipment	-	-	-	-	8,385	-	7,455	-
59900	Other non-operating income and expenses, net	10,366	-	5,123	-	20,615	-	11,869	-
	Total non-operating income and expenses	<u>10,366</u>	<u>-</u>	<u>5,123</u>	<u>-</u>	<u>29,000</u>	<u>-</u>	<u>19,324</u>	<u>-</u>
62000	Net income before income tax	405,503	13	208,989	8	788,580	9	1,006,663	12
63000	Less: Income tax expenses (note 6(o))	32,976	1	63,046	2	191,167	2	160,470	2
	Net Income	<u>372,527</u>	<u>12</u>	<u>145,943</u>	<u>6</u>	<u>597,413</u>	<u>7</u>	<u>846,193</u>	<u>10</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	(11,320)	-	(87,369)	(3)	1,038	-	(22,612)	-
	Components of other comprehensive income that will not be reclassified to profit or loss	<u>(11,320)</u>	<u>-</u>	<u>(87,369)</u>	<u>(3)</u>	<u>1,038</u>	<u>-</u>	<u>(22,612)</u>	<u>-</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	-	-	13,327	1	446	-	12,144	-
	Components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>13,327</u>	<u>1</u>	<u>446</u>	<u>-</u>	<u>12,144</u>	<u>-</u>
83000	Other comprehensive income (after tax)	<u>(11,320)</u>	<u>-</u>	<u>(74,042)</u>	<u>(2)</u>	<u>1,484</u>	<u>-</u>	<u>(10,468)</u>	<u>-</u>
	Total comprehensive income	<u>\$ 361,207</u>	<u>12</u>	<u>71,901</u>	<u>4</u>	<u>598,897</u>	<u>7</u>	<u>835,725</u>	<u>10</u>
97500	Basic earnings per share (NT dollars) (note 6(q))	<u>\$ 1.67</u>		<u>0.65</u>		<u>2.67</u>		<u>3.78</u>	
98500	Diluted earnings per share (NT dollars) (note 6(q))	<u>\$ 1.66</u>		<u>0.65</u>		<u>2.67</u>		<u>3.78</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 nine months ended September 30, 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	-	-	-	846,193	-	846,193
Other comprehensive income	-	-	-	-	(10,468)	(10,468)
Total comprehensive income	-	-	-	846,193	(10,468)	835,725
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	17,597	-	(17,597)	-	-
Special reserve on reversal-employee training and transferring plan	-	-	(1,172)	1,172	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	34,494	(34,494)	-
Balance at September 30, 2024	\$ 2,236,080	1,022,451	3,092,980	607,656	(22,795)	6,936,372
Balance at January 1, 2025	\$ 2,236,080	1,022,451	3,378,295	726,574	(48,424)	7,314,976
Net Income	-	-	-	597,413	-	597,413
Other comprehensive income	-	-	-	-	1,484	1,484
Total comprehensive income	-	-	-	597,413	1,484	598,897
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	202,377	-	(202,377)	-	-
Special reserve appropriated - other equity reductions	-	-	48,424	(48,424)	-	-
Cash dividends of ordinary share	-	-	-	(335,412)	-	(335,412)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(6,698)	6,698	-
Balance at September 30, 2025	\$ 2,236,080	1,224,828	3,426,719	731,076	(40,242)	7,578,461

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 nine months ended September 30, 2025 and 2024****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30,	
	2025	2024
Cash flows from (used in) operating activities:		
Net income before income tax	\$ 788,580	1,006,663
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	46,570	38,318
Amortization expense	31,971	25,574
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	106,554	(273,752)
Net gain on financial assets or liabilities at fair value through other comprehensive income	(7,341)	-
Interest expense	6,878	7,194
Interest income	(156,248)	(110,696)
Dividend income	(139,192)	(127,281)
Net change in insurance liabilities	2,532,001	2,194,708
Net change in other provisions	(371)	(142)
Expected credit losses of investments	333	379
(Reversal of expected credit losses) expected credit losses of non-investments	(10,902)	16,050
Gain on disposal of property and equipment	(8,385)	(7,455)
Gain on disposal of intangible assets	-	(2,698)
Others	(6)	-
Total adjustments to reconcile profit (loss)	2,401,862	1,760,199
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in notes receivable	(12,760)	(22,604)
Increase in premiums receivable	(396,002)	(377,446)
Decrease in other receivables	49,228	2,443
Decrease in financial assets at fair value through profit or loss	1,260,458	132,944
Increase in financial assets at fair value through other comprehensive income	(321,975)	(245,891)
Increase in financial assets at amortized cost	(800,000)	(150,000)
Increase in other financial assets	(344,042)	(379,500)
Increase in reinsurance assets	(1,479,104)	(1,197,810)
Decrease (increase) in other assets	40,225	(8,028)
Total changes in operating assets	(2,003,972)	(2,245,892)
Changes in operating liabilities:		
Decrease (increase) in other payable	(205,947)	213,387
Decrease (increase) in other liabilities	(92)	9,280
Total changes in operating liabilities	(206,039)	222,667
Cash inflow generated from operations	980,431	743,637
Interest received	150,438	107,577
Dividends received	140,496	126,594
Interest paid	(6,878)	(7,194)
Income taxes paid	(305,207)	(158,689)
Net Cash flows from operating activities	959,280	811,925
Cash flows from (used in) investing activities:		
Increase in prepayments	(3,120)	(4,340)
Acquisition of property and equipment	(31,566)	(22,257)
Proceeds from disposal of property and equipment	13,750	11,140
Acquisition of intangible assets	(1,730)	(21,360)
Proceeds from disposal of intangible assets	-	4,137
Net cash flows used in investing activities	(22,666)	(32,680)
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(11,995)	(12,417)
Cash dividends paid	(335,412)	-
Net cash flows used in financing activities	(347,407)	(12,417)
Net increase in cash and cash equivalents	589,207	766,828
Cash and cash equivalents at beginning of period	3,132,839	3,479,186
Cash and cash equivalents at end of period	\$ 3,722,046	4,246,014

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 nine months ended September 30, 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 October 31, 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’s anticipated adoption of the new amendments beginning on January 1, 2026, are expected to have the following impacts:

- (i) IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”

The new standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued. These principles apply to insurance contracts issued by entities (including reinsurance contracts), reinsurance contracts held, and investment contracts with discretionary participation features—provided the entity also issues insurance contracts.

The main provisions are as follows:

- Recognition: An entity recognizes a group of insurance contracts that it issues from the earliest of the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due, and for a group of onerous contracts, when the group becomes onerous.

(Continued)

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

- **Measurement:** On initial recognition, insurance contract groups shall be measured as the sum of the fulfilment cash flows and the contractual service margin. Subsequent measurement shall follow a current estimate model, requiring remeasurement at each reporting period. Measurement is based on discounted, probability-weighted cash flows, risk adjustment, and the contractual service margin representing unearned profit. Entities may apply a simplified measurement approach (premium allocation approach) for certain contracts. For contracts with direct participation features, the variable fee approach shall be used. Revenue shall be recognized during the coverage period and when the entity is released from risk. If a group becomes onerous, the entity shall immediately recognize a loss.
- **Presentation and Disclosure:** The standard specifies the presentation of insurance contract assets, liabilities, and profit or loss, requiring separate reporting of insurance revenue, insurance service expenses, and insurance finance income and expenses. It also requires disclosure of amounts, judgments, and risk information related to insurance contracts, including detailed descriptions of the measurement models, key assumptions, and analysis of changes in risk characteristics.

In addition, at the transition date (the beginning of the annual reporting period preceding the initial application date), entities shall apply IFRS 17 using one of the following methods:

- **Full Retrospective Approach:** Entities shall apply the full retrospective approach unless impracticable, in which case the modified retrospective approach or the fair value approach shall be used.
- **Modified Retrospective Approach:** May be applied when results can be achieved close to the full retrospective approach without undue cost or effort.
- **Fair Value Approach:** The contractual service margin shall be determined as the difference between the fair value of the insurance contract group (as measured under IFRS 13) and the fulfilment cash flows at the transition date.

To comply with the new standard, the Company launched the implementation project in 2018, including personnel training, development of accounting policies and methodology, evaluation and adoption of actuarial assumptions, construction of measurement models, adjustment of operating processes, system development and testing, planning of internal control processes, 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 the financial statements, significant progress has been made in the implementation of IFRS 17. However, certain key parameters are still under evaluation, the Company is currently unable to reliably estimate the impact of adopting the standard on the financial statement.

(Continued)

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

(ii) Other amendments

The following amendments are not expected to have a significant impact on the Company's financial statements.

- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(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 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. 	<p>January 1, 2027</p> <p>note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.</p>

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

Standards or Interpretations	Content of amendment	Effective date per IASB
	<ul style="list-style-type: none"> • 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. 	

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.

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” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”

(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.

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UNION INSURANCE CO., LTD.
Notes to the 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.

(b) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of IAS 34 “Interim Financial 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 be 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.

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

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	September 30, 2025	December 31, 2024	September 30, 2024
Cash on hand	\$ 439	473	477
Petty cash	13,210	13,210	13,010
Cash in bank	2,474,092	2,146,564	2,858,822
Bonds purchased under resale agreements	<u>1,234,305</u>	<u>972,592</u>	<u>1,373,705</u>
Total	<u><u>\$ 3,722,046</u></u>	<u><u>3,132,839</u></u>	<u><u>4,246,014</u></u>

(b) Receivables and Payables

(i) Receivables

Item	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 256,063	243,248	281,967
Premiums receivable	611,792	223,808	533,844
Other receivables	<u>142,206</u>	<u>186,047</u>	<u>135,818</u>
Total	<u><u>\$ 1,010,061</u></u>	<u><u>653,103</u></u>	<u><u>951,629</u></u>

(ii) Payables

Item	September 30, 2025	December 31, 2024	September 30, 2024
Commission payable	\$ 246,154	231,513	262,407
Due to ceding companies	92,054	129,732	197,995
Reinsurance premium payable	519,741	610,796	591,939
Reinsurance commission payable	10	1,639	1,556
Insurance claims payable	29,072	10,446	26,257
Other payables	<u>370,843</u>	<u>479,695</u>	<u>367,824</u>
Total	<u><u>\$ 1,257,874</u></u>	<u><u>1,463,821</u></u>	<u><u>1,447,978</u></u>

(iii) Receivables of insurance contracts

Item	September 30, 2025	December 31, 2024	September 30, 2024
Notes receivable	\$ 256,135	243,375	282,117
Less: Loss allowance	<u>(72)</u>	<u>(127)</u>	<u>(150)</u>
Total	<u><u>\$ 256,063</u></u>	<u><u>243,248</u></u>	<u><u>281,967</u></u>

(Continued)

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

Item	September 30, 2025	December 31, 2024	September 30, 2024
Premiums receivable			
Fire insurance	\$ 125,288	25,750	80,758
Marine insurance	56,765	37,491	48,091
Hull and fishing vessel insurance	9,190	3,878	17,357
Other accident insurance	269,401	9,488	235,126
Compulsory pure premium	5,960	6,735	6,281
Voluntary automobile insurance	40,589	8,552	27,186
Compulsory automobile liability insurance	2,822	3,323	2,843
Overdue receivables	<u>118,713</u>	<u>137,509</u>	<u>125,297</u>
Subtotal	628,728	232,726	542,939
Less: Loss allowance	<u>(16,936)</u>	<u>(8,918)</u>	<u>(9,095)</u>
Total	<u><u>\$ 611,792</u></u>	<u><u>223,808</u></u>	<u><u>533,844</u></u>

