IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular (the "**Offering Circular**"). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Issuer, the Guarantor (each as defined in the attached Offering Circular) or from BNP PARIBAS, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, J.P. Morgan Securities Asia Private Limited Natixis Singapore Branch and UBS AG Singapore Branch (together, the "**Managers**") as a result of such access. In order to review the attached Offering Circular or make an investment decision with respect to the securities, you must be located outside the United States.

Confirmation of Your Representation: The attached Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to the Issuer, the Guarantor and the Managers that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"); (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; and (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either (i) an institutional investor as defined under Section 4A(1) of the Securities and Futures Act 2001 of Singapore (as amended or modified from time to time, the "**SFA**") or (ii) an accredited investor as defined under Section 4A(1) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Managers, the Trustee (as defined in the attached Offering Circular) and the Agents (as defined in the attached Offering Circular) or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. The Managers will provide a hard copy version to you upon request.

Restrictions: The attached Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

THE SECURITIES AND THE GUARANTEE OF THE SECURITIES DESCRIBED IN THE ATTACHED OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE SECURITIES AND THE GUARANTEE OF THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY TO INVESTORS WHO ARE PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

Except with respect to eligible investors in jurisdictions where such offer or invitation is permitted by law, nothing in this electronic transmission constitutes, nor may be used in connection with, an offer or an invitation by or on behalf of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, representatives, agents, affiliates or advisers or any person who controls any of them to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Manager or any affiliate of the Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward the attached Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this electronic transmission, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ACKNOWLEDGE THAT THE ATTACHED OFFERING CIRCULAR AND THE INFORMATION CONTAINED THEREIN ARE STRICTLY CONFIDENTIAL AND INTENDED FOR YOU ONLY. YOU ARE NOT AUTHORISED TO AND YOU MAY NOT DELIVER, DISTRIBUTE OR FORWARD THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE THE ATTACHED OFFERING CIRCULAR IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

SHIN KONG LIFE SINGAPORE PTE. LTD.

(incorporated in Singapore with limited liability)
(Company registration number: 202520968W)

U.S.$400,000,000
6.95 per cent. Tier 2 Subordinated Dated Capital Bonds due 2035
irrevocably and unconditionally guaranteed by

SHIN KONG LIFE INSURANCE CO., LTD.

(incorporated in Taiwan, the Republic of China with limited liability)

(as Guarantor)

Issue Price: 99.023 per cent.

U.S.$400,000,000 6.95 per cent. in an initial aggregate principal amount of Tier 2 subordinated dated capital bonds due 2035 (the "**Bonds**") will be issued by SHIN KONG LIFE SINGAPORE PTE. LTD. (the "**Issuer**") and will be irrevocably and unconditionally guaranteed on a subordinated basis (the "**Guarantee of the Bonds**") by Shin Kong Life Insurance Co., Ltd. (the "**Guarantor**" or "**Company**"). The Issuer is a wholly-owned subsidiary of the Guarantor.

The Bonds will be constituted by and have the benefit of a trust deed (as amended and/or supplemented from time to time, the "**Trust Deed**") dated 26 June 2025 (the "**Issue Date**") between the Issuer, the Guarantor and The Hongkong and Shanghai Banking Corporation Limited (the "**Trustee**").

The Bonds will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer which rank *pari passu* in right of payment and without any preference among themselves. Subject to and to the extent permitted by the insolvency laws of Singapore and any other applicable laws, in the event of the Winding-Up of the Issuer, the rights and claims of the holders of the Bonds (the "**Bondholders**", or "**Holders**", and each, a "**Bondholder**" or a "**Holder**") in respect of payment of principal and interest on the Bonds will be expressly subordinated in right of payment to the prior payments in full of all present and future claims of all Senior Creditors (as defined in the terms and conditions of the Bonds (the "**Terms and Conditions of the Bonds**")), but shall rank *pari passu* in right of payment with each other and to the present and future claims of the holders of any other Parity Obligations (as defined in Terms and Conditions of the Bonds) of the Issuer and in priority in right of payment to the present and future claims of the holders of any share capital of the Issuer (including Ordinary Shares (as defined in Terms and Conditions of the Bonds) and Preferred Shares (as defined in Terms and Conditions of the Bonds)) and any other Junior Obligations of the Issuer. See "*Terms and Conditions of the Bonds – Status*".

The Guarantee of the Bonds will constitute a direct, unconditional, unsecured and subordinated obligation of the Guarantor. Subject to the insolvency laws of the ROC, in the event of the Winding-Up of the Guarantor, the rights and claims of the Bondholders in respect of the Guarantee of the Bonds will be subordinated in right of payment to the present and future claims of all Senior Creditors, but shall rank *pari passu* in right of payment to the present and future claims of the holders of any Parity Obligations of the Guarantor and in priority in right of payment to the present and future claims of the holders of any share capital of the Guarantor (including Ordinary Shares and Preferred Shares of the Guarantor) and any other Junior Obligations of the Guarantor. See "*Terms and Conditions of the Bonds – Status*".

The Bonds confer a right to receive interest from the Issue Date at 6.95 per cent. per annum (the "**Rate of Interest**") payable semi-annually in equal instalments in arrear on 26 June and 26 December of each year (each, an "**Interest Payment Date**"), with the first Interest Payment Date falling on 26 December 2025.

The Bonds, unless previously redeemed, purchased and cancelled as provided in Condition 5 of the Terms and Conditions of the Bonds, shall be finally redeemed on 26 June 2035 (the "**Maturity Date**") in whole, but not in part, at their outstanding principal amount together with interest accrued to (but not including) the Maturity Date.

Subject to satisfaction of the Redemption Conditions (as defined in the Terms and Conditions of the Bonds), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but not including) the date fixed for redemption) (i) upon the occurrence of Tax Withholding Event, as described under "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Redemption for Taxation Reasons*", (ii) upon the occurrence of a Tax Deduction Event, as described under "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Redemption for Tax Deduction Reasons*", (iii) upon the occurrence of a Minimal Outstanding Amount Event, as described under "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Minimal Outstanding Amount Redemption*" or (iv) upon the occurrence of a Regulatory Capital Event, as described under "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Regulatory Event Redemption*".

If a Merger Event (as defined in the Terms and Conditions of the Bonds) occurs, the Issuer shall, without the consent of the Bondholders, agree to the substitution of the Substituted Obligor in place of the Guarantor as if the Substituted Obligor (as defined in the Terms and Conditions of the Bonds) as the guarantor of the Bonds, as described under "*Terms and Conditions of the Bonds – Substitution or Variation*". For further description of the Merger Event, see "*Recent Development – Strategic Merger with Taishin Financial*".

Investing in the Bonds involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and the merits and risks of investing in the Bonds in the context of their financial condition and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in the Bonds. Investors should not purchase the Bonds unless they understand and are able to bear risks associated with the Bonds. See "Risk Factors" for a discussion of certain factors to be considered in connection with an investment in the Bonds.

The Bonds will be issued in registered form and in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The Bonds and the Guarantee of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold with in the United States. The Bonds and the Guarantee of the Bonds are being offered in offshore transactions outside the United States in reliance on Regulation S of the Securities Act ("**Regulation S**"). For a description of these and certain further restrictions on offers and sales of the Bonds and the Guarantee of the Bonds and distribution of this Offering Circular, see "*Subscription and Sale*".

The Bonds are expected to be rated "BBB" by S&P Global Ratings, a division of S&P Global Inc. ("**S&P**"). The Guarantor currently has the Financial Strength Rating and the Issuer Credit Rating of "BBB+ (Negative)" from S&P, the Insurance Financial Strength Rating of "Baa2 (Positive)" from Moody's Investors Service, Inc. ("**Moody's**") and the Insurer Financial Strength Rating of "BBB (Rating Watch Evolving)" and the Issuer Default Rating of "BBB- (Rating Watch Evolving)" from Fitch Ratings Ltd. ("**Fitch**"). Such ratings do not constitute a recommendation to buy, sell or hold the Bonds and may be subject to revision, qualification, suspension or withdrawal at any time by the assigning rating organisation. A revision, qualification, suspension or withdrawal of any rating assigned to the Bonds may adversely affect the market price of the Bonds. Each such rating should be evaluated independently of any other rating of the Bonds, the Issuer's or the Guarantor's other securities or of the Issuer or the Guarantor.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in this Offering Circular. Approval in-principle for the listing and quotation of the Bonds is not to be taken as an indication of the merits of the Issuer, the Guarantor, any of their subsidiaries, their associated companies or the Bonds.

The Bonds will initially be represented by beneficial interests in a global certificate (the "**Global Certificate**") in registered form which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, certificates for the Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

BNP PARIBAS **HSBC** **J.P. Morgan** **Natixis**

Joint Bookrunners and Joint Lead Managers

UBS

Offering Circular dated 17 June 2025

NOTICE TO INVESTORS

Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their advisers.

THIS OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION.

Each of the Issuer and the Guarantor is responsible for the accuracy and completeness of the information in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all material information with respect to the Issuer, the Guarantor, any of their respective subsidiaries (together, the "**Group**") as a whole and the Bonds (including all information which, according to the particular nature of the Issuer, the Guarantor, the Group as a whole and of the Bonds and the Guarantee of the Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, the Guarantor, the Group as a whole and of the rights attaching to the Bonds; (ii) this Offering Circular does not, contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; (iii) the statements relating to the Issuer, the Guarantor, the Group, Taishin Life Insurance Co., Ltd. ("**Taishin Life**") and the merger between the Guarantor and Taishin Life and to the Bonds and the Guarantee are in every material particular true and accurate and not misleading, and that there are no other facts in relation to the Issuer, the Guarantor, the Group as a whole and the Bonds and the Guarantee the omission of which would in the context of the offering and the issue of the Bonds make any statement and/or any other material misleading in any material respect; (iv) the statements of intention, opinion, belief or expectation expressed in this Offering Circular with regard to the Issuer, the Guarantor, and the Group are honestly held and reasonably made or held and (v) all reasonable enquiries have been made by the Issuer and the Guarantor to ascertain such facts and to verify the accuracy of all such information and statements.

Each of the Issuer and the Guarantor has prepared this Offering Circular solely for use in connection with the proposed offering of the Bonds and giving of the Guarantee of the Bonds described in this Offering Circular. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, BNP PARIBAS, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, J.P. Morgan Securities Asia Private Limited, Natixis Singapore Branch and UBS AG Singapore Branch (together, the "**Managers**", and each, a "**Manager**") to subscribe for or purchase any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the Guarantee of the Bonds, and the circulation of documents relating thereto, in certain jurisdictions and to persons connected therewith. For a description of certain further restrictions on offers and sales of the Bonds and distribution of this Offering Circular, see *"Subscription and Sale"*.

By purchasing the Bonds, investors are deemed to have represented and agreed to all of those provisions contained in that section of this Offering Circular. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to subscribe for, or otherwise acquire, the Bonds. Distribution of this Offering Circular to any person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorised. Each prospective investor, by accepting delivery of this Offering Circular, is deemed to have agreed to the foregoing and to make no photocopies of this Offering Circular or any documents referred to in this Offering Circular.

No person has been or is authorised to give any information or to make any representation concerning the Issuer, the Guarantor, the Group, the Bonds or the Guarantee of the Bonds other than as contained herein and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers, the Trustee or the Agents (as defined in the Terms and Conditions of the Bonds) or their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them. Neither the delivery of this Offering Circular nor any offering, sale or delivery made in connection with the issue of the Bonds shall, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in the affairs of the Issuer, the

Guarantor or the Group since the date hereof or create any implication that the information contained herein is correct as at any date subsequent to the date hereof. This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them to subscribe for or purchase the Bonds and may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful.

This Offering Circular is being furnished by the Issuer and the Guarantor in connection with the offering of the Bonds and is exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider purchasing the Bonds. Investors must not use this Offering Circular for any other purpose, make copies of any part of this Offering Circular or give a copy of it to any other person, or disclose any information in this Offering Circular to any other person. The information contained in this Offering Circular has been provided by the Issuer and the Guarantor and other sources identified in this Offering Circular. Any reproduction or distribution of this Offering Circular, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than the consideration of an investment in the Bonds offered by this Offering Circular is prohibited. By accepting delivery of this Offering Circular, each investor is deemed to have agreed to these restrictions.

None of the Managers, the Trustee, the Agents or any of their respective directors, officers, employees, affiliates, representatives, agents or advisers or any person who controls any of them has independently verified the information contained in this Offering Circular. Nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Managers, the Trustee, the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them.

This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by any of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them that any recipient of this Offering Circular should purchase the Bonds.

Each person receiving this Offering Circular acknowledges that (i) such person has been afforded an opportunity to request from the Issuer and the Guarantor and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein, (ii) such person has not relied on the Managers or any person affiliated with them in connection with any investigation of the accuracy of such information or its investment decision, and (iii) no person has been authorised to give any information or to make any representation concerning the Issuer, the Guarantor or the Bonds (other than as contained herein and information given by duly authorised officers and employees of the Issuer and the Guarantor in connection with investors' examination of the Issuer and the Guarantor and the terms of the offering of the Bonds) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them.

Each person receiving this Offering Circular acknowledges that it has not relied on the Managers, the Trustee, the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them in connection with its investigation of the accuracy of such information or its investment decision, and each such person must rely on its own examination of the Issuer, the Guarantor and the Group, and the merits and risks involved in investing in the Bonds. See *"Risk Factors"* for a discussion of certain factors to be considered in connection with an investment in the Bonds.

To the fullest extent permitted by law, none of the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them accepts any responsibility for the contents of this Offering Circular and assumes any responsibility for the contents, accuracy, completeness or sufficiency of any such information or for any other statement, made or purported to be made by the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them or on their behalf in connection with the Issuer, the Guarantor, the Group or the issue and offering of the Bonds or the giving of the Guarantee of the Bonds. Each of the Managers, the Trustee and the Agents and each of their respective affiliates, officers, employees, agents, representatives, directors and advisers or any person who controls any of them accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might

otherwise have in respect of this Offering Circular or any such statement. None of the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them undertakes to review the results of operations, financial condition or affairs of the Issuer, the Guarantor or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or prospective investor in the Bonds of any information coming to the attention of the Managers, the Trustee or the Agents or any of their respective affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them.

IN CONNECTION WITH THE ISSUE OF THE BONDS, ANY OF THE MANAGERS APPOINTED AND ACTING IN ITS CAPACITY AS STABILISATION MANAGER (THE "STABILISATION MANAGER(S)") OR ANY PERSON ACTING ON BEHALF OF THE STABILISATION MANAGER(S) MAY, SUBJECT TO ALL APPLICABLE LAWS AND DIRECTIVES, OVER-ALLOT THE BONDS AND EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER(S) (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

In connection with the offering of the Bonds, the Managers and/or their respective affiliates may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. These entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer and the Guarantor and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Managers and/or their respective affiliates as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Prospective investors should not construe anything in this Offering Circular as legal, business or tax advice. Each prospective investor should determine for itself the relevance of the information contained in this Offering Circular and consult its own legal, business and tax advisers as needed to make its investment decision and determine whether it is legally able to purchase the Bonds under applicable laws or regulations.

The contents of this Offering Circular have not been reviewed by any regulatory authority in the ROC, Hong Kong, Singapore or elsewhere. Investors are advised to exercise caution in relation to the offer. If any investor is in any doubt about any of the contents of this document, that investor should obtain independent professional advice.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors: Prospective investors should be aware that certain intermediaries in the context of this offering of the Bonds, including certain Managers, are "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors.

Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Manager when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Managers and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

Industry and Market Data

Market data and certain information and statistics included in this Offering Circular have been obtained from both public and private sources, including market research, publicly available information and industry publications. Although each of the Issuer and the Guarantor believes the information to be reliable, it has not been independently verified by the Issuer, the Guarantor, the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them and none of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them makes any representation as to the accuracy or completeness of such information. In addition, third-party information providers may have obtained information from market participants and such information may not have been independently verified. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor, the Group and the terms of the offering and the Bonds, including the merits and risks involved.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements". Certain statements in this Offering Circular constitute "forward-looking statements". These statements can be identified by forward-looking terms, such as "anticipate", "target", "believe", "can", "would", "could", "estimate", "expect", "aim", "intend", "may", "plan", "will", "would" or similar words or expressions or their negative forms. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding expected financial condition, results of operations, business plans and prospects are forward-looking statements, including but are not limited to, statements as to the business strategy, revenue, profitability, planned projects and other matters relating to the Issuer, the Guarantor and/or the Group discussed in this Offering Circular regarding matters that are not historical facts. These forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group expects to operate in the future.

These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's, Guarantor's and/or the Group's actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements.

Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*" below and elsewhere in this Offering Circular. Each of the Issuer and the Guarantor cautions investors not to place undue reliance on these forward-looking statements which reflect their managements' view only as at the date of this Offering Circular. None of the Issuer or the Guarantor undertakes any obligation to update or revise any forward-looking statements, whether as a result of any change in the Issuer's, the Guarantor's or the Group's expectations with regard thereto or any new information, change of events, conditions or circumstances or otherwise on which any such statements were based. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this Offering Circular might not occur.

PRESENTATION OF FINANCIAL INFORMATION

The Group's consolidated financial information as at and for the financial years ended 31 December 2022, 2023 and 2024 and as at and for the three months ended 31 March 2024 and 2025 included in this Offering Circular has been extracted from the Group's audited consolidated financial statements as at and for the financial years ended 31 December 2023 and 2024 and the Group's unaudited consolidated financial statements for the three months ended 31 March 2025, including the notes thereto, included elsewhere in this Offering Circular. The Group's consolidated financial information as at and for the financial years ended 31 December 2022, 2023 and 2024 and as at and for the three months ended 31 March 2024 and 2025 included herein have been prepared and presented in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprise, the International Financial Reporting Standards, International Accounting Standards ("**IAS**"), International Financial Reporting Interpretations Committee Interpretations ("**IFRIC Interpretations**") and Standing Interpretations Committee Interpretations ("**SIC Interpretations**") that came into effect as endorsed by the Financial Supervisor Commission ("**FSC**") (together, "**Taiwan-IFRS**"). The Group's consolidated financial statements as at and for the financial years ended 31 December 2023 and 2024 have been audited and the Group's unaudited consolidated financial statements for the three months ended 31 March 2025 have been reviewed by Deloitte & Touche, the independent auditor of the Group ("**Deloitte & Touche**"), in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China and Standards on Review Engagements of the Republic of China, respectively.

The Taiwan-IFRS differs from the International Financial Reporting Standards (the "**IFRS Accounting Standards**") as issued by the International Accounting Standard Board ("**IASB**") or generally accepted accounting principles of certain other countries. See "*Summary of Certain Material Differences Between Taiwan-IFRS and IFRS Accounting Standards*". Potential investors should seek professional advice with respect to such differences from generally accepted accounting principles. All such financial data should be read in conjunction with, and are qualified in their entirety by reference to, the financial statements included elsewhere in this Offering Circular.

The Group's historical financial information should not be taken as an indication of its future financial performance.

CERTAIN DEFINED TERMS AND CONVENTIONS

Unless otherwise stated in this Offering Circular, all translations from New Taiwan dollar into U.S. dollar were made at the rate of NT$32.79 to U.S.$1.00, the noon buying rate in the City of New York for cable transfers payable in New Taiwan dollar as certified for customs purposes by the Federal Reserve Bank of New York on or nearest to 31 December 2024. All such translations in this Offering Circular are provided solely for reference and no representation is made that the New Taiwan dollar amounts referred to herein have been, could have been or could be converted into U.S. dollars at any particular rate or at all. See "*Exchange Rates*".

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

The glossary below contains explanations of certain terms and definitions used in the Offering Circular in connection with the Group and the Group's business. The terms and their meanings may not correspond to standard industry meaning or usage of these terms. Unless the context otherwise requires, the following terms shall have the meanings set out below.

Board of Directors	the board of directors of the Guarantor
CSM	contractual service margin, the unearned profit in a group of insurance contracts, forming part of the liability for remaining coverage, which is initially measured as the amount that results in no gain being recognised on initial recognition of a group of insurance contracts
EUR or **Euro**	the lawful currency of the European Union
Executive Yuan	the Executive Yuan, R.O.C. (Taiwan)
Fitch	Fitch Ratings Ltd.
FSC	the Financial Supervisory Commission of the ROC
FVOCI	the financial assets at fair value through other comprehensive income investments
FYP	first-year premiums, premiums received in the first year of a policy
FVTPL	the financial assets at fair value through profit or loss
GBP	the lawful currency of the United Kingdom
GDP	gross domestic product
Guarantor or **Company**	Shin Kong Life Insurance Co., Ltd.
Hong Kong	the Hong Kong Special Administrative Region of the PRC
IAS	the International Accounting Standards
IASB	the International Accounting Standard Board

ICS	the Insurance Capital Standard, a consolidated group-wide capital standard for International Association of Insurance Supervisors
IFRS Accounting Standards	the International Financial Reporting Standards as issued by the IASB
Issuer	SHIN KONG LIFE SINGAPORE PTE. LTD.
Macau	the Macao Special Administrative Region of the PRC
Mainland China or the **PRC**	the People's Republic of China and for geographical reference only (unless otherwise stated) excludes Taiwan, Macau and Hong Kong
Moody's	Moody's Investors Service, Inc.
NDF	the non-deliverable forwards
New Taiwan dollar, **NTD** or **NT$**	the lawful currency of the ROC
RMB, **Renminbi**, **CNH** or **CNY**	the lawful currency of the PRC
S$, **SGD** or **Singapore dollars**	the lawful currency of the Republic of Singapore
Singapore	the Republic of Singapore
spillover-effect insurance policies	the insurance policies with spillover effects, which, in addition to having insurance functions, also include features that raise awareness of independent health management and improve the wellness of such policyholders
Standard & Poor's or **S&P**	S&P Global Ratings, a division of S&P Global Inc.
Taiwan or the **ROC**	Taiwan, the Republic of China
Taiwan-IFRS	Regulations Governing the Preparation of Financial Reports by Insurance Institutions, the International Financial Reporting Standards, IAS, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by FSC
United States, **US** or **U.S.**	the United States of America
U.S.$ or **U.S. dollars**	the lawful currency of the United States of America

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SUMMARY

OVERVIEW

The Company was incorporated in 1963 as the Taiwan subsidiary of Shin Kong Financial Holding Co., Ltd. ("**SKFH**") and is primarily responsible for the insurance business of the SKFH group. With over 60 years of operational history, the Company has consistently delivered high-quality service. In 2024, the Company held a 7.8% market share in Taiwan and ranked fourth among life insurers in Taiwan in terms of total premiums. The Company achieved global recognition by ranking first in the insurance category of the 2024 Dow Jones Sustainability World Index (DJSI World), further solidifying its position as a key growth driver for SKFH, which ranked sixth among financial holding companies in Taiwan with total assets reaching NT$5.1 trillion in 2024.

In 2024, the Company reported CSM of over NT$30 billion from new business and a cumulative CSM exceeding NT$100 billion. As at 31 December 2024, the Company's total assets reached NT$3,699.8 billion, while shareholders' equity grew by 19% as compared with 2023 to NT$188.6 billion. The Company's First Year Premium ("**FYP**"), excluding investment-linked products, amounted to NT$57.7 billion, ranking third among its peers in Taiwan.

SKFH is dedicated to strengthening the Company's capital position to ensure long-term stability and protect policyholder interests. In 2024, the Company carried out capital adequacy improvement plans, including a cash capital increase of NT$20.9 billion from SKFH and the issuance of capital bonds totaling around NT$8.3 billion. As at 31 December 2022, 2023 and 2024, the RBC Ratio of the Company was 214%, 176% and 221%, respectively. As at 31 December 2022, 2023 and 2024, the equity-to-asset ratio reached 3.94%, 4.47% and 5.17%, respectively.

Supported by growth in traditional policies, the Company experienced a significant increase in FYP in 2024 by 65.1% as compared with 2023. The Company effectively capitalised on market trends, resulting in strong earnings with higher investment income. Consequently, the consolidated after-tax profit for 2024 amounted to NT$10.2 billion, a positive rebound following from the after-tax losses for 2022 and 2023. As at 31 December 2024, the total assets for the Company reached NT$3,699.8 billion as compared with NT$3,588.2 billion, with a compound annual growth rate ("**CAGR**") of 3.2% from 2020-2024, indicating a steady growth over the period, while the investment return rate amounted to 3.2%, 2.8% and 3.7% in 2022, 2023 and 2024, respectively. The capital injections of NT$7.0 billion on 28 March 2024 and NT$13.8 billion on 22 August 2024 have significantly strengthened the Company's equity-to-asset ratio. These injections have enhanced the Company's capital base, providing greater financial stability and resilience.

As at 31 March 2025, the Company's total assets, total liabilities and total equity were recorded NT$3,699.7 billion, NT$3,537.0 billion, NT$162.7 billion, respectively, while reported total comprehensive loss at NT$11.0 billion. See "*Risk Factors – Risk Factors Relating to The Business of The Group – Investing and trading in overseas fixed income securities expose the Group to additional risks, including risks related to global financial markets and fluctuations in foreign exchange rates which has resulted in losses from time to time*" for a discussion of the relevant risks relating to the historical records of total comprehensive loss.

As at 31 December 2024, with a team of over 7,300 professional sales agents recording a cumulative 3.93 million insured individuals and 8.99 million in-force policies, the Company demonstrated market-leading business scale and expertise. Demonstrating strong customer retention, the Company achieved a 13th-month persistency ratio of 96.7% and a 25th-month persistency ratio of 93.7%.

COMPETITIVE STRENGTHS

The Group has been one of the leading life insurers in Taiwan's insurance market. Its principal strengths include:

- Leading Taiwanese life insurance franchise with a promising growth pathway;
- Well-established distribution channels with a premier agency force and the unique resources of SKFH;
- Exclusive cooperation with SKB to integrate company resources; and
- Active product strategy to accumulate CSM and strengthen capital.

STRATEGIES

The Group's main strategies are set out below:

- Leveraging on loyal agency force is the key to strategy execution;
- Diversifying asset allocation to achieve strong financial position; and
- Formulating prudent investment strategy emphasising diversification and stable growth.

RECENT DEVELOPMENT

The Company has extracted and reproduced certain information in relation to Taishin Financial, SKFH and/or Taishin Life which have been previously independently published and released by Taishin Financial and SKFH in their respective shareholders' announcements and circulars regarding the proposed merger and the Enlarged Parent Group. There can be no assurance that such reproduced information will an accurate representation or status of the subsequent Enlarged Parent Group or of the Enlarged Life Insurance Group once the merger is completed. The information of this "Recent Development" sub-section contains or incorporates by reference information relating to Taishin Financial, SKFH and/or Taishin Life which is based on public information that is not separately verified, reviewed, approved or endorsed by the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them, and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them, as to the fairness, accuracy, reasonableness or completeness of such information. Such information may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. See "Forward-Looking Statements" and "Risk Factors" of this Offering Circular. As such, potential investors are cautioned not to place undue reliance on such merger information and must exercise caution when assessing such information to evaluate the timing of the proposed merger at the parent level or at the Guarantor level, and in relation to the Enlarged Parent Group's future operations, structure and financial position.

Strategic Merger between SKFH and Taishin Financial

In October 2024, the proposal of merger SKFH with Taishin Financial Holding Co., Ltd. ("**Taishin Financial**") received approval from a significant majority of shareholders at the extraordinary general meetings of both Taishin Financial and SKFH. In January 2025, the Taiwan Fair Trade Commission granted its approval for such proposed merger. In February 2025, all employee settlement schemes were approved by the SKFH group companies. In March 2025, the Financial Supervisory Commission provided regulatory approval for such proposed merger. It is scheduled for the merger to become effective in July 2025, resulting in the formation of TS Financial Holding Co., Ltd. (the "**Enlarged Parent Group**"). The consolidation of the Company and other major subsidiaries of SKFH and Taishin Financial, including bank, life insurance, securities and investment trust subsidiaries, is expected to be completed within two years in accordance with applicable ROC laws. After the merger, the Company will operate its life insurance business alongside Taishin Life until the final merger phase, when Taishin Life will become the surviving entity. The enlarged life insurance group (the "**Enlarged Life Insurance Group**") will then continue operating under the "Shin Kong Life" brand.

The Enlarged Parent Group is anticipated to unlock substantial synergies, enhancing the asset size and market share of the combined entities, with anticipation that the Enlarged Parent Group will become one of the largest financial holding companies in Taiwan. This strategic move is intended to leverage the strengths of both Taishin Financial and SKFH to capture a larger market share. The Enlarged Parent Group is expected to bring together three complementary pillars — banking, insurance and securities, creating synergies that are expected to drive growth and profitability via the scale provided by the merged entity. For the year ended 31 December 2024, SKFH's profit mainly came from insurance, while Taishin Financial's profit was primarily from banking. SKFH's assets were largely in insurance, whereas Taishin Financial's assets focused on banking. The Enlarged Parent Group aims to balance profits and assets between insurance and banking. By leveraging the complementary management expertise from both the Company and Taishin Life, the merger for Enlarged Life Insurance Group could create a more robust financial structure as an enlarged group for life insurance business.

The merger for Enlarged Life Insurance Group also aims to improve customer convenience and access through an increased number of branches and sales channels. This expansion is expected to enable the merged entity to serve a wider customer base more effectively, providing enhanced service and accessibility.

The merger for Enlarged Life Insurance Group is set to enhance operating efficiencies through a focus on digitalisation, IT system upgrades and the optimisation of internal processes. These improvements aim to streamline operations, reduce costs and increase overall productivity. Additionally, the merger aims to create enhanced and complementary distribution channels, which are expected to drive revenue growth.

Aiming to strengthen capital and optimise financial resources, the Enlarged Life Insurance Group is intended to satisfy all the regulatory capital requirements through enhanced funding capabilities.

Financial Position Post-Merger of the Enlarged Life Insurance Group

As at and for the year ended 31 December 2024, the Company recorded approximately: NT$64 billion in FYP compared to NT$26 billion for Taishin Life; NT$190 billion in total premium compared to NT$47 billion for Taishin Life; and NT$3,699 billion in total assets compared to NT$322 billion for Taishin Life. As at the date of this Offering Circular, after the merger, the Enlarged Life Insurance Group is expected to have a higher total FYP and total premiums. Notwithstanding the expected increase in FYP after the merger, total premiums and total assets for the Enlarged Life Insurance Group are expected to remain stable.

Balanced Channel Mix Post-Merger of the Enlarged Life Insurance Group

Historically, the Company has relied primarily on sales agents, with FYP sold by agents accounting for 75% of the total FYP in 2024. In contrast, Taishin Life predominantly utilised bancassurance. After the merger, the proportion of bancassurance is projected to rise, while the sales agent channel's proportion is expected to decline. Consequently, as at the date of this Offering Circular, the Enlarged Life Insurance Group is expected to develop in a balanced manner, with the aim of enhancing the merged entity's distribution capabilities and market reach via both sales agents and bancassurance.

Synergies of the Enlarged Life Insurance Group

In terms of product synergy, as at the date of this Offering Circular, following the merger, new business CSM is estimated to experience growth. The Company's diverse product portfolio, particularly in accident and health products, is expected to significantly expand Taishin Life's range of offerings, projected to generate increased CSM. In terms of distribution synergy, Taishin Financial's bancassurance complements the Company's existing network, and is expected in creating a robust dual-engine sales platform with an expanded market reach, creating cross-marketing synergies and generating increased premium income.

Solid Capital Position Post-Merger of the Enlarged Life Insurance Group

The Company and Taishin Life reported RBC Ratios of 221% and 347%, respectively, for the year ended 31 December 2024. In addition, the Company received NT$7.0 billion capital injection from SKFH on 10 June 2025. In terms of profitability sustainability, the Company hand announced that it planned to recognise the PPA (Purchase Price Allocation) to contribute stable additional income to the income statement of its life insurance segment. Additionally, as at the date of this Offering Circular, Taishin Financial has made its own announcements expressing an intention to provide potential capital support to further strengthen the financial foundation and provides additional resources of the Enlarged Life Insurance Group for future growth and stability.

THE OFFERING

The following is a brief summary of the terms of the offering of the Bonds. For a more complete description of the terms of the Bonds, see "Terms and Conditions of the Bonds" in this Offering Circular. Capitalised terms used in this summary and not otherwise defined shall have the meanings given to them in "Terms and Conditions of the Bonds".