(iv) Other receivables

Item	September 30, 2025	December 31, 2024	September 30, 2024
Other receivables	\$ 187,099	231,472	181,392
Less: Loss allowance	<u>(44,893)</u>	<u>(45,425)</u>	<u>(45,574)</u>
Total	<u><u>\$ 142,206</u></u>	<u><u>186,047</u></u>	<u><u>135,818</u></u>

As of September 30, 2025, December 31 and September 30, 2024, the overdue receivables in notes receivable, premiums receivable and other receivables were \$163,866, \$182,542 and \$170,567, which provisioned the loss allowance \$61,901, \$54,470 and \$54,819, respectively. The movements of the loss allowance for receivables were as follows:

	<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 54,470	48,698
Loss recognized	<u>7,431</u>	<u>6,121</u>
Ending balance	<u><u>\$ 61,901</u></u>	<u><u>54,819</u></u>

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

	September 30, 2025	December 31, 2024	September 30, 2024
Under 90 days	\$ 998,914	617,677	924,176
91~270 days	30,874	48,778	41,928
More than 271 days	42,174	41,118	40,344

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	September 30, 2025	December 31, 2024	September 30, 2024
Commission payable	\$ <u>246,154</u>	<u>231,513</u>	<u>262,407</u>

(c) Reinsurance assets

	September 30, 2025	December 31, 2024	September 30, 2024
Claims recoverable from reinsurers (Note 6(d))	\$ 221,271	231,448	215,630
Due from reinsurers and ceding companies — net (Note 6(e))	266,761	430,853	241,445
Reinsurance reserve assets (Note 6(n))			
Ceded unearned premiums reserve	2,306,823	2,069,609	2,215,463
Ceded claim reserve	3,996,020	2,587,434	2,687,303
Ceded premium deficiency reserve	<u>33,930</u>	<u>8,024</u>	<u>30,446</u>
Total	\$ <u>6,824,805</u>	<u>5,327,368</u>	<u>5,390,287</u>

(d) Claims recoverable from reinsurers

Item	September 30, 2025	December 31, 2024	September 30, 2024
Fire insurance	\$ 10,676	21,863	31,914
Marine insurance	452	188	175
Land and air insurance	-	26	4
Liability insurance	42,313	47,612	50,317
Surety insurance	(128)	173	9
Other property insurance	116,941	85,540	78,435
Accident insurance	4,518	6,664	5,216
Health insurance	30	273	513
Compulsory automobile liability insurance	46,385	67,526	47,435
Overdue receivables	84	1,583	1,612
Less : Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>221,271</u>	<u>231,448</u>	<u>215,630</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	September 30, 2025	December 31, 2024	September 30, 2024
Due from ceding companies	\$ 76,064	160,892	41,101
Reinsurance premium receivable	56,393	61,652	61,326
Reinsurance commission receivable	125,589	202,012	134,764
Overdue receivables	<u>14,787</u>	<u>30,702</u>	<u>28,659</u>
Subtotal	272,833	455,258	265,850
Less: Loss allowance	<u>(6,072)</u>	<u>(24,405)</u>	<u>(24,405)</u>
Total	<u><u>\$ 266,761</u></u>	<u><u>430,853</u></u>	<u><u>241,445</u></u>

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

	<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
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	September 30, 2025	December 31, 2024	September 30, 2024
Due to ceding companies	\$ 92,054	129,732	197,995
Reinsurance premium payable	519,741	610,796	591,939
Reinsurance commission payable	<u>10</u>	<u>1,639</u>	<u>1,556</u>
Total	<u><u>\$ 611,805</u></u>	<u><u>742,167</u></u>	<u><u>791,490</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>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Financial assets mandatorily measured at fair value through profit or loss:			
Beneficiary certificate	\$ 74,048	687,181	407,390
Real estate investment trust beneficiary certificate	280,828	290,284	303,332
Domestic listed stocks and OTC stocks	819,609	1,383,750	1,005,237
Foreign stock	<u>-</u>	<u>180,282</u>	<u>146,368</u>
Total	<u>\$ 1,174,485</u>	<u>2,541,497</u>	<u>1,862,327</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 nine months ended September 30, 2025 and 2024 will increase \$11,745 and \$18,623, respectively. Conversely, if there is a decrease in the securities' price of 1% on the reporting date based on all other variables remaining the same, there will be the same amount but opposite direction of influence.

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

	<u>September 30, 2025</u>	<u>December 31, 2024</u>	<u>September 30, 2024</u>
Debt investments at fair value through other comprehensive income:			
Financial bonds	\$ -	164,773	97,647
Corporate bonds	<u>-</u>	<u>510,343</u>	<u>372,241</u>
Subtotal	<u>-</u>	<u>675,116</u>	<u>469,888</u>
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks and OTC stocks	\$ 3,195,329	2,188,572	2,101,874
Domestic unlisted stocks	<u>13,608</u>	<u>14,322</u>	<u>14,658</u>
Subtotal	<u>3,208,937</u>	<u>2,202,894</u>	<u>2,116,532</u>
Total	<u>\$ 3,208,937</u>	<u>2,878,010</u>	<u>2,586,420</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 and nine months ended September 30, 2025 and 2024, the dividends of \$101,041, \$78,597, \$125,119 and \$82,133, respectively, related to equity investments at fair value through other comprehensive income held on the periods then ended, were recognized; the dividend of \$0, \$12,601, \$0 and \$16,451, respectively, related to the investments derecognized during the three months and nine months ended September 30, 2025 and 2024 were recognized.

The Company disposed shares designated as measured at fair value through other comprehensive income due to assets allocation, managing and rearranging portfolio. The disposed shares, during the three months and nine months ended September 30, 2025 and 2024, were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Fair value	\$ -	218,686	14,169	312,841
Accumulated gains (losses) by disposing	\$ -	21,286	(6,698)	34,494

The accumulated gains (losses) by disposing above have been transferred from other equity to retained earnings.

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 nine months ended September 30, 2025 and 2024 will increase \$32,089 and \$21,165, respectively. Conversely, if there is a decrease in the securities' price of 1% on the reporting date based on all other variables remaining 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) 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

	September 30, 2025	December 31, 2024	September 30, 2024
Government bonds	\$ 613,885	614,233	614,351
Financial bonds	2,200,000	1,700,000	1,350,000
Corporate bonds	<u>1,450,000</u>	<u>1,150,000</u>	<u>1,150,000</u>
Subtotal	4,263,885	3,464,233	3,114,351
Less: Security deposits	(340,203)	(397,136)	(397,258)
Loss allowance	<u>(3,819)</u>	<u>(3,359)</u>	<u>(4,883)</u>
Total	<u><u>\$ 3,919,863</u></u>	<u><u>3,063,738</u></u>	<u><u>2,712,210</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:

	September 30, 2025	December 31, 2024	September 30, 2024
Time deposits— initial maturity date over than three months	\$ 2,859,800	2,515,758	2,299,200
Less: Security deposits	<u>-</u>	<u>-</u>	<u>(47,000)</u>
Total	<u><u>\$ 2,859,800</u></u>	<u><u>2,515,758</u></u>	<u><u>2,252,200</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.

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

(v) Capital outsourcing information

As of September 30, 2025, December 31 and September 30, 2024, the Company had outsourced to Securities Investment Trust to manage investment project and capital amount. Further information was as follows:

	September 30, 2025	December 31, 2024	September 30, 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>1,200,000</u>	<u>1,900,000</u>	<u>2,150,000</u>

The investment project was mentioned above, and the carrying amount as of September 30, 2025, December 31 and September 30, 2024 were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Cash and cash equivalents	\$ 418,281	321,148	1,035,996
Financial assets at fair value through profit or loss - stocks	819,608	886,896	550,814
Financial assets at fair value through other comprehensive income - bonds	-	675,116	469,888
Total	\$ <u>1,237,889</u>	<u>1,883,160</u>	<u>2,056,698</u>

(g) Investment property

The cost, accumulated depreciation, and accumulated impairment loss of the investment property of the Company for the nine months ended September 30, 2025 and 2024, were as follows:

	Land and improvement	Buildings and construction	Total
Cost or deemed cost:			
Balance at September 30, 2025 (Same as January 1, 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	41,440	20,778	62,218
Reclassification to property, plant and equipment	(207,886)	(18,610)	(226,496)
Balance at September 30, 2024	\$ <u>754,383</u>	<u>226,645</u>	<u>981,028</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>3,596</u>	<u>3,596</u>
Balance at September 30, 2025	<u><u>\$ 12,709</u></u>	<u><u>109,582</u></u>	<u><u>122,291</u></u>
Balance at January 1, 2024	\$ 2,359	95,438	97,797
Depreciation	-	3,704	3,704
Reclassification from property, plant and equipment	-	10,973	10,973
Reclassification to property, plant and equipment	-	(5,329)	(5,329)
Balance at September 30, 2024	<u><u>\$ 2,359</u></u>	<u><u>104,786</u></u>	<u><u>107,145</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>
September 30, 2025	<u><u>\$ 741,674</u></u>	<u><u>117,063</u></u>	<u><u>858,737</u></u>
January 1, 2024	<u><u>\$ 918,470</u></u>	<u><u>129,039</u></u>	<u><u>1,047,509</u></u>
September 30, 2024	<u><u>\$ 752,024</u></u>	<u><u>121,859</u></u>	<u><u>873,883</u></u>
Fair value:			
January 1, 2025			<u><u>\$ 1,938,755</u></u>
September 30, 2025			<u><u>\$ 1,938,755</u></u>
January 1, 2024			<u><u>\$ 2,058,304</u></u>
September 30, 2024			<u><u>\$ 1,886,325</u></u>

On September 30, 2025, December 31 and September 30, 2024, the assessment of fair value of investment property mainly referred to the market trade.

As of September 30, 2025, December 31 and September 30, 2024, the Company's investment property had not been pledged as collateral.