Issuer	SHIN KONG LIFE SINGAPORE PTE. LTD.
LEI number	9845008AEF61S9A2LB52
Guarantor	Shin Kong Life Insurance Co., Ltd.
The Bonds	U.S.$400,000,000 6.95 per cent. Tier 2 subordinated dated capital bonds due 2035.
Guarantee of the Bonds	The Guarantor has unconditionally and irrevocably guaranteed on a subordinated basis the due and punctual payment of all sums payable by the Issuer in respect of the Bonds. The obligations of the Guarantor under the guarantee (the "**Guarantee of the Bonds**") are contained in the Trust Deed.
Status and Ranking of the Bonds	The Bonds will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer which rank *pari passu* in right of payment and without any preference among themselves. Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of the Issuer, the rights and claims of the Bondholders in respect of payment of principal and interest on the Bonds will be expressly subordinated in right of payment to the prior payments in full of all present and future claims of all Senior Creditors, but shall rank *pari passu* in right of payment with each other and to the present and future claims of the holders of any other Parity Obligations of the Issuer and in priority in right of payment to the present and future claims of the holders of any share capital of the Issuer (including Ordinary Shares and Preferred Shares of the Issuer) and any other Junior Obligations of the Issuer. "**Applicable Supervisory Rules**" means such insurance supervisory laws, rules, regulations, guidelines and official interpretation which are applicable to the Guarantor and, as the case may be, the Issuer from time to time. "**Junior Obligations**" means: (i) in respect of the Issuer, (a) any share capital of the Issuer (including Ordinary Shares and Preferred Shares of the Issuer), (b) any other instruments or securities issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Tier 1 Capital Instruments of the Guarantor and (c) any instruments or securities issued, entered into or guaranteed by the Issuer or other

obligations of the Issuer ranking, or expressed to rank, junior in right of payment to the Bonds by operation of law or contract; and

(ii) in respect of the Guarantor, (a) any share capital of the Guarantor (including Ordinary Shares and Preferred Shares of the Guarantor), (b) any other instruments or securities issued, entered into or guaranteed by the Guarantor that constitutes or qualifies as Tier 1 Capital Instruments of the Guarantor and (c) any instruments or securities issued, entered into or guaranteed by the Guarantor or other obligations of the Guarantor ranking, or expressed to rank, junior to the Guarantor's obligations under the Guarantee of the Bonds by operation of law or contract.

"**Ordinary Shares**" means the ordinary share capital (普通股) of the Issuer or the Guarantor, as the case may be.

"**Parity Obligations**" means:

(i) in respect of the Issuer, any instruments or securities issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Tier 2 Capital Instruments of the Guarantor (but excluding any Preferred Shares that might also constitute or qualify as Tier 2 Capital Instruments of the Guarantor) or any other obligations of the Issuer, the claims of the holders of which rank, or are expressed to rank, *pari passu* in right of payment with the Bonds by operation of law or contract; and

(ii) in respect of the Guarantor, any instruments or securities issued, entered into or guaranteed by the Guarantor that constitutes or qualifies as Tier 2 Capital Instruments of the Guarantor (but excluding any Preferred Shares that might also constitute or qualify as Tier 2 Capital Instruments of the Guarantor) or any other obligations of the Guarantor, the claims of the holders of which rank, or are expressed to rank, *pari passu* in right of payment with the Guarantee of the Bonds by operation of law or contract.

"**Preferred Shares**" means any preferred shares (特别股) of the Issuer or the Guarantor, as the case may be.

"**Senior Creditors**" means:

(i) in respect of the Issuer, any unsubordinated creditors of the Issuer or other creditors whose claims are not ranked or not expressed to rank *pari passu* or junior to the claims of the Bondholders; and

	(ii) in respect of the Guarantor, all policyholders (including all obligations to such policyholders under policies and contracts of insurance) and other unsubordinated creditors of the Guarantor. "**Tier 1 Capital Instruments**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer or the Guarantor, as the case may be, that constitutes Tier 1 Unlimited capital (第一類非限制性資本) or Tier 1 Limited capital (第一類限制性資本) of the Guarantor pursuant to the Applicable Supervisory Rules; "**Tier 2 Capital Instruments**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer or the Guarantor, as the case may be, that constitutes Tier 2 capital (第二類資本) of the Guarantor pursuant to the Applicable Supervisory Rules.
Status and Ranking of the Guarantee of the Bonds	The obligations of the Guarantor under the Guarantee of the Bonds will constitute a direct, unconditional, unsecured and subordinated obligation of the Guarantor. Subject to the insolvency laws of the ROC, in the event of the Winding-Up of the Guarantor, the rights and claims of the Bondholders in respect of the Guarantee of the Bonds will be subordinated in right of payment to the present and future claims of all Senior Creditors, but shall rank *pari passu* in right of payment to the present and future claims of the holders of any Parity Obligations of the Guarantor and in priority in right of payment to the present and future claims of the holders of any share capital of the Guarantor (including Ordinary Shares and Preferred Shares of the Guarantor) and any other Junior Obligations of the Guarantor. *The status and ranking of the Bonds and the Guarantee of the Bonds will not be affected by the Tier 1 Capital Instruments or Tier 2 Capital Instruments issued or guaranteed by the Issuer or the Guarantor.*
Issue Price	99.023 per cent. of the principal amount of the Bonds.
Form, Denomination and Title	The Bonds will be registered and issued in the denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.
Issue Date	26 June 2025.
Maturity Date	26 June 2035.
Set-off	Subject to applicable law, no holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer or the Guarantor in respect of, or arising under or in connection with the Bonds

	or the Guarantee of the Bonds, as the case may be, and each holder shall, by virtue of his holding of any Bonds, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer or the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer or the Guarantor in respect of, or arising under or in connection with the Bonds or the Guarantee of the Bonds, as the case may be, is discharged by set-off, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or the Guarantor (or, in the event of Winding-Up of the Issuer or the Guarantor, as the case may be, the liquidator of the Issuer or the Guarantor, as the case may be) and, until such time as payment is made, shall hold such amount in trust for the Issuer or the Guarantor, as the case may be (or the relevant liquidator) and accordingly any such discharge shall be deemed not to have taken place.
Interest	The Bonds confer a right to receive interest from the Issue Date at 6.95 per cent. per annum (the "**Rate of Interest**") payable semi-annually in equal instalments in arrear on 26 June and 26 December of each year (each, an "**Interest Payment Date**"), with the first Interest Payment Date falling on 26 December 2025. Unless otherwise provided for in the Terms and Conditions of the Bonds, each Bond will cease to confer the right to receive any interest from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, interest will continue to accrue at the Rate of Interest (after as well as before any judgment) up to but excluding whichever is the earlier of: (i) the date on which all sums due in respect of the Bonds are received by or on behalf of the relevant Bondholder; and (ii) the day which is seven days after the Agent (as defined in the Terms and Conditions of the Bonds) has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Bondholders under the Terms and Conditions of the Bonds). *The Bonds are not subject to any interest rate step-up or any other incentive to redeem. The Rate of Interest is not linked to any credit quality or the financial condition of the Issuer or the Guarantor and will not be adjusted according to changes in the*

	credit quality or the financial condition of the Issuer or the Guarantor, as the case may be, in the future.
Redemption of Bonds at Maturity	The Bonds, unless previously redeemed, purchased and cancelled as provided in Condition 5 of the Terms and Conditions of the Bonds, shall be finally redeemed on the Maturity Date in whole, but not in part, at their principal amount together with interest accrued and unpaid to such date.
Redemption for Taxation Reasons	Subject to the satisfaction of Condition 5(g) of the Terms and Conditions of the Bonds, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but not including) the date fixed for redemption), if the Issuer (or the Guarantor, as the case may be) satisfies the Trustee immediately prior to the giving of such notice that: (a) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Terms and Conditions of the Bonds as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or (b) (i) the Guarantor has or (if a demand was made under the Guarantee of the Bonds) will become obliged to pay additional amounts as provided or referred to in Condition 7 of the Terms and Conditions of the Bonds or the Guarantee of the Bonds, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the ROC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025, and (ii) such obligation cannot be

	avoided by the Guarantor taking reasonable measures available to it, provided, in each case, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Bonds then due or (as the case may be) a demand under the Guarantee of the Bonds then made (a "**Tax Withholding Event**"). See "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Redemption for Taxation Reasons*".
Redemption for Tax Deduction Reasons	Subject to the satisfaction of Condition 5(g) of the Terms and Conditions of the Bonds, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but not including) the date fixed for redemption), if the Issuer (or the Guarantor, as the case may be) satisfies the Trustee immediately prior to the giving of such notice that: (a) (i) in respect of the interest payable on the Bonds, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025 and (ii) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it; or (b) (i) in respect of any amounts payable under the Guarantee of the Bonds, the Guarantor is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in the ROC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025 and (ii) such non tax deductibility cannot be avoided by

	the Guarantor taking reasonable measures available to it; provided, in each case, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor is or would be no longer entitled to claim a deduction for any payments in respect of the Bonds or (as the case may be) the Guarantee of the Bonds in computing its Singapore or the ROC (or any authority therein or thereof having power to tax) taxation liabilities or the amount of such deduction is materially reduced (a "**Tax Deduction Event**") See "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Redemption for Tax Deduction Reasons*".
Minimal Outstanding Amount Redemption	Subject to the satisfaction of Condition 5(g) of the Terms and Conditions of the Bonds, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable) at their principal amount (together with interest accrued to (but not including) the date fixed for redemption) if prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (including any further Bonds issued pursuant to Condition 14 of the Terms and Conditions of the Bonds and consolidated and forming a single series with the Bonds) has already been redeemed or purchased and cancelled (a "**Minimal Outstanding Amount Redemption Event**"). See "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Minimal Outstanding Amount Redemption*".
Regulatory Event Redemption	Subject to the satisfaction of Condition 5(g) of the Terms and Conditions of the Bonds, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable) at their principal amount (together with interest accrued to (but not including) the date fixed for redemption) if, immediately before giving such notice, the Bonds or the Guarantee of the Bonds, which having originally qualified as Tier 2 capital of the Issuer or the Guarantor, as the case may be, until the Maturity Date under the Applicable Supervisory Rules in effect as of the Issue Date (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules), as a result of a change in the Applicable Supervisory Rules are deemed to no longer fully qualify as Tier 2 capital of the Issuer or the Guarantor, as the case may be, until

	the Maturity Date under the Applicable Supervisory Rules (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules) (each, a "**Regulatory Capital Event**"). See "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Regulatory Event Redemption*".
Redemption Conditions	Notwithstanding anything to the contrary set out in the Terms and Conditions of the Bonds, any redemption or purchase of the Bonds pursuant to Condition 5 of the Terms and Conditions of the Bonds (other than a redemption on the Maturity Date) shall be subject to the following conditions under Condition 5(g) of the Terms and Conditions of the Bonds (the "**Redemption Conditions**") to the extent the Bonds qualify as at least Tier 2 capital of the Issuer or the Guarantor, as the case may be, under the Applicable Supervisory Rules (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules) and such Redemption Conditions are required by the Applicable Supervisory Rules: (A) the Bonds may not be redeemed or purchased pursuant to Condition 5 of the Terms and Conditions of the Bonds (other than a redemption on the Maturity Date) unless the Relevant Regulatory Approval has been obtained; and (B) the Bonds may only be redeemed or purchased pursuant to Condition 5 of the Terms and Conditions of the Bonds (other than a redemption on the Maturity Date) if, immediately after giving effect to such redemption or purchase, the Capital Requirements are satisfied. See "*Terms and Conditions of the Bonds – Redemption, Purchase and Options – Redemption Conditions*". "**Capital Requirements**" means any minimum prescribed solvency capital ratios to which the Guarantor is subject from time to time pursuant to the Applicable Supervisory Rules, which as of the Issue Date comprise of the capital adequacy ratio (資本適足率) as calculated according to the Applicable Supervisory Rules. *The minimum prescribed solvency capital ratios and other capital requirements which apply to the Guarantor may change from time to time. See "Risk Factors – Risk Factors Relating to the Insurance Industry – the Group is required to comply with minimum solvency requirements and may be required to raise additional capital or change its business strategy if the Guarantor's risk-based capital adequacy ratio deteriorates or*

	the applicable capital requirements change in the future" in this Offering Circular for further details. "**Relevant Regulator**" means the regulator which is considered the primary supervisor of the Guarantor from time to time under the Applicable Supervisory Rules. The Relevant Regulator as of the Issue Date is the Insurance Bureau of the Financial Supervisory Commission, ROC. "**Relevant Regulatory Approval**" means the Relevant Regulator has given, and not withdrawn by the relevant date, its prior consent to the redemption, purchase or substitution or variation (in accordance with Condition 12 of the Terms and Conditions of the Bonds), as the case may be, of such Bonds.
Limited rights to institute proceedings	The right to institute Winding-Up of the Issuer or the Guarantor is limited to circumstances where payment in respect of the Bonds has become due and is unpaid.
Proceedings for Winding-Up	Upon: (i) an order being made or an effective resolution being passed for the Winding-Up of the Issuer or the Guarantor, as the case may be; or (ii) the Issuer or the Guarantor failing to make payment in respect of the Bonds or the Guarantee of the Bonds, as the case may be, for a period of ten Taiwan Business Days or more after the date on which such payment is due, the Issuer or, as the case may be, the Guarantor shall be deemed to be in default under the Bonds (in the case of the Issuer) and the Guarantee of the Bonds (in the case of the Guarantor), and the Trustee at its sole discretion may, and if so requested in writing by Bondholders holding not less than 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution shall (subject in any such case to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction), institute proceedings for the Winding-Up of the Issuer, the Guarantor or both of them (as applicable) and/or prove and/or claim in the Winding-Up of the Issuer, the Guarantor or both of them (as applicable) for the principal amount of the Bonds together with interest accrued to the day prior to the commencement of the Winding-Up. The right to proving and/or claiming in Winding-Up in respect of any of the Issuer's payment obligations arising from the Bonds or the Guarantor's payment obligations arising from the Guarantee of the Bonds is limited to circumstances provided by applicable law.

	The Bondholders do not have the right to require the Issuer or the Guarantor to repay any principal or interest under the Bonds before it has become due and payable, unless such payment is made under circumstances provided by applicable law in the event of a Winding-Up of the Issuer or the Guarantor.
Substitution or Variation	If a Merger Event occurs, the Issuer shall, without the consent of Bondholders, agree to the substitution of the Substituted Obligor (as defined in the Terms and Conditions of the Bonds) in place of the Guarantor (or any previous substitute under the provisions of Condition 12(a)) as the guarantor of the Bonds and as if the Substituted Obligor was originally named and had agreed to comply with and be bound by all provisions contained in the Trust Deed, the Agency Agreement and the Conditions which related to the Guarantor, subject to its having satisfied the requirements set out under the provisions of Condition 12(a) of the Terms and Conditions of the Bonds. "**Merger Event**" means the merger between the Guarantor and Taishin Life Insurance Co., Ltd. approved by the Relevant Regulator where Taishin Life Insurance Co., Ltd. will become the surviving entity, succeeding to and assuming all of the rights, obligations and liabilities of the Guarantor in accordance with applicable ROC laws. If a Special Event has occurred and is continuing, then the Issuer may, (without any requirement for the consent or approval of the Bondholders or the Trustee) subject to its having satisfied the requirements set out under the definition of "Qualifying Bonds" immediately prior to the giving of any notice referred to herein that the provisions of Condition 12 of the Terms and Conditions of the Bonds have been complied with, and having given not less than 30 nor more than 60 days' notice to the Trustee and, in accordance with Condition 15 of the Terms and Conditions of the Bonds, the Bondholders (which notice shall be irrevocable), at any time either: (i) substitute all, but not some only, of the Bonds for; or (ii) vary the terms of the Bonds with the effect that they remain or become (as the case may be), Qualifying Bonds, provided that Relevant Regulatory Approval has been obtained for such substitution or variation, to the extent required by the Applicable Supervisory Rules. Upon expiry of such notice, the Issuer shall either vary the terms of or, as the case may be, substitute the Bonds in accordance with Condition 12 of the Terms and Conditions of the Bonds.

In connection with any substitution or variation in accordance with Condition 12 of the Terms and Conditions of the Bonds, the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if any such substitution or variation would give rise to a Special Event with respect to the Bonds or the Qualifying Bonds.

"**Special Event**" means a Tax Withholding Event, Tax Deduction Event or Regulatory Capital Event or any combination of the foregoing.

"**Qualifying Bonds**" means bonds that:

(a) have terms not materially less favourable to an investor (including, without limitation, terms allowing for the reduction, conversion or write-down of their principal amount in certain circumstances) than the terms of the Bonds (as reasonably determined by the Issuer, and provided that a certification to such effect (and confirming that the conditions set out in (i) and (ii) below have been satisfied) of one authorised signatory of the Issuer or the Guarantor shall have been delivered to the Trustee and the Bondholders prior to the substitution or variation of the Bonds), provided that:

(i) they are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of the Guarantor; and

(ii) they (or, as appropriate, the guarantee as aforesaid) shall rank senior to or *pari passu* with the Bonds on a Winding-Up of the issuer or guarantor thereof, shall preserve the Bondholders' rights to any other payment that has accrued with respect to the Bonds, and shall contain terms which provide for the same Rate of Interest, Interest Payment Dates and redemption events, from time to time applying to the Bonds; and other terms of such bonds are substantially identical (as reasonably determined by the Issuer) to the Bonds, save for the modifications or amendments to such terms that are required to be made in order to avoid or resolve the applicable Special Event;

(b) have been, or will on issue be, assigned at least the same rating (if any) as that assigned by the relevant rating agencies to the Bonds (if any such rating was assigned

	on or prior to the Issue Date of the Bonds) immediately prior to such substitution or variation; and (c) are listed on the SGX-ST or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets.
Further Issues	The Issuer (with the prior written consent of the Guarantor) may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds (except in respect of the first payment of interest and their issue price, and so that references in the Terms and Conditions of the Bonds to "Issue Date" shall be to the first issue date of the Bonds) and so that the same shall be consolidated and form a single series with such Bonds, and references in the Terms and Conditions of the Bonds to "Bonds" and "Bondholders" shall be construed accordingly.
Governing Law and Jurisdiction	The Bonds and the Trust Deed and any non-contractual obligations arising out of or in connection with the Bonds and the Trust Deed will be governed by, and shall be construed in accordance with, English law, except that the subordination provisions set out in (i) Conditions 3(a) and (b) of the Terms and Conditions of the Bonds and (ii) the Trust Deed are governed by, and shall be construed in accordance with, Singapore law and ROC law, respectively. The English courts are to have jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, and any Proceedings may be brought in such courts.
Trustee	The Hongkong and Shanghai Banking Corporation Limited
Registrar	The Hongkong and Shanghai Banking Corporation Limited
Principal Paying Agent and Transfer Agent	The Hongkong and Shanghai Banking Corporation Limited
Clearing System	Upon issue, the Bonds will be represented by a Global Certificate deposited with and registered in the name of a nominee of a common depositary for Euroclear and Clearstream. The Terms and Conditions of the Bonds are modified by certain provisions contained in the Global Certificate. See "*The Global Certificate*".
Clearance and Settlement	The Bonds have been accepted for clearance through Euroclear and Clearstream under the following codes: ISIN: XS3096123883 Common Code: 309612388

Listing	Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in this Offering Circular. Approval in-principle for the listing and quotation of the Bonds is not to be taken as an indication of the merits of the Issuer, the Guarantor, any of their subsidiaries, their associated companies or the Bonds. The Bonds will be traded on the SGX-ST in a minimum trading board lot size of U.S. $200,000, for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.
Ratings	The Bonds are expected to be rated of "BBB" by S&P. A rating is not a recommendation to buy, sell or hold any Bonds and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Notices	Notices to the holders of the Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. The Issuer and the Guarantor shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. *So long as the Global Certificate is held in its entirety on behalf of Euroclear and Clearstream any notice to the Holders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Conditions and shall be deemed to have been given on the date of delivery to such clearing system.*
Use of Proceeds	See "*Use of Proceeds*"

SELECTED FINANCIAL INFORMATION

The following tables set forth the summary consolidated financial information of the Group as at and for the periods indicated which are qualified by reference to, and should be read in conjunction with, the Group's consolidated financial statements included elsewhere in this Offering Circular.

The summary consolidated historical financial information as at and for the years ended 31 December 2022, 2023 and 2024 are derived from the Group's audited consolidated financial statements as at and for the years ended 31 December 2023 and 2024 including the notes thereto respectively. The Group's audited consolidated financial statements as of and for the years ended 31 December 2023 and 2024 are prepared and presented in accordance with Taiwan-IFRS. The consolidated financial statements of the Group as at and for the financial years ended 31 December 2023 and 2024 have been audited by Deloitte & Touche in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China.

The summary consolidated historical financial information as at and for the three months ended 31 March 2024 and 2025 are derived from the Group's unaudited consolidated financial statements as at and for the three months ended 31 March 2025 including the notes thereto respectively. The Group's unaudited consolidated financial statements as of and for the three months ended 31 March 2025 are prepared and presented in accordance with Taiwan-IFRS. The consolidated financial statements of the Group as at and for the three months ended 31 March 2024 and 2025 have been reviewed by Deloitte & Touche in accordance with Standards on Review Engagements of the Republic of China.

Taiwan-IFRS differs from IFRS Accounting Standards or the generally accepted accounting principles of certain other countries in certain respects, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS Accounting Standards may not be timely endorsed by the FSC.

The Group's historical financial information should not be taken as an indication of its future financial performance.

See "*Risk Factors – Risk Factors Relating to The Business of The Group – Investing and trading in overseas fixed income securities expose the Group to additional risks, including risks related to global financial markets and fluctuations in foreign exchange rates which has resulted in losses from time to time*" for a discussion of the relevant risks.

CONSOLIDATED BALANCE SHEETS

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	(audited)	*(audited)*	*(audited)*	*(unaudited)*
		(NT$ thousands)		
ASSETS				
CASH AND CASH EQUIVALENTS	72,536,822	99,581,548	74,115,504	32,443,516
RECEIVABLES	27,764,332	34,270,013	41,866,781	33,015,214
CURRENT TAX ASSETS	6,848,517	9,084,906	11,379,938	11,427,911
ASSETS CLASSIFIED AS HELD FOR SALE	9,588,103	8,468,595	6,789,434	6,789,434
INVESTMENTS				
Financial assets at fair value through profit or loss	261,977,385	299,381,566	297,754,288	296,695,845
Financial assets at fair value through other comprehensive income	161,033,605	132,691,219	129,889,403	151,292,528
Financial assets at amortised cost	2,534,437,841	2,495,474,760	2,607,519,729	2,627,634,755
Investments accounted for using the equity method, net	2,597,025	2,752,157	2,877,156	2,859,362
Investment property	190,938,419	198,644,722	207,864,898	208,719,939
Loans	159,247,126	162,462,205	148,430,263	149,268,350
Total investments	**3,310,231,401**	**3,291,406,629**	**3,394,335,737**	**3,436,470,779**
REINSURANCE ASSETS	843,259	980,845	1,357,863	1,941,899
PROPERTY AND EQUIPMENT	29,116,440	28,944,690	25,614,721	25,562,538
RIGHT-OF-USE ASSETS	2,033,447	1,947,183	1,974,970	1,967,775
INTANGIBLE ASSETS	589,522	603,908	742,567	769,861
DEFERRED TAX ASSETS	37,375,320	43,017,469	55,872,569	66,762,547
OTHER ASSETS	30,293,113	18,007,443	28,525,912	26,126,840
ASSETS ON INSURANCE PRODUCT, SEPARATE ACCOUNT	38,541,123	51,870,326	57,212,215	56,448,938
TOTAL ASSETS	**3,565,761,399**	**3,588,183,555**	**3,699,788,211**	**3,699,727,252**
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE				
Notes payable	428	29	60	186
Claims payable	216,928	195,240	177,613	180,542

	As at 31 December			As at 31 March
	2022	2023	2024	2025
	(audited)	*(audited)*	*(audited)*	*(unaudited)*
			(NT$ thousands)	
Commission payable	529,193	597,583	923,422	925,246
Due to reinsurers and ceding companies	499,910	912,658	1,020,758	1,150,232
Other payables	5,463,384	5,033,355	8,196,164	7,442,401
Total accounts payable	6,709,843	6,738,865	10,318,017	9,698,607
CURRENT TAX LIABILITIES	29,806	29,756	16,887	28,711
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	34,487,017	1,312,272	26,885,868	14,898,143
BONDS PAYABLE	24,000,000	37,000,000	45,300,000	45,300,000
LEASE LIABILITIES	9,742,266	8,941,095	8,612,124	8,550,841
INSURANCE LIABILITIES				
Unearned premium reserve	9,960,801	10,963,732	12,122,170	12,163,558
Claim reserve	3,574,186	4,042,526	4,196,400	4,341,833
Liability reserve	3,245,279,730	3,254,410,930	3,268,414,896	3,285,799,734
Special claim reserve	7,225,307	6,859,980	1,396,979	1,448,050
Premium insufficient reserve	1,415,228	1,054,695	905,718	860,556
Total insurance liabilities	**3,267,455,252**	**3,277,331,863**	**3,287,036,163**	**3,304,613,731**
RESERVE FOR INSURANCE WITH NATURE OF FINANCIAL INSTRUMENT	20,964	70,849	127,931	137,474
RESERVE FOR FOREIGN EXCHANGE VALUATION	27,341,617	13,218,699	45,145,827	59,329,727
PROVISIONS	65,426	44,888	18,114	18,415
DEFERRED TAX LIABILITIES	10,572,757	16,533,044	27,046,633	34,271,467
OTHER LIABILITIES				
Advance receipts	917,933	1,257,976	1,606,906	1,898,459
Guarantee deposits and margins received	6,445,296	15,363,542	1,828,615	1,847,725
Other liabilities, others	361	361	361	361
Total other liabilities	**7,363,590**	**16,621,879**	**3,435,882**	**3,746,545**
LIABILITIES ON INSURANCE PRODUCTS-SEPARATE ACCOUNT	38,541,123	51,870,326	57,212,215	56,448,938
TOTAL LIABILITIES	**3,426,329,661**	**3,429,713,536**	**3,511,155,661**	**3,537,042,599**
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY				
Share capital				
Ordinary share	73,720,784	74,387,451	82,768,904	82,768,904
Capital surplus				
Additional paid-in capital	21,614,114	22,447,447	35,215,253	35,215,253
Others	659,347	659,347	666,456	666,461
Total capital surplus	**22,273,461**	**23,106,794**	**35,881,709**	**35,881,714**
Retained earnings				
Special reserve	133,088,524	132,776,580	141,638,443	141,638,443
Accumulated deficit	(43,519,549)	(57,948,565)	(53,973,279)	(64,919,525)
Total retained earnings	**89,568,975**	**74,828,015**	**87,665,164**	**76,718,918**
Other equity				
Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	(6,249,712)	2,271,019	5,989,532	7,938,245
Losses from investments in debt instruments measured at fair value through other comprehensive income	(741,681)	(659,307)	(850,011)	(731,168)
Exchange differences on translation of foreign financial statements	11,766	11,643	15,178	15,980
Gains on hedging instruments	3,301	2,067	1,721	1,128
Revaluation surplus	3,537,471	4,493,933	5,015,093	5,015,093
Reserve of overlay approach	(43,101,268)	(20,404,577)	(28,285,459)	(45,366,335)
Total other equity	**(46,540,123)**	**(14,285,222)**	**(18,113,946)**	**(33,127,057)**
TOTAL EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY	**139,023,097**	**158,037,038**	**188,201,831**	**162,242,479**
NON-CONTROLLING INTERESTS	408,641	432,981	430,719	442,174
TOTAL EQUITY	**139,431,738**	**158,470,019**	**188,632,550**	**162,684,653**
TOTAL LIABILITIES AND EQUITY	**3,565,761,399**	**3,588,183,555**	**3,699,788,211**	**3,699,727,252**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended 31 December			Period ended 31 March	
	2022	2023	2024	2024	2025
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
			(NT$ thousands except for earnings per share)		
OPERATING REVENUE					
Retained earned premium					
Written premium	180,233,752	154,020,290	182,868,231	36,631,664	35,173,635
Total premium	180,233,752	154,020,290	182,868,231	36,631,664	35,173,635
Less: Reinsurance expense	(1,736,069)	(1,795,941)	(2,009,609)	(424,142)	(525,353)

	Year ended 31 December			Period ended 31 March	
	2022	2023	2024	2024	2025
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
			(NT$ thousands except for earnings per share)		
Net change in unearned premiums reserve	(239,548)	(1,103,003)	(1,054,662)	81,602	(6,996)
Retained earned premium	178,258,135	151,121,346	179,803,960	36,289,124	34,641,286
Reinsurance commission received	384,784	360,461	349,618	355,339	382,616
Fee income	632,155	910,090	1,087,402	219,970	239,217
Net income from investments					
Interest income	98,374,919	101,253,361	101,059,160	24,995,145	25,212,453
Losses on financial assets or liabilities at fair value through profit or loss	(181,709,835)	(6,540,175)	(83,477,897)	(38,720,996)	(32,066,605)
Gains (losses) arising from derecognition of financial assets measured at amortised cost	6,759,503	(3,555,020)	(3,291,099)	(646,551)	(912,875)
Realised gains (losses) on financial assets at fair value through other comprehensive income	5,556,442	6,173,604	5,360,367	50,634	(76,963)
Share of (loss) gain of associates and joint ventures accounted for using equity method	(283,970)	(184,186)	(141,291)	26,465	(7,308)
Foreign exchange gains, investments	161,454,678	2,962,528	107,160,086	65,600,906	21,819,291
Net change in reserve for foreign exchange valuation	(24,642,188)	14,122,918	(14,221,488)	(7,481,164)	(14,183,900)
Losses (gains) on investment property	(1,210,036)	9,861,296	7,787,791	1,334,950	1,369,330
Expected credit losses or reversal of expected credit losses of investments	(5,915,589)	491,989	956,955	(495,127)	(39,830)
Other net loss from investments	(309,120)	(309,809)	(315,368)	(66,238)	(50,522)
Gains (losses) on reclassification under the overlay approach	50,580,033	(26,354,998)	9,455,315	(10,805,260)	19,777,938
Other operating income	1,133,019	929,076	1,277,154	243,059	192,184
Income on insurance products, separated account	1,301,286	8,746,681	6,407,879	2,554,307	761,504
Total operating revenue	**290,364,216**	**259,989,162**	**319,258,544**	**73,454,563**	**57,057,816**
OPERATING COSTS					
Retained claim payments					
Insurance claim payment	204,787,676	246,254,035	292,892,865	58,031,010	53,996,783
Less: Claims recovered from reinsurers	(811,008)	(863,013)	(1,227,751)	(257,104)	(295,399)
Total retained claim payments	203,976,668	245,391,022	291,665,114	57,773,906	53,701,384
Net change in other insurance liabilities					
Net changes in claim reserve	262,356	468,466	153,961	(134,857)	144,060
Net changes in liability reserve	67,876,603	7,511,174	(13,577,730)	7,106,197	7,747,420
Net changes in special claim reserve	119,918	(389,236)	44,257	56,058	51,071
Net changes in premium deficiency reserve	(386,666)	(363,415)	(163,388)	(17,291)	(46,675)
Total net changes in insurance liabilities	67,872,211	7,226,989	(13,542,900)	7,010,107	7,895,876
Net change in reserve for insurance with nature of financial instrument	13,745	50,080	55,517	17,301	9,041
Acquisition expenses	6,328	7,219	4,385	617	962
Commission expenses	6,210,032	6,103,614	8,586,892	1,555,212	2,245,050
Fee expenses	43,872	71,548	221,643	53,849	41,072
Financial costs	1,194,007	1,258,332	1,782,277	406,756	477,853
Other operating costs	1,217,288	1,272,560	1,198,566	237,908	295,579
Disbursements on insurance product, separated account	1,301,286	8,746,681	6,407,879	2,554,307	761,504
Total operating costs	**281,835,437**	**270,128,045**	**296,379,373**	**69,609,963**	**65,428,321**
OPERATING EXPENSES					
General expenses	6,663,095	7,998,115	9,262,950	1,813,373	1,858,406
Administrative expenses	6,184,143	5,639,423	6,538,574	1,241,158	2,004,558
Staff training expenses	166,876	193,778	197,209	34,424	28,340
Expected credit losses or reversal of expected credit losses of non-investments	1,690	(302)	13,908	19,066	12,768
Total operating expenses	**13,015,804**	**13,831,014**	**16,012,641**	**3,108,021**	**3,904,072**
OPERATING (LOSS) INCOME	**(4,487,025)**	**(23,969,897)**	**6,866,530**	**736,579**	**(12,274,577)**
NON-OPERATING INCOME AND EXPENSES					
Impairment loss on non-financial assets	(22,582)	-	(325,887)	(312,535)	-
Recovered bad debts and overdue accounts	3,388	25,873	7,251	2,860	1,497
Other non-operating income and expenses	366,860	324,389	384,415	53,041	1,935
Total non-operating income and expenses	**347,666**	**350,262**	**65,779**	**(256,634)**	**3,432**
(LOSS) PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	**(4,139,359)**	**(23,619,635)**	**6,932,309**	**479,945**	**(12,271,145)**
TAX (EXPENSE) INCOME	(650,703)	6,511,868	3,296,737	(7,164)	1,236,337
CONSOLIDATED NET INCOME (LOSS)	**(4,790,062)**	**(17,107,767)**	**10,229,046**	**472,781**	**(11,034,808)**

	Year ended 31 December			Period ended 31 March	
	2022	2023	2024	2024	2025
	(audited)	*(audited)*	*(audited)*	*(unaudited)*	*(unaudited)*
	(NT$ thousands except for earnings per share)				
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX					
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains on remeasurements of defined benefit plans	110,137	4,358	576,834	-	-
Gains on revaluation	1,132,199	1,165,042	603,445	134,598	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,091,171	(1,717,409)	(1,005,535)	(469,631)	(280,940)
Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	(10,725,225)	12,517,219	6,733,624	3,759,003	2,329,671
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	14,351	(123)	3,535	2,510	802
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(10,343)	63,374	243,128	135	(593)
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	4,571,199	(3,659,217)	1,647,101	(1,118,945)	2,665,754
(Gains) losses from investments in debt instruments measured at fair value through other comprehensive income	8,102,803	18,677	(506,846)	(76,360)	150,150
Other comprehensive (loss) income on reclassification under the overlay approach	(50,580,033)	26,354,998	(9,455,315)	10,805,260	(19,777,938)
Total other comprehensive (loss) income, net of income tax	(46,293,741)	34,746,919	(1,160,029)	13,036,570	(14,913,094)
TOTAL COMPREHENSIVE (LOSS) INCOME	**(51,083,803)**	**17,639,152**	**9,069,017**	**13,509,351**	**(25,947,902)**
NET (LOSS) INCOME ATTRIBUTABLE TO:					
Owner of the company	(4,872,114)	(17,192,701)	10,157,479	453,171	(11,049,480)
Non-controlling interest	82,052	84,934	71,567	19,610	14,672
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:	**(4,790,062)**	**(17,107,767)**	**10,229,046**	**472,781**	**(11,034,808)**
Owner of the company	(51,149,926)	17,537,850	8,997,080	13,489,155	(25,959,357)
Non-controlling interest	66,123	101,302	71,937	20,196	11,455
Total	(51,083,803)	17,639,152	9,069,017	13,509,351	(25,947,902)
(Loss) earnings per share					
Basic	$ (0.68)	$ (2.33)	$ 1.29	$ 0.06	$ (1.33)

KEY PERFORMANCE INDICATORS

The Company uses key performance indicators, including ratio of long-term and protection-oriented products, recurring investment yield before hedge and foreign exchange, investment yield after hedge and foreign exchange, return on average equity, first year premiums equivalent, policy persistency ratio (13 months) and policy persistency ratio (25 months) to measure the scale and profitability of the Company's business. For a discussion of these metrics, see "*Description of the Group – Overview*". See "*Risk Factors – Risk Factors Relating to The Business of The Group – A number of the Company's key performance indicators are calculated based on a number of assumptions used in the calculations and may vary significantly as those assumptions are changed*" for a discussion of the relevant risks in relation to the above key performance indicators.