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UNION INSURANCE CO., LTD.
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(h) Property, plant and equipment

The cost, accumulated depreciation, and accumulated impairment loss of the property, plant and equipment of the Company for the nine months ended September 30, 2025 and 2024, were as follows:

	Land	Buildings and construction	Computer equipment	Transportation equipment	Other equipment	Leasehold improvement	Total
Cost:							
Balance at January 1, 2025	\$ 1,116,493	539,357	215,117	579	58,918	8,091	1,938,555
Additions	-	6,699	18,595	-	4,731	1,541	31,566
Disposal	(5,351)	(36)	-	-	-	-	(5,387)
Scrap	-	-	(5,959)	-	(1,713)	-	(7,672)
Balance at September 30, 2025	<u>1,111,142</u>	<u>546,020</u>	<u>227,753</u>	<u>579</u>	<u>61,936</u>	<u>9,632</u>	<u>1,957,062</u>
Balance at January 1, 2024	951,838	529,263	191,948	579	56,092	2,930	1,732,650
Additions	-	1,430	18,806	-	2,021	-	22,257
Reclassification from prepayments for equipment	-	-	16,390	-	-	-	16,390
Reclassification from investment property	207,886	18,610	-	-	-	-	226,496
Reclassification to investment property	(41,440)	(20,778)	-	-	-	-	(62,218)
Disposal	(1,791)	(3,399)	-	-	-	-	(5,190)
Scrap	-	-	(3,067)	-	(1,623)	-	(4,690)
Balance at September 30, 2024	<u>1,116,493</u>	<u>525,126</u>	<u>224,077</u>	<u>579</u>	<u>56,490</u>	<u>2,930</u>	<u>1,925,695</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	-	13,028	13,457	-	3,126	1,338	30,949
Disposal	-	(22)	-	-	-	-	(22)
Scrap	-	-	(5,959)	-	(1,713)	-	(7,672)
Balance at September 30, 2025	<u>15,196</u>	<u>222,533</u>	<u>182,365</u>	<u>579</u>	<u>50,592</u>	<u>3,719</u>	<u>474,984</u>
Balance at January 1, 2024	15,196	201,268	176,952	579	49,169	2,122	445,286
Depreciation	-	11,620	7,755	-	2,651	199	22,225
Reclassification from investment property	-	5,329	-	-	-	-	5,329
Reclassification to investment property	-	(10,973)	-	-	-	-	(10,973)
Disposal	-	(1,505)	-	-	-	-	(1,505)
Scrap	-	-	(3,067)	-	(1,623)	-	(4,690)
Balance at September 30, 2024	<u>15,196</u>	<u>205,739</u>	<u>181,640</u>	<u>579</u>	<u>50,197</u>	<u>2,321</u>	<u>455,672</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>
September 30, 2025	\$ <u>1,095,946</u>	<u>323,487</u>	<u>45,388</u>	<u>-</u>	<u>11,344</u>	<u>5,913</u>	<u>1,482,078</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>
September 30, 2024	\$ <u>1,101,297</u>	<u>319,387</u>	<u>42,437</u>	<u>-</u>	<u>6,293</u>	<u>609</u>	<u>1,470,023</u>

As of September 30, 2025, December 31 and September 30, 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.

(Continued)

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	20,134	3,359	23,493
Derecognition	<u>(19,506)</u>	<u>(4,653)</u>	<u>(24,159)</u>
September 30, 2025	<u>\$ 27,055</u>	<u>10,340</u>	<u>37,395</u>
January 1, 2024	\$ 26,197	9,902	36,099
Additions	4,740	5,323	10,063
Derecognition	<u>(4,571)</u>	<u>(3,623)</u>	<u>(8,194)</u>
September 30, 2024	<u>\$ 26,366</u>	<u>11,602</u>	<u>37,968</u>
Depreciation of right-of-use assets:			
January 1, 2025	\$ 19,009	5,841	24,850
Depreciation	9,323	2,702	12,025
Derecognition	<u>(18,976)</u>	<u>(4,653)</u>	<u>(23,629)</u>
September 30, 2025	<u>\$ 9,356</u>	<u>3,890</u>	<u>13,246</u>
January 1, 2024	\$ 11,767	6,599	18,366
Depreciation	9,680	2,709	12,389
Derecognition	<u>(4,539)</u>	<u>(3,623)</u>	<u>(8,162)</u>
September 30, 2024	<u>\$ 16,908</u>	<u>5,685</u>	<u>22,593</u>
Carrying amount:			
January 1, 2025	<u>\$ 7,418</u>	<u>5,793</u>	<u>13,211</u>
September 30, 2025	<u>\$ 17,699</u>	<u>6,450</u>	<u>24,149</u>
January 1, 2024	<u>\$ 14,430</u>	<u>3,303</u>	<u>17,733</u>
September 30, 2024	<u>\$ 9,458</u>	<u>5,917</u>	<u>15,375</u>

(j) Lease liabilities

The Company's lease liabilities were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Less than one year	\$ 15,124	7,617	9,654
Between one and five years	<u>9,189</u>	<u>5,734</u>	<u>5,889</u>
Total	<u>\$ 24,313</u>	<u>13,351</u>	<u>15,543</u>

(Continued)

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:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest on lease liabilities	\$ <u>174</u>	<u>103</u>	<u>493</u>	<u>301</u>

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

	<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	\$ <u>12,488</u>	<u>12,718</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 nine months ended September 30, 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, \$1,765, \$4,985 and \$5,296 for the three months and nine months ended September 30, 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 \$9,071, \$8,831, \$28,959 and \$25,832 for the three months and nine months ended September 30, 2025 and 2024, respectively.

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

(m) Remunerations to employees and directors

On May 27, 2025, the Company resolved at the shareholders' meeting to amend its Articles of Incorporation. According to the amended Articles, if the Company has profit in a given fiscal year, the profit shall be used to offset against any accumulated losses incurred by the Company. The remainder, if any, at least 1% shall be allocated as employee remuneration (including a minimum of 0.5% to those base-level employees) and a maximum of 3% as remunerations for directors. Prior to the amendment, the Articles of Incorporation stipulated that, if 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 and nine months ended September 30, 2025 and 2024, the Company estimated its employees remuneration amounting to \$4,500, \$6,000, \$9,000 and \$14,000, and remunerations to directors were \$0, \$0, \$1,000 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

	September 30, 2025	December 31, 2024	September 30, 2024
Unearned premium reserve	\$ 7,546,783	6,926,563	7,271,031
Claims reserve	8,071,092	6,257,864	6,246,818
Special reserve	976,388	905,207	942,347
Premium deficiency reserve	33,930	8,111	30,614
Total	<u><u>\$ 16,628,193</u></u>	<u><u>14,097,745</u></u>	<u><u>14,490,810</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

September 30, 2025				
Item	Unearned premium reserve		Ceded unearned premium reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 1,289,030	27,530	768,763	547,797
Marine insurance	81,192	142	60,724	20,610
Land and air insurance	47,381	-	43,165	4,216
Liability insurance	1,962,465	7,534	222,712	1,747,287
Surety insurance	25,891	1,827	16,822	10,896
Other property insurance	3,122,816	37,363	949,278	2,210,901
Accident insurance	418,813	3,300	40,639	381,474
Health insurance	16,657	-	24	16,633
Compulsory automobile liability insurance	341,123	163,719	204,696	300,146
Total	\$ 7,305,368	241,415	2,306,823	5,239,960

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

September 30, 2024				
Item	Unearned premium reserve		Ceded unearned premium reserve	Retained business
	Direct business	Reinsurance ceded in	Reinsurance ceded out	
Fire insurance	\$ 1,249,787	28,993	759,509	519,271
Marine insurance	82,645	1,019	67,819	15,845
Land and air insurance	53,574	-	49,976	3,598
Liability insurance	1,882,261	17,256	257,742	1,641,775
Surety insurance	13,844	573	6,820	7,597
Other property insurance	2,946,066	60,387	833,312	2,173,141
Accident insurance	402,557	3,494	31,547	374,504
Health insurance	15,565	-	57	15,508
Compulsory automobile liability insurance	347,775	165,235	208,681	304,329
Total	\$ 6,994,074	276,957	2,215,463	5,055,568

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

For the nine months ended September 30, 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	\$ 673,258	223,484	282,269	614,473	341,123	347,302	163,719	165,221	(7,681)	204,696	208,397	(3,701)	618,453
Non-compulsory insurance	10,276,080	78,195	3,129,230	7,225,045	6,964,245	6,302,345	77,696	110,142	629,454	2,102,127	1,861,212	240,915	6,836,506
Total	\$ 10,949,338	301,679	3,411,499	7,839,518	7,305,368	6,649,647	241,415	275,363	621,773	2,306,823	2,069,609	237,214	7,454,959

For the nine months ended September 30, 2024													
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	\$ 688,422	226,985	288,574	626,833	347,775	353,893	165,235	165,127	(6,010)	208,681	212,351	(3,670)	629,173
Non-compulsory insurance	9,927,511	125,775	3,053,638	6,999,648	6,646,299	5,665,147	111,722	114,676	978,198	2,006,782	1,565,480	441,302	6,462,752
Total	\$ 10,615,933	352,760	3,342,212	7,626,481	6,994,074	6,019,040	276,957	279,803	972,188	2,215,463	1,777,831	437,632	7,091,925

(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 nine months ended September 30, 2025	
	Unearned premium reserve	Ceded unearned premium reserve
Beginning balance	\$ 6,926,563	2,069,609
Provision	7,546,783	2,306,823
Recovery	(6,926,563)	(2,069,609)
Ending balance	<u><u>\$ 7,546,783</u></u>	<u><u>2,306,823</u></u>

Item	For the nine months ended September 30, 2024	
	Unearned premium reserve	Ceded unearned premium reserve
Beginning balance	\$ 6,300,340	1,777,831
Provision	7,271,031	2,215,463
Recovery	(6,300,340)	(1,777,831)
Ending balance	<u><u>\$ 7,271,031</u></u>	<u><u>2,215,463</u></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.

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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 September 30, 2025, December 31 and September 30, 2024, the relevant unearned premium reserve from the business transfer and intangible assets were \$7,847, \$5,499 and \$10,055 and \$7,052, \$10,764 and \$7,550, 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.
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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 nine months ended September 30,	
	2025	2024
Beginning balance	\$ 176,135	135,259
Provision	74,969	43,141
Ending balance	<u><u>\$ 251,104</u></u>	<u><u>178,400</u></u>

Special reserve – Non-Compulsory Automobile Liability Insurance

Item	For the nine months ended September 30, 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	(3,788)	-	(3,788)	-	-	-	-
Ending balance	<u><u>\$ 87,560</u></u>	<u><u>633,568</u></u>	<u><u>721,128</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 nine months ended September 30, 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	(3,789)	(71,019)	(74,808)	-	-	-	-
Ending balance	<u><u>\$ 92,625</u></u>	<u><u>667,166</u></u>	<u><u>759,791</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 nine months ended September 30, 2025 and 2024.

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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 adjustments 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).