	As of and for the Years ended 31 December		
	2022	2023	2024
	(in NT$ billions, except ratios)		
Pre-Hedging Recurring Yield [(1)]	3.46%	3.43%	3.42%
Post-Hedging Recurring Yield [(2)]	3.27%	2.45%	2.39%
Return on Asset [(3)]	-0.1%	-0.5%	0.3%
First Year Premiums [(4)]	53.7	38.9	64.2
Persistency Ratio (13 months) [(5)]	97.31%	97.17%	96.70%
Persistency Ratio (25 months) [(6)]	97.36%	94.30%	93.67%

Notes:

(1) Pre-Hedging Recurring Yield is calculated by dividing (A) the recurring investment income (including interest income, dividend income, rental income, etc.) for the period by (B) average capital invested for such period.

(2) Post-Hedging Recurring Yield is calculated by dividing (A) the sum of the recurring investment income (including interest income, dividend income, rental income, etc.), foreign exchange gains (losses) and net foreign exchange rate changes by (B) average capital invested for such period.

(3) Return on Asset ("**ROA**") is calculated by dividing (A) the sum of the Company's net income after tax and interest expense adjusted for taxes by (B) its average total assets.

(4) First Year Premiums is the premiums paid by the policyholder in the first year of purchasing the insurance policies.

(5) Persistency Ratio (13 months) is the annualised premium of policies (including main or supplementary policies) that have completed their 13th monthly premium payment and are in force at the end of the 15th month, divided by the initial annualised premium of policies (including main or supplementary policies) at the beginning of the period.

(6) Persistency Ratio (25 months) is the annualised premium of policies (including main or supplementary policies) that have completed their 25th monthly premium payment and are in force at the end of the 27th month, divided by the initial annualised premium of policies (including main or supplementary policies) at the beginning of the period.

RISK FACTORS

Any investment in the Bonds is subject to a number of risks. Prior to investing in the Bonds, prospective investors should carefully consider risk factors associated with any investment in the Bonds, the business of the Issuer, the Guarantor and their subsidiaries and the industry in which the Group operates together with all other information contained in this Offering Circular, including, in particular, the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Bonds" in this Offering Circular have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Bonds and should be used as guidance only. Additional risks and uncertainties relating to the Issuer, the Guarantor or their subsidiaries that are not currently known to the Issuer, the Guarantor or their subsidiaries or that the Issuer, the Guarantor or their subsidiaries currently deem immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer, the Guarantor or their subsidiaries and, if any such risk should occur, the price of the Bonds may decline and investors may lose all or part of their investment. Investors should consider carefully whether an investment in the Bonds is suitable for them in light of the information in this Offering Circular and their personal circumstances.

RISK FACTORS RELATING TO THE BUSINESS OF THE GROUP

The Group's business is inherently subject to market fluctuations, general economic conditions and geopolitical events globally.

The Group's business is inherently subject to global capital market fluctuations, general economic conditions and geopolitical events. The global economy has experienced uncertainty brought on by geopolitical events such as the trade negotiations between the PRC and the United States, political instability in the Middle East, Europe and various parts of the Asia-Pacific region, and the ongoing conflict in Russia and Ukraine and the conflict in Israel and Gaza as well as the Middle East. These events have affected the monetary and fiscal policies of governments globally and may result in substantial volatility of equity and bond markets, fluctuations in interest rates, commodities prices, currency exchange rates, capital flows and credit spreads, export controls, tariffs and higher inflation, as well as reducing market liquidity and global economic activity. Global market factors, including inflation, deflation, interest rates, credit spreads, equity prices, real estate markets, energy prices, foreign currency exchange rates, consumer spending, business investment, government spending, the volatility and strength of the capital markets, government actions taken in response, and regional and geopolitical instability and conflicts, the application of protectionist or restrictive economic and trade policies with specific markets, regulations and executive powers, which increase trade barriers with specific markets or restrictive trade practices, financial transactions, transfer of capital and/or investment with specific territories, companies or individuals, all affect the business and economic environment and, ultimately, the amount and profitability of the Group's business.

Interest rates are expected to fluctuate for the foreseeable future. The United States Federal Reserve had raised interest rates several times in 2022 and 2023. Although interest rate cuts were announced by the United States Federal Reserve in September 2024, there can be no assurance that there will not be further interest rate fluctuations. The United States Federal Reserve's interest rate has a significant influence on central banks globally. If market interest rates increase, surrenders and withdrawals of insurance policies and contracts may increase as policyholders seek other investments with higher perceived returns. Such behaviour could lead to cash outflows and potentially compel the Group to dispose of investment assets at a time when their values are negatively impacted by rising interest rates, resulting in realised capital losses. However, it is worth noting that the FYP across Taiwan's life insurance industry increased by 24.0% in 2024 compared to the previous year, reflecting a degree of resilience in the sector. Furthermore, any material fluctuations in interest rates may also increase the Group's interest burden on its future indebtedness and could have an adverse impact on the Group's ability to service its debt obligations. The interest rate environment and bank reserve ratio requirements in particular are likely to have an impact on the level of premiums written through the bancassurance channel. The CSM in the Group's bancassurance channel increased from NT$4.3 billion in 2023 to NT$4.9 billion in 2024. Tighter liquidity conditions may also lead to a poorer circumstance for bank distribution sales of insurance products.

In addition, upheavals in the financial markets can also affect the Group's business through their effects on general levels of economic activity, employment and customer behaviour. In an economic downturn characterised by higher unemployment, lower family income, lower corporate earnings, lower business investment, increased corporate defaults, increased foreclosure on real estate companies, and lower consumer spending, the demand for the Group's insurance and annuity products could be materially and adversely affected by lower levels of

disposable income. The Group may experience an elevated incidence of claims and lapses or surrenders of policies. The Group's policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. In addition, such downturns generally result in lower interest yields and declines in stock prices and dividends from stocks, which negatively affect the Group's investment income. Accordingly, adverse or worsening economic conditions in the global economy could adversely affect the Group's business, financial condition and results of operations.

The Group expects competition in the insurance industry in Taiwan to increase, which may materially and adversely affect the growth of the Group's business.

The insurance business is highly competitive in Taiwan, which may drive the Group's pricing lower and profit margins lower. Competition with respect to the types of insurance in which the Group is engaged is based on many factors, such as underwriting expertise, reputation, market knowledge and experience in insurance products, premiums charged, as well as other terms and conditions of the insurer or reinsurance offered, services offered and speed of claims payment and perceived overall financial strength of the insurer or reinsurer. In Taiwan, the Group competes with a number of major players which may have greater financial resources than it does. With increased competition, even if premium levels of the Group's businesses are not adversely affected, the underlying profit margins of the business sold may still be materially and adversely impacted, which may in turn materially affect the Group's business, financial condition and results of operations.

Investing and trading in overseas fixed income securities expose the Group to additional risks, including risks related to global financial markets and fluctuations in foreign exchange rates which has resulted in losses from time to time.

The Group's investment portfolio consists primarily of overseas fixed income securities, which are predominantly denominated in U.S. dollars. Furthermore, the market value of the overseas fixed income securities in which it decides to invest could decrease significantly due to various factors, including declines in foreign stock markets, increases in global interest rates, a lack of liquidity, a deterioration in the operating performance or financial condition of particular issuers or of the overseas local or global economy in general. The interest rate hike in 2022 caused credit and valuation losses on investment properties, leading to a total comprehensive loss of NT$4.80 billion for the year ended 31 December 2022. High bond market interest rates further impacted capital gains, resulting in a total comprehensive loss of NT$17.1 billion for the year ended 31 December 2023. To address the NT$11.0 billion total comprehensive loss for the three months ended 31 March 2025, the Company plans to increase dividend income from bonds and stocks while reducing hedging costs. Accordingly, the Group's investments in overseas fixed income securities may lead to trading and valuation losses, which could adversely affect its results of operations and financial condition.

Furthermore, the Group may incur foreign exchange losses on its investments denominated in U.S. dollars. Appreciation of the NTD reduces the NTD value of the Group's overseas fixed income securities. As the Group's profit and loss may fluctuate significantly due to exchange rate fluctuations, currency hedging has been implemented by the Group to address such fluctuations. However, due to the negative NTD/U.S. dollar interest rate spread, currency hedging will incur additional hedging costs as well as fluctuations in gain or loss from measurement of hedging tools. Accordingly, it is necessary to dynamically adjust hedging ratios according to the NTD movements, by raising such ratio when NTD strengthens to reduce its negative impact on gain or loss or maintaining a relatively low ratio when the NTD weakens to save hedging costs.

To align closely with the NTD movements, the Group will monitor macroeconomic trends, such as the global economic climate and monetary policies published by Federal Reserve Bank of New York, aiming to manage the Group's foreign exchange risks effectively based on the exchange rate trends. Adjustments to the Group's reserve for foreign exchange price fluctuations are also made from time to time.

Although the Group generally seeks to hedge the exchange rate risk arising from its investments in overseas fixed income securities through derivative financial instruments, its hedging activities relating to its investments denominated in foreign currencies may not be fully effective, and its investment results may be subject to exchange rate risk, as well as other risks and volatility affecting overseas capital markets. Future movements in the exchange rate of the NTD against the U.S. dollar may result in foreign exchange losses or losses on its hedging instruments, which may adversely affect its results of operations and financial condition.

In May 2025, Fitch placed several major Taiwanese life insurers on Rating Watch Negative ("**RWN**"), citing increased risks to capital and earnings following a sharp appreciation of the New Taiwan dollar against the U.S. dollar, significantly increasing FX hedging costs and exposing insurers with large U.S. dollar-denominated asset

holdings to further currency risk. Fitch noted that foreign exchange valuation reserves had been depleted for most insurers, limiting their ability to absorb further FX losses without impacting capital levels. While the Group's peers in Taiwan are on the RWN, the Group is currently placed only on Rating Watch, the broader industry landscape highlights the increasing vulnerability of Taiwanese insurers to currency mismatch risks. Similar to its peers in Taiwan, the Group continues to face significant challenges in managing both the cost and effectiveness of its hedging strategies amid persistent exchange rate volatility. The Group's ability to maintain capital adequacy and earnings stability may be adversely affected if the New Taiwan dollar continues to appreciate or if hedging instruments underperform.

The Group continues to monitor developments in the insurance sector and macroeconomic environment and may adjust its investment and hedging strategies accordingly to mitigate these risks. However, there can be no assurance that such measures will be sufficient to offset the adverse effects of currency volatility or market dislocations As an insurance company, the Group may need additional capital in the future, and there is no assurance that the Group would be able to obtain such capital in time or on acceptable terms.

In order for the Group to grow, remain competitive, enter new businesses, expand the Group's scale of operations or meet regulatory capital adequacy or solvency margin ratio requirements, the Group may need new capital in the future.

The Company has benefited from the financial support from SKFH. However, there is no guarantee that the Group's shareholders and employees would provide the Group with capital in the future in which case the Group's business, financial conditions and results of operations could be materially and adversely affected.

In addition, the Group's ability to obtain additional capital in the future is subject to a variety of uncertainties, including:

- the Group's future financial condition, results of operations and cash flows;
- the ability to obtain the necessary regulatory approvals on a timely basis;
- the Group's shareholders' ability to make continuous contributions;
- general market conditions for capital raising activities; and
- economic, political and other conditions in Taiwan and elsewhere.

The Group may need to raise additional funds through financings or curtail its growth and reduce its assets. Any equity or debt financing, if available at all, may only be on terms that are not favourable to the Group. Disruption in the financial markets may limit the Group's ability to access capital required to operate its business, and the Group may be forced to delay raising capital or bear a higher cost of capital, which could decrease its profitability and significantly reduce its financial flexibility. In addition, if the Group experiences a credit rating downgrade, withdrawal or negative watch/outlook in the future, the Group could incur higher borrowing costs and may have more limited access to raising capital. Any difficulties in raising additional capital could materially and adversely affect the Group's business, financial conditions and results of operations.

Changes in accounting standards may adversely affect the Group's financial condition.

The consolidated financial statements of the Group are prepared and presented in accordance with the Taiwan-IFRS. Taiwan-IFRS differs from IFRS Accounting Standards in certain significant respects, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS Accounting Standards may not be timely endorsed by the FSC. See "*Summary of Certain Material Differences Between Taiwan-IFRS and IFRS Accounting Standards*". From time to time, the Group is also required to adopt new or revised accounting standards as accounting standard authorities issue new guidance intended to interpret or revise accounting pronouncements and expand or amend disclosure requirements.

In particular, two key accounting standard changes have been adopted with effect from 1 January 2023 – IFRS 17, Insurance Contracts and IFRS 9, Financial Instruments. The adoption of IFRS 9 became compulsory in Taiwan in 2018 and IFRS 17 standard is scheduled for adoption in 2026.

IFRS 9 addresses several aspects of accounting for financial instruments, including the classification, recognition and measurement of financial assets and financial liabilities.

IFRS 17 introduces a fundamentally different approach to previous accounting policies under IFRS 4 in terms of both liability measurement and profit recognition. Under IFRS 17, insurance contract liabilities will no longer be calculated based on historical or past assumptions but based on the present value of future insurance cash flows using a discount rate reflecting current interest rates and the characteristics of the insurance contracts, with a risk adjustment and deferral of unearned profits. In addition, under IFRS 17, certain parts of premium income from insurance contracts will be recognised over the coverage period in proportion to the value of expected coverage and other services that the insurer will provide over such period, rather than recognised at the time of receipt of premium payments, and the investment component of an insurance contract (which refers to amounts to be repaid to policyholders even if the insured event does not occur) will be disaggregated and excluded from premium income. Such changes to revenue recognition methodology will likely have the effect of, amongst other things, reducing the reported revenue from the Group's insurance operations.

IFRS 17 and IFRS 9 are complex accounting standards that require considerable judgment, complex modelling, assumptions and interpretation in their implementation. As such, the required quantitative disclosures are subject to significant estimation uncertainty and the associated inherent risk is significant. See elsewhere in this Offering Circular for further information. The Group will regularly conduct sensitivity analysis in accordance with the disclosure standards on financial statements under IFRS 17, covering insurance risks (mortality rate, morbidity rate, expense ratio and withdrawal/surrender ratio) and market risks (interest rate, equities and exchange rates) to evaluate the potential impact from the changes in risk variables on the profit and loss to be recognised for its insurance products. However, there is no guarantee that such analysis will successfully prepare the Group for the eventual adoption of IFRS 17.

It is also possible that accounting standards could change further in future, which could have a material adverse effect on the Group's financial condition and/or impact the reporting of its results of operations. Furthermore, the implementation of such changes could result in significant implementation costs and operational difficulties and affect the comparability of the Group's results of operations and financial condition before and after the implementation of such changes.

Volatility in interest rates, and the current interest rates in certain markets, could have an adverse effect on the Group's business, financial condition, liquidity and results of operations.

The profitability of some of the Group's products and the Group's investment returns are highly sensitive to interest rate levels and fluctuations, and changes in interest rates could adversely affect the Group's investment returns and results of operations. In periods of rising interest rates, increased investment yields will increase the returns on newly added assets in the Group's investment portfolios, but surrenders and withdrawals of existing insurance policies may also increase as policyholders seek to buy products with perceived higher returns. These surrenders and withdrawals may result in cash payments requiring the sale of invested assets at a time when the prices of those assets are adversely affected by the increase in market interest rates, potentially resulting in realised investment losses. These cash payments to policyholders would result in a decrease in total invested assets and a potential decrease in net income. In addition, the demand for the Group's life insurance products, in particular the traditional savings insurance policies, may decrease as investors seek more profitable alternatives. Moreover, a rise in interest rates would adversely affect the Group's shareholders' equity in the immediate fiscal year due to a decrease in the fair value of the Group's fixed income investments. Such adverse effects would directly and adversely impact the regulatory solvency margin ratios of the Group's insurance operations.

Conversely, as interest rates decrease or remain at low levels, the Group may be forced to divest the newly added assets in its investment portfolio and reinvest proceeds from investments that have matured or have been prepaid or sold at lower yields, reducing the Group's investment margin and adversely affecting the Group's profitability. Moreover, borrowers may prepay or redeem fixed income securities or other loans in the Group's investment portfolio with greater frequency in order to borrow at lower market rates, which exacerbates the risk exposure of the Group. In addition, in a low interest rate environment, the Group's saving insurance policies, fixed annuities and other insurance products offered with a higher guaranteed rate of return at a time of prevailing high market interest rates may result in the actual rates of return on the Group's life insurance operations' investments intended to support its obligations with respect to such products declining below the assumed rates of return used in pricing such insurance products. The difference between the guaranteed return rates on such products and market interest rates may result in a negative spread on such products, which would adversely affect the Group's overall profitability. Accordingly, low or declining interest rates may materially affect the Group's financial position, results of operations and cash flows and significantly reduce the Group's profitability.

The Group also seeks to manage interest rate risk by matching, to the extent possible, the duration of its interest-bearing liabilities, such as its life insurance policy liabilities, and its interest-earning assets supporting such

liabilities. Matching the duration of its assets to their related liabilities reduces the Group's exposure to changes in interest rates, because the effect of such changes on its interest-earning assets and interest-bearing liabilities will be offset against each other to a certain degree. Historically, the availability of long-term fixed income securities in the Taiwan's financial markets has been limited, which has generally resulted in the average duration of interest-earning assets being shorter than that of interest-bearing liabilities of Taiwan's life insurance companies. In addition, while investing in interest-earning assets outside of Taiwan may enhance the Group's ability to match the duration of its assets to their related liabilities, the resulting mismatch in currencies may increase the Group's exposure to changes in exchange rates.

The Group's business and performance are dependent on the effectiveness of its distribution and marketing channels.

The Group primarily generates premium income through bancassurance, and traditional insurance brokers and also distributes its insurance products via proprietary agent channels and group insurance business. The effectiveness of these channels is critical to the Group's performance, and there is no assurance that the efforts of its bancassurance partners, brokers, proprietary agents, or other intermediaries will achieve the desired results.

The Group faces competition to attract and retain agency leaders and individual agents. It competes with other companies for the services of agents on the basis of its reputation, product range, compensation, training and support services. If the Group is unable to retain, motivate and manage its core group of highly productive agents, or if it is unable to recruit and train productive new agents, its business, financial condition and results of operations could be materially and adversely affected. Competition for agents from other life insurance companies, large-sized independent insurance sales agencies and other institutions may also require the Group to enhance the compensation of its agents, which would increase its operating costs and reduce its profitability. The Group also faces channel concentration risk in its bancassurance model. Although the Group is diversifying its bancassurance distribution channels, there is no guarantee that it will be able to do successfully.

To the extent the Group is not able to maintain its existing distribution relationships or diversify or secure new distribution relationships, it may not be able to maintain or grow its premiums, which may materially and adversely affect its business, financial condition and results of operations.

Concentration of the Group's investment portfolio in any particular asset class, market or segment of the economy may increase the Group's risk of suffering investment losses.

The Group's investment portfolio comprises of primarily overseas fixed income securities and domestic fixed income securities. As of 31 December 2022, 2023 and 2024, the Group's overseas fixed income securities comprise 67.5%, 67.5% and 68.1%, respectively of total investments. The Group's overseas fixed income position was mainly deployed in investment grade corporate bonds and invested in North America and Europe. Events or developments that have a negative effect on any particular industry, asset class, group of related industries, country or geographic region may have a negative effect on the Group's investment portfolio to the extent that the Group's portfolio is overly concentrated in the particularly affected industry or industries, asset class or geographic region. With the world's economies and financial markets becoming increasingly interconnected and interdependent, crises in one geography or one area could now easily negatively impact other geographies or areas, in which the Group may have investment exposure. Any adverse impact may increase the risk of negative mark to market movements of the Group's investments held for sale. These types of concentrations in the Group's investment portfolio increase the risk that, in the event the Group experiences a significant loss in any of these investments, the Group's financial condition and results of operations would be materially and adversely affected.

The Group's investment counterparties, including issuers of the overseas fixed income securities it holds, may be unable to perform their obligations to the Group due to bankruptcy, lack of liquidity, economic downturns, operational failure, fraud or other reasons. The Group is also exposed to the risk that it may not be able to enforce its rights against its counterparties in all circumstances. The Group may not have adequate risk control capabilities to effectively identify and control potential credit risks. This could lead to a decrease in the fair value of the Group's overseas fixed income securities, as well as its other investment assets, thereby resulting in impairment losses. Although the Group attempts to minimise these risks by diversifying its investments, improving its credit analysis skills and staying informed on the changes of interest rates, the Group may not be able to identify and mitigate credit risks successfully and the potential fair value losses or realised losses on its investment and any significant downgrading of the securities the Group holds could have a material adverse effect on its business, financial condition, results of operations and prospects.

In addition, there may not be a liquid trading market for certain of the Group's investments, which is in turn affected by numerous factors, including the existence of suitable buyers and market makers, market sentiment and volatility, the availability and cost of credit and general economic, political and social conditions. If the Group were required to dispose of these or other potentially illiquid assets on short notice, the Group could be forced to sell such assets at prices significantly lower than the prices the Group has recorded in its consolidated financial information.

Differences between actual claims experience and the assumptions used in pricing and setting reserves for the Group's insurance products may materially and adversely affect the Group's financial condition and results of operations.

The Group's earnings depend significantly on the extent to which the Group's expected payout of benefits and claims results are consistent with the assumptions and estimates the Group uses, such as loss ratio, expense ratio, mortality, morbidity and lapse and partial surrender rates, amongst other assumptions, in setting the prices of and establishing the reserves for the Group's products. If the Group's actual experience differs unfavourably from the estimates and assumptions used in the Group's pricing and reserving, the profitability of the Group's insurance products may be materially and adversely affected.

The Group prices its products based on a number of assumptions and estimates that the Group derives from the Group's experience data, industry data, past and then current market conditions and relevant regulations, amongst others. If the actual market conditions following the launch of the Group's products are significantly less favourable than the Group's assumptions and estimates used in pricing, the distribution and the profitability of the Group's products may be materially and adversely affected, which may, in turn, materially and adversely affect the Group's financial condition and results of operations. The Group's assumptions and estimates may also deviate from its actual experience due to various factors that are beyond its control, including as a result of unexpected changes in the scope of coverage by the Taiwanese national health insurance programme or unfavourable re-interpretations of its life insurance policy terms by Taiwanese courts or regulators, as well as advancements in health care that result in increased life expectancy and early detection of diseases. In addition, the occurrence of unexpected catastrophic mortality events in Taiwan, including pandemics, natural or man-made disasters or terrorist attacks, may result in claims that significantly exceed the Group's expectations. As a result, the Group cannot determine with precision the ultimate amounts that it will pay for, or the timing of payment of, actual benefits and claims or whether the assets supporting the life insurance policy liabilities will grow to the level it assumes prior to payment of benefits or claims.

The Group establishes reserves for its products based on relevant regulatory requirements and experience data of the insurance industry and the Group itself. However, estimation of reserves is a complex process, involving many variables and subjective judgments, due to the nature of the underlying risks and the high degree of uncertainty associated with the determination of liabilities for unpaid policy benefits and claims. The estimated amounts of benefits to be paid to policyholders may deviate significantly from the actual claims results. If the reserves originally established prove to be inadequate, the Group must incur additional expenses in the form of claims and payments, to the extent the actual amounts exceed the estimated amounts, or the Group may be required to increase its reserves for future policy benefits, resulting in additional expenses in the period during which the reserves are established or re-estimated, which may have a material adverse effect on the Group's financial condition and results of operations.

Reinsurance may not be available, affordable or adequate to protect the Group against losses.

As part of the Group's overall risk management strategy, the Group purchases reinsurance for certain risks underwritten by the Group's businesses. While reinsurance agreements generally bind the reinsurer for the life of the business reinsured at generally fixed pricing, market conditions beyond the Group's control determine the availability and cost of the reinsurance protection for new business. In certain circumstances, the price of reinsurance for business already reinsured may also fluctuate. Any decrease in the cost of reinsurance, due to for example a decrease in the coverage of reinsurance, may increase the Group's risk of loss and any increase in the cost of reinsurance will reduce the Group's earnings. Accordingly, the Group may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect the Group's ability to write future business or result in the assumption of more risk with respect to those policies the Group issues.

Reinsurance does not relieve the Group of its direct liability to its policyholders, even when the reinsurer is liable to it. Accordingly, the Group bears credit risk with respect to its reinsurers. Although the Group endeavours to choose reinsurers with good credit ratings, there is no guarantee that such reinsurers will not suffer significant

losses or other events rendering them unable to fully meet their obligations to the Group. Although a reinsurer is liable to the Group to the extent of the risks reinsured, the Group remains liable for those transferred risks if the reinsurer is unable to perform its contractual obligations. The Group's reinsurers may default on their obligations to the Group due to various reasons such as bankruptcy, lack of liquidity, downturns in the economy, operational failure, or fraud. The Group is also subject to the risk that its rights against the reinsurers may not be enforceable in all circumstances. As a result, although the Group seeks reinsurance arrangements only with reputable and creditworthy reinsurers, a default by a reinsurer who assumes significant underwriting risks from the Group could expose it to significant losses and could therefore materially and adversely affect its business, financial condition and results of operations.

The Group's risk management and internal control systems may be inadequate or ineffective in identifying or mitigating risks that it is exposed to.

The Group has established comprehensive risk management and internal control systems. The Group has also adopted policies, procedures and risk management methods, which are believed to be appropriate for the Group's business operations, and the Group further seeks to continue to improve these systems. However, due to the inherent limitations in the design and implementation of risk management and internal control systems, including identification and evaluation of risks, internal control variables and the communication of information, there is no assurance that such systems will be able to identify, mitigate and manage the Group's exposures to risks. Given the state of constant, rapid change in the economy, insurance industry and financial markets in Taiwan, and the rapid change and growth in the Group's operations, assets and investment portfolio, the Group may not be able to fully evaluate and assess the adequacy and effectiveness of its risk management and internal control systems. As a result, the Group may need to establish and implement additional risk management and internal control policies and procedures to further improve the Group's systems from time to time.

The Group implements its risk management and internal controls by using a series of risk management methods to monitor financial markets, credit, liquidity, operational and asset liability matching risks. These methods suffer from inherent limitations as they are generally based on statistical analysis of historical data as well as the assumption that future risks will share similar characteristics with past risks. There is no assurance that such assumption is accurate. The Group's information technology system may not be adequate in collecting, analysing and processing data, and it may not have enough capacity to handle the rapid growth of the Group's businesses. In addition, the Group's historical data and risk management experience may not be able to adequately reflect risks that may emerge from time to time in the future. As a result, the Group's risk management methods and techniques may not be effective in directing the Group to take timely and appropriate measures in risk management and internal controls.

The Group's risk management and internal controls also depend on the effective implementation by the Group's employees. Due to the scale of the Group's operations, the Group's large number of agents, professional personnel and the number of the Group's branch entities in different locations, there is no assurance that such implementation will not involve any human errors or mistakes, which may materially and adversely affect the Group's business and results of operations.

The diversification of the Group's insurance product offerings and investments will also require the Group to continue to enhance its risk management capabilities. If the Group fails to implement timely adaptations to its risk management policies and procedures in response to the Group's changing business and investment initiatives, the Group's business, financial condition and results of operations could be materially and adversely affected.

Derivative transactions may expose the Group to unexpected risk and potential losses.

The Group engages in derivative transactions such as currency swaps, non-deliverable forwards and foreign currency policies for the purpose of hedging its exposures to exchange rate risk from investments. Derivative contracts create exposure to the instruments or measures underlying such contracts and may lead to unexpected losses. Accordingly, in the event that market measures such as exchange rates move in directions that the Group does not anticipate, it may experience losses on such contracts.

Derivative transactions also expose the Group to the credit risk of transaction counterparties. Derivative contracts and other transactions entered into with third parties are not always confirmed by the counterparties on a timely basis. While the transaction remains unconfirmed, the Group is subject to heightened credit and operational risk and in the event of a default may find it more difficult to enforce the contract.

The Group may not be able to detect or prevent fraud or other misconduct by the Group's directors, senior management, officers, employees, agents, customers or other third parties in a timely manner, or at all.

The Group may be subject to fraud and other misconduct committed by the Group's directors, senior management, officers, employees, agents, customers or other third parties, including insurance policy fraud (where fraudulent misstatements or omissions of fact are made in applications for insurance products by customers), insurance claims fraud (where fraudulent misstatements or omissions of fact are made in an effort to make or exaggerate claims under existing policies) and the intentional staging of accidents or other covered events in an effort to collect insurance payments, as well as the fraudulent execution of insurance contracts by the Group's agents to collect sales commissions. While the Group has implemented, and continues to implement measures aimed at detecting and preventing employees' and outside parties' fraud and other misconduct, the Group may not be able to detect or prevent such fraud or misconduct in a timely fashion or in all of the Group's subsidiary and branch entities, which may harm the Group's reputation and adversely affect the Group's business, results of operations and financial condition. Moreover, given the size of the Group's operations and the number of agents and employees, the Group's existing measures and systems may not be able to adequately detect and monitor such potential fraud and misconduct. The Company may be subject to penalties and remedial actions from time to time and certain former senior management of the Company is involved in ongoing legal proceedings due to accusations of duty violations and breach of trust, and the Group is closely monitoring the situation. Any fraud or other misconduct committed by or relevant investigations of current and former chairpersons, directors, senior management, officers, agents or employees previously associated with the Group, may also adversely affect the Group's reputation, business, result of operations and financial condition, even if the actions are unrelated to the Group or the investigation is unfounded.

Agents' misconducts are difficult to deter and could harm the Group's business and performance.

The misconduct by the Group's agents could result in its violations of law, regulatory sanctions or legal claims against the Group and reputational or financial harm to the Group. Misconduct could include:

- engaging in misrepresentation or fraudulent activities when marketing or selling life insurance or investment products to customers;
- defective sales of life insurance or investment products due to failure to adequately explain product information and related risks to customers, including omission of information deemed material to making a purchasing decision;
- encouraging or advising customers to omit or misrepresent material information or developments, which could undermine the Group's insurance underwriting procedures and practices;
- hiding unauthorised activities, resulting in unknown and unmanaged risks or losses; or
- otherwise not complying with applicable laws, regulatory guidance or policies, or the Group's internal policies or procedures.

With reference to data from The Life Insurance Association of the Republic of China, the Group was the only industry player amongst major peers in Taiwan that demonstrated positive growth in agency force with a net increase of 252 agents in the year of 2024. While the Group closely monitors its agents' activities to detect any such unauthorised activities, the Group cannot always manage their behaviours or deter their misconducts given its large number of agents, and the precautions it takes to prevent and detect these activities may not be effective in all cases. Certain former agents of the Group are involved in ongoing civil and criminal proceedings related to business misappropriation, and the Group is closely monitoring the outcome. There is no assurance that agent misconduct or the Group's failure to detect and address such misconduct will not harm its reputation or lead to a material adverse effect on its business, results of operations and financial condition.

The growth of electronic transactions and the introduction of new technologies may result in increased competition.

The growth of electronic commerce and the introduction of new technologies are changing the Taiwanese life insurance industry and presenting the Group with new competitive challenges. For example, an increasing number of life insurance policies are being sold directly online by small- and mid-sized insurance companies without the use of more traditional distribution channels such as financial planners or general agencies and at a lower cost to customers.

The Group expects the trend towards growth of electronic transactions will continue, and it had invested significant resources into the development of online and digital business platforms in the past. The Group relies of digital solutions for insurance application, claim settlement, benefit payment, documentations, insurance policy management and contract changes. The Group continuously seeks to expand and upgrade its digital insurance and websites, however, there is no assurance that the Group's online and digital business platforms will remain competitive or that they will yield an adequate return on the Group's investments.

The Group's expansion into new areas of business and new distribution channels may subject the Group to additional risks and uncertainties.

From time to time, the Group may enter into new areas of business or explore new distribution channels. The Group may invest significant capital, time and resources in such efforts. The introduction and development of new areas of business and/or new products or services may not be completed in accordance with the expected timetables, and the pricing and profitability targets may not prove accurate and feasible. The Group in fact may incur operating losses in these new areas which may materially and adversely affect the Group's business, financial condition and results of operations. Furthermore, expansion into any new areas of business and/or any new distribution channel could have a material adverse effect on the effectiveness of the Group's internal control system to the extent the Group fails to effectively adapt its internal controls to such new businesses or distribution channels.

In addition, to be more competitive in Taiwan's insurance market, the Group intends to promote cross-selling opportunities by leveraging its diverse product offerings and its distribution channels. However, there is no assurance that cross-selling will attract more customer demand, and the failure to attract more customer demand may have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's business generates and processes a large amount of data, and any improper use or disclosure of such data could subject it to significant reputational, financial, legal, and operational consequences.

The Group's business generates and processes a large quantity of transaction data. The Group faces risks inherent in handling large volumes of data and in protecting the security of such data. In particular, the Group faces a number of challenges relating to data from transactions and other activities on the Group's platforms, including:

- protecting the data in and hosted on the Group's system, including against attacks on the Group's system by outside parties or fraudulent behaviour by the Group's employees;
- addressing concerns related to privacy and sharing, safety, security, and other factors; and
- complying with applicable laws, rules, and regulations relating to the collection, use, retention, disclosure, or security of personal information, including any requests from regulatory and government authorities relating to such data.

If the Group is hacked or is under a network attack or a denial-of-service attack or suffers from any other security breaches or system failure, personal, confidential or proprietary information being sent to or received from a client or counterparty may be intercepted, which could result in legal liability, regulatory action and reputational harm. Any failure, or perceived failure, by the Group to comply with its privacy policies or with any regulatory requirements or privacy protection-related laws, rules, and regulations could result in proceedings or actions against it by governmental entities or others. These proceedings or actions may subject the Group to significant penalties and negative publicity, require the Group to change its business practices, increase its costs, and severely disrupt its business.

Current or future litigation and regulatory procedures could result in reputational harm, financial losses or harm the Group's businesses.

The Group is involved from time to time as part of its ordinary course of business in litigation involving the Group's insurance operations. In addition, the ROC governmental agencies, including the insurance, tax, commerce and industrial administration and audit bureaus, has from time to time made inquiries and conducted examinations or investigations concerning the Group's compliance with relevant local laws and regulations. The litigation and administrative proceedings have in the past resulted in payments of insurance benefits, damage awards, settlements or administrative sanctions, including fines, which have not been material to the Group. In response to the past litigation and administrative proceedings that were resolved, the Group has implemented specific policies, training and report mechanisms targeting to strength internal controls. Additionally, the Group

currently has control procedures in place to monitor the Group's litigation and regulatory exposure, and to take appropriate actions. While the Group cannot predict the outcome of any pending or future litigation, examination or investigation, the Group does not believe that any pending legal matter will have a material adverse effect on the Group's business, financial condition or results of operations. However, there is no assurance that any future litigation or regulatory proceeding will not have a material adverse outcome, which could have a material adverse effect on the Group's reputation, business, financial condition, results of operations or cash flows.

Catastrophes could result in significant losses and disruptions to the Group's business operations.

The Group is exposed to the risk of unpredictable liabilities for insurance claim payments in the event of unpredictable catastrophic events in Taiwan, such as the COVID-19 pandemic, earthquakes, typhoons, fires and explosions, wars, foreign attacks, terror attacks or man-made disasters.

Such catastrophes could result in significant disruptions to the Group's business operations. Although the Group carries some catastrophe contracts and engages in reinsurance to reduce its catastrophe-loss exposure, there is no guarantee that such exposure could be effectively reduced. Due to limitations in the underwriting capacity and terms and conditions of the reinsurance market as well as difficulties in assessing its exposure to catastrophes, if such catastrophic event were to occur, the Group's business, financial condition and results of operations may be materially and adversely affected.

Work stoppages and other labour-related issues may adversely affect the Group's operations.

The Group's performance depends to a large extent on favourable labour relations with its employees and agents. Although the Group has built up a harmonious labour-management relationship, there can be no assurance that new collective bargaining and wage agreements will be negotiated or consultations will take place without discord with its labour unions or on terms satisfactory to the Group. If the Group is unable to negotiate successfully with its labour unions, it may become subject to union-initiated work stoppages, including strikes.

From time to time the Group may also become subject to demands, claims or legal actions brought by its employees, agents or the Group's labour unions acting on their behalf. See "– *Current or future litigation and regulatory procedures could result in reputational harm, financial losses or harm the Group's businesses*" for further information. Any significant increase in labour and labour-related legal costs, deterioration of employee relations, slowdowns or work stoppages, as well as the Group's failure to attract and retain qualified employees, whether due to union activities, employee turnover or otherwise, could have a material adverse effect on its business, reputation, results of operations and financial condition.

The Group depends on its Board of Directors, senior executives and other key employees for its operations and the growth potential of the Group's business.

The Group's success is, to a significant extent, attributable to the Group's directors, who have an in-depth knowledge and understanding of the insurance business as well as the market in which the Group operates. The Group is also dependent on the sound underwriting, product development, risk control, business development, investments and actuarial expertise of the Group's senior executives and other key employees. The competition for qualified technical, investments, sales and managerial personnel in the insurance sector in Taiwan is intense. The Group's continuing success will depend on the Group's ability to retain and hire suitably qualified and experienced management and key employees and the loss of their service could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group may be unable to successfully manage its growth.

The Group's future growth may place significant demands on the Group's managerial, operational and capital resources. The expansion of the Group's business activities exposes the Group to various challenges, including, but not limited to:

- continuing to expand, train and retain actuarial staff and to enhance actuarial capabilities;
- continuing to expand, train and retain the agency force, while maintaining costs and productivity at optimal levels;
- continuing to expand, train and retain investment professionals who have the expertise and experience to invest in existing and new asset areas, as the regulatorily permissible asset classes for investments broadens and the scale of the asset management operations increases;

- continuing to develop adequate underwriting and claims settlement capabilities and skills;
- recruiting, training and retaining personnel with proper experience and knowledge;
- meeting higher requirements for cost controls, meeting the demand for a broader capital base and satisfying an on-going need to meet the minimum capital adequacy requirements; and
- strengthening and expanding the Group's risk management and information technology systems to effectively manage the risks associated with existing and new lines of insurance products and services and increased marketing and sales activities, as well as risks associated with the investment portfolio.

There is no assurance that the Group will manage its growth successfully. In particular, the Group may not be able to rapidly recruit and effectively train and retain a sufficient number of qualified personnel to keep pace with the growth of the Group's business. In addition, the Group may not be able to exercise effective centralised management and supervision over the Group's subsidiary and branch entities if the Group's internal control and information technology systems are not developed quickly enough to accommodate the Group's growing business needs.

In addition, to the extent the Group pursues its growth strategy through acquisitions, there is no assurance that the Group will be able to identify and secure suitable acquisition opportunities or that the Group will be able to implement its strategies and policies in respect of acquired entities in a timely fashion. Furthermore, any particular acquisition may not produce the intended benefits. For example, the Group may not be successful in integrating any future acquisition with the Group's existing operations and personnel, and the process of integration may cause unforeseen operating difficulties and expenditures and may require significant attention from the Group's management that would otherwise be available for the on-going development of the Group's business. If the Group encounters difficulty in integrating an acquisition, the Group's business, financial condition and results of operations may be materially and adversely affected.

The valuation attached to the Group's investments contains assumptions that may or may not materialise and the value of the Group's holding of investment may fluctuate.

As at 31 December 2022, 2023 and 2024, the Group's total investment was stated at NT$3,310.2 billion, NT$3,291.4 billion and NT$3,394.3 billion, respectively. The Group reassesses the fair value of the Group's investments at every reported statement of financial position date by using valuation techniques, including income approach, comparison approach and cost approach. The valuations are based on certain assumptions which, by their nature, are subjective and uncertain and may differ materially from actual results. Accordingly, the valuations are not a prediction of the actual value the Group can realise from these investments. Unanticipated results or changes in particular real estate developments and property developments, or changes in general or local economic conditions or other relevant factors, including changes in government regulations, could affect such values. In addition, the Group's consolidated statement of comprehensive income includes revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income. A decrease in the value of the investment could reduce the Group's net income. An upward change in the fair value, which reflects unrealised capital gains at the relevant statement of financial position dates, does not generate cash inflow to the Group until such investment are disposed of. Any further adverse development in the condition of the market may have an adverse impact on the selling prices of and the time it will take to sell the Group's investment.

A downgrade in the ratings assigned to the Company could adversely affect the Group's ability to write new business, raise funds and may adversely impact the Group's existing business.

The Company has the Financial Strength Rating and the Issuer Credit Rating of "BBB+ (Negative)" from S&P, the Insurance Financial Strength Rating of "Baa2 (Positive)" from Moody's and the Insurer Financial Strength Rating of "BBB (Rating Watch Evolving)" and the Issuer Default Rating of "BBB- (Rating Watch Evolving)" from Fitch. These ratings are important factors in establishing a competitive position in the insurance industry. Insurer financial strength ratings measure a company's ability to meet its insurance obligations. Credit ratings measure a company's ability to repay its debt obligations and directly affect the cost and availability of unsecured financing. Ratings are subject to periodic review at the discretion of the rating agencies and may be revised downward or revoked at their sole discretion. In May 2025, Fitch placed several major Taiwanese life insurers on RWN.

The Company's ratings could be downgraded at any time and without notice. There is no assurance that members of the Company will improve or maintain their ratings, and any potential downgrade in the ratings assigned to the Group companies by rating agencies could adversely affect the Group's business.

The Group is exposed to the risk of failures in its information technology systems.

The operation of the Group's business depends on the efficient and uninterrupted operation of its information technology systems. The Group's information technology systems are vulnerable to damage or disruption from various factors, including but not limited to, power loss, telecommunications failures, computer denial of service attacks, data corruption, network failure, computer viruses, security breaches, natural disasters, theft, vandalism, fraud or other acts not within its control. Inadequacies or failures of the Group's information technology systems could impair its collection, processing or storage of data and the day-to-day management of its business, which could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, given the size of the Group's operations, the Group's information technology systems may not have enough capacity and capability to handle the information technology needs of a larger entity.

Misinformation (inaccurate information) and disinformation (information deliberately created for the purpose of harming individuals, social groups, organisations, or countries) are widely disseminated through media networks. The misinformation and disinformation will significantly influence public opinion and lead to customer distrust of companies. Furthermore, with the rapid development of generative AI technology, it may be abused to create misinformation or disinformation and for unfair competition, affecting the Group's reputation, operations, or policyholders' rights. Spreading misinformation or disinformation about a company may cause customers to lose trust in the company, resulting in contract termination or a decline in sales and premium income, and damage to the Group's goodwill. If it cannot be handled timely and effectively, it may cause significant financial losses or affect the Group's normal operations.

A number of the Group's key performance indicators are calculated based on a number of assumptions used in the calculations and may vary significantly as those assumptions are changed.

The key performance indicators set out in "*Selected Financial Information*", including pre-hedging recurring yield, post-hedging recurring yield, return on asset, first year premiums, persistency ratio (13 months) and persistency ratio (25 months) are used to measure the scale and profitability of the Group's business. The calculation of such key performance indicators involves some assumptions including interest rate, investment yield, mortality, morbidity, lapse and surrender, expense ratio, commissions and policyholder dividends, amongst other things. As a result, actual future experience may differ from those assumed in the calculations, and these differences may be material.

Since the Group's actual market value is determined by investors based on a variety of information available to them, these values should not be construed to be a direct reflection of the Group's actual market value and performance. For these reasons, prospective investors should only consider these values after carefully evaluating all of the risks described in the Offering Circular, including the risks described in this section. The inclusion of these values in the Offering Circular should not be regarded as a representation by the Group, the Managers, or any other person of the Group's future profitability and financial condition. None of the Managers, the Trustee, the Agents or any of their respective directors, officers, employees, affiliates, representatives, agents or advisers or any person who controls any of them has independently verified value of key performance indicators or their calculation methodologies.

Potential investors should not place reliance on the monthly data published by the Group that is not audited or reviewed.

This Offering Circular contains consolidated financial statements of the Group as at and for the financial years ended 31 December 2023 and 2024 and consolidated financial statements as at and for the three months ended 31 March 2025. Please see "*Presentation of Financial Information*" for more details. These financial statements have been audited by Deloitte & Touche, the independent auditor of the Group, in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China.

Additionally, the Group also publishes monthly data which are not audited or reviewed by the Group's independent auditor and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review and should not be taken as an indication of the Group's expected business, financial condition and results of operations. Accordingly, such monthly operational data has

not been incorporated into this Offering Circular and should not relied on by the investors in making their investment decision.

None of the Group, the Managers, the Trustee or the Agents or affiliates, officers, employees, agents, representatives, directors or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the accuracy, completeness and sufficiency of such monthly operational data of the Group.

An actual or perceived reduction in the Group's financial strength could increase policy surrenders and withdrawals, damage the Group's business relationships and negatively impact new sales of the Group's products.

Policyholders' confidence in the financial strength of an insurance company, as well as in the financial services industry generally, is an important factor affecting the Group's business. Any actual or perceived reduction in the Group's financial strength could materially and adversely affect the Group's business because any such development may, amongst other things:

- increase the number of policy surrenders and withdrawals;
- damage the Group's relationship with its creditors, customers and the agents of the Group's products;
- negatively impact sales of the Group's products;
- require the Group to reduce prices for many of the Group's products and services to remain competitive;
- adversely impact the Group's ability to obtain reinsurance on acceptable terms; and
- increase the Group's borrowing costs as well as affect the Group's ability to obtain financing on a timely basis.

There is no assurance that the Group will not experience any reductions in its financial strength, actual or perceived, in the future.

The failure to identify and adequately address risks associated with ESG factors could adversely affect the achievement of the Group's long-term strategy and affect its business.

The Group aspires to harness the power of corporate citizenship, working together with its employees, policyholders, and the general public to protect the well-being of Taiwan. The Group integrates ESG factors into the decisions that it makes and actions it takes in order to achieve the Group's sustainability value. The Group is committed to reducing its carbon footprint and championing financial inclusivity as part of supporting the transition to a lower-carbon economy.

The Group's ESG strategy helps it to assess its impact on the economy, the environment and society, and to consider the significance of various ESG factors for the Group's stakeholders, as well as their importance and impact to its business. Given the continuously evolving global and local business environment and in light of its stakeholders' shifting priorities and expectations, the Group may fail to identify material ESG factors, adequately address pertinent ESG-related risks and expectations and requirements of its investors, regulators and others. This may include any failure to effectively capture ESG-related opportunities to drive meaningful positive impact.

If the Group is unable to effectively implement its ESG strategy and address ESG risks and expectations and requirements of its stakeholders or meet stated ESG targets or goals, this could adversely affect the achievement of the Group's long-term strategy and could have a material and adverse effect on its reputation, business, financial condition or results of operations.

The Group's strategic initiatives at its businesses may not be successful.

The Group provides a full range of life insurance products and related services, including individual life insurance, individual health insurance, individual injury insurance, annuity insurance and group insurance. Each of the Group's businesses has ongoing and future strategic and operating initiatives to further develop and grow their operations. There is no assurance that the Group will be able to successfully achieve any of its strategic and operating initiatives, whether at the operating business level, or at the overall Group level.

The Group may be subject to OFAC or other penalties if the Group is determined to have violated any OFAC regulations or similar sanctions.

The United States imposes a range of economic sanctions against certain foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction. The U.S. sanctions are intended to advance certain U.S. foreign policy and national interests, such as discouraging certain countries from acquiring weapons of mass destruction or engaging in human rights abuses. Office of Foreign Assets Control ("**OFAC**") is the principal government agency charged with administering and enforcing U.S. economic sanctions programmes. These economic sanctions, as administered by OFAC, generally apply to U.S. entities and, in certain cases, to foreign affiliates of U.S. entities, or to transactions that involve, in some manner, U.S. products or otherwise come within the jurisdiction of the United States. The United Nations Security Council, the European Union, the United Kingdom, the PRC and other governments and international or regional organisations also administer similar economic sanctions. In addition, the Group may from time to time engage in business activities in countries or with entities that are the subject of certain sanctions. Notwithstanding that such business activities may not themselves be subject to sanctions, the Group may face secondary sanctions if it is determined that the Group has provided material support to countries or entities or involving specific sectors of certain countries that are the subject of sanctions. If the Group engages in any prohibited transactions by any means, or if it is otherwise determined that any of the Group's transactions violated OFAC-administered or other sanctions regulations, the Group could be subject to penalties, and the Group's reputation and ability to conduct future business in the United States or with U.S. entities, or in other affected jurisdictions, could be affected, which may materially and adversely affect the Group's reputation, business, financial condition or results of operations.

The information relating to the Enlarged Parent Group or the Enlarged Life Insurance Group, including any information relating to the anticipated timetable for the merger and results of operations of the Enlarged Parent Group and/or the Enlarged Life Insurance Group and the expected synergies resulting from the merger may differ materially upon completion of the merger.

In October 2024, the proposal of merger SKFH with Taishin Financial received approval from a significant majority of shareholders at the extraordinary general meetings of both Taishin Financial and SKFH. In January 2025, the Taiwan Fair Trade Commission granted its approval for such proposed merger. In February 2025, all employee settlement schemes were approved by the SKFH group companies. In March 2025, the Financial Supervisory Commission provided regulatory approval for such proposed merger. It is scheduled for the merger to become effective in July 2025, resulting in the formation of the Enlarged Parent Group. Following the merger of the Enlarged Parent Group, the Company will initially continue to operate its life insurance business and separately co-exist with Taishin Life until the final phase of the group-wide merger. As at the date of this Offering Circular, the consolidation of the Company and other major subsidiaries of SKFH and Taishin Financial, including bank, life insurance, securities and investment trust subsidiaries, is expected to be completed within two years in accordance with applicable ROC laws. As at the date of this Offering Circular, it is anticipated that following the completion of the merger of SKFH and Taishin Financial, the Company and Taishin Life would subject to the receipt of all applicable regulatory and corporate approvals, proceed to be consolidated, whereby Taishin Life will become the surviving entity, succeeding to and assuming all of the rights, obligations and liabilities of the Guarantor in accordance with applicable ROC laws. The Enlarged Life Insurance Group will then continue operating under the "Shin Kong Life" brand.

As part of the proposed merger approval process, both Taishin Financial and SKFH have independently published and released a series of public and shareholders' announcement and circulars that included information relating to the anticipated corporate and shareholding structure of the expected Enlarged Parent Group, the anticipated financial position of the Enlarged Parent Group and other anticipated business and operational synergies expected from the merger, include information relating to the Enlarged Life Insurance Group. This Offering Circular has extracted and reproduced elsewhere certain selected information relating to the merger published by Taishin Financials and SKFH respectively, including but not limited to the information relating to SKFH, Taishin Financials and Taishin Life (see "*Description of the Group – Recent Development*"). The information included relating to the merger are extracted from public information published by Taishin Financial and/or SKFH and reproduced elsewhere in this Offering Circular are included only to illustrate the potential outcome of the merger. There can be no assurance that such reproduced information will be an accurate representation or status of the subsequent Enlarged Parent Group or of the Enlarged Life Insurance Group once the merger is completed. Given the hypothetical nature of the information relating to the merger, which have be produced based on certain assumptions made by the publisher of such information not involving the Issuer, the Guarantor or the Group, there can be no assurance or indication that any event described therein will in fact take place in the future and the information may not be indicative of the current or future financial condition and results of operations of the Enlarged Parent Group or of the Enlarged Life Insurance Group. As such, potential investors are cautioned not to

place undue reliance on such merger information and must exercise caution when assessing such information to evaluate the timing of the proposed merger at the parent level or at the Guarantor level, and in relation to the Enlarged Parent Group's future operations, structure and financial position.

RISK FACTORS RELATING TO THE INSURANCE INDUSTRY

The Group's businesses are heavily regulated, and changes in regulation may reduce the Group's profitability and limit the Group's growth.

The Group is subject to extensive regulation and supervision in Taiwan where it conducts its business, which is supervised by the FSC, and it must comply with the Insurance Act, the Regulations for Establishment and Administration of Insurance Enterprise and related regulations.

The Group's businesses in Taiwan are extensively regulated by the FSC, which has been given wide discretion in its administration of these laws, rules and regulations as well as the authority to impose regulatory sanctions on the Group. On 1 July 2004, the FSC was established as the competent authority responsible for development, supervision, regulation, and examination of financial markets and financial service enterprises in Taiwan. There are four bureaus under the FSC, including Securities and Futures Bureau, Banking Bureau, Insurance Bureau, and Financial Examination Bureau. On 1 July 2012, the Insurance Bureau was restructured with functions of its four divisions being transformed to General Supervision, Life Insurance Supervision, Non-Life Insurance Supervision, and Financial Supervision.

According to the Insurance Act, an insurance company must obtain the FSC′s approval before commencing business in Taiwan. To obtain the approval of the FSC, an insurance company must meet and maintain certain requirements, including maintaining its corporate status as a company limited by shares or as a cooperative, minimum paid-in capital, capital adequacy requirement, deposit of security bond, etc. An insurance company must accurately create and provide documents detailing its financial and business matters and make such documents publicly available for inspection in compliance with the applicable regulations.

Furthermore, regulatory authorities may review the existing laws and regulations applicable to insurance companies and their products and services from time to time. The FSC has been actively reviewing existing laws and regulations applicable to insurance companies in Taiwan and has announced a number of amendments in 2024. Recent development in the ROC's regulations in relation to the insurance industry includes without limitation (i) Regulations Governing Insurance Group′s Foreign Investment amended on 17 May 2024; (ii) Directions for Issuance of Bonds with Capital Characteristics by Insurance Companies amended on 1 October 2024; (iii) Directions for Operation Outsourcing by Insurance Enterprises amended on 6 November 2024; (iv) Regulations Governing the Preparation of Financial Reports by Insurance Enterprises amended on 23 January 2024; and (v) Regulations Governing Appointed Actuaries and External Reviewing Actuaries of Insurance Companies amended on 16 January 2024. Changes to the interpretation or scope of application of such laws and regulations may also substantially increase the Group's compliance costs and other expenses, which may materially and adversely affect the Group's business, results of operations and financial condition.

The rate formulas, terms and conditions of insurance policies, and design for each kind of insurance product shall be subject to the Insurance Bureau's review process through the prior-approval procedure or the use-and-file procedure pursuant to the Insurance Act, the Regulations Governing Pre-sale Procedures for Insurance Products and the relevant regulations. An insurance company must provide the potential insurance applicant with the information required by the relevant applicable regulations before entry into an insurance contract. After receiving the insurance application or proposal form submitted by the applicant, the insurance company may review such application and decide to underwrite the policy at its discretion. Changes in these regulations may affect the Group's profitability on the products the Group sells and may have a material adverse effect on the Group's profitability.

Moreover, the marketing, distribution, sale and solicitation of insurance products are heavily regulated under the Insurance Act and related regulations. The offshore investment by an insurance company is also closely monitored by the FSC under the Regulations Governing Insurance Group′s Foreign Investment.

Failure to comply with any of the laws, rules and regulations to which the Group is subject could result in fines, restrictions on business expansion or, in extreme cases, revocation of business licences, which could materially and adversely affect the Group. As some of the laws, rules and regulations that the Group is subject to are relatively new, there is uncertainty regarding their interpretation and application.

In addition, the laws, rules and regulations under which the Group is regulated may change from time to time. For example, the Group's Taiwan operations are affected by the ROC's tax laws and regulations. The ROC tax authorities may undertake reforms of the tax system, which may result in changes to the tax laws and regulations that the Group is currently subject to. There is no assurance that this reform will not have a material adverse effect on the Group's business, results of operations or financial condition. There is no assurance that future legislative or regulatory changes, including deregulation, would not have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is required to comply with minimum solvency requirements and may be required to raise additional capital or change its business strategy if the RBC adequacy ratio deteriorates or the applicable capital requirements change in the future.

Insurance companies are generally required by applicable law to maintain their solvency at a level in excess of statutory minimum standards. The solvency of the Group is affected primarily by the solvency margins that are required to be maintained, which are in turn affected by the volume and type of new insurance policies the Group sells, the composition of the Group's in-force insurance policies and by regulations on the determination of statutory reserves.

The RBC system has been implemented in Taiwan since 9 July 2003, which provides for the early detection of the soundness of insurance enterprises' financial conditions, hence enabling insurance enterprises to enhance their capital structure. The RBC refers to capital calculated on the basis of the risks that an insurance company may incur from its actual business operations. Depending on the type of the insurance company, such risks include without limitation asset risks, insurance risks, interest risks, credit risks, underwriting risks and asset-liability matching risks. According to the "Regulations Governing Capital Adequacy of Insurance Companies", which was announced on 20 December 2001 and amended on 4 August 2023, insurance enterprises must file risk-based capital ratio ("**RBC Ratio**") report twice a year to the FSC. The RBC Ratio of an insurance company is considered adequate if it equals to or exceeds 200% and the net worth ratio is more than 3% in one of the most recent two periods. See "*Regulation and Supervision of the Taiwan Life Insurance Industry*" for further discussion.

While the Group's RBC ratio is currently above the required level, if the Group grows rapidly or if its asset quality deteriorates in the future, it may need to raise additional capital to meet capital adequacy requirements. If the Group is not able to raise any additional required capital, it may be forced to reduce the growth or scale of its business and to make provision for additional reserves and incur charges to earnings, which could have a material adverse effect on the Group's financial condition and results of operations, and could materially and adversely affect the growth rate of the Group's business. Any material deterioration in the Group's RBC Ratio could change the customers' or its business counterparties' perception of its financial health, which in turn could adversely affect its business, financial condition and results of operations. If the RBC Ratio of the Group does not satisfy the relevant requirements, the relevant authorities may impose a range of regulatory sanctions depending on the degree of deficiency in its RBC Ratio.

For increased alignment with international regulatory supervision standards, the Taiwan Insurance Bureau has announced a plan to adopt a new generation solvency regime, the Taiwan International Insurance Capital Standard ("**TW-ICS**"), in 2026, which will be based upon the ICS. Under the new regime:

- solvency measurement will move away from a historical-value balance sheet approach to an economic balance sheet approach, providing a current view of the solvency position of an insurer. Asset and liabilities are measured at fair value;

- the calculation of required capital will move away from a factor-based approach to a stress-based approach to better capture the "tail-risk" as broader risks will be included; and

- requirements on assets qualifying as admissible capital for solvency purposes will be stricter than the current requirement and the capital will be classified into Tier 1 and Tier 2 based on quality considerations.

The adoption of the new regime will be conducted in phases in accordance with the localisation and transition measures announced by the FSC. See "*Regulation and Supervision of the Taiwan Life Insurance Industry – Accounting and Risk Management – Solvency Requirements*" for more details.

With the proposed implementation of the TW-ICS, it is unclear how the Group's business, financial condition and results of operations will be impacted, and uncertainty remains as the FSC continues to propose further guidelines and updates. There is also no guarantee that the Group will not be required to raise additional capital to sustain its

RBC adequacy ratio above the required level in connection with the future implementation of the TW-ICS or any other solvency regime.

Concentrated surrenders may materially and adversely affect the Group's cash flows, results of operations and financial condition.

Under normal circumstances, it is possible, to a certain extent, for insurance companies to estimate the overall number of surrenders in a given period. However, the occurrence of emergency or macroeconomic events that have significant impact, such as sharp declines in customer income due to a severe deterioration in economic conditions, radical changes in relevant government policies, loss of customer confidence in the insurance industry due to the weakening of the financial strength of one or more insurance companies, a general loss of confidence in banks and the financial sector in general, or the severe weakening of the Group's financial strength, may trigger massive surrenders of insurance policies. If this were to occur, the Group would have to dispose of the Group's investment assets, possibly at unfavourable prices, in order to make a significant amount of surrender payments. This could materially and adversely affect the Group's cash flows, financial condition and results of operations.

Customer preferences for insurance, investments and pension products as well as wealth management solutions may change and the Group may not respond appropriately or in time to sustain the Group's business or its market share in the geographical market in which the Group operates.

The insurance, investment, pension, banking and wealth management markets as well as the preferences of the Group's customers are constantly evolving. As a result, the Group must continually respond to changes in these markets and customer preferences to remain competitive, grow the Group's business and maintain market share. The Group faces many risks when introducing new products. The Group's new products may fail to achieve market acceptance, which may materially and adversely affect the Group's business, results of operations and financial condition.

The Group's new products may also be rendered obsolete or uneconomical by competition or developments in the insurance, investment, pension, banking and wealth management industries. Furthermore, even if the Group's current and anticipated product offerings are responsive to changing market demand, the Group may be unable to commercialise them. Moreover, potential products may fail to receive the necessary regulatory approvals, be difficult to market on a large scale, be uneconomical to introduce, fail to achieve market acceptance, or be precluded from commercialisation by proprietary rights of third parties. Any inability to commercialise the Group's products would materially impair the viability of the Group's business. Accordingly, the Group's future success will depend on the Group's ability to adapt to changing customer preferences, industry standards and new product offerings and services. Any of these changes may require the Group to re-evaluate the Group's business model and adopt significant changes to the Group's strategies and business plan. Any inability to adapt to these changes would have a material adverse effect on the Group's business, financial condition and results of operations.

The rate of growth of Taiwan's insurance market may not be as high or as sustainable as the Group anticipates.

The Group expects the insurance market in Taiwan to expand and the insurance penetration rate to be stable with the continued growth of Taiwan's economy and household wealth, the reform of the social welfare system and the promotion of digital innovation. The Group's judgments regarding the anticipated drivers of such growth and their impact on Taiwan's insurance industry are prospective. There is no assurance that such prospective judgments will be consistent with actual developments. Moreover, Taiwan's insurance industry may not be free from systemic risks, including risks related to macroeconomic conditions and financial system stability. Thus, the growth and development of Taiwan's insurance industry may not be sustainable and may not be in line with the Group's expectations, which could have a material adverse effect on the Group's business, financial condition and results of operations.

RISK FACTORS RELATING TO THE ROC

Our business prospects, financial condition and results of operations could be adversely affected by political considerations relating to the ROC.

The Group actively conducts its business and generates most of its revenues in Taiwan. Accordingly, the business, results of operations and financial condition of the Group may be affected by changes in the ROC governmental policies, law, taxation, inflation, interest rates, social instability and other political, economic, diplomatic or social developments in or affecting the ROC which are outside the Group's control. Since 1949, Taiwan and the PRC

have been separately governed. The PRC government regards the ROC as a province of the PRC and does not recognise the legitimacy of the ROC. Although significant economic and cultural relations have been established in the past decades between the ROC and the PRC, the PRC has refused to renounce the possibility that it may use military force to gain control over the ROC, particularly under what it considers as highly provocative circumstances, such as a declaration of independence by the ROC. Furthermore, the PRC government passed the Anti-Secession Law in March 2005, which authorised non-peaceful means and other necessary measures should the ROC move to gain independence from the PRC.

Relations between the PRC and the ROC have at times been strained. Strained relations could result in future military actions or economic sanctions or other disruptive activities undertaken by either government. Tension between the ROC and the PRC and other factors affecting political or economic conditions in the ROC could have a material adverse effect on the results of operations and financial condition of the Group.

The Group's operations in the ROC are subject to risks associated with the ROC legal system.

The Group's business and operations in the ROC are governed by the ROC legal system, which is a codified system with written laws, regulations, circulars, administrative directives and internal guidelines. In the event that the Group's breach any of the foregoing due to an act or omission, it will be subject to penalties prescribed thereunder. Some of the laws and regulations, and the interpretation, implementation and enforcement thereof, are uncertain, and are subject to policy changes. There can be no assurance that the Group will be able to remain in compliance with all applicable laws and regulations in the ROC.

Financial reporting and accounting standards in the ROC differ from those in certain other countries.

The Group is subject to financial reporting requirements in ROC that differ in significant respects from those applicable to companies in certain other countries, including the United States. In addition, the Guarantor's consolidated financial statements are prepared in accordance with Taiwan-IFRS, and are not intended to present the financial condition, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions, including the United States, other than those in the ROC. Taiwan-IFRS differs from IFRS in certain significant respects, including, but not limited to, the extent that any new or amended standards or interpretations applicable under IFRS may not be timely endorsed by the FSC. In making their investment decision, potential investors should consult their own professional advisors for an understanding of such differences and how they might affect the financial information contained herein.