September 30, 2025				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ -	2,115,278	188,738	2,304,016
Marine insurance	-	51,886	62,884	114,770
Land and air insurance	-	9,000	18,872	27,872
Liability insurance	5,483	1,383,153	529,456	1,912,609
Surety insurance	1	28,235	10,321	38,556
Other property insurance	14,860	2,098,934	373,033	2,471,967
Accident insurance	2,141	32,639	380,664	413,303
Health insurance	626	1,105	38,843	39,948
Compulsory automobile liability insurance	5,961	195,807	552,244	748,051
Total	\$ 29,072	5,916,037	2,155,055	8,071,092

(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

September 30, 2024				
Item	Insurance claims payable	Claims reserve		
	Reported to be paid	Reported but unpaid	IBNR	Total
Fire insurance	\$ 240	1,869,629	150,560	2,020,189
Marine insurance	86	66,555	63,972	130,527
Land and air insurance	-	9,537	18,332	27,869
Liability insurance	8,430	1,273,383	467,631	1,741,014
Surety insurance	1	25,153	6,958	32,111
Other property insurance	15,026	1,021,796	167,595	1,189,391
Accident insurance	1,585	52,983	260,348	313,331
Health insurance	335	1,415	13,617	15,032
Compulsory automobile liability insurance	554	209,535	567,819	777,354
Total	\$ 26,257	4,529,986	1,716,832	6,246,818

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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

September 30, 2025			
Item	Reported but unpaid	IBNR	Total
Fire insurance	\$ 1,765,141	48,305	1,813,446
Marine insurance	29,457	44,471	73,928
Land and air insurance	1,818	13,190	15,008
Liability insurance	170,561	71,630	242,191
Surety insurance	12,948	2,797	15,745
Other property insurance	1,319,958	146,273	1,466,231
Accident insurance	2,582	57,451	60,033
Health insurance	118	4,500	4,618
Compulsory automobile liability insurance	68,122	236,698	304,820
Total	<u><u>\$ 3,370,705</u></u>	<u><u>625,315</u></u>	<u><u>3,996,020</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

Item	September 30, 2024		
	Reported but unpaid	IBNR	Total
Fire insurance	\$ 1,460,412	41,368	1,501,780
Marine insurance	47,927	44,388	92,315
Land and air insurance	4,214	13,078	17,292
Liability insurance	151,858	67,014	218,872
Surety insurance	9,153	1,925	11,078
Other property insurance	430,321	36,397	466,718
Accident insurance	5,805	47,346	53,151
Health insurance	164	3,085	3,249
Compulsory automobile liability insurance	77,352	245,496	322,848
Total	<u>\$ 2,187,206</u>	<u>500,097</u>	<u>2,687,303</u>

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

Item	For the nine months ended September 30, 2025							
	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	\$ 2,258,833	1,498,028	45,183	243,812	562,176	1,813,446	1,283,225	530,221
Marine insurance	109,806	132,356	4,964	5,116	(22,702)	73,928	98,313	(24,385)
Land and air insurance	26,569	27,925	1,303	1,464	(1,517)	15,008	17,440	(2,432)
Liability insurance	1,878,510	1,798,916	34,099	32,698	80,995	242,191	246,830	(4,639)
Surety insurance	35,714	34,500	2,842	2,195	1,861	15,745	13,588	2,157
Other property insurance	2,396,656	1,274,769	75,311	38,926	1,158,272	1,466,231	523,299	942,932
Accident insurance	386,750	320,834	26,553	18,712	73,757	60,033	59,459	574
Health insurance	36,338	14,929	3,610	2,455	22,564	4,618	3,457	1,161
Compulsory automobile liability insurance	510,203	571,816	237,848	238,413	(62,178)	304,820	341,823	(37,003)
Total	<u>\$ 7,639,379</u>	<u>5,674,073</u>	<u>431,713</u>	<u>583,791</u>	<u>1,813,228</u>	<u>3,996,020</u>	<u>2,587,434</u>	<u>1,408,586</u>

Item	For the nine months ended September 30, 2024							
	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	\$ 1,720,658	963,732	299,531	34,219	1,022,238	1,501,780	638,337	863,443
Marine insurance	125,534	164,660	4,993	5,106	(39,239)	92,315	120,963	(28,648)
Land and air insurance	26,347	54,037	1,522	2,517	(28,685)	17,292	45,261	(27,969)
Liability insurance	1,710,156	1,621,996	30,858	27,508	91,510	218,872	241,717	(22,845)
Surety insurance	30,025	22,545	2,086	1,985	7,581	11,078	10,023	1,055
Other property insurance	1,159,858	995,445	29,533	20,533	173,413	466,718	436,972	29,746
Accident insurance	296,905	269,620	16,426	15,384	28,327	53,151	56,468	(3,317)
Health insurance	12,705	18,169	2,327	2,201	(5,338)	3,249	3,164	85
Compulsory automobile liability insurance	540,236	555,767	237,118	233,732	(12,145)	322,848	332,183	(9,335)
Total	<u>\$ 5,622,424</u>	<u>4,665,971</u>	<u>624,394</u>	<u>343,185</u>	<u>1,237,662</u>	<u>2,687,303</u>	<u>1,885,088</u>	<u>802,215</u>

(Continued)

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

4) The movements in claims reserve and ceded claims reserve

Item	For the nine months ended September 30,			
	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	8,071,092	3,996,020	6,246,818	2,687,303
Recovery	(6,257,864)	(2,587,434)	(5,009,156)	(1,885,088)
Impairment loss reversed (recognized)	-	-	-	25
Ending balance	<u>\$ 8,071,092</u>	<u>3,996,020</u>	<u>6,246,818</u>	<u>2,687,303</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 of insurance by actuary methodology.

(iv) Premium deficiency reserve

- 1) Premium deficiency reserve and ceded premium deficiency reserve

Item	September 30, 2025			
	Premium deficiency reserve		Ceded premium deficiency reserve	Retained business
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	
Other property insurance	<u>\$ 33,020</u>	<u>910</u>	<u>33,930</u>	<u>-</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

September 30, 2024				
Item	Premium deficiency reserve		Ceded premium deficiency reserve	Retained business
	Direct business	Reinsurance ceded-in	Reinsurance ceded-out	
Fire insurance	\$ 30,268	178	30,446	-
Marine insurance	32	-	-	32
Land and air insurance	136	-	-	136
Total	<u>\$ 30,436</u>	<u>178</u>	<u>30,446</u>	<u>168</u>

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

For the nine months ended September 30, 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	\$ -	7,972	-	52	(8,024)	-	8,024	(8,024)	-
Land and air insurance	-	87	-	-	(87)	-	-	-	(87)
Other property insurance	33,020	-	910	-	33,930	33,930	-	33,930	-
Total	<u>\$ 33,020</u>	<u>8,059</u>	<u>910</u>	<u>52</u>	<u>25,819</u>	<u>33,930</u>	<u>8,024</u>	<u>25,906</u>	<u>(87)</u>

For the nine months ended September 30, 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	\$ 30,268	12,183	178	353	17,910	30,446	12,536	17,910	-
Marine insurance	32	1,552	-	-	(1,520)	-	-	-	(1,520)
Land and air insurance	136	-	-	-	136	-	-	-	136
Total	<u>\$ 30,436</u>	<u>13,735</u>	<u>178</u>	<u>353</u>	<u>16,526</u>	<u>30,446</u>	<u>12,536</u>	<u>17,910</u>	<u>(1,384)</u>

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

			For the nine months ended September 30, 2025	
			Premium deficiency reserve	Ceding premium deficiency reserve
Beginning balance	\$	8,111	8,024	
Provision		33,930	33,930	
Recovery		(8,111)	(8,024)	
Ending balance	<u>\$</u>	<u>33,930</u>	<u>33,930</u>	

(Continued)

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

Item	For the nine months ended September 30, 2024	
	Premium deficiency reserve	Ceding premium deficiency reserve
Beginning balance	\$ 14,088	12,536
Provision	30,614	30,446
Recovery	(14,088)	(12,536)
Ending balance	<u>\$ 30,614</u>	<u>30,446</u>

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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Current income tax expenses	\$ 32,976	63,046	191,601	160,470
Deferred tax income	-	-	(434)	-
Total	<u>\$ 32,976</u>	<u>63,046</u>	<u>191,167</u>	<u>160,470</u>

The Company's tax returns for the year through 2022 were assessed by the Taipei National Tax Administration tax authorities.

(p) Capital and other equity

(i) Share capital

As of September 30, 2025, December 31 and September 30, 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 stocks or cash dividends 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, the Company distributes retained surplus that transferred from the special reserve of unrealized revaluation increment \$12,143, and appropriated the same amount to a special reserve.

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

Based on Financial Supervisory Commission Jin Guan Bao Cai Zi No. 11004920441 on June 11, 2021, a portion of earnings shall be appropriated as special reserve during the earnings distribution. For the current debit balance on other equity interest, an equivalent amount of special reserve shall be appropriated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the undistributed current period earnings. If the special reserve is insufficient, the Company should appropriate it from undistributed prior-period earnings. For the debit balance on other equity interest pertaining to prior periods, an equivalent amount of special reserve is appropriated from the undistributed prior-period earnings. If the Company has already appropriated a portion of earnings to special reserve under the preceding subparagraph, the Company shall make supplemental appropriation of special reserve for any difference between the amount it has already allocated and the amount mentioned above. The special reserve can be reversed due to net reduction of the debit balance of other shareholders' equity. As of September 30, 2025, December 31 and September 30, 2024, the special reserve distributed by the Company in accordance with the regulations were \$48,424, \$0 and \$0, respectively.

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 September 30, 2025, December 31 and September 30, 2024, the special reserve distributed by the Company in accordance with the regulations were all \$0.

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.

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

The earnings distribution for 2024 had been approved during the shareholders' meeting on May 27, 2025 as follow:

	For the years ended December 31, 2024	
	Allotment per share (NT dollars)	Total Amount
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.

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	8,825
Cumulative gains (losses) reclassified to profit or loss on disposal of investments in debt instrument at fair value through other comprehensive income	(7,341)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6,698
September 30, 2025	<u><u>\$ (40,242)</u></u>
January 1, 2024	\$ 22,167
Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(10,468)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	(34,494)
September 30, 2024	<u><u>\$ (22,795)</u></u>

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

(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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Net income attributable to ordinary shareholders of the Company	\$ <u>372,527</u>	<u>145,943</u>	<u>597,413</u>	<u>846,193</u>
Weighted average number of ordinary shares (thousands shares)	<u>223,608</u>	<u>223,608</u>	<u>223,608</u>	<u>223,608</u>
Basic earnings per share (NT dollars)	\$ <u>1.67</u>	<u>0.65</u>	<u>2.67</u>	<u>3.78</u>
Diluted earnings per share				
Net income attributable to ordinary shareholders of the Company	\$ <u>372,527</u>	<u>145,943</u>	<u>597,413</u>	<u>846,193</u>
Weighted average number of ordinary shares (thousands shares)	223,608	223,608	223,608	223,608
Employee share options	<u>336</u>	<u>425</u>	<u>541</u>	<u>439</u>
Weighted average number of ordinary shares (Dilutive potential common shares) (thousands shares)	<u>223,944</u>	<u>224,033</u>	<u>224,149</u>	<u>224,047</u>
Diluted earnings per share (NT dollars)	\$ <u>1.66</u>	<u>0.65</u>	<u>2.67</u>	<u>3.78</u>

(r) Disclosure of acquisition cost of insurance contracts

Acquisition cost of insurance contracts

Item	For the three months ended September 30, 2025					
	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 60,088	-	-	95	-	60,183
Marine insurance	6,183	-	-	14	-	6,197
Land and air insurance	5,214	-	-	-	-	5,214
Liability insurance	164,214	-	-	118	-	164,332
Surety insurance	602	-	-	-	-	602
Other property insurance	161,771	-	-	817	-	162,588
Accident insurance	60,140	-	-	-	-	60,140
Health insurance	10,214	-	-	-	-	10,214
Compulsory automobile liability insurance	28,783	-	-	-	-	28,783
Total	<u>\$ 497,209</u>	<u>-</u>	<u>-</u>	<u>1,044</u>	<u>-</u>	<u>498,253</u>