Holders of the Bonds may not be able to enforce a judgment of a foreign court in the ROC.

The Guarantor's business and operations are mainly in the ROC. Most of the Guarantor's directors and senior management are residents of the ROC, and certain portion of the Guarantor's assets and the assets of such persons are located in the ROC. As a result, it may be difficult for holders of the Bonds to enforce judgments obtained outside the ROC against the Guarantor or such persons in the ROC, including those predicated upon the civil liability provisions of English law. Further, while it is expected that the courts of the ROC will recognise and enforce a judgment given by the English courts on matters governed by English law, there is no guarantee that the ROC courts will do the same for all such judgments.

RISKS FACTORS RELATING TO THE BONDS AND THE GUARANTEE OF THE BONDS

The Bonds may not be a suitable investment for all investors.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal, interest or distribution payments is different from the potential investor's currency;

- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and

- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex investment securities and such Bonds may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the investors' overall portfolios. A potential investor should not invest in the Bonds which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, the investment activities of some investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) the Bonds are legal investments for it, (b) the Bonds can be used as collateral for various types of borrowing or (c) any other restrictions apply to its purchase of any Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable RBC or similar rules.

An active trading market for the Bonds may not develop.

The Bonds are a new issue of securities for which there is currently no trading market. Approval in-principle has been received from the SGX-ST for the listing of the Bonds on the SGX-ST. However, no assurances can be given as to whether the Bonds will be, or will remain, listed on the SGX-ST or whether a trading market for the Bonds will develop or as to the liquidity of any such trading market. If the Bonds fail to or cease to be listed on the SGX-ST, certain investors may not invest in, or continue to hold or invest in, the Bonds. In addition, no assurance can be given as to the ability of holders to sell their Bonds or the price at which holders will be able to sell their Bonds or that a liquid market will develop. If any of the Bonds are traded after their initial issue, they may trade at a discount or premium from their initial offering price, depending on prevailing interest rates, the market for similar securities and the market for the Bonds and other factors, including general economic conditions and the Group's financial condition, performance and prospects. The liquidity of the Bonds will be adversely affected if the Bonds are held or allocated to limited investors. Bondholders should note that they may need to hold their Bonds until maturity as there may not be an active secondary market for the Bonds. None of the Managers is obligated to make a market in the Bonds, and if the Managers do so, they may discontinue such market making activity at any time at their sole discretion. In addition, the Bonds are being offered pursuant to exemptions from registration under the Securities Act and, as a result, holders will only be able to resell their Bonds in transactions that have been registered under the Securities Act or in transactions not subject to, or exempt from, registration under the Securities Act.

Insolvency laws of Singapore and the ROC may differ from the bankruptcy laws of other jurisdictions with which holders of the Bonds are familiar.

The insolvency laws of Singapore and the ROC and other local insolvency laws may differ from the bankruptcy laws of other jurisdictions with which the holders of the Bonds are familiar. Since the Issuer and the Guarantor are incorporated under the laws of Singapore and the ROC, respectively, any insolvency proceedings relating to the Issuer or the Guarantor, regardless of where they were brought, would likely involve Singapore or ROC insolvency laws, respectively, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy laws in other jurisdictions with which the holders of the Bonds are familiar.

The Issuer's ability to make payments under the Bonds is dependent on the business and financial condition of the Guarantor and its subsidiaries.

The Issuer, a single purpose vehicle incorporated for the purpose of issuing bonds with capital characteristics pursuant to its constitution, including the Bonds, and any other activities in connection thereto, is a direct wholly owned subsidiary of the Guarantor. The other subsidiaries of the Guarantor are neither the issuer nor the guarantor in respect of the Bonds. Holders have no recourse against such subsidiary (other than the Issuer or the Guarantor, as the case may be) with respect to the payment of amounts due under the Bonds. The Issuer's ability to make payments under the Bonds depends on its investment performance and the availability of funds from the Guarantor and the Guarantor's financial condition and results of operations. In the event that the Group does not make such

payments or funding due to limitation in such loans or other agreements, lack of available cash flow or other factors, the Issuer's ability to make payments under the Bonds could be adversely affected.

The Bonds and the Guarantee of the Bonds are subordinated obligations.

The obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee of the Bonds will constitute unsecured and subordinated obligations of the Issuer and the Guarantor. Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up (as defined in the Terms and Conditions of the Bonds) of the Issuer, the rights and claims of the Bondholders in respect of payments of principal and interest on the Bonds will be expressly subordinated in right of payment to the prior payment in full of all present and future claims of Senior Creditors (as defined in the Terms and Conditions of the Bonds), but shall rank *pari passu* in right of payment with each other and to the present and future claims of the holders of any other Parity Obligations (as defined in the Terms and Conditions of the Bonds) of the Issuer and in priority in right of payment to the present and future claims of the holders of any share capital of the Issuer (including Ordinary Shares (as defined in the Terms and Conditions of the Bonds) and Preferred Shares (as defined in the Terms and Conditions of the Bonds) of the Issuer) and any other outstanding Junior Obligations (as defined in the Terms and Condition of the Bonds) of the Issuer. Upon the Winding-Up of the Issuer, holders of the Bonds can enforce the obligations of the Guarantor under the Guarantee of the Bonds, but, subject to the insolvency laws of the ROC and other applicable laws, in the event of the Winding-Up of the Guarantor, the rights and claims of holders of the Guarantee of the Bonds will rank senior to any present and future claims of the holders of any share capital of the Guarantor (including Ordinary Shares and Preferred Shares of the Guarantor) and any other outstanding Junior Obligations of the Guarantor, equally with the holders of all Parity Obligations of the Guarantor, but junior in right of payment to the present and future claims of all Senior Creditors by operation of law or contract.

In the event of a shortfall of funds or a Winding-Up, there is a real risk that an investor in the Bonds will lose all or some of its investment and will not receive a full return of the principal amount or any unpaid amounts due under the Bonds.

The Issuer and the Guarantor may raise or redeem other capital which affects the price of the Bonds.

The Issuer and the Guarantor may raise additional capital through the issue of other securities or other means. There is no restriction, contractual or otherwise, on the amount or type of securities or other liabilities which the Issuer and the Guarantor may issue or incur and which rank senior to, or *pari passu* with, the Bonds. The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Bondholders on a Winding-Up of the Issuer and/or the Guarantor, and may increase the likelihood of a cancellation of interest under the Bonds. The issue of any such securities or the incurrence of any such other liabilities might also have an adverse impact on the trading price of the Bonds and/or the ability of Bondholders to sell their Bonds.

The Bonds are redeemable on the Maturity Date (as defined in the Terms and Conditions of the Bonds) or upon the occurrence of certain events. The Bonds are redeemable on the Maturity Date, in whole, but not in part, at their principal amount together with interest accrued and unpaid to such date.

In addition, subject to the satisfaction of Condition 5(f) of the Terms and Conditions of the Bonds, the Issuer also has the right to redeem the Bonds in whole, but not in part, at their principal amount (together with interest accrued to (but not including) the date fixed for redemption) at any time on giving not less than 30 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable):

(i) upon the occurrence of a Tax Withholding Event (as defined in the Terms and Conditions of the Bonds);

(ii) upon the occurrence of a Tax Deduction Event (as defined in the Terms and Conditions of the Bonds);

(iii) upon the occurrence of a Minimal Outstanding Amount Redemption Event (as defined in the Terms and Conditions of the Bonds); or

(iv) upon the occurrence of a Regulatory Capital Event (as defined in the Terms and Conditions of the Bonds).

The date on which the Issuer elects to redeem the Bonds may not accord with the preference of individual Holders. This may be disadvantageous to the Holders in light of market conditions or the individual circumstances of the Holders. In addition, an investor may not be able to reinvest the redemption proceeds in comparable securities at an effective distribution rate at the same level as that of the Bonds.

Substitution of the Guarantor upon the occurrence of a Merger Event.

As an insurance company, the Guarantor is required to comply with solvency requirements to maintain its solvency at a level in excess of statutory minimum standards to ensure it is capable of meeting its obligations to policyholders. The Bonds are being issued by the Issuer for the purpose of the Guarantor to meet such solvency requirements. However, as approved by the relevant regulatory authorities, SKFH and Taishin Financial are expected to merge in July 2025, and the Guarantor and Taishin Life Insurance Co., Ltd. are expected to be merged within two years. Upon the merger between the Guarantor and Taishin Financial, where Taishin Life will become the surviving entity, succeeding to and assuming all of the rights, obligations and liabilities of the Guarantor in accordance with applicable ROC laws, the obligations under the Bonds will become obligations of the enlarged Taishin Life entity, as the surviving entity following the merger. While the said merger is expected to create an enlarged entity, there can be no assurance that Taishin Life will operate more effectively or achieve better financial performance than each of the Guarantor and Taishin Life prior to the merger. Factors such as integration challenges, regulatory hurdles and operational risks could adversely impact the financial performance of the enlarged entity post-merger. Any deterioration in the financial condition after the merger may materially and adversely affect its ability to meet its obligations under the Bonds, thereby impacting the value of the Bonds and the ability of investors to recover their investments.

In addition, upon the occurrence of a Merger Event (as defined in the Terms and Conditions of the Bonds), the Issuer shall, subject to satisfaction of Condition 12(a) of the Terms and Conditions of the Bonds, but without any requirement for the consent or approval of Bondholders, agree to the substitution of the Substituted Obligor in place of the Guarantor (or any previous substitute under Condition 12(a) as the guarantor) of the Bonds and as if the Substituted Obligor was originally named and had agreed to comply with and be bound by all the provisions contained in the Trust Deed, the Agency Agreement and the Conditions which related to the Guarantor.

An early redemption of the Bonds is subject to Redemption Conditions.

Any redemption or purchase of the Bonds (other than a redemption on the Maturity Date) shall be subject to the Redemption Conditions (as defined in the Terms and Conditions of the Bonds) to the extent the Bonds qualify as at least Tier 2 capital of the Issuer or the Guarantor, as the case may be, under the Applicable Supervisory Rules (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules) and such Redemption Conditions are required by the Applicable Supervisory Rules:

(A) the Bonds may not be redeemed or purchased pursuant to Condition 5 of the Terms and Conditions of the Bonds (other than a redemption on the Maturity Date) unless the Relevant Regulatory Approval has been obtained; and

(B) the Bonds may only be redeemed or purchased pursuant to Condition 5 of the Terms and Conditions of the Bonds (other than a redemption on the Maturity Date) if, immediately after giving effect to such redemption or purchase, the Capital Requirements are satisfied.

In addition, if a Special Event (as defined in the Terms and Conditions of the Bonds) has occurred and is continuing, then the Issuer may, subject to satisfaction of Condition 12 of the Terms and Conditions of the Bonds, but without any requirement for the consent or approval of Bondholders, substitute all, but not some only, of the Bonds for, or vary the terms of such Bonds with the effect that they remain or become, "Qualifying Bonds" as defined in the Terms and Conditions of the Bonds, provided that Relevant Regulatory Approval has been obtained for such substitution or variation, to the extent required by the Applicable Supervisory Rules.

Differences between Taiwan-IFRS and generally accepted accounting principles may impact the assessment of the Guarantor's financial condition or the characterisation of the Bonds.

The Group's financial statements are prepared using accounting principles, procedures and reporting practices generally accepted in the ROC, or Taiwan-IFRS, and are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other jurisdictions, including the United States and Europe. See "- *Summary of Certain Material Differences Between Taiwan-IFRS and IFRS Accounting Standards*". No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions and events are presented in the financial statements or notes thereto. Potential investors should consult their own professional advisors for an understanding of the differences between Taiwan-IFRS and the generally accepted accounting principles in other jurisdictions.

Further, no attempt has been made to identify future differences between Taiwan-IFRS and the generally accepted accounting principles in other jurisdictions as a result of the prescribed changes in accounting standards. See "*Changes in accounting standards may adversely affect the Group's financial condition*". There can be no assurance that such changes will not have a significant impact on the Group's financial condition and results of operations.

There are limited remedies for non-payment under the Bonds and the Guarantee of the Bonds.

The right to institute Winding-Up proceedings is limited to circumstances where payment under the Bonds has become due and is unpaid. The only remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Terms and Conditions of the Bonds) any Holder for recovery of amounts in respect of the Bonds following the occurrence of a non-payment after any sum becomes due in respect of the Bonds will be proving in such Winding-Up and/or claiming in the liquidation of the Issuer in respect of any of the Issuer's payment obligations arising from the Bonds and the Trust Deed. Holders can look to the Guarantor only upon the Winding-Up of the Issuer, and the right to institute Winding-Up proceedings and/or proving and/or claiming in Winding-Up in respect of any of the Issuer's payment obligations arising from the Bonds and the Trust Deed is limited to circumstances provided by applicable law.

The Trustee may request that Holders provide an indemnity and/or security and/or prefunding to its satisfaction.

Where the Trustee is under the provisions of the Trust Deed bound to act at the request or direction or on the instructions of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security and/or pre-funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when actions can be taken by the Trustee on behalf of the Bondholders. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or pre-funding, in breach of the terms of the Trust Deed or the Terms and Conditions and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions directly.

Investors in the Bonds may be subject to foreign exchange risks.

The Bonds are denominated and payable in U.S. dollars. An investor who measures investment returns by reference to a currency other than U.S. dollars would be subject to foreign exchange risks by virtue of an investment in the Bonds, due to, amongst other things, economic, political and other factors over which the Group has no control. Depreciation of the U.S. dollars against such currency could cause a decrease in the effective yield of the Bonds below their stated coupon rates and could result in a loss when the return on the Bonds is translated into such currency. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the Bonds. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of the Bonds.

The Bondholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of the Bonds, resulting in a capital loss for the Bondholders. However, the Bondholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the prices of the Bonds may rise. The Bondholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

The Bonds will carry a fixed interest rate. Consequently, investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. If Bondholders sell the Bonds they hold before the maturity of such Bonds, they may receive an offer of less than their investment.

The liquidity and price of the Bonds following the offering may be volatile.

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in the Guarantor's and the Group's revenues, earnings and cash flows and proposals of new investments, strategic alliances and/or acquisitions, interest rates and fluctuations in prices for comparable companies could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the volume and price at which the Bonds will trade. There is no assurance that these developments will not occur in the future.

Credit ratings assigned to the Bonds may not reflect the potential impact on the Bonds.

The Bonds are expected to be assigned a rating of "BBB" by S&P. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer and the Guarantor to perform their respective obligations under the Bonds and the credit risks in determining the likelihood that payments will be made when due under the Bonds. Such ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above and other factors that may affect the value of the Bonds. In May 2025, Fitch placed several major Taiwanese life insurers on RWN. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. There can be no assurance that the ratings assigned to the Bonds will remain in effect for any given period or that the ratings will not be lowered, suspended or withdrawn by the relevant rating agencies in the future if, in their judgment, the circumstances so warrant. None of the Issuer nor the Guarantor is obligated to inform holders of the Bonds of any such suspension, revision, downgrade or withdrawal. A suspension, downgrade or withdrawal of the ratings of any Bonds at any time may materially and adversely affect the market price of the Bonds and the Issuer's ability to access the debt capital markets.

The Terms and Conditions of the Bonds contain provisions which may permit their modification without the consent of all investors. Decisions may be made on behalf of all holders of the Bonds and may be adverse to the interests of individual Holders of the Bonds.

The Terms and Conditions of the Bonds contain provisions for calling meetings of holders of the Bonds to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Bonds, including holders of the Bonds who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Holders of the Bonds may be adverse to the interests of individual Holders of the Bonds. See "*Terms and Conditions of the Bonds – Meetings of Bondholders and Modifications – Meetings of Bondholders*".

The Terms and Conditions of the Bonds also provide that the Trustee may, without the consent of Bondholders, agree to (i) any modification of the Terms and Conditions of the Bonds, the Bonds, the Trust Deed or the Agency Agreement (as defined in the Terms and Conditions of the Bonds) (other than in respect of a Reserved Matter (as defined in the Terms and Conditions of the Bonds)) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Bondholders and (ii) any modification of the Terms and Conditions of the Bonds, the Bonds, the Trust Deed or the Agency Agreement which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of any applicable law.

In addition, the Trustee may, without the consent of the Bondholders, authorise or waive any proposed breach or breach of the Terms and Conditions of the Bonds, the Bonds, the Trust Deed or the Agency Agreement (other than a proposed breach or a breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby. See "*Terms and Conditions of the Bonds – Meetings of Bondholders and Modifications – Modification and waiver*".

A change in English, Singapore and ROC law which governs the Bonds may adversely affect the Bondholders.

The Terms and Conditions of the Bonds are governed by English law in effect as of the date of issue of the Bonds, except in relation to subordination provisions set out in Conditions 3(a) and (b) of the Terms and Conditions of the Bonds, which are governed by Singapore law and ROC law, respectively. No assurance can be given as to the impact of any possible judicial decision or change to English, Singapore or ROC law or administrative practice after the date of issue of the Bonds.

The Bonds will initially be represented by a Global Certificate, and holders of a beneficial interest in a Global Certificate must rely on the procedures of the Clearing Systems.

The Bonds will initially be represented by beneficial interests in a Global Certificate, which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream (the "**Clearing Systems**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive certificates. The Clearing Systems will maintain records of the beneficial interests in the Global Certificate.

While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems and the Issuer, failing which the Guarantor will discharge its payment obligations under the Bonds by making payments to the common depositary for Clearing Systems for distribution

to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the Clearing Systems to receive payments under the Bonds. None of the Issuer, the Guarantor, the Trustee, the Agents or any of their respective affiliates, directors, officers, employees, representatives, agents or advisers or any person who controls any of them has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing Systems to appoint appropriate proxies.

Integral multiples of less than the specified denomination.

The denominations of the Bonds are U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of U.S.$200,000 that are not integral multiples of U.S.$200,000. In such a case, a holder of Bonds who, as a result of trading such amounts, holds a principal amount of less than U.S.$200,000 will not receive a definitive certificate in respect of such holding of Bonds (should definitive certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to one or more denominations. If definitive certificates are issued, holders of the Bonds should be aware that Bonds with aggregate principal amounts that are not an integral multiple of U.S.$200,000 may be illiquid and difficult to trade.

The Bonds are subject to Singapore taxation risks.

The Bonds are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore ("**Income Tax Act**"), subject to the fulfilment of certain conditions more particularly described in "*Taxation – Singapore*". However, there can be no assurance that the Bonds will continue to enjoy the tax concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

TERMS AND CONDITIONS OF THE BONDS

The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Bonds.

Pursuant to the Applicable Supervisory Rules (as defined below), the Bonds will be offered or sold to institutional investors by way of an exempt offering and not by way of a private placement to specified investors. In addition, the issuance of the Bonds will be made in accordance with the Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties of the ROC (as defined below) and accordingly the Bonds will not be issued to the related parties (as defined below) of the Issuer or the Guarantor.

Each Bondholder that is a Financial Institution shall be deemed to agree, be bound by and acknowledge that it shall not subscribe for, purchase or hold any Bonds if doing so would result in a reciprocal cross-holding arrangement of subordinated bonds with a maturity of 10 years or more with the Guarantor, in breach of the Applicable Supervisory Rules. For the purposes of this paragraph, "Financial Institution" shall have the meaning as set out in the Financial Institutions Merger Act of the ROC.

The U.S.$400,000,000 6.95 per cent. Tier 2 Subordinated Dated Capital Bonds due 2035 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 14 of these terms and conditions of the Bonds (the "**Conditions**" and each a "**Condition**") and consolidated and forming a single series with the Bonds) of SHIN KONG LIFE SINGAPORE PTE. LTD. (the "**Issuer**") are constituted by a trust deed dated 26 June 2025 (as amended and/or supplemented from time to time, the "**Trust Deed**") entered into by the Issuer, Shin Kong Life Insurance Co., Ltd. (the "**Guarantor**") and The Hongkong and Shanghai Banking Corporation Limited (the "**Trustee**", which expression shall include its successor(s) and all other persons for the time being the trustee or trustees under the Trust Deed) and are the subject of an agency agreement dated 26 June 2025 (as amended and/or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Guarantor, the Trustee, The Hongkong and Shanghai Banking Corporation Limited as registrar (the "**Registrar**", which expression shall include any successor thereto), as principal paying agent (the "**Principal Paying Agent**", which expression shall include any successor thereto) and as transfer agent (the "**Transfer Agent**", which expression shall include any successor and additional transfer agent thereto) and any other agents named therein. References to the "**Paying Agents**" include the Principal Paying Agent and references to the "**Transfer Agents**" include the Transfer Agent. References to the "**Principal Paying Agent**", the "**Registrar**", the "**Transfer Agent**", the "**Calculation Agent**" and the "**Agents**" below are to the principal paying agent, the registrar, the transfer agent and the agents for the time being for the Bonds. Certain provisions of these Conditions are summaries of the Trust Deed and subject to their detailed provisions. The Bondholders (as defined below) are entitled to the benefit of, are bound by, and are deemed to have notice of all of the provisions of the Trust Deed and are deemed to have notice of the provisions of the Agency Agreement applicable to them.

Copies of the Trust Deed and Agency Agreement are available (i) for inspection at all reasonable times during usual business hours (being between 9.00 a.m. and 3.00 p.m., Monday to Friday other than public holidays) at the specified office of the Principal Paying Agent (being, at the date of issue of the Bonds, at Level 26, HSBC Main Building, 1 Queen's Road Central, Hong Kong) following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent and (ii) electronically from the Principal Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent.

1. FORM, DENOMINATION AND TITLE

The Bonds are issued in registered form in the specified denomination of U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof (the "**Specified Denomination**").

The Bonds are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(a), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar outside of the United Kingdom and the Republic of China ("**ROC**") in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Bondholder**" and "**holder**" mean the person in whose name any Bond is registered.

*Upon issue, the Bonds will be represented by a global certificate ("**Global Certificate**") deposited with, and registered in the name of a nominee of, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**"). The Conditions are modified by certain provisions contained in the Global Certificate. See "The Global Certificate" in the offering circular.*

2. **TRANSFERS OF THE BONDS**

(a) ***Transfer of the Bonds***: A Bond may, subject to the terms of the Agency Agreement, this Condition and Condition 2(d), be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Bond to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of the Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of the Bonds and entries on the Register will be made subject to the detailed regulations concerning transfers and registrations of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, or by the Registrar with the prior written approval of the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon prior written request and the proof of holding and identity to the satisfaction of the Registrar.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.

(b) ***Delivery of New Certificates***: Each new Certificate to be issued pursuant to Condition 2(a) shall be available for delivery within seven business days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(b), "**business day**" means a day, other than a Saturday or Sunday or public holiday, on which banks are open for business in the place of the specified office of the Transfer Agent or the Registrar (as the case may be).

(c) ***Transfers Free of Charge***: Transfers of the Bonds and Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the applicant of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Issuer, the Registrar or the Transfer Agent may require in respect of tax or charges); (ii) the relevant Agent being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the relevant Agent being satisfied that the regulations concerning transfers and registration of Bonds have been complied with.

(d) ***Closed Periods***: No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending (and including) on the due date for redemption of the Bonds (ii) after the Bonds have been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date (as defined below).

3. **STATUS**

(a) ***Status and ranking of the Bonds***: The Bonds constitute direct, unconditional, unsecured and subordinated obligations of the Issuer which rank *pari passu* in right of payment and without any preference among themselves. Subject to and to the extent permitted by the insolvency laws of Singapore and other applicable laws, in the event of the Winding-Up of the Issuer, the rights and claims of the Bondholders in respect of payment of principal and interest on the Bonds will be expressly subordinated in right of payment to the prior payments in full of all present and future claims of all Senior Creditors,

but shall rank *pari passu* in right of payment with each other and to the present and future claims of the holders of any other Parity Obligations of the Issuer and in priority in right of payment to the present and future claims of the holders of any share capital of the Issuer (including Ordinary Shares and Preferred Shares of the Issuer) and any other Junior Obligations of the Issuer.

(b) ***Status and ranking of the Guarantee***: The Guarantor has, in the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual payment of all sums payable by the Issuer in respect of the Bonds. This guarantee (the "**Guarantee of the Bonds**") constitutes a direct, unconditional, unsecured and subordinated obligation of the Guarantor. Subject to the insolvency laws of the ROC, in the event of the Winding-Up of the Guarantor, the rights and claims of the Bondholders in respect of the Guarantee of the Bonds will be subordinated in right of payment to the present and future claims of all Senior Creditors, but shall rank *pari passu* in right of payment to the present and future claims of the holders of any Parity Obligations of the Guarantor and in priority in right of payment to the present and future claims of the holders of any share capital of the Guarantor (including Ordinary Shares and Preferred Shares of the Guarantor) and any other Junior Obligations of the Guarantor.

The status and ranking of the Bonds and the Guarantee of the Bonds will not be affected by the Tier 1 Capital Instruments or Tier 2 Capital Instruments issued or guaranteed by the Issuer or the Guarantor.

(c) ***Set-off***: Subject to ***applicable*** law, no holder may exercise, claim or plead any right of set-off, deduction, withholding or retention in respect of any amount owed to it by the Issuer or the Guarantor in respect of, or arising under or in connection with the Bonds or the Guarantee of the Bonds, as the case may be, and each holder shall, by virtue of his holding of any Bonds, be deemed to have waived all such rights of set-off, deduction, withholding or retention against the Issuer or the Guarantor. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer or the Guarantor in respect of, or arising under or in connection with the Bonds or the Guarantee of the Bonds, as the case may be, is discharged by set-off, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or the Guarantor (or, in the event of Winding-Up of the Issuer or the Guarantor, as the case may be, the liquidator of the Issuer or the Guarantor, as the case may be) and, until such time as payment is made, shall hold such amount in trust for the Issuer or the Guarantor, as the case may be (or the relevant liquidator) and accordingly any such discharge shall be deemed not to have taken place.

(d) ***Definitions***: In these ***Conditions***, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Applicable Supervisory Rules**" means such insurance supervisory laws, rules, regulations, guidelines and official interpretation which are applicable to the Guarantor and, as the case may be, the Issuer from time to time;

"**Junior Obligations**" means:

(i) in respect of the Issuer, (a) any share capital of the Issuer (including Ordinary Shares and Preferred Shares of the Issuer), (b) any other instruments or securities issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Tier 1 Capital Instruments of the Guarantor and (c) any instruments or securities issued, entered into or guaranteed by the Issuer or other obligations of the Issuer ranking, or expressed to rank, junior in right of payment to the Bonds by operation of law or contract; and

(ii) in respect of the Guarantor, (a) any share capital of the Guarantor (including Ordinary Shares and Preferred Shares of the Guarantor), (b) any other instruments or securities issued, entered into or guaranteed by the Guarantor that constitutes or qualifies as Tier 1 Capital Instruments of the Guarantor and (c) any instruments or securities issued, entered into or guaranteed by the Guarantor or other obligations of the Guarantor ranking, or expressed to rank, junior to the Guarantor's obligations under the Guarantee of the Bonds by operation of law or contract;

"**Ordinary Shares**" means the ordinary share capital (普通股) of the Issuer or the Guarantor, as the case may be;

"**Parity Obligations**" means:

(i) in respect of the Issuer, any instruments or securities issued, entered into or guaranteed by the Issuer that constitutes or qualifies as Tier 2 Capital Instruments of the Guarantor (but excluding any Preferred Shares that might also constitute or qualify as Tier 2 Capital Instruments of the Guarantor) or any other obligations of the Issuer, the claims of the holders of which rank, or are expressed to rank, pari passu in right of payment with the Bonds by operation of law or contract; and

(ii) in respect of the Guarantor, any instruments or securities issued, entered into or guaranteed by the Guarantor that constitutes or qualifies as Tier 2 Capital Instruments of the Guarantor (but excluding any Preferred Shares that might also constitute or qualify as Tier 2 Capital Instruments of the Guarantor) or any other obligations of the Guarantor, the claims of the holders of which rank, or are expressed to rank, pari passu in right of payment with the Guarantee of the Bonds by operation of law or contract;

"**Preferred Shares**" means any preferred shares (特別股) of the Issuer or the Guarantor, as the case may be;

"**Senior Creditors**" means:

(i) in respect of the Issuer, any unsubordinated creditors of the Issuer or other creditors whose claims are not ranked or not expressed to rank pari passu or junior to the claims of the Bondholders; and

(ii) in respect of the Guarantor, all policyholders (including all obligations to such policyholders under policies and contracts of insurance) and other unsubordinated creditors of the Guarantor;

"**Tier 1 Capital Instruments**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer or the Guarantor, as the case may be, that constitutes Tier 1 unlimited capital (第一類非限制性資本) or Tier 1 limited capital (第一類限制性資本) of the Guarantor pursuant to the Applicable Supervisory Rules; and

"**Tier 2 Capital Instruments**" means any instrument or other obligation issued, entered into or guaranteed by the Issuer or the Guarantor, as the case may be, that constitutes Tier 2 capital (第二類資本) of the Guarantor pursuant to the Applicable Supervisory Rules.

4. INTEREST AND OTHER CALCULATIONS

(a) ***Accrual of Interest***: The Bonds confer a right to receive interest from 26 June 2025 (the "**Issue Date**") at 6.95 per cent. per annum (the "**Rate of Interest**") payable semi-annually in equal instalments in arrear on 26 June and 26 December of each year (each, an "**Interest Payment Date**"), with the first Interest Payment Date falling on 26 December 2025.

Unless otherwise provided for in these Conditions, each Bond will cease to confer the right to receive any interest from the due date for redemption unless, upon due presentation, payment of the full amount due is improperly withheld or refused. In such latter event, interest will continue to accrue at the Rate of Interest (after as well as before any judgment) up to but excluding whichever is the earlier of (i) the date on which all sums due in respect of the Bonds are received by or on behalf of the relevant Bondholder and (ii) the day which is seven days after the Trustee or the relevant Agent has notified the Bondholders that it has received all sums due in respect of the Bonds up to such seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Bondholders under these Conditions).

The Bonds are not subject to any interest rate step-up or any other incentive to redeem. The Rate of Interest is not linked to any credit quality or the financial condition of the Issuer or the Guarantor and will not be adjusted according to changes in the credit quality or the financial condition of the Issuer or the Guarantor, as the case may be, in the future.

(b) ***Fixed Interest Amount***: The Interest Amount payable in respect of each complete Interest Period shall be U.S.$34.75 in respect of each Calculation Amount.

(c) ***Calculation of Interest Amount***: The amount of interest payable in respect of each Bond for any period (save for a complete Interest Period) shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest cent (half a cent being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Bond divided by the Calculation Amount, where "**Calculation Amount**" means U.S.$1,000 and "**Day Count Fraction**" means, in respect of any period, the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months).

The calculation of any Interest Amount in respect of any Bond which is represented by a Global Certificate will be calculated on the aggregate outstanding principal amount of the Bonds represented by such Global Certificate, as the case may be, and not by reference to the Calculation Amount. See "The Global Certificate" in the offering circular.

(d) ***Definitions***: In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Interest Amount**" means, in relation to an Interest Period, the amount of interest payable for that Interest Period; and

"**Interest Period**" means the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date;

5. REDEMPTION, PURCHASE AND OPTIONS

(a) *Redemption* of Bonds at Maturity

The Bonds, unless previously redeemed, purchased and cancelled as provided below, shall be finally redeemed on 26 June 2035 (the "**Maturity Date**") in whole, but not in part, at their outstanding principal amount together with interest accrued to (but not including) the Maturity Date.

(b) *Redemption* for Taxation Reasons

(i) Subject to the satisfaction of Condition 5(f), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but not including) the date fixed for redemption), if the Issuer (or the Guarantor, as the case may be) satisfies the Trustee immediately prior to the giving of such notice that:

(A) (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (i) the Guarantor has or (if a demand was made under the Guarantee of the Bonds) will become obliged to pay additional amounts as provided or referred to in Condition 7 or the Guarantee of the Bonds, as the case may be, as a result of any change in, or amendment to, the laws or regulations of the ROC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025, and (ii) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, in each case, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Bonds then due or (as the case may be) a demand under the Guarantee of the Bonds then made (a "**Tax Withholding Event**").

(ii) Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Trustee a certificate in English signed by one Authorised Signatory of the Issuer or the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the right of the Issuer so to redeem has occurred, and an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent legal or tax advisers of recognised standing to the effect that the Issuer or the Guarantor, as the case may be, has or will become obliged to pay such additional amounts as a result of such change or amendment. The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the conditions precedent set out in Condition 5(b)(i)(A) and (B) above, in which event they shall be conclusive and binding on the Bondholders.