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

For the three months ended September 30, 2024						
Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 64,195	-	-	1,460	-	65,655
Marine insurance	5,233	-	-	218	-	5,451
Land and air insurance	6,189	-	-	-	-	6,189
Liability insurance	167,123	-	-	1,042	-	168,165
Surety insurance	1,151	-	-	-	-	1,151
Other property insurance	169,073	-	-	4,116	-	173,189
Accident insurance	59,418	-	-	-	-	59,418
Health insurance	7,527	-	-	-	-	7,527
Compulsory automobile liability insurance	29,826	-	-	-	-	29,826
Total	<u>\$ 509,735</u>	<u>-</u>	<u>-</u>	<u>6,836</u>	<u>-</u>	<u>516,571</u>
For the nine months ended September 30, 2025						
Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 183,411	-	-	700	-	184,111
Marine insurance	20,290	-	-	19	-	20,309
Land and air insurance	7,399	-	-	-	-	7,399
Liability insurance	527,663	-	-	759	-	528,422
Surety insurance	5,766	-	-	-	-	5,766
Other property insurance	528,555	-	-	4,234	-	532,789
Accident insurance	200,351	-	-	-	-	200,351
Health insurance	33,858	-	-	-	-	33,858
Compulsory automobile liability insurance	87,811	-	-	-	-	87,811
Total	<u>\$ 1,595,104</u>	<u>-</u>	<u>-</u>	<u>5,712</u>	<u>-</u>	<u>1,600,816</u>

(Continued)

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

For the nine months ended September 30, 2024

Item	Commission expense	Agent fee	Charge	Reinsurance commission expense	Other cost	Total
Fire insurance	\$ 164,992	-	-	2,014	-	167,006
Marine insurance	19,799	-	-	317	-	20,116
Land and air insurance	8,193	-	-	-	-	8,193
Liability insurance	525,574	-	-	3,274	-	528,848
Surety insurance	3,156	-	-	-	-	3,156
Other property insurance	551,770	-	-	12,527	-	564,297
Accident insurance	185,897	-	-	-	-	185,897
Health insurance	24,211	-	-	-	-	24,211
Compulsory automobile liability insurance	90,302	-	-	-	-	90,302
Total	<u>\$ 1,573,894</u>	<u>-</u>	<u>-</u>	<u>18,132</u>	<u>-</u>	<u>1,592,026</u>

(s) Disclosure of insurance cost-benefit analysis

(i) Direct written business cost-benefit analysis

For the three months ended September 30, 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	\$ 697,828	66,543	60,088	51,747	934,511	(415,061)
Marine insurance	46,935	(27,795)	6,183	10,643	(10,637)	68,541
Land and air insurance	43,416	25,134	5,214	680	75	12,313
Liability insurance	919,868	(45,882)	164,214	464,516	56,532	280,488
Surety insurance	3,999	(7,910)	602	(23)	38	11,292
Other property insurance	1,112,862	(47,876)	161,771	630,295	999,346	(630,674)
Accident insurance	267,434	(29,169)	60,140	107,968	(3,222)	131,717
Health insurance	39,880	(6,385)	10,214	5,606	4,021	26,424
Compulsory automobile liability insurance	221,320	(2,456)	28,783	152,205	(76,533)	119,321
Total	<u>\$ 3,353,542</u>	<u>(75,796)</u>	<u>497,209</u>	<u>1,423,637</u>	<u>1,904,131</u>	<u>(395,639)</u>

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

For the three months ended September 30, 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	\$ 822,221	225,034	64,195	73,249	125,406	334,337
Marine insurance	61,284	(19,158)	5,233	1,309	(6,310)	80,210
Land and air insurance	51,204	24,326	6,189	42	(2,016)	22,663
Liability insurance	916,036	(27,158)	167,123	455,641	55,263	265,167
Surety insurance	6,948	797	1,151	-	1,361	3,639
Other property insurance	1,137,950	4,713	169,073	539,381	86,803	337,980
Accident insurance	259,204	(15,063)	59,418	98,538	4,333	111,978
Health insurance	27,977	(6,732)	7,527	7,621	165	19,396
Compulsory automobile liability insurance	227,522	(2,610)	29,826	161,114	(12,766)	51,958
Total	<u>\$ 3,510,346</u>	<u>184,149</u>	<u>509,735</u>	<u>1,336,895</u>	<u>252,239</u>	<u>1,227,328</u>
For the nine months ended September 30, 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	\$ 2,168,918	239,538	183,411	601,093	760,805	384,071
Marine insurance	231,922	(15,634)	20,290	47,462	(22,550)	202,354
Land and air insurance	81,985	14,130	7,399	3,827	(1,356)	57,985
Liability insurance	2,970,454	105,186	527,663	1,386,654	79,594	871,357
Surety insurance	41,897	14,076	5,766	2,057	1,214	18,784
Other property insurance	3,681,322	244,114	528,555	1,648,985	1,121,887	137,781
Accident insurance	954,234	54,728	200,351	290,339	65,916	342,900
Health insurance	145,348	5,762	33,858	15,812	21,409	68,507
Compulsory automobile liability insurance	673,258	(6,179)	87,811	421,637	(61,613)	231,602
Total	<u>\$ 10,949,338</u>	<u>655,721</u>	<u>1,595,104</u>	<u>4,417,866</u>	<u>1,965,306</u>	<u>2,315,341</u>

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

For the nine months ended September 30, 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	\$ 2,035,478	387,297	164,992	297,253	756,926	429,010
Marine insurance	229,652	4,565	19,799	27,379	(39,126)	217,035
Land and air insurance	92,139	3,431	8,193	2,554	(27,690)	105,651
Liability insurance	2,912,959	154,665	525,574	1,407,483	88,160	737,077
Surety insurance	20,555	2,623	3,156	4,861	7,480	2,435
Other property insurance	3,697,097	382,342	551,770	1,518,464	164,413	1,080,108
Accident insurance	846,035	41,791	185,897	308,576	27,285	282,486
Health insurance	93,596	4,438	24,211	23,493	(5,464)	46,918
Compulsory automobile liability insurance	688,422	(6,118)	90,302	445,032	(15,531)	174,737
Total	<u>\$ 10,615,933</u>	<u>975,034</u>	<u>1,573,894</u>	<u>4,035,095</u>	<u>956,453</u>	<u>3,075,457</u>

(ii) Reinsurance cost-benefit analysis

For the three months ended September 30, 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	\$ 14,370	1,093	95	171	3,845	9,166
Marine insurance	652	(28)	14	1	(69)	734
Land and air insurance	-	-	-	(1)	34	(33)
Liability insurance	1,091	(2,463)	118	2,930	1,775	(1,269)
Surety insurance	928	67	-	(3)	16	848
Other property insurance	7,025	(10,274)	817	8,706	34,849	(27,073)
Accident insurance	1,672	68	-	545	1,954	(895)
Health insurance	-	-	-	-	91	(91)
Compulsory automobile liability insurance	73,665	(1,015)	-	67,968	(1,126)	7,838
Total	<u>\$ 99,403</u>	<u>(12,552)</u>	<u>1,044</u>	<u>80,317</u>	<u>41,369</u>	<u>(10,775)</u>

(Continued)

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

For the three months ended September 30, 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	\$ 17,951	(1,659)	1,460	18,006	(18,225)	18,369
Marine insurance	916	(588)	218	(6)	(66)	1,358
Land and air insurance	-	-	-	59	1	(60)
Liability insurance	4,331	(3,201)	1,042	9,363	1,256	(4,129)
Surety insurance	269	(33)	-	150	8	144
Other property insurance	15,401	3,923	4,116	3,097	7,695	(3,430)
Accident insurance	1,714	(21)	-	1,481	186	68
Health insurance	-	-	-	-	108	(108)
Compulsory automobile liability insurance	75,802	(16)	-	74,963	(2,033)	2,888
Total	<u>\$ 116,384</u>	<u>(1,595)</u>	<u>6,836</u>	<u>107,113</u>	<u>(11,070)</u>	<u>15,100</u>
For the nine months ended September 30, 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	\$ 41,515	(386)	700	202,034	(198,629)	37,796
Marine insurance	2,055	(382)	19	(2)	(152)	2,572
Land and air insurance	-	-	-	(81)	(161)	242
Liability insurance	5,114	(7,266)	759	5,324	1,401	4,896
Surety insurance	3,125	1,243	-	(9)	647	1,244
Other property insurance	21,613	(25,671)	4,234	17,542	36,385	(10,877)
Accident insurance	4,773	16	-	1,882	7,841	(4,966)
Health insurance	-	-	-	-	1,155	(1,155)
Compulsory automobile liability insurance	223,484	(1,502)	-	206,864	(565)	18,687
Total	<u>\$ 301,679</u>	<u>(33,948)</u>	<u>5,712</u>	<u>433,554</u>	<u>(152,078)</u>	<u>48,439</u>

(Continued)

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

For the nine months ended September 30, 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	\$ 54,181	(6,338)	2,014	18,212	265,312	(225,019)
Marine insurance	4,914	104	317	(97)	(113)	4,703
Land and air insurance	-	-	-	96	(995)	899
Liability insurance	14,071	(11,734)	3,274	20,591	3,350	(1,410)
Surety insurance	951	18	-	189	101	643
Other property insurance	46,506	15,271	12,527	9,477	9,000	231
Accident insurance	5,152	(275)	-	2,293	1,042	2,092
Health insurance	-	-	-	-	126	(126)
Compulsory automobile liability insurance	226,985	108	-	220,615	3,386	2,876
Total	<u>\$ 352,760</u>	<u>(2,846)</u>	<u>18,132</u>	<u>271,376</u>	<u>281,209</u>	<u>(215,111)</u>

(iii) Gain/Loss on reinsurance contracts

For the three months ended September 30, 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	\$ (478,704)	9,891	54,446	25,298	895,848	506,779
Marine insurance	(20,535)	(29,767)	1,867	6,579	(6,241)	(48,097)
Land and air insurance	(38,098)	21,854	6,268	661	19	(9,296)
Liability insurance	(95,450)	(14,485)	30,601	45,851	2,084	(31,399)
Surety insurance	(1,303)	(6,129)	158	(3)	11	(7,266)
Other property insurance	(345,757)	7,118	60,143	132,169	865,820	719,493
Accident insurance	(17,928)	(10,427)	4,550	8,302	58	(15,445)
Health insurance	(348)	2	148	29	95	(74)
Compulsory automobile liability insurance	(92,990)	(1,474)	-	90,120	(45,728)	(50,072)
Total	<u>\$ (1,091,113)</u>	<u>(23,417)</u>	<u>158,181</u>	<u>309,006</u>	<u>1,711,966</u>	<u>1,064,623</u>

(Continued)