(c) ***Redemption*** **for Tax Deduction Reasons**

(i) Subject to the satisfaction of Condition 5(f), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable), at their principal amount (together with interest accrued to (but not including) the date fixed for redemption), if the Issuer (or the Guarantor, as the case may be) satisfies the Trustee immediately prior to the giving of such notice that:

(A) (i) in respect of the interest payable on the Bonds, the Issuer is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025 and (ii) such non tax deductibility cannot be avoided by the Issuer taking reasonable measures available to it; or

(B) (i) in respect of any amounts payable under the Guarantee of the Bonds, the Guarantor is no longer, or will no longer be, entitled to claim a deduction in respect of computing its taxation liabilities in the ROC or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, including the decision of any court, tribunal or governmental agency, which change or amendment becomes effective on or after (or is enacted or adopted on or after but becomes effective before) 17 June 2025 and (ii) such non tax deductibility cannot be avoided by the Guarantor taking reasonable measures available to it;

provided, in each case, that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or the Guarantor is or would be no longer entitled to claim a deduction for any payments in respect of the Bonds or (as the case may be) the Guarantee of the Bonds in computing its Singapore or the ROC (or any authority therein or thereof having power to tax) taxation liabilities or the amount of such deduction is materially reduced (a "**Tax Deduction Event**").

(ii) Prior to the publication of any notice of redemption pursuant to this Condition 5(c), the Issuer shall deliver to the Trustee a certificate in English signed by one Authorised Signatory of the Issuer or the Guarantor stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the right of the Issuer so to redeem has occurred, and an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent legal or tax advisers of recognised standing to the effect that such non tax deductibility cannot be avoided by the Issuer or the Guarantor taking reasonable measures available to it. The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate and opinion (without further investigation or enquiry) as sufficient evidence of the satisfaction of the

conditions precedent set out in Condition 5(c)(i)(A) and (B) above, in which event they shall be conclusive and binding on the Bondholders.

(d) ***Minimal* Outstanding Amount Redemption**

(i) Subject to the satisfaction of Condition 5(f), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time on giving not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable) at their principal amount (together with interest accrued to (but not including) the date fixed for redemption) if prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued (including any further Bonds issued pursuant to Condition 13 and consolidated and forming a single series with the Bonds) has already been redeemed or purchased and cancelled (a "**Minimal Outstanding Amount Redemption Event**").

(ii) Upon expiry of any such notice as is referred to in this Condition 5(d), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 5(d).

(e) ***Regulatory* Capital Event Redemption**

(i) Subject to the satisfaction of Condition 5(f), the Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 nor more than 60 days' notice to the Trustee, the Principal Paying Agent and the Bondholders (which notice shall be irrevocable) at their principal amount (together with interest accrued to (but not including) the date fixed for redemption) if, immediately before giving such notice, the Bonds or the Guarantee of the Bonds, which having originally qualified as Tier 2 capital of the Issuer or the Guarantor, as the case may be, under the Applicable Supervisory Rules in effect as of the Issue Date (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules), as a result of a change in the Applicable Supervisory Rules are deemed to no longer qualify (in whole or in part) as at least Tier 2 capital of the Issuer or the Guarantor, as the case may be, under the Applicable Supervisory Rules (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules) (each, a "**Regulatory Capital Event**").

(ii) Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver or procure that there is delivered to the Trustee a certificate in English signed by one Authorised Signatory of the Issuer or the Guarantor stating that the circumstances referred to above prevail and setting out the details of such circumstances. The Trustee shall be entitled (but shall not be obliged) to accept and rely upon such certificate (without further investigation or enquiry) as sufficient evidence of the satisfaction of the conditions precedent set out in Condition 5(e)(i), in which event they shall be conclusive and binding on the Bondholders.

(iii) Upon expiry of any such notice as is referred to in this Condition 5(e), the Issuer shall be bound to redeem the Bonds in accordance with this Condition 5(e).

(f) ***Redemption* Conditions**

(i) Notwithstanding anything to the contrary set forth herein, any redemption or purchase of the Bonds pursuant to this Condition 5 (other than a redemption on the Maturity Date) shall be subject to the following conditions (such conditions being referred to herein as the "**Redemption Conditions**") to the extent the Bonds qualify as at least Tier 2 capital of the Issuer or the Guarantor, as the case may be, under the Applicable Supervisory Rules (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules) and such Redemption Conditions are required by the Applicable Supervisory Rules:

(A) the Bonds may not be redeemed or purchased pursuant to this Condition 5 (other than a redemption on the Maturity Date) unless the Relevant Regulatory Approval has been obtained; and

(B) the Bonds may only be redeemed or purchased pursuant to this Condition 5 (other than a redemption on the Maturity Date) if, immediately after giving effect to such redemption or purchase, the Capital Requirements are satisfied.

(ii) The determination by the Issuer in connection with any redemption that the applicable Redemption Conditions set forth in this Condition 5(f) have or have not been met or that no such Redemption Conditions apply shall, in the absence of manifest error, be treated and accepted by the Bondholders and all other interested parties as correct and sufficient evidence thereof and shall be final and binding on such parties, and the Trustee shall be entitled to rely conclusively on such determination without liability to any person.

(iii) In the event that the option of the Issuer (i) to redeem the Bonds following the occurrence of any Special Event, (ii) to substitute the Bonds, or vary the terms of the Bonds, following the occurrence of any Special Event, or (iii) to conduct a Minimal Outstanding Amount Redemption pursuant to Condition 5(d), would at any time prevent the Bonds from being treated under the then Applicable Supervisory Rules as at least Tier 2 capital of the Issuer or the Guarantor, as the case may be (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules), then, at the option of the Issuer, the terms of the Bonds and the Guarantee of the Bonds shall automatically be deemed to be modified, without the consent of the Bondholders or the Trustee, so as to exclude any feature relating to such option that is preventing the Bonds or the Guarantee of the Bonds from being treated under the then Applicable Supervisory Rules as at least Tier 2 capital (or, if different, whatever terminology is employed by the then Applicable Supervisory Rules). Should such automatic deemed modification occurs, notice of such fact shall be given promptly by the Issuer to the Trustee and the Bondholders.

(g) ***Purchases***

Neither the Issuer, the Guarantor, any of their respective subsidiaries nor any of the related parties of the Issuer or the Guarantor shall subscribe for any Bonds or purchase any Bonds in the open market or otherwise and at any price, unless such subscription and/or purchase, as the case may be, is effected with Relevant Regulatory Approval, to the extent required by the Applicable Supervisory Rules.

For the purposes of this Condition 5(g), "**related parties**" shall have the meaning as set out in IAS (International Accounting Standard) 24.

(h) ***Cancellation***

Any Bonds redeemed by the Issuer, the Guarantor or any of their respective subsidiaries shall be cancelled forthwith. Any Bonds so cancelled may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Bonds shall be discharged.

(i) ***Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Capital Requirements**" means any minimum prescribed solvency capital ratios to which the Guarantor is subject from time to time pursuant to the Applicable Supervisory Rules, which as of the Issue Date comprise of the capital adequacy ratio (資本適足率) as calculated according to the Applicable Supervisory Rules;

The minimum prescribed solvency capital ratios and other capital requirements which apply to the Guarantor may change from time to time. See "Risk Factors – Risk Factors Relating to the Insurance Industry – the Group is required to comply with minimum solvency requirements and may be required to raise additional capital or change its business strategy if the Guarantor's risk-based capital adequacy ratio deteriorates or the applicable capital requirements change in the future" in the offering circular for further details.

"**Relevant Regulator**" means the regulator which is considered the primary supervisor of the Guarantor from time to time under the Applicable Supervisory Rules. The Relevant Regulator as of the Issue Date is the Insurance Bureau of the Financial Supervisory Commission, ROC;

"**Relevant Regulatory Approval**" means the Relevant Regulator has given, and not withdrawn by the relevant date, its prior consent to the redemption, purchase or substitution or variation (in accordance with Condition 12), as the case may be, of such Bonds; and

"**Special Event**" means a Tax Withholding Event, Tax Deduction Event or Regulatory Capital Event or any combination of the foregoing.

6. **PAYMENTS**

(a) ***Principal* and Interest**:

(i) Payments of principal in respect of the Bonds shall be made against presentation and surrender of the Certificate at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 6(a)(ii) below.

(ii) Interest on the Bonds shall be paid to the person shown on the Register at the close of business on the fifth Payment Business Day before the due date for payment thereof (the "**Record Date**"). Payments of interest on the Bonds shall be made in U.S. dollars by transfer to a registered U.S. dollar account of the Bondholder appearing in the Register.

(iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar shall annotate the Register with the amount of principal so paid and shall (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar shall annotate the Register with the amount of interest so paid.

(iv) Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so).

*Notwithstanding the foregoing, so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any other clearing system through which the Bonds are held, each payment in respect of the Global Certificate will be made to the person shown as the holder of the Global Certificate in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

(b) **Payments *Subject* to Fiscal Laws**: All payments are subject in all cases to any applicable laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Bondholders in respect of such payments.

(c) ***Appointment* of Agents**: The Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer and the Guarantor reserve the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer and the Guarantor shall at all times maintain (i) a Principal Paying Agent, (ii) a Paying Agent; (iii) a Registrar, (iv) a Transfer Agent, and (v) such other agents as may be required by any other stock exchange on which the Bonds may be listed.

Notice of any such change or any change of any specified office shall promptly be given by the Issuer to the Bondholders.

(d) **Non-*Business* Days**: If any date for payment in respect of the Bonds is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this Condition 6, "**Payment Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which banks and foreign exchange markets are open for business in New York City, Singapore, Hong Kong and Taipei and the city in which the specified office of the Principal Paying Agent is located.

7. **TAXATION**

All payments of principal and interest by the Issuer or the Guarantor or any of its agents making a payment on its behalf in respect of the Bonds shall be made without withholding or deduction for any taxes, duties, assessments or governmental charges imposed, levied, collected, withheld or assessed by Singapore, the ROC or any authority therein or thereof having power to tax, unless such withholding or deduction is

required by law or regulation. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as shall result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Bond:

(a) ***Other connection***: for such taxes, duties, assessments or governmental charges imposed, levied, collected, withheld or assessed by reason of such Bondholder (or fiduciary, beneficial owner, settlor, beneficiary, member or shareholder of, or possessor of power over the relevant Bondholder, if the relevant Bondholder is an estate, nominee, trust, partnership, company or corporation) having a present or former connection with the jurisdiction by which such taxes, duties, assessments or governmental charges have been imposed, levied, collected, withheld or assessed, other than the mere holding of the Bond;

(b) ***Presentation more than 30 days after the Relevant Date***: presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the Bondholder would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day;

(c) ***Estate, inheritance, etc.***: for any estate, inheritance, gift, sale, transfer, personal property or similar tax, duty, assessment or other governmental charge;

(d) ***Failure to provide information***: where such withholding or deduction could have been ***lawfully*** avoided if the Bondholder or beneficial owner (or a third party on behalf of the Bondholder or beneficial owner) had complied with a request addressed to such Bondholder to provide certification, identification or information reporting concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Bondholder or beneficial owner (or third party); provided that the Issuer or the Guarantor, as the case may be, shall be deemed to have given adequate notice if it complies with the general notice provision provided in Condition 15;

(e) ***Presentation in the ROC***: presented (or in respect of which the Certificate representing it is presented) for payment in the ROC, unless such Bond could not have been presented for payment elsewhere; or

(f) for any ***combination*** of the foregoing.

As used in these Conditions, "**Relevant Date**" in respect of the Bonds means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made. References in these Conditions to (i) "**principal**" shall be deemed to include all amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition 7.

The Issuer or (as the case may be) the Guarantor or any of their agents making a payment on their behalf shall be permitted to withhold or deduct any amounts pursuant to or in connection with Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, any current or future regulations or official interpretations thereof, any agreements (including any intergovernmental agreements) thereunder or any law, regulation, or official interpretation implementing any of the foregoing (in each case "**FATCA Withholding**"). The Issuer, the Guarantor and their agents will have no liability for or have any obligation to pay additional amounts in respect of any such FATCA Withholding.

Neither the Trustee nor the Agents shall be responsible for paying any tax, duty, assessment, charge, withholding or other payment referred to in this Condition 7 or for determining whether such amounts are payable or the amount thereof, and shall not be responsible or liable for any failure by the Issuer, the Guarantor, the Bondholders or any other person to pay such tax, duty, assessment, charge, withholding or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of any principal, interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, assessment, charge, withholding or other payment imposed by or in any jurisdiction.

8. **PRESCRIPTION**

Claims against the Issuer or the Guarantor for payment in respect of the Bonds or the Guarantee of the Bonds (as the case may be) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9. **NON-PAYMENT**

(a) ***Limited rights to institute proceedings***: Notwithstanding any of the provisions below in this Condition 9, the right to institute Winding-Up of the Issuer or the Guarantor is limited to circumstances where payment in respect of the Bonds has become due and is unpaid.

(b) ***Proceedings for Winding-Up***: Upon (i) an order being made or an effective resolution being passed for the Winding-Up of the Issuer or the Guarantor, as the case may be or (ii) the Issuer or the Guarantor failing to make payment in respect of the Bonds or the Guarantee of the Bonds, as the case may be, for a period of ten Taiwan Business Days or more after the date on which such payment is due, the Issuer or, as the case may be, the Guarantor shall be deemed to be in default under the Bonds (in the case of the Issuer) and the Guarantee of the Bonds (in the case of the Guarantor), and the Trustee at its sole discretion may, and if so requested in writing by Bondholders holding not less than 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution shall (subject in any such case to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction), institute proceedings for the Winding-Up of the Issuer, the Guarantor or both of them (as applicable) and/or prove and/or claim in the Winding-Up of the Issuer, the Guarantor or both of them (as applicable) for the principal amount of the Bonds together with interest accrued to the day prior to the commencement of the Winding-Up. The right to proving and/or claiming in Winding-Up in respect of any of the Issuer's payment obligations arising from the Bonds or the Guarantor's payment obligations arising from the Guarantee of the Bonds is limited to circumstances provided by applicable law.

In this Condition 9(b), "Taiwan Business Day" means a day, other than a Saturday, Sunday or public holiday, on which banks are open for business in Taiwan.

(c) ***Enforcement***: Without prejudice to Condition 9(b), the Trustee at its sole discretion may, and if so requested in writing by Bondholders holding not less than 25 per cent. of the aggregate principal amount of the outstanding Bonds or if so directed by an Extraordinary Resolution shall (subject in any such case to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction), without further notice to the Issuer and/or the Guarantor take any such steps and/or actions and/or institute such proceedings against the Issuer, the Guarantor or both of them (as applicable) as it may think fit to enforce any term or condition binding on the Issuer and/or the Guarantor under the Bonds or the Guarantee of the Bonds (other than any payment obligation of the Issuer or the Guarantor under or arising from the Bonds or the Guarantee of the Bonds including, without limitation, payment of any principal or satisfaction of any interest in respect of the Bonds or the Guarantee of the Bonds) including any damages awarded for breach of any obligations, provided that in no event shall the Issuer or the Guarantor, by virtue of such steps and/or actions and/or the institution of any such proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it.

(d) ***Trustee not bound to take action***: The Trustee shall not be bound to take action as referred to in Conditions 9(b) and (c) or any other action under these Conditions or the Trust Deed unless (i) it shall have been so requested in writing by Bondholders holding at least 25 per cent. in aggregate principal amount of the outstanding Bonds or so directed by an Extraordinary Resolution of the Bondholders and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(e) ***Bondholder not entitled to proceed directly***

(i) No Bondholder shall be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing.

(ii) No Bondholder shall be entitled either to institute proceedings for the Winding-Up of the Issuer and/or the Guarantor or to submit a claim in such Winding-Up, except that if the Trustee, having become bound to institute such proceedings as aforesaid, fails to do so, or, being able and bound to submit a claim in such Winding-Up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such Bondholder may, on giving an indemnity and/or security

and/or pre-funding satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the Winding-Up of the Issuer and/or the Guarantor and/or submit a claim in the Winding-Up of the Issuer and/or the Guarantor to the same extent (but not further or otherwise) that the Trustee would have been entitled to do.

(f) ***Extent* of Trustee's or Bondholders' remedy**: No remedy against the Issuer or the Guarantor, other than as referred to in this Condition 9, shall be available to the Trustee or the Bondholders, whether for the recovery of amounts owing in respect of the Bonds or the Guarantee of the Bonds or in respect of any breach by the Issuer or the Guarantor of any of its other obligations under or in respect of the Bonds or the Guarantee of the Bonds, as the case may be.

The Bondholders do not have the right to require the Issuer or the Guarantor to repay any principal or interest under the Bonds before it has become due and payable, unless such payment is made under circumstances provided by applicable law in the event of a Winding-Up of the Issuer or the Guarantor.

(g) ***Definitions*:** In these Conditions, "**Winding-Up**" means a final and effective order by a competent authority or effective resolution passed for the liquidation, winding-up, bankruptcy or similar proceedings in respect of the Issuer or the Guarantor, as the case may be (except, in any such case, a Merger Event or a solvent winding-up solely for the purposes of a reorganisation, reconstruction, merger or amalgamation, the terms of which reorganisation, reconstruction, merger or amalgamation have previously been approved by an Extraordinary Resolution).

10. MEETINGS OF BONDHOLDERS AND MODIFICATIONS

(a) ***Meetings of Bondholders***: The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including without limitation the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer and the Guarantor (acting together) or by the Trustee and shall be convened by the Trustee upon the request in writing of Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or pre-funded to its satisfaction). The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the aggregate principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity of the Bonds or redemption of the Bonds, any date for payment of interest or Interest Amounts on the Bonds, (ii) to reduce the rate or rates of interest in respect of the Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Bonds, (iii) to vary any method of, or basis for, calculating any redemption amount, (iv) to vary the currency or currencies of payment or denomination of the Bonds, (v) to amend the terms of the Guarantee of the Bonds (other than as provided in Condition 10(b)), (vi) to amend the subordination provisions in the Trust Deed or (vii) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**"), in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 33 1/3 per cent. in aggregate principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

"**Extraordinary Resolution**" means a resolution passed (a) at a meeting of Bondholders duly convened and held in accordance with the Trust Deed by a majority of at least three-quarters of the votes cast; (b) by Written Resolution (as defined in the Trust Deed) or (c) by an Electronic Consent (as defined in the Trust Deed).

Any such meeting of the Bondholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Trustee may determine in accordance with the provisions of the Trust Deed.

The Trust Deed provides that a resolution (i) in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of the Bonds outstanding or (ii) passed by way of Electronic Consent (as defined in the Trust Deed) shall, in each case, for all purposes be as valid and

effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

(b) ***Modification and waiver***: The Trustee may (but shall not be obliged to), without the consent of the Bondholders, agree to (i) any modification of these Conditions, the Bonds, the Trust Deed or the Agency Agreement (other than in respect of a Reserved Matter) which, in the opinion of the Trustee, will not be materially prejudicial to the interests of Bondholders and (ii) any modification of these Conditions, the Bonds, the Trust Deed or the Agency Agreement which, in the opinion of the Trustee, is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of any applicable law.

In addition, the Trustee may, without the consent of the Bondholders, authorise or waive any proposed breach or breach of these Conditions, the Bonds, the Trust Deed or the Agency Agreement (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

11. REPLACEMENT OF CERTIFICATES

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificates) and otherwise as the Issuer or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12. SUBSTITUTION OR VARIATION

(a) If a Merger Event occurs, the Issuer shall, without the consent of the Bondholders, agree to the substitution of the Substituted Obligor in place of the Guarantor (or any previous substitute under this Condition 12(a)) as the guarantor of the Bonds and as if the Substituted Obligor was originally named and had agreed to comply with and be bound by all the provisions contained in the Trust Deed, the Agency Agreement and the Conditions which related to the Guarantor, provided that:

(i) a supplemental trust deed is executed by the Substituted Obligor, substantially in the form set out in the Trust Deed, agreeing to be bound by the Conditions and the Trust Deed (in a manner satisfactory to the Trustee and with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been originally named in the Conditions and the Trust Deed as the guarantor of the Bonds and as if it was originally named and had agreed to comply with and be bound by all the provisions contained in the Trust Deed, the Agency Agreement and the Conditions which related to the Guarantor;

(ii) if the Substituted Obligor is subject generally to the taxing jurisdiction of a territory or a taxing authority of or in that territory with power to tax (the "**Substituted Territory**") other than the taxing jurisdiction of a territory or a taxing authority of or in that territory of which the Guarantor is subject to generally (the "**Guarantor's Territory**"), then references to the Guarantor's Territory in the Conditions and the Trust Deed shall be read accordingly to refer to the Substituted Territory; and

(iii) a legal opinion as to English and any other relevant law, addressed to the Trustee, dated the date of such substitution, and in form and substance applicable to the Trustee from legal advisers acceptable to the Trustee.

Notice of such substitution shall be given to the Bondholders not less than 15 nor more than 60 days' notice to the Trustee, and in accordance with Condition 15, prior to the completion of the formalities in this Condition 12(a). On completion of the formalities in this Condition 12(a), the Substituted Obligor shall be deemed to be named in the Conditions and the Trust Deed as the guarantor and as if it were the sole principal debtor in place of the Guarantor (or any previous substitute) and the Guarantor (or any

previous substitute) shall be released from any and all of its obligations under the Conditions and the Trust Deed. Any failure or delay in giving notice in accordance with this Condition 12(a) or Condition 15 will not render the relevant substitution invalid or affect such substitution in any respect.

In these Conditions:

"**Merger Event**" means the merger between the Guarantor and Taishin Life Insurance Co., Ltd. approved by the Relevant Regulator where Taishin Life Insurance Co., Ltd. will become the surviving entity succeeding to and assuming all of the rights, obligations and liabilities of the Guarantor in accordance with ROC laws; and

"**Substituted Obligor**" means the Guarantor's successor in business as a result of the Merger Event.

(b)

(i) If a Special Event has occurred and is continuing, then the Issuer may (without any requirement for the consent or approval of the Bondholders or the Trustee), subject to its having satisfied the requirements set out under the definition of "Qualifying Bonds" immediately prior to the giving of any notice referred to herein that the provisions of this Condition 12 have been complied with, and having given not less than 15 nor more than 60 days' notice to the Trustee and, in accordance with Condition 15, the Bondholders (which notice shall be irrevocable), at any time either (A) substitute all, but not some only, of the Bonds for, or (B) vary the terms of the Bonds with the effect that they remain or become (as the case may be), Qualifying Bonds, provided that Relevant Regulatory Approval has been obtained for such substitution or variation, to the extent required by the Applicable Supervisory Rules.

(ii) Upon expiry of such notice, the Issuer shall either vary the terms of or substitute (as the case may be) the Bonds in accordance with this Condition 12.

(iii) In connection with any substitution or variation in accordance with this Condition 12, the Issuer shall comply with the rules of any stock exchange on which the Bonds are for the time being listed or admitted to trading.

(iv) Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if any such substitution or variation would give rise to a Special Event with respect to the Bonds or the Qualifying Bonds.

In this Condition 12, "**Qualifying Bonds**" means bonds that:

(A) have terms not materially less favourable to an investor (including, without limitation, terms allowing for the reduction, conversion or write-down of their principal amount in certain circumstances) than the terms of the Bonds (as reasonably determined by the Issuer, and provided that a certification in English to such effect (and confirming that the conditions set out in Conditions 12(A)(i) and (ii) below have been satisfied) of one Authorised Signatory of the Issuer or the Guarantor shall have been delivered to the Trustee (on which the Trustee may rely conclusively without any further investigation or enquiry) and the Bondholders prior to the substitution or variation of the Bonds), provided that:

(i) they are issued by the Issuer or any wholly-owned direct or indirect subsidiary of the Issuer with a guarantee of the Guarantor, or issued directly by the Guarantor in its capacity as an issuer; and

(ii) they (or, as appropriate, the guarantee as aforesaid) shall rank senior to or *pari passu* with the Bonds on a Winding-Up of the issuer or guarantor thereof, shall preserve the Bondholders' rights to any other payment that has accrued with respect to the Bonds, and shall contain terms which provide for the same Rate of Interest, Interest Payment Dates and redemption events, from time to time applying to the Bonds; and other terms of such bonds are substantially identical (as reasonably determined by the Issuer) to the Bonds, save for the modifications or amendments to such terms that are required to be made in order to avoid or resolve the applicable Special Event;

(B) have been, or will on issue be, assigned at least the same rating (if any) as that assigned by the relevant rating agencies to the Bonds (if any such rating was assigned on or prior to the Issue Date of the Bonds) immediately prior to such substitution or variation; and

(C) are listed on the Singapore Exchange Securities Trading Limited or another securities exchange of international standing regularly used for the listing and quotation of debt securities offered and traded in the international markets.

13. INDEMNIFICATION OF THE TRUSTEE AND AGENTS

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or pre-funded to its satisfaction and to be relieved from responsibility in certain circumstances including, without limitation, provisions relieving it from taking any step and/or action and/or instituting any proceeding to enforce its rights under the Bonds, the Trust Deed, the Agency Agreement and/or these Conditions and in respect of the Bonds and payment or taking other steps and/or actions and/or instituting other proceedings unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for any fees, costs, expenses, indemnity payments and for liabilities incurred by it, in priority to the claims of the Bondholders. In addition, the Trustee and its affiliates are entitled to (i) enter into business transactions with the Issuer, the Guarantor and/or any entity related (directly or indirectly) to the Issuer or the Guarantor without accounting for any profit and to act as trustee for the Bondholders of any other securities issued by or relating to, the Issuer, the Guarantor and any entity related to the Issuer or the Guarantor, (ii) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (iii) retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee and the Agents may accept and rely conclusively, and may act or refrain from acting, in each case, without liability to the Issuer, the Guarantor, the Bondholders, or any other person on any report, confirmation, information or certificate from or any opinion or advice of any lawyers, accountants, auditors, valuers, auctioneers, surveyors, brokers, financial advisers, financial institutions or any other experts or professional advisers, whether or not obtained by or addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely conclusively on any such report, confirmation, information, certificate, opinion or advice and, in such event, such report, confirmation, information, certificate, opinion or advice shall be binding on the Issuer, the Guarantor and the Bondholders. The Trustee shall not be responsible or liable to the Issuer, the Guarantor, the Bondholders or any other person for any loss occasioned by acting on or refraining from acting on such report, information, confirmation, certificate, opinion or advice.

None of the Trustee or the Agents shall have any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions, or ascertain whether an Enforcement Event (as defined in the Trust Deed), a Potential Enforcement Event (as defined in the Trust Deed) or a Special Event has occurred, and they shall not be liable to the Bondholders or any other person for not doing so.

None of the Trustee or any of the Agents shall be responsible or liable for the performance (financial or otherwise) by the Issuer, the Guarantor and/or any other person appointed by the Issuer or the Guarantor in relation to the Bonds or the Guarantee of the Bonds of the duties and obligations on their part expressed in respect of the same and, unless it has written notice from the Issuer (or the Guarantor, as the case may be) to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement or these Conditions to exercise any discretion or power, take or refrain from taking any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking or refraining from taking any such action, making any such decision, or giving any such direction, or clarification of any directions, to seek directions from the Bondholders by way of an Extraordinary Resolution or given as otherwise contemplated or permitted by the Trust Deed and/or the Bonds, and shall have been indemnified and/or secured and/or pre-funded to its satisfaction against all action,

proceedings, claims and demands to which it may be or become liable and all costs, charges, damages, expenses (including but not limited to legal expenses) and liabilities which may be incurred by it in connection therewith, and the Trustee shall not be responsible or liable for any loss or liability incurred by the Issuer, the Guarantor, the Bondholders or any other person as a result of any delay in it exercising such discretion or power, taking or refraining from such action, making such decision, or giving such direction as a result of seeking such direction where the Trustee is seeking such directions from Bondholders or in the event that no such directions are received by the Trustee, or as a result of any action taken by it in accordance with the approval, directions or instructions of the Bondholders.

None of the Trustee or any Agent shall be liable to any Bondholder, the Issuer, the Guarantor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, directions, request or resolution of the Bondholders. The Trustee shall be entitled to conclusively rely on any direction, request or resolution of Bondholders given by Bondholders holding the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal of, and investigation into, the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer, the Guarantor and their respective Subsidiaries, and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

14. FURTHER ISSUES

The Issuer (with the prior written consent of the Guarantor) may from time to time without the consent of the Bondholders create and issue further bonds having the same terms and conditions as the Bonds (or having the same terms and conditions except in respect of the first payment of interest and their issue price, and so that references in these Conditions to "**Issue Date**" shall be to the first issue date of the Bonds) and so that the same shall be consolidated and form a single series with such Bonds, and references in these Conditions to "**Bonds**" and "**Bondholders**" shall be construed accordingly.

15. NOTICES

Notices to the holders of the Bonds shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday or a public holiday) after the date of mailing. The Issuer and the Guarantor shall also ensure that notices are duly given or published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held in its entirety on behalf of Euroclear and Clearstream any notice to the Holders shall be validly given by the delivery of the relevant notice to Euroclear and Clearstream for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given on the date of delivery to such clearing system.

16. RIGHTS OF THIRD PARTIES

Without prejudice to Condition 9(e), no person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

17. GOVERNING LAW AND JURISDICTION

(a) **Governing Law**: The Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the subordination provisions set out in Conditions 3(a) and (b) are governed by, and shall be construed in accordance with, Singapore law and ROC law, respectively.

(b) **Jurisdiction**: The English courts are to have jurisdiction to settle any disputes that may arise out of or in connection with the Bonds, and accordingly any legal action or proceedings arising out of or in connection with the Bonds ("**Proceedings**") may be brought in such courts. Each of the Issuer and the Guarantor

irrevocably submits to the jurisdiction of the English courts and waives any objection which it may have now or hereafter to the laying of the venue of such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Bonds and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) **Service of Process**: Each of the Issuer and the Guarantor irrevocably appoints Cogency Global (UK) Limited at 6 Lloyds Avenue, Unit 4CL, London EC3N 3AX as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Guarantor, as the case may be). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, each of the Issuer and the Guarantor irrevocably agrees to appoint a substitute process agent as its agent for service of process in England and shall immediately notify Bondholders of such appointment in accordance with Condition 15. Nothing shall affect the right to serve process in any manner permitted by law.

THE GLOBAL CERTIFICATE

The Global Certificate will contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the Terms and Conditions of the Bonds set out in this Offering Circular. Terms defined in the Terms and Conditions of the Bonds have the same meaning in the paragraphs below. The following is a summary of certain of those provisions.

The Bonds will be represented by a Global Certificate in registered form, which will be registered in the name of a nominee of, and deposited with, a common depositary for Euroclear and Clearstream.

The Issuer will, for value received, promise to pay to the Holder of the Bonds represented by the Global Certificate the amount payable upon redemption under the Terms and Conditions of the Bonds in respect of the Bonds and to pay interest in respect of such Bonds from and including the Issue Date in arrear at the rates, on the dates for payment, in accordance with the method of calculation provided for in the Terms and Conditions of the Bonds, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate together with such other sums and additional amounts (if any) as may be payable under the Terms and Conditions of the Bonds, all subject to and in accordance with the Conditions.

PAYMENT

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive), except 25 December and 1 January.

EXCHANGE

Owners of interests in the Bonds in respect of which the Global Certificate will be issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Paying Agent and the Registrar through which the Bonds are cleared (an "**Alternative Clearing System**") is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer at its own expense will cause sufficient individual definitive Certificates, printed in accordance with any applicable legal and stock exchange requirements and in, or substantially in, the form set out in the Trust Deed, to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

MEETINGS

For the purposes of any meeting of Holders of the Bonds, the Holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Holders of the Bonds and as being entitled to one vote in respect of each U.S.$1,000 of the Bonds.

NOTICES

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and Clearstream or any Alternative Clearing System notices to be given to Bondholders may be given by their being delivered to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System, for communication by it to accountholders entitled to an interest in the Bonds in rather than by publication as required by the Terms and Conditions of the Bonds and shall be deemed to have been given on the date of delivery to Euroclear and Clearstream or, as the case may be, any Alternative Clearing System.

TRANSFERS

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

TRUSTEE'S POWERS

In considering the interests of Holders of Bonds while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the Holders of the Bonds in respect of which the Global Certificate is issued.

CANCELLATION

Cancellation of any Bond represented by the Global Certificate which is required by the Conditions to be cancelled will be effected by reduction in the principal amount of the Bonds in the register of Holders and the Global Certificate on its presentation to or to the order of the Registrar for annotation (for information only) in the relevant schedule of the Global Certificate.

EXCHANGE RATES

The following table sets forth the average, high, low and period-end exchange rates between the New Taiwan dollar and the U.S. dollar (in NT$ per U.S.$1.00) at the noon buying rate in New York City for cable transfers in foreign currencies for the periods indicated (the Noon Buying Rate).

	Years Ended 31 December			
	New Taiwan Dollars/U.S. Dollars Noon Buying Rate			
	Low	Average[(1)]	High	Period End
2016	31.05	32.23	33.74	32.40
2017	29.64	30.40	32.37	29.64
2018	29.03	30.13	31.00	30.61
2019	29.91	30.90	31.63	29.91
2020	28.08	29.46	30.45	28.08
2021	27.56	27.94	28.59	27.74
2022	27.52	29.80	32.37	30.73
2023	29.70	31.15	32.47	30.62
2024	30.81	32.11	32.88	32.79
2025				
January	32.67	32.88	33.11	32.85
February	32.70	32.81	33.06	32.89
March	32.79	32.97	33.19	33.19
April	31.96	32.64	33.21	31.96

Source: www.federalreserve.gov

Note:

(1) Determined by averaging the rates on each business day during the relevant period.

The Group publishes its financial statements in New Taiwan dollars and in accordance with Taiwan-IFRS. This Offering Circular contains translation of New Taiwan dollar amounts into U.S. dollars at specific rates solely for your convenience. Unless otherwise noted, all translations from New Taiwan dollars to U.S. dollars and from U.S. dollars to New Taiwan dollars in this Offering Circular were made at a rate of NT$32.79 to U.S.$1.00, the noon buying rate in the City of New York for cable transfers payable in New Taiwan dollar as certified for customs purposes by the Federal Reserve Bank of New York on or nearest to 31 December 2024. No representation is made that the New Taiwan dollar or U.S. dollar amount referred to in this Offering Circular could have been or could be converted into U.S. dollars or New Taiwan dollars, as the case may be, at any particular rate or at all.

DESCRIPTION OF THE ISSUER

INCORPORATION

The Issuer is a directly wholly-owned subsidiary of the Guarantor and was incorporated on 15 May 2025 as a private company limited by shares (UEN: 202520968W) under the Companies Act 1967 of Singapore. The registered office of the Issuer is located at 16 Raffles Quay #19-01 Hong Leong Building Singapore 048581.

BUSINESS ACTIVITIES

The Issuer was established with full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and has full rights, powers and privileges for the above purposes pursuant to its constitution. The Issuer's main business activities include entering into arrangements for the issue of bonds with capital characteristics pursuant to its constitution, including the Bonds, and any other activities in connection thereto. As at the date of this Offering Circular, there are no material assets held by the Issuer and the Issuer has not, since its incorporation, engaged in any material activities other than those relating or incidental to its registration and the authorisation of documents and agreements as may be referred to in this Offering Circular.

DIRECTORS

As at the date of this Offering Circular, the directors of the Issuer are CHEN, YUNG-I, CHANG, CHIA-CHUAN, and CHUA JIA JUN, DARREN.

SHARE CAPITAL

As at the date of the Offering Circular, the issued share capital of the Issuer is U.S.$20,000,000 comprising 20,000,000 ordinary shares, and the paid-up capital of the Issuer is U.S.$1.00. As at the date of this Offering Circular, no part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought. As at the date of this Offering Circular, the Issuer has no subsidiaries.

LEGAL PROCEEDINGS

As at the date of this Offering Circular, the Issuer is not involved in any litigation or arbitration proceedings, and it is not aware of any pending or threatened actions against it.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth (i) the Group's audited consolidated capitalisation as of 31 December 2024 on an actual basis; and (ii) the Group's consolidated capitalisation as of 31 December 2024, as adjusted for the issuance of the Bonds before deducting the underwriting commissions and other estimated expenses payable by the Group in connection with the offering of the Bonds. The following table should be read in conjunction with the Group's financial statements and the notes thereto included elsewhere herein.

	As at 31 December 2024			
	(*Actual*) (*Audited*)		(*As adjusted*) (*Unaudited*)	
	(NT$ in thousands)	*(U.S.$ in thousands[(1)])*	*(NT$ in thousands)*	*(U.S.$ in thousands[(1)])*
Borrowings:				
Bonds payable	45,300,000	1,381,519	45,300,000	1,381,519
Bonds to be issued	-	-	13,116,000	400,000
Total borrowings	**45,300,000**	**1,381,519**	**58,416,000**	**1,781,519**
Equity:				
Share capital[(2)]	82,768,904	2,524,212	82,768,904	2,524,212
Capital surplus	35,881,709	1,094,289	35,881,709	1,094,289
Retained earnings[(3)]	87,665,164	2,673,534	87,665,164	2,673,534
Other equity[(4)]	(18,113,946)	(552,423)	(18,113,946)	(552,423)
Non-controlling interests	430,719	13,136	430,719	13,136
Total equity	**188,632,550**	**5,752,746**	**188,632,550**	**5,752,746**
Total capitalisation and indebtedness[(5)]	**233,932,550**	**7,134,265**	**247,048,550**	**7,534,265**

(1) The translation of New Taiwan dollars into U.S. dollar amounts has been made at the rate of NT$32.79 to U.S.$1.00, the noon buying rate as set forth in the H.10 Statistical release of the Federal Reserve Bank of New York on or nearest to 31 December 2024.

(2) On 10 June 2025, the Company received NT$7.0 billion capital injection from SKFH.

(3) Retained earnings decreased from NT$87,665,164 thousands to NT$76,718,918 thousands from 31 December 2024 to 31 March 2025.

(4) Other equity decreased from NT$(18,113,946) thousands to NT$(33,127,057) thousands from 31 December 2024 to 31 March 2025.

(5) Total capitalisation and indebtedness equal total borrowings plus total equity.

Save as disclosed in this Offering Circular, there has been no material adverse change in the consolidated capitalisation and indebtedness of the Company since 31 December 2024.

DESCRIPTION OF THE GROUP

OVERVIEW

The Company was incorporated in 1963 as the Taiwan subsidiary of SKFH and is primarily responsible for the insurance business of the SKFH group. With over 60 years of operational history, the Company has consistently delivered high-quality service. In 2024, the Company held a 7.8% market share in Taiwan and ranked fourth among life insurers in Taiwan in terms of total premiums. The Company achieved global recognition by ranking first in the insurance category of the 2024 Dow Jones Sustainability World Index (DJSI World), further solidifying its position as a key growth driver for SKFH, which ranked sixth among financial holding companies in Taiwan with total assets reaching NT$5.1 trillion in 2024.

In 2024, the Company reported CSM of over NT$30 billion from new business and a cumulative CSM exceeding NT$100 billion. As at 31 December 2024, the Company's total assets reached NT$3,699.8 billion, while shareholders' equity grew by 19% as compared with 2023 to NT$188.6 billion. The Company's FYP, excluding investment-linked products, amounted to NT$57.7 billion, ranking third among its peers in Taiwan.

SKFH is dedicated to strengthening the Company's capital position to ensure long-term stability and protect policyholder interests. In 2024, the Company carried out capital adequacy improvement plans, including a cash capital increase of NT$20.9 billion from SKFH and the issuance of capital bonds totaling around NT$8.3 billion. As at 31 December 2022, 2023 and 2024, the RBC Ratio of the Company was 214%, 176% and 221%, respectively. As at 31 December 2022, 2023 and 2024, the equity-to-asset ratio reached 3.94%, 4.47% and 5.17%, respectively.

Supported by growth in traditional policies, the Company experienced a significant increase in FYP in 2024 by 65.1% as compared with 2023. The Company effectively capitalised on market trends, resulting in strong earnings with higher investment income. Consequently, the consolidated after-tax profit for 2024 amounted to NT$10.2 billion, a positive rebound following from the after-tax losses for 2022 and 2023. As at 31 December 2024, the total assets for the Company reached NT$3,699.8 billion as compared with NT$3,588.2 billion, with a CAGR of 3.2% from 2020-2024, indicating a steady growth over the period, while the investment return rate amounted to 3.2%, 2.8% and 3.7% in 2022, 2023 and 2024, respectively. The capital injections of NT$7.0 billion on 28 March 2024 and NT$13.8 billion on 22 August 2024 have significantly strengthened the Company's equity-to-asset ratio. These injections have enhanced the Company's capital base, providing greater financial stability and resilience.

As at 31 March 2025, the Company's total assets, total liabilities and total equity were recorded NT$3,699.7 billion, NT$3,537.0 billion, NT$162.7 billion, respectively, while reported total comprehensive loss at NT$11.0 billion. See "*Risk Factors – Risk Factors Relating to The Business of The Group – Investing and trading in overseas fixed income securities expose the Group to additional risks, including risks related to global financial markets and fluctuations in foreign exchange rates which has resulted in losses from time to time*" for a discussion of the relevant risks relating to the historical records of total comprehensive loss.

As at 31 December 2024, with a team of over 7,300 professional sales agents recording a cumulative 3.93 million insured individuals and 8.99 million in-force policies, the Company demonstrated market-leading business scale and expertise. Demonstrating strong customer retention, the Company achieved a 13th-month persistency ratio of 96.7% and a 25th-month persistency ratio of 93.7%.

The following table sets out the key financial metrics of the Company for the financial years indicated:

	Years ended 31 December		
	2022	2023	2024
	(NT$ billion) except for percentages		
Total Premiums	189.5	167.5	190.4
Investment Income	108.7	97.9	130.3
Total Investment	3,310.2	3,291.4	3,394.3
Total Investment Yield	3.21%	2.80%	3.71%
Return on Equity	(2.99%)	(11.5%)	5.9%

Aside from the above financial and operational results, the Company also measures the scale and profitability of its business using various key performance indicators as set out in the "*Selected Financial Information*" section, including:

- Pre-Hedging Recurring Yield and Post-Hedging Recurring Yield ("**Investment Yields**"): the Investment Yields measure the return on the Company's total investment assets.
- Return on Assets: the ROA indicates the Company's profitability relative to the total assets.
- FYP: the FYP is the premiums paid by the policyholder in the first year of purchasing the insurance policies.
- Persistency Ratio (13 months and 25 months): the Persistency Ratio is the ratio of life insurance policies receiving timely premiums in the year and the number of net active policies. The ratio indicates how many policyholders are paying the due premiums regularly on the policies with the insurer.

As at 31 December 2022, 2023 and 2024 and 31 March 2025, the Company's ROA was recorded at -0.1%, -0.5%, 0.3% and -0.3%, respectively.

See "*Risk Factors – Risk Factors Relating to The Business of The Group – A number of the Company's key performance indicators are calculated based on a number of assumptions used in the calculations and may vary significantly as those assumptions are changed*" for a discussion of the relevant risks in relation to the above key performance indicators.

The Company has received multiple awards for its commitment to sustainable development. In 2024, the Company was ranked first globally in the insurance category of the Dow Jones Sustainability World Index (DJSI World) and was also included in the DJSI Emerging Markets Index. The Company was recognised in the S&P Global Sustainability Yearbook, being placed in the top 1% of the global insurance industry. Additionally, the Company continues to be a constituent of both the FTSE4Good Index and the TIP Taiwan ESG Index, underscoring its ongoing leadership in sustainability.

HISTORY

The Company was incorporated in 1963 as the Taiwan subsidiary of SKFH, inheriting a sound corporate and operational culture, a prudent risk management system and deep-rooted knowhow in insurance. As at 31 December 2024, the Company holds 71.5% of SKFH's total assets. Shin Kong Bank ("**SKB**") was incorporated in 1997 and exclusively offers the Company's insurance products. SKB implements a product strategy focused on long-term premium payment insurance, aimed at accumulating CSM and boosting fee income. As at 31 December 2024, SKB holds 25.6% of SKFH's total assets and ranks ninth amongst domestic private banks in Taiwan by total assets. Over the journey of more than 60 years, the Company has achieved significant growth and is a leading life insurance company in Taiwan, ranking fourth in terms of total premiums and sixth amongst the largest financial holding companies in Taiwan.

RECENT DEVELOPMENT

The Company has extracted and reproduced certain information in relation to Taishin Financial, SKFH and/or Taishin Life which have been previously independently published and released by Taishin Financial and SKFH in their respective shareholders' announcements and circulars regarding the proposed merger and the Enlarged Parent Group. There can be no assurance that such reproduced information will an accurate representation or status of the subsequent Enlarged Parent Group or of the Enlarged Life Insurance Group once the merger is completed. The information of this "Recent Development" sub-section contains or incorporates by reference information relating to Taishin Financial, SKFH and/or Taishin Life which is based on public information that is not separately verified, reviewed, approved or endorsed by the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them, and accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them, as to the fairness, accuracy, reasonableness or completeness of such information. Such information may contain statements about future events and expectations that are forward-looking statements. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from those predicted in such statements. See "Forward-Looking Statements" and "Risk Factors" of this Offering Circular. As such,

potential investors are cautioned not to place undue reliance on such merger information and must exercise caution when assessing such information to evaluate the timing of the proposed merger at the parent level or at the Guarantor level, and in relation to the Enlarged Parent Group's future operations, structure and financial position.

Strategic Merger between SKFH and Taishin Financial

In October 2024, the proposal of merger SKFH with Taishin Financial received approval from a significant majority of shareholders at the extraordinary general meetings of both Taishin Financial and SKFH. In January 2025, the Taiwan Fair Trade Commission granted its approval for such proposed merger. In February 2025, all employee settlement schemes were approved by the SKFH group companies. In March 2025, the Financial Supervisory Commission provided regulatory approval for such proposed merger. It is scheduled for the merger to become effective in July 2025, resulting in the formation of the Enlarged Parent Group. The consolidation of the Company and other major subsidiaries of SKFH and Taishin Financial, including bank, life insurance, securities and investment trust subsidiaries, is expected to be completed within two years in accordance with applicable ROC laws. After the merger, the Company will operate its life insurance business alongside Taishin Life until the final merger phase, when Taishin Life will become the surviving entity. The Enlarged Life Insurance Group will then continue operating under the "Shin Kong Life" brand.

The Enlarged Parent Group is anticipated to unlock substantial synergies, enhancing the asset size and market share of the combined entities, with anticipation that the Enlarged Parent Group will become one of the largest financial holding companies in Taiwan. This strategic move is intended to leverage the strengths of both Taishin Financial and SKFH to capture a larger market share. The Enlarged Parent Group is expected to bring together three complementary pillars — banking, insurance and securities, creating synergies that are expected to drive growth and profitability via the scale provided by the merged entity. For the year ended 31 December 2024, SKFH's profit mainly came from insurance, while Taishin Financial's profit was primarily from banking. SKFH's assets were largely in insurance, whereas Taishin Financial's assets focused on banking. The Enlarged Parent Group aims to balance profits and assets between insurance and banking. By leveraging the complementary management expertise from both the Company and Taishin Life, the merger for Enlarged Life Insurance Group could create a more robust financial structure as an enlarged group for life insurance business.

The merger for Enlarged Life Insurance Group also aims to improve customer convenience and access through an increased number of branches and sales channels. This expansion is expected to enable the merged entity to serve a wider customer base more effectively, providing enhanced service and accessibility.

The merger for Enlarged Life Insurance Group is set to enhance operating efficiencies through a focus on digitalisation, IT system upgrades and the optimisation of internal processes. These improvements aim to streamline operations, reduce costs and increase overall productivity. Additionally, the merger aims to create enhanced and complementary distribution channels, which are expected to drive revenue growth.

Aiming to strengthen capital and optimise financial resources, the Enlarged Life Insurance Group is intended to satisfy all the regulatory capital requirements through enhanced funding capabilities.

Financial Position Post-Merger of the Enlarged Life Insurance Group

As at and for the year ended 31 December 2024, the Company recorded approximately: NT$64 billion in FYP compared to NT$26 billion for Taishin Life; NT$190 billion in total premium compared to NT$47 billion for Taishin Life; and NT$3,699 billion in total assets compared to NT$322 billion for Taishin Life. As at the date of this Offering Circular, after the merger, the Enlarged Life Insurance Group is expected to have a higher total FYP and total premiums. Notwithstanding the expected increase in FYP after the merger, total premiums and total assets for the Enlarged Life Insurance Group are expected to remain stable.

Balanced Channel Mix Post-Merger of the Enlarged Life Insurance Group

Historically, the Company has relied primarily on sales agents, with FYP sold by agents accounting for 75% of the total FYP in 2024. In contrast, Taishin Life predominantly utilised bancassurance. After the merger, the proportion of bancassurance is projected to rise, while the sales agent channel's proportion is expected to decline. Consequently, as at the date of this Offering Circular, the Enlarged Life Insurance Group is expected to develop in a balanced manner, with the aim of enhancing the merged entity's distribution capabilities and market reach via both sales agents and bancassurance.

Synergies of the Enlarged Life Insurance Group

In terms of product synergy, as at the date of this Offering Circular, following the merger, new business CSM is estimated to experience growth. The Company's diverse product portfolio, particularly in accident and health products, is expected to significantly expand Taishin Life's range of offerings, projected to generate increased CSM. In terms of distribution synergy, Taishin Financial's bancassurance complements the Company's existing network, and is expected in creating a robust dual-engine sales platform with an expanded market reach, creating cross-marketing synergies and generating increased premium income.

Solid Capital Position Post-Merger of the Enlarged Life Insurance Group

The Company and Taishin Life reported RBC Ratios of 221% and 347%, respectively, for the year ended 31 December 2024. In addition, the Company received NT$7.0 billion capital injection from SKFH in June 2025. In terms of profitability sustainability, the Company hand announced that it planned to recognise the PPA (Purchase Price Allocation) to contribute stable additional income to the income statement of its life insurance segment. Additionally, as at the date of this Offering Circular, Taishin Financial has made its own announcements expressing an intention to provide potential capital support to further strengthen the financial foundation and provides additional resources of the Enlarged Life Insurance Group for future growth and stability.

AWARDS

The Company has been recognised with multiple awards in sustainable development, including the following:

Year	Awards
2024	• won "Most Popular Brand Award" and "Best Product Award" earning the honour of "National First Prize" for the "Most Popular Brand Award" in the 21st National Brand Yushan Awards • won the "SDG 4 Quality Education - Silver Award" and "SDG 13 Climate Action - Silver Award" in the 2024 Taiwan Sustainability Action Awards (TSAA) • won third place in the 2024 Financial Supervisory Commission's Insurance Competition for Micro-Insurance in the "Insurance Group" as well as "Disability Care Award" and "Business Excellence Award" • was recognised by the Department of Environmental Protection, Taipei City Government as an "Outstanding Unit in Green Procurement for Private Enterprises and Groups" • won second place in the "Buying Power Social Innovation Product and Service Procurement Reward" and the "Sustainable Deep Cultivation Group Social Innovation Special Award" from the Ministry of Economic Affairs • received multiple awards in the 26th Insurance Faith, Hope, and Love Awards, including "Best Social Responsibility Award", "Best Contribution in Insurance Education Award", "Best Insurance Professionalism Award", "Best Channel Strategy Award", "Best Integrated Marketing and Communication Award", "Best Communication Department Award - Hemei Communications Office" and "Most Popular Insurance Company - First Place" • won the 2024 International Innovation Awards (IIA) in the "Service and Solution" category • won the "Corporate Excellence Award" in the 2024 Asia Pacific Enterprise Awards (APEA) • won the 2024 Customer Service Excellence Awards (CSEA) for "Best Customer Experience Enterprise", "Best Service Innovation Enterprise", "Best AI System Applications Team", "Best Customer Service System Supervisor", "Best Customer Service System Star", "Best AI Instructor" and "Best Field Management Supervisor" • won special awards for "Best-known Company", "Best Agents", "Best Claims Service" and "Most Recommended Company" in the 2024 Insurance Quality Awards • won the Excellence Award in the 2024 Dragon and Phoenix Award for Insurance in the life insurance "Back Office" and "Field Operations" categories • smart customer service "Xiaoxin" was certified at the "Level AA" standard for web accessibility • earned the ISO45001 and Taiwan Occupational Safety and Health Management Systems (TOSHMS) verifications

Year	Awards
	• won the Greater China Excellence Customer Service Awards (GCECSA), including the "Comprehensive Customer Service Excellence Award", "Innovative Intelligent Customer Service Award" and "Top Marketing Innovative Experience Award" • won the "Innovative Design of the Year Award" and "Outstanding Customer Satisfaction Award" in the 18th Golden Torch Awards • won the 2024 "Trusted Brand Award" in the 26th Reader's Digest Awards • obtained utility model patents for its "Sustainability Audit System" and "Cross-Company Data Warning System" • won the "Corporate Social Responsibility Award" in the insurance category of the 2024 Want Want China Times Financial Services Evaluation • won the "Best Performance Award" in the 2024 Financial Education Contribution Awards • won the "Excellence Awards" for "Claims Service", "Digital Finance" and "Public Service" in Excellence Magazine's 2024 Taiwan Insurance Excellence Awards
2023	• won the 2023 "Social Empowerment Award" in the 2023 Asia Responsible Entrepreneurship Awards • won seven top awards, including "Most Popular Brand Award" and "Best Product Awards" as well as "Best Product" National First Prize in the 20th National Brand Yushan Awards • won the "SDG 3 Health and Well-Being - Gold Award" and "SDG 8 Employment and Economic Growth - Silver Award" in the 2023 Taiwan Sustainability Action Awards (TSAA) • won the "Taiwan Top 100 Sustainable Enterprise Award", "Sustainability Reporting Award - Gold Award in the Finance and Insurance Industry", "Climate Leadership Award", "Social Inclusion Leadership Award", "Workplace Well-Being Leadership Award", "Age-Friendly Leadership Award" and "Talent Development Leadership Award" in the 2023 Taiwan Corporate Sustainability Awards (TCSA) • won the "Special Award" in the Corporate Sustainability category of the Seventh PwC Sustainability Impact Awards • was recognised for "Best Customer Service", "Best Integrated Marketing", "Best Customer Service Digital Smart System Application", "Best Customer Service Team" and "Best Customer Service Training Star" in the 2023 Customer Service Excellence Awards (CSEA) • won the "Fair Hospitality Principle Assessment Excellence Award" and "Third Place – Insurance Group" for micro-insurance, "Disability Care Award", "Business Excellence Award" and "Outstanding Performance Award in the Aging Insurance Competition" in the 2023 Insurance Competition • won four top awards in the 2023 International Innovation Awards, including one each in the "Organization and Culture" and "Product" groups and two in the "Service and Solution" group • won Japan's 2023 Good Design Awards • won three top awards in the National Insurance Three Awards for Hero of the Decade • won the "Public Welfare Excellence Award", "Personnel Training Excellence Award" and "IT Application Excellence Award" in the 10th Taiwan Insurance Excellence Awards • won the 2023 "Trusted Brand Award" in the 25th Reader's Digest Awards • won the "Big Hearted Boss Award" in the Taipei City Department of Labor's Worker Safety Awards • won the "Corporate Social Responsibility Award" in the insurance category of the 2023 Want Want China Times Financial Services Evaluation • won the "Excellence Award" and "Gold Award" for "Best Planning and Design" in the 2023 FIABCI-Taiwan Real Estate Excellence Awards • won the "Best Social Responsibilitys", "Best Product Creativity Award", "Best Insurance Professionalism Award", "Best Contribution in Insurance Education Award" and "Most Popular Insurance Company - First Place" in the 25th Insurance Faith, Hope, and Love Awards • won the "Best Insurance FinTech Innovation Application Award" in the 2023 Wealth Magazine Financial Awards

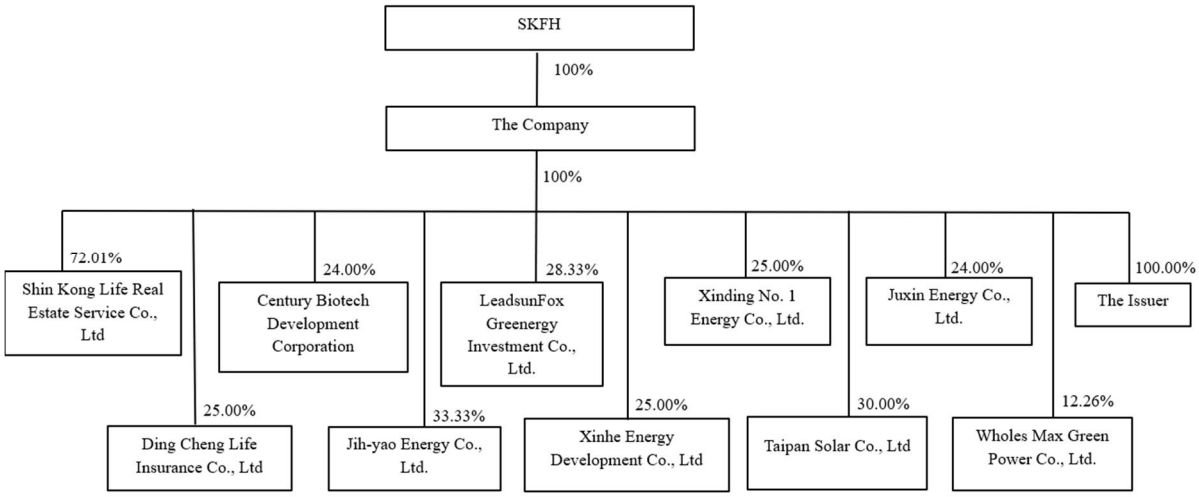
Year	Awards
	• won the "Digital Service Award" in the Third Digital Financial Awards by Commercial Times • earned the "ISO 14067 Carbon Footprint Verification for Customer Service Counter Service Products" • won the "Excellence Awards" for "Claims Service", "Digital Finance" and "Public Service" in Excellence Magazine's 2023 Taiwan Insurance Excellence Awards
2022	• won the Special Award for "Best-known Company" and Excellence Award for "Best Agents", "Best Claims Service" and "Most Recommended Company" in the 2022 Insurance Quality Awards • was certified under the ISO 22301 Business Continuity Management System (BCMS) international standard • won the Excellence Awards in the 11th Dragon and Phoenix Award in the "Life Insurance Office" and "Field Operations" categories • won the "Outstanding Innovation R&D Award" in the 21st Golden Peak Awards • won the 2022 Trusted Brand Award in the 24th Reader's Digest Awards • won the "Best Social Responsibility," "Best Channel Strategy Award", "Best Insurance Professionalism Award", "Best Integrated Marketing and Communication Award" and "Best Professional Consultant Award" in the 24th Insurance Faith, Hope, and Love Awards • Taichung Jasper won the "Excellence Award for Best Construction Quality" and "Gold Award for Best Planning and Design" in the 2022 FIABCI-Taiwan Real Estate Excellence Awards • won the "Quality Award for Life Insurance Customer Recommendation" and "Excellence Award for Life Insurance Service" in the 2022 Taiwan Financial Awards • won the 2022 outstanding financial institution • Taichung Jasper won the "Planning and Design Award" and "Construction Quality Award" in the 24th National Golden Awards for Architecture • won the "Outstanding Enterprise Award" and "Best Product" National First Prize and "Most Popular Brand Award" in the 19th National Brand Yushan Awards • earned the "Certificate of Corporate Wellness" • won the "Best Service Innovation Enterprise", "Best Community Management Enterprise" and "Best Intelligent System Application Enterprise" in the 2022 Customer Service Excellence Awards (CSEA) and earned the top award from the Greater China Contact Center Alliance (GCCA) • won the "Digital Information Security Award" in the Second Commercial Times E-banking Awards • won the Taiwan Top 100 Sustainable Enterprise Award and Sustainability Report-Platinum Award from the Taiwan Institute for Sustainable Energy (TAISE) • won the "Best Business Transformation and Innovation Award" in the Sixth Digital Singularity Awards • won three top awards in the National Insurance Three Awards for Hero of the Decade • won the "Exemplary Corporate Learning Award: Learning Superstar Award" in the 2022 Commonwealth Leader Campus Learning Awards • won three "Innovative Design of the Year Awards" and the "Outstanding Customer Satisfaction Award" in the 17th Golden Torch Awards • won the "Information Resilience Excellence Award" from the British Standards Institution (BSI) • won the "Excellence Award for Aging Insurance Competitions", "Excellence Award for Micro Insurance" and "Disability Care Award" in the 2022 Insurance Competition
2021	• won four awards in the 18th National Brand Yushan Award, including the national first place award for "Best Product", "Outstanding Enterprise", "Most Popular Brand" and "Best Product" • received two service standard certifications from the British Standards Institution (BSI), including the Royal Mystery Shopper (RMS) and ISO 10002:2018 customer complaint quality management system

Year	Awards
	• won the Future of Digital Innovation Award and Comprehensive Experience Innovation Award in the 2021 IDC Asia-Pacific Future Enterprise Awards • won the TCSA Taiwan Sustainability Awards' Gold Award for Corporate Sustainability Report in the financial industry and Best Performance in a Specific Category awards for "Information Security Leadership" and "Talent Development Leadership" • won the Social Inclusion silver award in the Taiwan Sustainability Action Awards (TSAA) • won four awards in the 2021 Insurance Competition, including the "Significant Progress Award in the Evaluation of Fair Customer Treatment Principles", "Bailout Merit Award", "Micro Insurance Business Performance Award" and "Disability Care Award" • won six silver awards in the 9th Taiwan Insurance Excellence Awards, including Public Welfare Excellence Award, Product Innovation and Project Planning Excellence Award, IT Application Excellence Award, Information Security Promotion Excellence Award, Personnel Training Excellence Award and Guarantee Insurance Policy Promotion Excellence Award • won the "Best Service Innovation Enterprise", "Best Community Management Enterprise", "Best Intelligent System Application Enterprise" and "Best Customer Service System Application Enterprise" awards in the 2021 Customer Service Excellence Awards (CSEA), as well as the Greater China Contact Center Alliance's (GCCCA) top award • won the "Best Social Responsibility", "Best Contribution in Insurance Education", "Best Channel Strategy", "Best Product Creativity", "Best Integrated Marketing" and "Communication, and Best Professional Consultant" awards in the 22+1 Insurance Faith, Hope, and Love Award • won the 2021 "Private Enterprise and Group Green Procurement Award" • won the 2021 "Buying Power —Social Innovation Products and Services Procurement Award" • won the 2021 Asia Design Prize • won the "Innovative Design of the Year Award" and "Outstanding Customer Satisfaction Award" in the 16th Golden Torch Awards • won the Taiwan Finance Star's "Best Product Innovation Award" and "Best Social Service Award" • won the "2021 Trusted Brand Award" in the 23rd Reader's Digest Awards • won the special award for Best-known Company and three excellence benchmark awards for "Best Agents", "Best Claims Service" and "Most Recommended Company" in the 9th Insurance Quality Awards • won the Excellence Awards in the 10th Dragon and Phoenix Awards in the "Life Insurance Office" and "Field Operations" categories • won Common Health Magazine's Corporate Health Responsibility (CHR) Bronze Award • won the Excellence Award for "Best Insurance FinTech Innovation Application" in the 2021 Taiwan Financial Awards • won the Excellence Awards in the "Digital Innovation", "Online Insurance Application Service" and "Digital Information Security" categories in the 2021 Commercial Times E-Banking Awards • won the Outstanding Community Management Team of the Year bronze award in the 2021 Marketing Communication Contribution Awards
2020	• First place in the "Best Popular Brand" and awarded "Outstanding Enterprise", "Best Product" and "Best Popular Brand" at the 17th National Brand Yushan Awards • "Best Business Growth Award" and the "Best Social Service Award" at Taiwan Financial Star • "Annual Innovative Design Award and the Excellent Customer Satisfaction Award" at the 16th Golden Torch Awards • "Outstanding Performance Award" (2020 Annual Micro Insurance Competition held by the Financial Supervisory Commission (FSC)) • Sports Activist Awards in the "Promotion" and "Sponsorship" category (two Bronze Awards)(Sports Administration, Ministry of Education) • Gold Award at the "22nd Trusted Brands Awards" (Reader's Digest)

Year	Awards
	• "High Distinction Award in the Most Well-Known Award" and "Excellence Awards in the Best Salesperson", "Best Claims Service" and "Most Worth Recommendation" at the 8th Insurance Quality Awards • the 9th Insurance Dragon and Phoenix Awards in the "Office Work" and "Sales Work" categories • Silver Award in the "Travel Insurance" category of "Excellent Service Awards" (Reader's Digest) • "2020 Best Insurance Company Digital Transformation Taiwan" (British Global Banking & Finance Review) • Common Health Magazine's "CHR Health Corporate Citizenship" (Silver Award) • "Best Service Innovative Enterprise" and "Best Social Media Management Enterprise" (Customer Services Excellence Award (CSEA)) and rated as "Best Social Media Management Enterprise" (Greater China Contact Center Alliance (GCCCA))

CORPORATE STRUCTURE

The following is a simplified corporate structure of the Group as at 31 March 2025:



COMPETITIVE STRENGTHS

The Group has been one of the leading life insurers in Taiwan's insurance market. Its principal strengths include:

Leading Taiwanese life insurance franchise with a promising growth pathway

The Company has been established for over 60 years and is widely recognised as a prestigious household brand with a rich history and affluent associations and roots in Taiwan. The Company's history can be traced to 1963, when it was incorporated in Taiwan.

Over its journey of more than 60 years, the Company has achieved significant growth and holds a leading position in the life insurance market in Taiwan. The Company is currently the sixth largest financial holding company in Taiwan in terms of total assets. In 2024, the Company recorded NT$190.4 billion in total premiums, with a 7.8% market share. In terms of FYP, the Company recorded NT$64.2 billion as a 65.1% increase as compared with 2023, driving up its market share from 5.8% in 2023 to 7.6% in 2024, and is positioned fifth amongst the top 10 players in Taiwan. In terms of FYP of traditional foreign currency ("**FCY**") policy, the Company recorded NT$40.8 billion, standing second amongst the top 10 players. The Company successfully leveraged market trends to achieve a commendable earnings performance, with increased investment income leading to a consolidated after-tax profit for 2024 amounted to NT$10.2 billion, a positive rebound following from the after-tax losses for 2022 and 2023. As at 31 December 2024, the Company's total assets reached NT$3,699.8 billion, ranking sixth amongst financial holding companies in Taiwan. In 2024, the Company experienced a significant growth in consolidated shareholders' equity, which rose by 19% as compared with 2023 to NT$188.6 billion. The equity-to-asset ratio improved from 4.47% in 2023 to 5.17% in 2024. The Company's foreign exchange policies contributed

to reduced hedging costs and enhanced asset-liability matching, with sales of such policies increasing by 102.7% as compared with 2023 to NT$43.63 billion. These sales represented 68.0% of total first-year premiums, reinforcing the Company's position as the industry leader. Furthermore, in December 2024, the Company implemented a new foreign exchange ("**FX**") volatility reserve mechanism, enabling the Company to accumulate an FX volatility reserve and adjust its hedging ratio flexibly, thereby managing long-term hedging costs more effectively.