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

For the three months ended September 30, 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	\$ (535,628)	131,078	55,424	41,480	49,569	(258,077)
Marine insurance	(41,494)	(14,594)	2,191	523	(1,546)	(54,920)
Land and air insurance	(45,770)	27,140	7,708	4	(2,355)	(13,273)
Liability insurance	(110,441)	(10,041)	37,350	71,114	(10,919)	(22,937)
Surety insurance	(2,647)	509	155	-	330	(1,653)
Other property insurance	(271,401)	32,768	59,582	83,182	37,291	(58,578)
Accident insurance	(16,332)	(2,021)	4,821	7,652	(277)	(6,157)
Health insurance	(587)	(175)	266	552	95	151
Compulsory automobile liability insurance	(95,470)	(1,566)	-	95,894	(7,635)	(8,777)
Total	<u>\$ (1,119,770)</u>	<u>163,098</u>	<u>167,497</u>	<u>300,401</u>	<u>64,553</u>	<u>(424,221)</u>
For the nine months ended September 30, 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	\$ (1,515,069)	103,225	161,471	675,981	530,221	(44,171)
Marine insurance	(145,886)	(22,419)	9,776	45,148	(24,385)	(137,766)
Land and air insurance	(64,011)	11,249	7,119	3,531	(2,432)	(44,544)
Liability insurance	(310,744)	(24,080)	101,980	153,534	(4,639)	(83,949)
Surety insurance	(20,820)	10,511	575	339	2,157	(7,238)
Other property insurance	(985,003)	149,935	196,035	283,956	942,932	587,855
Accident insurance	(86,772)	12,474	18,435	28,158	574	(27,131)
Health insurance	(925)	20	394	329	1,161	979
Compulsory automobile liability insurance	(282,269)	(3,701)	-	251,924	(37,003)	(71,049)
Total	<u>\$ (3,411,499)</u>	<u>237,214</u>	<u>495,785</u>	<u>1,442,900</u>	<u>1,408,586</u>	<u>172,986</u>

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

For the nine months ended September 30, 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	\$ (1,498,626)	258,895	146,698	116,814	863,443	(112,776)
Marine insurance	(158,546)	2,695	11,951	17,764	(28,648)	(154,784)
Land and air insurance	(74,812)	9,076	8,542	1,593	(27,969)	(83,570)
Liability insurance	(360,462)	8,109	119,827	204,619	(22,845)	(50,752)
Surety insurance	(7,160)	767	415	3,330	1,055	(1,593)
Other property insurance	(895,094)	163,099	204,390	289,857	29,746	(208,002)
Accident insurance	(58,033)	553	16,083	27,055	(3,317)	(17,659)
Health insurance	(905)	(1,892)	285	2,761	85	334
Compulsory automobile liability insurance	(288,574)	(3,670)	-	265,307	(9,335)	(36,272)
Total	<u>\$ (3,342,212)</u>	<u>437,632</u>	<u>508,191</u>	<u>929,100</u>	<u>802,215</u>	<u>(665,074)</u>

(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 nine months ended September 30, 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

For the nine months ended September 30, 2025				
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	\$ 2,210,433	63.16 %	19,728	5,610
Marine insurance	233,977	62.19 %	2,500	817
Land and air insurance	81,985	69.39 %	679	151
Liability insurance	2,975,568	67.14 %	28,776	25,428
Surety insurance	45,022	73.30 %	297	194
Other property insurance	3,702,935	64.34 %	34,845	26,494
Accident insurance	959,007	71.62 %	9,043	8,300
Health insurance	145,348	81.92 %	1,396	1,387
Compulsory automobile liability insurance	896,742	No applicable	No applicable	No applicable

(Continued)

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

For the nine months ended September 30, 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	\$ 2,089,659	63.43 %	17,102	4,705
Marine insurance	234,566	62.82 %	2,299	740
Land and air insurance	92,139	69.89 %	887	230
Liability insurance	2,927,030	67.05 %	27,841	24,317
Surety insurance	21,506	72.74 %	189	125
Other property insurance	3,743,603	64.18 %	33,460	26,140
Accident insurance	851,187	70.61 %	8,097	7,522
Health insurance	93,596	81.91 %	892	864
Compulsory automobile liability insurance	915,407	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.

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 44.06% and 45.88% for the nine months ended September 30, 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.

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

The premium proportion of underwriting insurance and ceded in reinsurance:

Type	For the nine months ended September 30,			
	2025		2024	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 1,192,490	10.60 %	1,117,896	10.19 %
Marine cargo insurance	214,696	1.91 %	190,919	1.74 %
Hull, fishing vessel and aviation insurance	101,234	0.90 %	134,052	1.22 %
Voluntary automobile insurance	4,956,715	44.06 %	5,032,316	45.88 %
Compulsory automobile liability insurance	896,742	7.97 %	915,407	8.34 %
Liability insurance	652,533	5.80 %	620,237	5.65 %
Engineering and nuclear insurance	893,913	7.94 %	885,015	8.07 %
Surety and credit insurance	45,022	0.40 %	21,506	0.20 %
Other property insurance	51,010	0.45 %	41,206	0.38 %
Accident insurance	959,008	8.52 %	851,187	7.76 %
Typhoon, flood and earthquake insurance	1,016,589	9.04 %	969,658	8.84 %
Personal and commercial all-risk insurance	124,445	1.11 %	91,746	0.84 %
Health insurance	145,348	1.29 %	93,596	0.85 %
Overseas ceded-in reinsurance	1,272	0.01 %	3,952	0.04 %
Total	<u>\$ 11,251,017</u>	<u>100.00 %</u>	<u>10,968,693</u>	<u>100.00 %</u>

b) Percentage of retained premium

In term of retained business, the voluntary automobile insurance which is the highest proportion accounts for 55.96% and 58.09% for the nine months ended September 30, 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.

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

The percentage of retained premium was as follows:

Type	For the nine months ended September 30,			
	2025		2024	
	Amount	Percentage	Amount	Percentage
Fire insurance	\$ 396,721	5.06 %	372,056	4.88 %
Marine cargo insurance	101,755	1.30 %	88,583	1.16 %
Hull, fishing vessel and aviation insurance	4,277	0.05 %	4,739	0.06 %
Voluntary automobile insurance	4,386,674	55.96 %	4,429,871	58.09 %
Compulsory automobile liability insurance	614,473	7.84 %	626,833	8.22 %
Liability insurance	527,169	6.72 %	495,935	6.50 %
Engineering and nuclear insurance	328,291	4.19 %	383,434	5.03 %
Surety and credit insurance	24,202	0.31 %	14,346	0.19 %
Other property insurance	36,825	0.47 %	32,428	0.42 %
Accident insurance	872,236	11.13 %	793,154	10.40 %
Typhoon, flood and earthquake insurance	297,290	3.79 %	216,872	2.84 %
Personal and commercial all-risk insurance	103,910	1.32 %	73,296	0.96 %
Health insurance	144,423	1.84 %	92,691	1.22 %
Overseas ceded-in reinsurance	1,272	0.02 %	2,243	0.03 %
Total	<u>\$ 7,839,518</u>	<u>100.00 %</u>	<u>7,626,481</u>	<u>100.00 %</u>

(Continued)

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

3) Claims trend

For the nine months ended September 30, 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	5,679,916
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	5,789,758	
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	5,457,743		
4	47,626,471	4,331,187	3,997,617	4,714,228	4,775,424	4,899,446	5,094,772	6,525,414			
5	47,565,613	4,348,353	3,972,187	4,711,259	4,745,935	4,899,727	5,090,234				
6	47,933,629	4,300,980	3,971,299	4,695,182	4,750,543	4,894,930					
7	47,534,789	4,301,352	3,969,391	4,694,608	4,749,772						
8	47,532,482	4,305,090	3,947,881	4,693,579							
9	47,519,398	4,303,991	3,947,253								
10	47,482,445	4,303,665									
11	47,479,508										
Estimates	47,479,508	4,303,665	3,947,253	4,693,579	4,749,772	4,894,930	5,090,234	6,525,414	5,457,743	5,789,758	5,679,916
Actual	47,477,163	4,295,479	3,942,522	4,680,617	4,739,145	4,833,903	5,032,460	6,347,073	4,967,451	4,635,021	1,959,842
Subtotal	2,345	8,186	4,731	12,962	10,627	61,027	57,774	178,341	490,292	1,154,737	3,720,074
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	2,345	8,186	4,731	12,962	10,627	61,027	57,774	178,341	490,292	1,154,737	3,720,074

For the nine months ended September 30, 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	4,117,631
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	5,654,240	
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	6,588,146		
4	44,119,750	3,530,087	4,331,187	3,997,617	4,714,228	4,775,424	4,899,446	5,108,380			
5	44,096,384	3,505,206	4,348,353	3,972,187	4,711,259	4,745,935	4,901,332				
6	44,060,407	3,518,795	4,300,980	3,971,299	4,695,182	4,750,184					
7	44,414,834	3,501,489	4,301,352	3,969,391	4,694,636						
8	44,033,300	3,502,875	4,305,090	3,948,050							
9	44,029,607	3,500,708	4,304,031								
10	44,018,689	3,500,644									
11	43,982,274										
Estimates	43,982,274	3,500,644	4,304,031	3,948,050	4,694,636	4,750,184	4,901,332	5,108,380	6,588,146	5,654,240	4,117,631
Actual	43,980,429	3,498,323	4,290,531	3,943,319	4,677,585	4,731,611	4,824,860	5,002,153	6,175,722	4,438,004	1,938,166
Subtotal	1,845	2,321	13,500	4,731	17,051	18,573	76,472	106,227	412,424	1,216,236	2,179,465
Reconciliations	-	-	-	-	-	-	-	-	-	-	-
Total amount recognized in balance sheet	1,845	2,321	13,500	4,731	17,051	18,573	76,472	106,227	412,424	1,216,236	2,179,465

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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 September 30, 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.
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As of September 30, 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

- c) For the nine months ended September 30, 2025 and 2024, the reinsurance premium expenses for unauthorized reinsurance in the Company were all \$0.
- d) The principal summary of amounts and component items of unauthorized reinsurance reserve in the Company were as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Claims recoverable from reinsurers of paid claims overdue in nine months	\$ 18	-	-
Claims recoverable from reinsurers reported but unpaid	-	92	92
Total unauthorized reinsurance reserve	\$ 18	92	92

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.

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

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.

(u) Financial instruments

(i) Credit risk

1) Credit risk exposure

Maximum credit risk exposure was as follows:

	September 30, 2025	December 31, 2024	September 30, 2024
Cash and cash equivalents	\$ 3,722,046	3,132,839	4,246,014
Receivables	1,010,061	653,103	951,629
Financial assets at fair value through profit or loss	1,174,485	2,541,497	1,862,327
Financial assets at fair value through other comprehensive income	3,208,937	2,878,010	2,586,420
Financial assets at amortized cost	3,919,863	3,063,738	2,712,210
Other financial assets	2,859,800	2,515,758	2,252,200
Reinsurance contract assets	488,032	662,301	457,075
Other assets	417,285	518,336	567,892
Total	\$ 16,800,509	15,965,582	15,635,767

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 September 30, 2025, December 31 and September 30, 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:

September 30, 2025					
	Not overdue	Overdue under 90 days	Overdue for 91-270 days	Overdue 271 over days	Total
Notes receivable:					
Expected credit loss rate	0.03%	100%	100%	100%	
Carrying amount	\$ 256,135	-	-	-	256,135
Expected credit loss amount	72	-	-	-	72
Premiums receivable:					
Expected credit loss rate	1.90%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$ 510,015	87,986	29,447	1,280	628,728
Expected credit loss amount	9,694	4,142	1,820	1,280	16,936
Other receivables:					
Carrying amount	\$ 141,946	2,832	1,427	40,894	187,099
Expected credit loss amount	1,209	1,367	1,423	40,894	44,893
December 31, 2024					
	Not overdue	Overdue under 90 days	Overdue for 91- 270 days	Overdue 271 over days	Total
Notes receivable:					
Expected credit loss rate	0.05%	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

September 30, 2024					
	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	\$ 282,117	-	-	-	282,117
Expected credit loss amount	150	-	-	-	150
Premiums receivable:					
Expected credit loss rate	0.66%	2%~10%	2%~10%	10%~100%	
Carrying amount	\$ 417,642	85,712	38,465	1,120	542,939
Expected credit loss amount	2,772	3,177	2,026	1,120	9,095
Other receivables:					
Carrying amount	\$ 136,122	2,583	3,463	39,224	181,392
Expected credit loss amount	1,442	1,445	3,463	39,224	45,574

3) The movement in loss allowance

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

	For the nine months ended September 30, 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.	Total
Beginning balance	\$ 127	-	-	127	-	127
Changes due to financial instruments recongized as at beginning :						
— Financial assets that have been derecognized during the period	(127)	-	-	(127)	-	(127)
Ending balance	\$ -	-	-	-	-	-

(Continued)

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

	For the nine months ended September 30, 2024					
					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	\$ -	-	-	-	-	-
New financial assets originated or purchased	78	-	-	78	-	78
Ending balance	\$ 78	-	-	78	-	78

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

For the nine months ended September 30, 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.	Total
Beginning balance	\$ 1,718	1,641	-	3,359	-	3,359
Changes	415	45	-	460	-	460
Ending balance	\$ 2,133	1,686	-	3,819	-	3,819

For the nine months ended September 30, 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.	Total
Beginning balance	\$ 1,723	2,859	-	4,582	-	4,582
Changes	222	79	-	301	-	301
Ending balance	\$ 1,945	2,938	-	4,883	-	4,883

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

4) The information of credit quality

September 30, 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 amortized cost (including statutory deposit)	\$ 4,093,885	-	-	4,093,885	170,000	-	-	170,000	-	3,819	4,260,066
Total	<u>\$ 4,093,885</u>	<u>-</u>	<u>-</u>	<u>4,093,885</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>3,819</u>	<u>4,260,066</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>

September 30, 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	\$ 469,888	-	-	469,888	-	-	-	-	-	-	469,888
Financial assets at amortized cost (including statutory deposit)	2,944,351	-	-	2,944,351	170,000	-	-	170,000	-	4,883	3,109,468
Total	<u>\$ 3,414,239</u>	<u>-</u>	<u>-</u>	<u>3,414,239</u>	<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>-</u>	<u>4,883</u>	<u>3,579,356</u>

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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.

September 30, 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	\$ 29,072	29,072	27,643	52	55	1,322
Commissions payable	246,154	246,154	246,154	-	-	-
Due to ceding companies	611,805	611,805	609,070	-	-	2,735
Other payables	370,843	370,843	204,843	156,000	10,000	-
Lease liabilities	24,313	24,866	4,009	7,863	3,697	9,297
Other liabilities						
Guarantee deposits received	10,133	10,133	261	130	7	9,735
Total	\$ 1,292,320	1,292,873	1,091,980	164,045	13,759	23,089
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

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

September 30, 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	\$ 26,257	26,257	24,902	94	133	1,128
Commissions payable	262,407	262,407	262,407	-	-	-
Due to ceding companies	791,490	791,490	719,181	54,791	11,809	5,709
Other payables	367,824	367,824	197,311	156,502	14,000	11
Lease liabilities	15,543	15,905	4,116	4,531	1,251	6,007
Other liabilities						
Guarantee deposits received	10,011	10,011	89	152	124	9,646
Total	<u>\$ 1,473,532</u>	<u>1,473,894</u>	<u>1,208,006</u>	<u>216,070</u>	<u>27,317</u>	<u>22,501</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:

	September 30, 2025	December 31, 2024	September 30, 2024
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 7,024	25,491	19,761
EUR	73	99	84
JPY	35	35	35
HKD	99	30	30
KRW	1	4	-
CNY	8	33	37
GBP	24	34	34
THB	42	10	10
<u>Non-Monetary items</u>			
USD	-	5,498	4,625
<u>Financial liability</u>			
<u>Monetary items</u>			
USD	4,106	2,480	4,987

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

Important rate:

	Rates		
	September 30, 2025	December 31, 2024	September 30, 2024
USD	\$ 30.45	32.79	31.65
EUR	35.77	34.14	35.38
JPY	0.2058	0.2099	0.2223
HKD	3.91	4.22	4.08
KRW	0.0219	0.0225	0.0243
CNY	4.27	4.48	4.52
GBP	40.97	41.19	42.43
THB	0.9466	0.9623	0.9868

2) Sensitivity analysis

As of September 30, 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:

	September 30, 2025	September 30, 2024
USD(increases 1%)	\$ 711	4,912
EUR(increases 1%)	21	24
HKD(increases 1%)	3	1
GBP(increases 1%)	8	12
CNY(increases 1%)	-	1

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 September 30, 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		
	September 30, 2025	December 31, 2024	September 30, 2024
Variable interest rate instrument:			
Time deposit	\$ 1,139,000	1,405,000	1,348,000

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:

	September 30, 2025	December 31, 2024	September 30, 2024
Increase 10 basis points	\$ 1,139	1,405	1,348
Decrease 10 basis points	(1,139)	(1,405)	(1,348)

(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:

		September 30, 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)
Repeatability fair value measurement				
<u>Non-derivative financial assets</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 74,048	74,048	-	-
Real estate investment trust beneficiary certificates	280,828	280,828	-	-
Stocks	819,609	819,609	-	-
Financial assets at fair value through other comprehensive income				
Stocks	3,208,937	3,195,329	-	13,608
		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)
Repeatability fair value measurement				
<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

	September 30, 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			
Repeatable fair value measurement				
<u>Non-derivative financial assets</u>				
Financial assets at fair value through profit or loss				
Beneficiary certificates	\$ 407,390	407,390	-	-
Real estate investment trust beneficiary certificates	303,332	303,332	-	-
Stocks	1,151,605	1,151,605	-	-
Financial assets at fair value through other comprehensive income				
Stocks	2,116,532	2,101,874	-	14,658
Bonds	469,888	-	469,888	-

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 nine months ended September 30, 2025 and 2024.

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

For the nine months ended September 30, 2025							
Name	Balance at the beginning of the year	Gains and losses on valuation		Increase		Decrease	
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3
Financial assets at fair value through other comprehensive income	\$ 14,322	-	(714)	-	-	-	-
							Balance at the end of the year
							13,608

For the nine months ended September 30, 2024							
Name	Balance at the beginning of the year	Gains and losses on valuation		Increase		Decrease	
		Recognized in profit or loss	Recognized in other comprehensive income	Purchase or issue	Transferred from Level 3	Sale, disposal or settlement	Transferred out Level 3
Financial assets at fair value through other comprehensive income	\$ 14,658	-	-	-	-	-	-
							Balance at the end of the year
							14,658

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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 an active market include multiple significant unobservable inputs. Those unobservable inputs of equity instrument without active market are independent from each other, thus, they are not correlative. Since the correlation between significant unobservable inputs and fair value cannot be fully measured in practical, the quantified information is not disclosed.

<u>Items</u>	<u>Evaluation</u>	<u>significant unobservable inputs</u>	<u>relationship between significant unobservable inputs and the fair value</u>
Financial assets at fair value through other comprehensive income - equity instruments without an active market	Market method	<ul style="list-style-type: none"> · Price to Book Ratio · Discount for lack of marketability 	<ul style="list-style-type: none"> · The higher price to book ratio is, the higher fair value is. · The higher discount for lack of marketability is, the lower the fair value is.

- f) Fair value measurement to Level 3, and the sensitivity analysis of the substitutable appropriate assumption made on fair value

The fair value measurement that the Company made for the financial instruments is deemed reasonable; however, different valuation models or inputs could result in different valuation results. Specifically, if the valuation input of financial instruments classified in the Level 3 changes by 1%, the effects on other comprehensive income are as follows:

	<u>Change in fair value recognized in other comprehensive income before tax</u>	
	<u>Favorable</u>	<u>Unfavorable</u>
September 30, 2025		
Financial assets fair value through other comprehensive income	\$ <u>136</u>	<u>(136)</u>
December 31, 2024		
Financial assets fair value through other comprehensive income	\$ <u>143</u>	<u>(143)</u>
September 30, 2024		
Financial assets fair value through other comprehensive income	\$ <u>147</u>	<u>(147)</u>

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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
September 30, 2025		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	\$ 4,260,066	4,235,338
Investment Property	858,737	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
September 30, 2024		
Financial assets		
Financial assets at amortized cost (included statutory deposits)	3,109,468	3,080,651
Investment Property	873,883	1,886,325

2) Fair value information

September 30, 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)	4,235,338	-	4,235,338	-
Investment property	1,938,755	-	-	1,938,755

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UNION INSURANCE CO., LTD.
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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

September 30, 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)	3,080,651	-	3,080,651	-
Investment property	1,886,325	-	-	1,886,325

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 nine months ended September 30, 2025 and 2024.

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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 September 30, 2025, December 31 and September 30, 2024, were as follows:

<u>September 30, 2025</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ <u>280,828</u>
Total assets possessed by the company	\$ <u>280,828</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>290,284</u>

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<u>September 30, 2024</u>	<u>Asset securitization products-REITS</u>
Assets possessed by the Company	
— Financial assets at fair value through profit or loss	\$ <u>303,332</u>
Total assets possessed by the company	\$ <u><u>303,332</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 nine months ended September 30, 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 parties 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

(Continued)

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

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Want Pu Trading Limited, Taiwan Branch (B.V.I)	Substantive related party
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
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 September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Short-term employee benefits	\$ 14,824	14,023	44,009	40,458
Short-term employee benefits-paid leave	72	55	1,557	1,395
Post-employment benefits	307	301	910	900
Total	<u>\$ 15,203</u>	<u>14,379</u>	<u>46,476</u>	<u>42,753</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 September 30,	
	2025	2024
	Amount	Amount
Written premium		
Other related parties	\$ 14,656	14,081
Key management personnel	145	146
Total	<u>\$ 14,801</u>	<u>14,227</u>

	For the nine months ended September 30,	
	2025	2024
	Amount	Amount
Written premium		
Other related parties	\$ 19,659	18,804
Key management personnel	615	614
Total	<u>\$ 20,274</u>	<u>19,418</u>

2) Account receivables

	September 30,	December 31,	September 30,
	2025	2024	2024
	Amount	Amount	Amount
Premiums receivable:			
Other related parties	\$ 238	642	4,133
Key management personnel	52	1	57
Total	<u>\$ 290</u>	<u>643</u>	<u>4,190</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 September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Other related parties	<u>\$ 1,844</u>	<u>1,060</u>	<u>6,719</u>	<u>5,998</u>

(Continued)

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

(8) Pledged assets:

As of September 30, 2025, December 31 and September 30, 2024, the assets pledged or guaranteed were as follows:

Pledged Assets	September 30, 2025	December 31, 2024	September 30, 2024	Purpose of pledge
Other financial assets - Time deposit	\$ -	-	47,000	Guarantee for the insurance business
Financial assets at amortized cost	340,203	397,136	397,258	Guarantee for operating business, suit, and contract performance
Total	<u>\$ 340,203</u>	<u>397,136</u>	<u>444,258</u>	

(9) Commitments and contingencies:

- (a) The Company had several significant insurance lawsuits and was required to pay indemnities of \$141,685, of which approximately \$96,982 were reinsured. The remain had been accrued. These cases have not been resolved with District Court of Appeal as of September 30, 2025.
- (b) In order to improve computer equipment and IT systems, the Company is in contract with several IT companies. As of September 30, 2025, there is \$52,105 unpaid.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(Continued)

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

(12) Other:

(a) A summary of employee benefits, depreciation and amortization:

	For the three months ended September 30,					
Function Nature	2025			2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employees Benefits:						
Salaries	100,482	214,205	314,687	98,515	216,019	314,534
Labor and health insurance	-	22,694	22,694	-	21,466	21,466
Pension	-	10,733	10,733	-	10,596	10,596
Remuneration of directors	-	4,893	4,893	-	4,213	4,213
Others	-	14,157	14,157	-	13,864	13,864
Depreciation	1,199	14,655	15,854	1,214	12,496	13,710
Amortization	-	10,661	10,661	-	9,404	9,404

	For the nine months ended September 30,					
Function Nature	2025			2024		
	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employees Benefits:						
Salaries	315,414	638,241	953,655	319,344	632,259	951,603
Labor and health insurance	-	71,239	71,239	-	67,664	67,664
Pension	-	33,944	33,944	-	31,128	31,128
Remuneration of directors	-	14,862	14,862	-	12,377	12,377
Others	-	42,536	42,536	-	38,729	38,729
Depreciation	3,596	42,974	46,570	3,704	34,614	38,318
Amortization	-	31,971	31,971	-	25,574	25,574

(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 September 30, 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	\$ 221,320	73,665	92,990	201,995	(1,997)	203,992
Non-compulsory insurance	3,132,222	25,738	998,123	2,159,837	(62,934)	2,222,771
Total	<u>\$ 3,353,542</u>	<u>99,403</u>	<u>1,091,113</u>	<u>2,361,832</u>	<u>(64,931)</u>	<u>2,426,763</u>

For the three months ended September 30, 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	\$ 227,522	75,802	95,470	207,854	(1,060)	208,914
Non-compulsory insurance	3,282,824	40,582	1,024,300	2,299,106	20,516	2,278,590
Total	<u>\$ 3,510,346</u>	<u>116,384</u>	<u>1,119,770</u>	<u>2,506,960</u>	<u>19,456</u>	<u>2,487,504</u>

For the nine months ended September 30, 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	\$ 673,258	223,484	282,269	614,473	(3,980)	618,453
Non-compulsory insurance	10,276,080	78,195	3,129,230	7,225,045	388,539	6,836,506
Total	<u>\$ 10,949,338</u>	<u>301,679</u>	<u>3,411,499</u>	<u>7,839,518</u>	<u>384,559</u>	<u>7,454,959</u>

For the nine months ended September 30, 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	\$ 688,422	226,985	288,574	626,833	(2,340)	629,173
Non-compulsory insurance	9,927,511	125,775	3,053,638	6,999,648	536,896	6,462,752
Total	<u>\$ 10,615,933</u>	<u>352,760</u>	<u>3,342,212</u>	<u>7,626,481</u>	<u>534,556</u>	<u>7,091,925</u>

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

For the three months ended September 30, 2025				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 152,205	67,968	90,120	130,053
Non-compulsory insurance	1,271,432	12,349	218,886	1,064,895
Total	<u>\$ 1,423,637</u>	<u>80,317</u>	<u>309,006</u>	<u>1,194,948</u>

(Continued)

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

For the three months ended September 30, 2024				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 161,114	74,963	95,894	140,183
Non-compulsory insurance	1,175,781	32,150	204,507	1,003,424
Total	<u>\$ 1,336,895</u>	<u>107,113</u>	<u>300,401</u>	<u>1,143,607</u>
For the nine months ended September 30, 2025				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 421,637	206,864	251,924	376,577
Non-compulsory insurance	3,996,229	226,690	1,190,976	3,031,943
Total	<u>\$ 4,417,866</u>	<u>433,554</u>	<u>1,442,900</u>	<u>3,408,520</u>
For the nine months ended September 30, 2024				
Item	Claims (included related expenses) (1)	Reinsurance claims (2)	Claims recovered from reinsurers (3)	Retained claim payment (4)=(1)+(2)-(3)
Compulsory insurance	\$ 445,032	220,615	265,307	400,340
Non-compulsory insurance	3,590,063	50,761	663,793	2,977,031
Total	<u>\$ 4,035,095</u>	<u>271,376</u>	<u>929,100</u>	<u>3,377,371</u>

(Continued)

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

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

For the nine months ended September 30, 2025

Type	Beginning	Provision	Recovery	Ending	Note
Unearned premium reserve					
Compulsory automobile liability insurance	\$ 382,123	375,875	382,123	375,875	
Compulsory motorcycle liability insurance	126,458	124,405	126,458	124,405	
Compulsory mini electric two-wheel vehicle liability insurance	3,942	4,562	3,942	4,562	
Special reserve					
Compulsory automobile liability insurance	(170,333)	57,372	-	(112,961)	
Compulsory motorcycle liability insurance	345,763	17,529	-	363,292	
Compulsory mini electric two-wheel vehicle liability insurance	705	68	-	773	
Claim reserve					
Compulsory automobile liability insurance	646,446	592,338	646,446	592,338	
Compulsory motorcycle liability insurance	162,046	153,455	162,046	153,455	
Compulsory mini electric two-wheel vehicle liability insurance	1,737	2,258	1,737	2,258	
Total	\$ 1,498,887	1,327,862	1,322,752	1,503,997	

(Continued)

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

For the nine months ended September 30, 2024

Type	Beginning	Provision	Recovery	Ending	Note
Unearned premium reserve					
Compulsory automobile liability insurance	\$ 389,897	383,367	389,897	383,367	
Compulsory motorcycle liability insurance	126,834	126,822	126,834	126,822	
Compulsory mini electric two-wheel vehicle liability insurance	2,289	2,821	2,289	2,821	
Special reserve					
Compulsory automobile liability insurance	(185,237)	24,957	-	(160,280)	
Compulsory motorcycle liability insurance	320,178	17,986	-	338,164	
Compulsory mini electric two-wheel vehicle liability insurance	318	198	-	516	
Claim reserve					
Compulsory automobile liability insurance	621,470	604,729	621,470	604,729	
Compulsory motorcycle liability insurance	167,415	171,355	167,415	171,355	
Compulsory mini electric two-wheel vehicle liability insurance	614	1,270	614	1,270	
Total	\$ 1,443,778	1,333,505	1,308,519	1,468,764	

(Continued)

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	
	September 30, 2025	September 30, 2024		September 30, 2025	September 30, 2024
<u>Asset</u>			<u>Liabilities</u>		
Cash and cash in bank	\$ 951,305	889,284	Claims payable	\$ 5,961	554
Notes receivable	5,688	5,930	Due to reinsurers and ceding companies	58,865	61,351
Premiums receivable	5,960	6,281	Unearned premium reserve	504,842	513,010
Claim recoverable from reinsurers	46,385	47,435	Claims reserve	748,051	777,354
Due from reinsurers and ceding companies	49,488	50,035	Special reserve	251,104	178,400
Ceded unearned premium reserve	204,696	208,681			
Ceded claims reserve	304,820	322,848			
Temporary payments	481	175			
Total assets	\$ 1,568,823	1,530,669	Total liabilities	\$ 1,568,823	1,530,669

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

Item	For the nine months ended September 30,	
	2025	2024
Operating revenue	417,841	423,366
Pure premium	470,400	480,933
Reinsurance premium	223,484	226,985
Premium	693,884	707,918
Less: Reinsurance expense	(282,269)	(288,574)
Net change in unearned premium reserve	3,980	2,340
Retained earned premium	415,595	421,684
Interest income	2,246	1,682
Operating costs	426,371	440,671
Insurance claim payment	421,637	445,032
Reinsurance claim payment	206,864	220,615
Less: Claim recovered from reinsurers	(251,924)	(265,307)
Retained claim payment	376,577	400,340
Net change in claim reserve	(25,175)	(2,810)
Net change in special reserve	74,969	43,141

(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	September 30, 2025		Total
	Within 12 months	Over 12 months	
Cash and cash equivalents	\$ 3,722,046	-	3,722,046
Receivables	1,010,061	-	1,010,061
Financial assets at fair value through profit or loss	1,174,485	-	1,174,485
Financial assets at fair value through other comprehensive income	-	3,208,937	3,208,937
Financial assets at amortized cost	49,973	3,869,890	3,919,863
Other financial assets	2,839,800	20,000	2,859,800
Right-of-use assets	-	24,149	24,149
Investment property	-	858,737	858,737
Reinsurance assets	5,992,867	831,938	6,824,805
Property and equipment	-	1,482,078	1,482,078
Intangible assets	-	182,258	182,258
Other assets	-	435,912	435,912
Total assets	\$ 14,789,232	10,913,899	25,703,131

Liabilities	September 30, 2025		Total
	Within 12 months	Over 12 months	
Accounts payable	\$ 1,253,817	4,057	1,257,874
Current tax liabilities	56,178	-	56,178
Insurance liabilities	15,000,309	1,627,884	16,628,193
Provisions	-	69,356	69,356
Lease liabilities	15,124	9,189	24,313
Deferred tax liabilities	-	62,700	62,700
Other liabilities	16,321	9,735	26,056
Total liabilities	\$ 16,341,749	1,782,921	18,124,670

(Continued)

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	September 30, 2024		
	Within 12 months	Over 12 months	Total
Cash and cash equivalents	\$ 4,246,014	-	4,246,014
Receivables	951,629	-	951,629
Current tax assets	7,234	-	7,234
Financial assets at fair value through profit or loss	1,862,327	-	1,862,327
Financial assets at fair value through other comprehensive income	-	2,586,420	2,586,420
Financial assets at amortized cost	-	2,712,210	2,712,210
Other financial assets	2,252,200	-	2,252,200
Right-of-use assets	-	15,375	15,375
Investment property	-	873,883	873,883
Reinsurance assets	4,595,299	794,988	5,390,287
Property and equipment	-	1,470,023	1,470,023
Intangible assets	-	201,414	201,414
Other assets	47,000	562,896	609,896
Total assets	\$ 13,961,703	9,217,209	23,178,912

Liabilities	September 30, 2024		
	Within 12 months	Over 12 months	Total
Accounts payable	\$ 1,441,130	6,848	1,447,978
Current tax liabilities	96,666	-	96,666
Insurance liabilities	13,062,581	1,428,229	14,490,810
Provisions	-	98,674	98,674
Lease liabilities	9,654	5,889	15,543
Deferred tax liabilities	-	63,920	63,920
Other liabilities	19,303	9,646	28,949
Total liabilities	\$ 14,629,334	1,613,206	16,242,540

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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 nine months ended September 30, 2025 and 2024, the influence for not applying the notification on net income, liabilities, and equity of the Company resulted in an increase of \$62,678, an decrease of \$13,440, a decrease of \$62,678, a increase of \$13,440, an increase of \$62,678, an decrease of \$13,440, respectively. The influence on the Company for not applying the notification resulted in the EPS (NT dollars) by an increase of \$0.28 and a decrease of \$0.06, 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.

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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.