Well-established distribution channels with a premier agency force and the unique resources of SKFH

The Company's robust distribution network is pivotal to its growth strategy. The Company leverages a well-established distribution network through a premier agency force and bancassurance, which are crucial for expanding their market presence and delivering growth. The distribution channels include agents, bancassurance and SKB, as well as other channels, with a notable presence in the market reflected by its position amongst the top players in terms of FYP and market share.

The Company has seen growth in its CSM, which increased from NT$30.2 billion in 2022 to NT$31.2 billion in 2023 and further to NT$38.5 billion in 2024, marking a 23% increase from 2023 to 2024. The growth in CSM demonstrates the Company's active product strategy aimed at accumulating CSM and strengthening capital. The agency force of the Company played a crucial role in this growth, with the Company being the only industry player to report a positive net increase in tied agents. The Company's agency force is a key driver of its distribution network, with agents accounting for a substantial portion of the FYP. The Company continues to enhance the digital capabilities of its agents, promoting online membership and transactions, which aligns with its sustainability goals. The Company's agency force increased from NT$21.5 billion in 2022 to NT$24.3 billion in 2023 and further to NT$29.0 billion in 2024.

The Company's bancassurance channel, in collaboration with SKB, played a crucial role in the Company's growth. The FYP sold through SKB increased from NT$4.8 billion in 2023 to NT$8.4 billion in 2024, reflecting a substantial growth of over 76%.

Exclusive cooperation with SKB to integrate company resources

SKB is the ninth largest Taiwanese private bank, with substantial assets amounting to NT$1.32 trillion as at 2024. SKB serves a significant customer base of 3.5 million individuals and operates 103 branches. It also holds a notable position in wealth management, with a 31.7% penetration rate. These figures underscore SKB's robust infrastructure and extensive reach, which are crucial for its role in bancassurance. The partnership between the Company and SKB allows the bank to exclusively offer the Company's insurance products, integrating a product strategy centred on long-term premium payments. This strategic alignment is designed to accumulate customer savings balances and boost fee income, enhancing the bank's financial performance. SKB holds regular strategy sessions with the Company to develop tailored insurance products and sales initiatives that align with customer needs. To support effective implementation, the Company provides targeted product training and comprehensive sales support.

In 2024, there was a significant growth in wealth management income of NT$3.71 billion, reflecting an increase of 31.7% as compared with 2023. Bancassurance fee income accounted for 40% of the total fee income in 2024, marking a significant year-on-year increase of 39.4% compared to 2023. Looking ahead to 2025, SKB is targeting double-digit growth in both bancassurance fee income and premium volume, aiming to sustain the positive momentum established in 2024.

Active product strategy to accumulate CSM and strengthen capital

In 2024, FYP of the Company grew by 65.1% as compared with 2023, reaching NT$64.1 billion from NT$39.0 billion in 2023, while sales of FCY policies totalled NT$43.63 billion, representing 68.0% of total FYP and solidifying the Company's position as an industry leader. The first-year premium equivalent (FYPE) of the Company also increased by 13.2%, from NT$20.0 billion in 2023 to NT$22.65 billion in 2024. Moving forward, the Company will continue to promote the sale of foreign exchange policies and high CSM products to manage hedging costs and further build CSM reserves. In 2024, total premium income reached NT$190.4 billion, with traditional products (including interest-sensitive life insurance) contributing the majority, at 73.8%, followed by personal accident, health and group insurance at 21.6% and investment-linked products accounting for 4.6%.

The following table sets out the FYP received by the Company from each product category for the periods indicated:

	Years ended 31 December			Periods ended 31 March	
	2022	2023	2024	2024	2025
			(NT$billion)		
First Year Premiums					
Traditional Life Insurance	40.0	20.5	51.9	7.6	6.9
Annuity and Universal Life Insurance	0.2	0.2	0.0	0.0	0.0
Investment-linked Insurance	8	12.4	6.4	0.8	1.5
Personal Accident, Health and Group Insurance	5.5	5.9	5.8	1.4	2.3
Total	**53.7**	**39.0**	**64.1**	**9.8**	**10.7**

CSM accumulation continues to be the primary goal of the Company's product strategy, reflecting the Company's focus on sustainable, long-term profitability. In 2024, CSM increased by 23% as compared with 2023 to NT$38.5 billion, significantly exceeding the annual target of NT$30 billion. This strong performance underscores the effectiveness of the Company's strategic emphasis on value-driven product offerings. Notably, protection products remained the key contributor, accounting for 90% of total CSM. As at the end of February 2025, CSM from new business had surged 101% as compared with last year. This robust growth trajectory is expected to continue throughout the year, steadily enhancing profitability under the IFRS 17 framework and reinforcing the Company's market-leading role.

The following table sets out the breakdown of CSM product contribution for the financial years indicated:

	Years ended 31 December					
	2022		2023		2024	
	(NT$ billion)	*(%)*	*(NT$ billion)*	*(%)*	*(NT$ billion)*	*(%)*
Protection	21.5	71	24.3	78	29.0	75
Savings	6.2	21	4.3	14	4.9	13
Others	2.5	8	2.6	8	4.6	12
Total	**30.2**	**100**	**31.2**	**100**	**38.5**	**100**

As of 31 March 2024 and 2025, the Company recorded CSM of NT$5.3 billion (consisting of NT$3.5 billion from Traditional Life Insurance and NT$1.8 billion from Personal Accident, Health and Group Insurance) and NT$10.6 billion (consisting of NT$4.5 billion from Traditional Life Insurance and NT$6.1 billion from Personal Accident, Health and Group Insurance). As at 31 December 2022, 2023 and 2024, the RBC Ratio of the Company was 214%, 176% and 221%, respectively. As at 31 December 2022, 2023 and 2024, the equity-to-asset ratio reached 3.94%, 4.47% and 5.17%, respectively. The Company has engaged in significant fund-raising activities, with equity raising and bond issuance playing crucial roles. From 2020 to 2023, NT$13.3 billion, NT$8.2 billion and NT$9.4 billion, respectively, were raised through equity. In 2023, NT$13.0 billion was raised through bond issuance and NT$1.5 billion through equity. In 2024, equity raising increased to NT$20.9 billion, with bond issuance at NT$8.3 billion.

STRATEGIES

The Group's main strategies are set out below:

Leveraging on loyal agency force is the key to strategy execution

The strategic execution of the Company hinges significantly on the strength and loyalty of its agency force, coupled with robust digital capabilities. In 2024, the Company stood out as the only industry player with a positive net increase in tied agents (amounting to 252), contrasting sharply with the Company's competitors, which experienced declines in the same period. This expansion underscores the Company's commitment to strengthening its distribution network, which is vital for reaching a broader customer base and enhancing market penetration.

The Company's agency force demonstrates superior productivity, with a per capita productivity of NT$3.24 million in 2024, significantly outpacing its competitors. This high level of productivity is indicative of the effectiveness and efficiency of the Company's agents, contributing to its competitive advantage. The focus on productivity ensures that the Company can maximise its revenue potential and maintain its market-leading position.

In addition to a strong agency force, the Company is leveraging digital solutions to empower its sales processes. The Company's digital capabilities are highlighted through various metrics, including insurance applications, claim settlements, benefit payments, documents, insurance policies and contract changes, with high performance percentages such as 96.6% for insurance applications and 92.9% for claim settlements, while the others recorded 88.3%, 81.4%, 89.5% and 78.0%, respectively. These capabilities facilitate seamless customer interactions and enhance operational efficiency. The Company continues to promote online membership and independent online transactions, reflecting its strategic focus on digital transformation. The Company's strategic execution is driven by a dual focus on expanding and optimising its agency force while integrating advanced digital solutions to enhance its sales and operational processes. This comprehensive approach positions the Company to effectively navigate the competitive landscape and achieve its long-term strategic objectives.

Diversifying asset allocation to achieve strong financial position

The Company's investment strategy demonstrates a strong focus on maintaining a high-quality bond portfolio. With 97% of its total bond portfolio consisting of investment-grade bonds, the Company prioritises credit quality and risk management. The overseas fixed income position is primarily invested in investment-grade corporate bonds, which were mainly invested in North America and Europe, accounting for 65.1% of the total. Furthermore, the Company holds corporate bonds across various sectors, including communication, consumer, utilities and financials. This sectoral diversification further reduces risk by spreading exposure across different industries.

Formulating prudent investment strategy emphasising diversification and stable growth

The Company will continue to promote strategic products and emphasise policy quality to drive sustainable accumulation of CSM. At the same time, the Company is committed to developing a robust asset-liability matching (ALM) mechanism and will regularly assess ALM risks using rigorous indicators to ensure effective risk management and long-term financial stability.

To support a well-diversified investment portfolio, the Company will deploy capital across domestic and overseas fixed income positions to stabilise recurring income. The Company also aims to capitalise on market trends and dynamically adjust its domestic and overseas equity positions to enhance capital gains. Additionally, the Company will actively manage its real estate portfolio to boost rental income and realise gains from strategic disposals.

The Company's overseas fixed income portfolio amounted to NT$2,310.1 billion in 2023, increasing to NT$2,382.1 billion in 2024. These investments were diversified across various instruments, including corporate bonds, international bonds, government bonds and others and were allocated across key geographic regions, including Asia and other global markets, Europe and North America.

PRODUCTS

The following table sets out the total premiums received by the Company from each product category for the financial years indicated:

	Years ended 31 December		
	2022	**2023**	**2024**
		(NT$billion)	
Total Premiums			
Life insurance	141.9	114.1	141.1
Accident insurance	7.2	8.1	8.6
Health insurance	34.9	34.9	35.0
Annuity insurance	5.4	10.5	5.7
Total	**189.5**	**167.5**	**190.4**

A description of each of the Company's product categories is set out below.

Life Insurance

The Company's life insurance mainly includes whole-life insurance and term life insurance. The Company's whole life insurance products provide a guaranteed benefit to the beneficiary upon the death or total permanent disability of the insured person, or a cash surrender value upon the early termination of the policy by the policyholder, in each case as predetermined by the contract, in return for periodic payments of fixed premiums over a predetermined period. Premium payments may be required up to a specified age or for a specified period and are typically level throughout the period. Term life insurance products provide a guaranteed benefit to the beneficiary

upon the death of the insured person within a specified time period in return for periodic payments of fixed premiums. Premiums are typically set at a fixed sum for the coverage period and are generally lower than premiums for whole life insurance products. The Company also offers life insurance on both an individual and a group basis.

Accident Insurance

The Company offers accident insurance products covering general accident insurance, micro accident insurance, online accident insurance and online travel insurance. These products provide coverage to the insured party when they suffer an accidental injury during the insurance period, such that accident protection, medical compensation or a living allowance will be available to compensate for economic losses.

Health Insurance

The Company offers an individual health insurance plan that provides compensation for medical and surgical expenses from critical illness, cancer, long-term care or accidents. The Company also offers a group insurance plan that provides health insurance for members of associations.

The Company offers defined health benefit insurance products and medical expense reimbursement insurance products to individuals. The Company's defined health benefit insurance products mainly include hospitalisation indemnity, surgery indemnity, dread diseases, cancer and long-term care products. The Company also continuously develops health insurance products to meet its customers' evolving health needs.

Annuity Insurance

The Company offers annuities that are used by its customers to accumulate assets over an accumulation period and then to receive annuity payments in later years. As at 31 December 2024, the Company offered three annuity insurance products. Holders of its annuities pay premiums either in a lump sum payment or on a periodic basis over a predetermined period and receive periodic annuity payments during the payoff period specified in the contract. Typically, the policyholder receives periodic annuity payments if the insured person survives during the payoff period. If the insured dies prior to the start of the payoff period, the beneficiary designated by the policyholder receives the amount of the non-forfeiture value.

DISTRIBUTION AND MARKETING

The following table sets out the breakdown of contribution of CSM channels for the financial years indicated:

	Years ended 31 December		
	2022	**2023**	**2024**
		(NT$billion)	
Agents	21.5	24.3	29.0
Bancassurance and SKB	6.2	4.3	4.9
Brokers and others	2.5	2.6	4.6
Total	**30.2**	**31.2**	**38.5**

INVESTMENT

The following table sets out the breakdown of the Company's investment portfolio for the period indicated:

	Year ended 31 December			Period ended 31 March	
	2022	**2023**	**2024**	**2024**	**2025**
			%		
Real estate	6.8	6.9	6.9	6.8	6.9
Mortgage and corporate loans	1.6	1.7	1.3	1.6	1.3
Policy loans	3.0	3.1	3.0	3.0	3.0
Foreign equities	1.4	1.1	0.9	0.9	0.9
Foreign fixed income*	68.0	67.5	68.1	67.2	69.4
Domestic fixed income	10.6	11.1	11.5	11.6	11.3
Domestic equities	6.4	6.0	6.0	7.2	6.1
Cash	2.2	2.6	2.3	1.7	1.1
Total invested assets	**100**	**100**	**100**	**100**	**100**

Note:

*Includes international bonds listed in domestic over-the-counter

As at 31 December 2022, 2023, 2024 and 31 March 2024 and 2025, the Company's total invested assets amounted to NT$3,404.2 billion, NT$3,422.9 billion, NT$3,496.0 billion, NT$3,493.2 billion and NT$3,501.8 billion, respectively.The Company's investment strategy shows a strong emphasis on foreign fixed income, which constitutes the majority of the portfolio. While there is a consistent allocation to domestic fixed income, the real estate and mortgage loans categories have maintained a stable presence. The slight increase in foreign equities suggests a cautious approach to diversifying into equities, while cash holdings have decreased over the period, possibly indicating a move towards more active investment deployment.

The Company's overseas fixed income portfolio amounted to NT$2,310.1 billion in 2023, increasing to NT$2,382.1 billion in 2024. These investments were diversified across various instruments, including corporate bonds, international bonds, government bonds and others and were allocated across key geographic regions, including Asia and other global markets, Europe and North America.

The following table sets out the breakdown of the Company's overseas fixed income by portfolio for the financial years indicated:

	Year ended 31 December		
	2022	**2023**	**2024**
		(%)	
Corporate bonds	48.7	48.7	48.1
International bonds	26.3	26.3	27.3
Government bonds	24.7	24.7	24.4
Others	0.3	0.3	0.2
Total	**100**	**100**	**100**

The following table sets out the breakdown of the Company's overseas fixed income by region for the financial years indicated:

	Year ended 31 December		
	2022	**2023**	**2024**
		(%)	
Asia & others	37.4	36.2	34.9
Europe	22.7	22.2	23.4
North America	39.9	41.6	41.7
Total	**100**	**100**	**100**

To ensure cost-effective currency hedging, the Company will allocate funds from FX policies into assets denominated in the original foreign currencies, thereby improving hedging costs. The adoption of the new FX volatility reserve mechanism aims to build up FX volatility reserves and reduce the dependence on hedging instruments. Additionally, the Company will maintain flexibility in adjusting its FX hedging ratio, with a mid-to-long-term target range set between 60% and 80%.

The Company will implement an annual asset allocation plan to effectively manage overall investment risks. Regular monitoring of risk appetite and exposure will be conducted, with a strong focus on managing market, credit and business risks. This proactive approach will ensure that the Company can swiftly respond to financial market changes.

Hedging Strategy

The Company's investment performance remained relatively stable, with a notable improvement in post-hedging investment returns. As at 31 December 2022, 2023 and 2024 and 31 March 2024 and 2025, the post-hedging investment return amounted at 3.21%, 2.80%, 3.71%, 3.91% and 2.39%, respectively. This was achieved despite a consistent pre-hedging recurring yield, which remained steady at around 3.4%, reflecting a solid foundation in the core investment portfolio. This positive post-hedging performance was supported by a well-structured hedging portfolio. In 2024, the Company's total foreign currency assets reached NT$2,480.6 billion. Within this portfolio, currency swaps ("**CS**") and non-deliverable forwards ("**NDF**") constituted the largest share at 45%, while foreign currency policies contributed 29%, USD and other currency positions accounted for 24%, and the remaining 2% was allocated to stocks and funds. This diversified approach to hedging enabled the Company to navigate market volatility effectively while maintaining stable recurring income and improving overall investment outcomes. The

Company's FX volatility reserve has demonstrated significant fluctuations over the past three years, reflecting changes in market conditions and hedging strategies. It stood at NT$27.3 billion in 2022, decreasing to NT$13.2 billion in 2023 before further significantly increasing to NT$45.1 billion in 2024. This increase highlights the Company's strengthened capacity to manage foreign exchange risk.

See "*Risk Factors – Risk Factors Relating to The Business of The Group – Investing and trading in overseas fixed income securities expose the Group to additional risks, including risks related to global financial markets and fluctuations in foreign exchange rates which has resulted in losses from time to time*" for a discussion of the relevant risks.

The following table sets out the Company's investment performance for the financial years indicated:

	Year ended 31 December		
	2022	**2023**	**2024**
		(%)	
Post-hedging Investment Return	3.21	2.80	3.71
Pre-hedging Recurring Yield	3.46	3.43	3.42
Post-hedging Recurring Yield	3.27	2.45	2.39

RISK MANAGEMENT

Risk Management Framework and Structure

The Company's risk management policies have designated different responsibilities and roles to the various levels within the Company:

Risk management holds a strategic position within the Company, with risk considerations integrated into decision-making processes. Through qualitative and quantitative management methods, the Group identifies, measures, responds to and monitors risks to keep potential operational risks within limits, pursuing a prudent business policy and consistently implementing it. To effectively plan, supervise and implement risk management activities, the Group has established a risk management committee ("**Risk Management Committee**") under the Board of Directors, an independent risk management unit separate from business units, and appointed a Chief Risk Officer.

The Risk Management Committee of the Company is chaired by an independent director with a background in finance, insurance, accounting, or financial expertise. The Risk Management Committee comprises independent directors, the general manager, the chief risk officer, and senior executives from relevant departments. The Risk Management Committee is responsible for formulating risk management policies, frameworks, and organisational functions; establishing risk appetite and risk limits; developing qualitative and quantitative standards for risk management; submitting a comprehensive risk management report to the Board of Directors quarterly, reflecting on the implementation of risk management and proposing necessary improvements; executing the board's risk management decisions and regularly review the development, establishment, and implementation of the Company's overall risk management mechanisms; regularly reviewing risk categories such as market risk, credit risk, liquidity risk, operational risk, insurance risk, and asset-liability matching risk; assisting and supervising various departments in conducting risk management activities and coordinate cross-departmental interaction and communication of risk management functions. The Risk Management Committee generally meets once per quarter, with the possibility of convening extraordinary meetings if necessary. Meetings require the attendance of more than half of all committee members to proceed. Resolutions of the Risk Management Committee, unless otherwise specified by laws or internal regulations, require the approval of more than half of the attending members. If a committee member cannot attend in person or is absent, their highest-ranking subordinate may act on their behalf, or they may participate via video conference, which will be considered as attendance.

Market Risk

Market risk refers to the risk of potential losses in asset values over a certain period due to changes in market prices. The Group has established an appropriate market risk management mechanism for assets exposed to market risk as follows:

- Integrated Risk Control – Value at Risk (VaR): For financial assets affecting the Company's net worth, the Group regularly calculates the total risk value of various assets and manages them according to set risk limits. The risk value currently calculated by the Risk Management Committee is based on a 99% confidence level and a two-week period.

- Risk Control for Various Assets: In addition to managing investment positions through total risk value limits, the Group also implements specific risk control measures for individual investment products. These control factors include investment limits, stop-loss alerts, concentration and liquidity, amongst other quantitative indicators.

Credit Risk

Credit risk refers to the risk of a debtor's credit rating being downgraded or their inability to repay, as well as the risk of a counterparty being unable or unwilling to fulfil obligations. The insurance industry has established credit risk management mechanisms for assets exposed to credit risk as follows:

- Overall Company Credit Risk Control – ECL Value and Provision for Expected Credit Loss: The Group's overall credit risk control is conducted using the Expected Credit Loss model (ECL; Expected Credit Loss = Exposure at Default x Probability of Default x Loss Given Default). In accordance with IFRS 9, the Company calculates the expected credit loss monthly and makes provision accordingly.

- Control of Credit Risk Concentration: The Group has established the "Shin Kong Life Insurance Co., Ltd. Domestic and Foreign Bond Risk Control Measures", which set differentiated limit management based on government bonds, corporate bonds, financial bonds, credit ratings and claim seniority, with regular tracking and control.

- Credit Risk Control for Individual Assets: (1) Before making an investment, the Group conducts a risk assessment based on the asset category, such as checking whether the credit rating meets the threshold, reviewing credit risk limits and examining credit default swap ("**CDS**") or other qualitative and quantitative indicators related to operations or finance; and (2) following an investment, the Group continuously manages credit risk according to the quantitative indicators set out in the asset's risk control measures. For example, the Group regularly reviews changes in the credit rating of the bond issuer or guarantor or changes in the CDS index. If there are abnormal changes, the Group executes subsequent actions as stipulated in the risk control measures.

Liquidity Risk

Liquidity risk encompasses both funding liquidity risk and market liquidity risk. Funding liquidity risk refers to the risk of being unable to liquidate assets or obtain sufficient funds to meet maturing obligations. Market liquidity risk refers to the risk of significant price changes when dealing with or offsetting positions due to insufficient market depth or disorder. The Group has established a liquidity risk management mechanism in accordance with regulatory requirements and the nature of our business. The Group has implemented relevant liquidity risk management measures to effectively manage both funding liquidity risk and market liquidity risk.

Operational Risk

Operational risk refers to the risk of direct or indirect losses to the Group due to inappropriate or erroneous internal processes, personnel and systems, personnel gaining undue benefits, a failure to achieve business objectives, or external events. This includes legal risk, fraud risk and personnel and organisational risk, but excludes strategic risk and reputational risk. The Group has a comprehensive business authority and internal control system. Each unit conducts regular or project-based internal self-audits of their respective business operations. In accordance with the compliance plan, the Group conducts self-assessments of compliance matters and engages auditors to audit the internal control system annually. Additionally, the Group manages potential operational risks through monitoring by the risk management unit and compliance advocacy by the compliance officer. Regarding operational risk control mechanisms, the Group has fully implemented Key Risk Indicators (KRI) and set operational risk limits to effectively identify, assess, monitor and control potential operational risks. For handling major emergency incidents, the Group has established crisis management measures and emergency reporting procedures to provide early warning of risks. The Group has also implemented a Business Continuity Management System (BCMS) to promptly and effectively manage incidents and take appropriate actions to minimise company losses, protect policyholder rights and ensure normal company operations.

Insurance Risk

Insurance risk refers to the risk of loss arising from unexpected changes when fulfilling obligations to pay claims and related expenses after collecting premiums and assuming the risks transferred by the insured party. The Group

has established appropriate management mechanisms for risks associated with product design and pricing, underwriting, reinsurance, catastrophes, claims and reserves as follows:

- Product Design and Pricing Risk: To mitigate risks arising from inappropriate, inconsistent or unexpected changes in product design, policy terms and pricing data, the Group ensures that product content complies with relevant legal regulations and actuarial standards. The Company assesses the reasonableness of product structures and the adequacy, reasonableness and fairness of rates using appropriate actuarial assumptions, profit analysis, sensitivity testing or cash flow testing. After the product has been launched, the Company regularly conducts experience loss ratio analyses and reviews asset allocation plans and risk transfer strategies to examine or adjust product content and pricing.

- Underwriting Risk: To control unexpected loss risks from business marketing, underwriting reviews and related operational expenses, the Company has established internal underwriting procedures, developed an underwriting manual, set acceptance rules for each product and established multiple underwriting risk management indicators.

- Reinsurance Risk: Based on the risk characteristics of products, the Company strategically selects reinsurers with good credit ratings and arranges for reinsurance cessions.

- Catastrophe Risk: The Company assesses catastrophic events that could cause significant losses to the Group, considering at least air crashes, major traffic accidents and other events. When these exceed the Company's retention capacity, the Company arranges for catastrophe reinsurance to transfer the risk.

- Claims Risk: The Company has developed claims handling procedures, claims payment management methods and standard operating procedures, while the Company trains and develops professional claims personnel to reduce risks arising from claims processing errors.

- Reserve-Related Risk: This refers to the risk of underestimating liabilities for underwritten business, leading to insufficient reserves to meet future obligations. In addition to setting aside reserves according to legal requirements, the Company regularly conducts reserve adequacy analyses to assess whether reserves are sufficient.

Asset Liability Matching Risk

Asset-liability matching risk refers to the risk arising from inconsistent changes in the values of assets and liabilities. The Group regularly conducts asset-liability matching risk assessments and adjusts the composition of assets and liabilities in a timely manner to achieve the objectives of asset-liability management.

INFORMATION SECURITY MANAGEMENT

As part of the internal information security risk management framework, the Company has established an Information Security Committee chaired by the general manager, with the chief information security officer as the deputy chair. The Information Security Committee, consisting of senior managers from various departments Such Committee includes senior managers from various departments, has set up the Information Security and Personal Data Protection Implementation Group, led by the chief information security officer. the Information Security and Personal Data Protection Implementation Group is responsible for planning, coordinating and implementing information security and personal data protection issues. Meetings of such Group are held quarterly, with additional meetings convened as necessary to ensure proper communication and handling of the relevant issues. The Company's approach on information security management is risk-oriented, with Key Risk Indicators (KRIs) developed for information security risks. Regular risk assessments of information assets are conducted, and risk treatment plans are devised for items exceeding acceptable risk levels. Appropriate control measures are employed to achieve information security objectives, ensuring the confidentiality, integrity, and availability of information assets.

The Company has also established an information security policy as the overriding guiding principle for implementing information security measures. This policy, approved by the Board of Directors, is communicated to all employees. Management regulations and operational procedures are further developed in accordance with the policy for compliance.

The Company has maintained the effectiveness of its Information Security Management System (ISMS) and Personal Information Management System (PIMS) international standard certifications by conducting regular

external professional security assessments. The Company has adhered to the insurance industry's self-regulatory standards for information security protection, via complying with the SWIFT Customer Security Programme (CSP), and following the Payment Card Industry Data Security Standard (PCI DSS). A real-time information security incident management system is in place, with a professional security service provider offering 24/7 incident analysis and monitoring. The Company has utilised domestic and international security intelligence for joint defence and employed RSA AFCC anti-fraud action services in order to protect customer online transaction security and brand assets.

The Company is dedicated to investing in resources for information security management. The information security management budget accounted for 9.45% and 11.53% of the total information technology budget for the fiscal year of 2024 and 2025. A dedicated information security unit has been established, responsible for planning, monitoring, and executing information security management operations, with a team of 13 personnel. To enhance awareness of information security and personal data protection, the Company regularly conducts information security training, achieving a 100% completion rate.

EMPLOYEES

As at 31 December 2024, the Company has a total workforce of 14,632 employees, over 41.8% of whom possess bachelor or higher degrees. The Company has provided various business-related training for its employees. The Company is committed to creating a continuous and diverse learning environment and attaches great importance to talent training to reinforce the Company's competitiveness and facilitate long-term development.

ENVIRONMENTAL PROTECTION, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE ("ESG")

Demonstrating its deep-rooted commitment to sustainable development, the Company continues to integrate ESG principles across its operations, creating long-term value for the environment, society as a whole and its shareholders.

In relation to environmental protection, the Company has actively responded to the global call for net zero emissions by 2050, reinforcing its environmental responsibility as a signatory to the Science-Based Targets initiative (**SBTi**). In alignment with this commitment, the Company has established a clear target to reduce carbon emissions in Scopes 1 and 2 by 42% by 2030, using 2022 as the baseline year, which not only reflects the Company's alignment with international climate goals but also underscores its dedication to embedding sustainability into its core business practices. To ensure transparency and accountability in its environmental initiatives, the Company published its Task Force on Climate-related Financial Disclosures (**TCFD**) report, which underwent and successfully passed third-party verification by SGS, further validating the credibility and robustness of its climate-related disclosures. The Company has also taken concrete steps to strengthen its environmental management infrastructure by implementing globally recognised standards such as ISO 14064-1, which provides a framework for greenhouse gas inventory and reporting, and ISO 50001, which supports systematic energy management for improved efficiency. Through ongoing digitalisation efforts, the Company saved a significant amount of paper in 2024, resulting in a reduction of 147.3 tCO_2e in carbon emissions. This achievement reflects the Company's broader commitment to resource efficiency, emissions reductions and innovations in environmental stewardship, positioning the Company as a proactive leader in the transition toward a low-carbon economy.

In relation to social responsibility, the Company aims to make meaningful contributions to the development and well-being of communities. In 2024, the Company's total social investment reached NT$72.84 million, benefiting around 760,000 individuals through various social service initiatives. The Company actively promotes employee volunteerism, with business volunteers averaging 3.42 hours of participation and over 12,000 cumulative participants contributing a total of 32,080 service hours. Notably, 83 volunteers participated in rural outreach programmes, providing care to approximately 109 seniors. In terms of talent management, the retention rate of top-performing employees reached 95.4% in 2023. The Company also emphasises diversity, with a strong representation of women in leadership roles. As at 31 December 2024, female supervisors accounted for 55% of all management positions, while male supervisors accounted for 45%, reflecting the Company's commitment to promoting gender balance and empowering women in leadership.

In relation to corporate governance, the Company maintains strong standards, achieving an average score of 4.9 out of 5 across all evaluation aspects of its Board of Directors, with an overall rating of "Excellent". The Company passed ISO 10002 certification for its Insurance Customer Relationship and Complaint Management System and completed the renewal of ISO 22301 for its Business Continuity Management System, along with certification

under ISO 27001 for Information Security Management. In 2023, the Company achieved a customer satisfaction rate of 94.3% for its 0800 customer service hotline and 90.5% for claims services. Additionally, it maintained a 100% attendance rate at shareholder meetings held by its invested companies in Taiwan, demonstrating a strong commitment to shareholder engagement and transparency.

LEGAL AND REGULATORY

As at the date of the Offering Circular, except as otherwise disclosed in this Offering Circular, the Group is not involved in, or aware of, any litigation, arbitration or administrative proceedings, actual or threatened, that would, individually or in the aggregate, have a material adverse effect on its business, financial standing or operating results.

RELATED PARTY TRANSACTIONS

The Group engages from time to time in various transactions with related parties. The terms and conditions of related party transactions are made on an arm's-length basis. There is no difference in terms and conditions between related parties and non-related parties' transactions. For details, please refer to note 33 to the Group's consolidated financial statements as of and for the three months ended 31 March 2025 and note 32 to the Group's consolidated financial statements as at and for the years ended 31 December 2023 and 2024.

INDUSTRY OVERVIEW

The following overview of the insurance industry in Taiwan has been provided for background purposes only. The information presented in this section is derived from various government and private publications. Such information is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any market study and statistical survey. None of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or their respective affiliates, directors, officers, employees, agents, advisers or representatives or any person who controls any of them or any other party involved in the offering has independently verified such information. Accordingly, such information should not be unduly relied upon.

TAIWAN LIFE INSURANCE INDUSTRY

Industry Overview

Amongst the developed Asia Pacific markets in 2024, Taiwan is the fourth largest life insurance market in terms of life premium volume, following Japan, South Korea, and Hong Kong, and ranked the third in terms of life insurance policy penetration rate. In 2024, the total life premium income amounted to U.S.$59 billion and Taiwan also recorded the second highest savings rate behind Singapore.

Over the past decade, Taiwan life insurers' total assets have been growing steadily at a CAGR of 7.3%. In 2024, the total assets of Taiwan life insurance companies were 32.9% of overall Taiwan financial institutions. The sector is highly regulated by the Insurance Bureau of the FSC. There is also the Taiwan Insurance Guaranty Fund which was established in 2009 to provide support to Taiwanese insurers where needed to ensure the financial stability of the insurance industry in Taiwan.

In 2024, there were a total of 25 registered life insurance companies in Taiwan, of which 19 were domestic and six were foreign players. In 2024, the top five players' gross written premium jointly accounted for 61.7% of the Taiwan market according to the FSC. Out of the top five players, the top three life insurers in the market achieved double-digit market share by gross written premium. In terms of net income, the top five collectively accounted for 83.2% of the industry in 2024.

Industry Trends

Going forward, Taiwan's life insurance market could continue to grow steadily in light of rapidly aging population and prolonging life expectancy; rising health expenditure; growing insurance awareness; and increasing focus on protection products.

The overall market is seeing a shifting landscape as the demand for protection and health grows. According to the Life Insurance Association, the FYP of traditional life product had a year-on-year growth of 20.9% in 2024 and 21.0% growth in the first four months in 2025 compared with the same period in 2024. It is primarily due to slower sales in savings-type products in the past three years, and the industry's focus on transitioning to TW-ICS and IFRS 17 by 2026 via sales of long-term and protection-oriented products.

According to the Organisation for Economic Co-operation and Development (the "**OECD**"), the life expectancy of Taiwan population in 2023 was 80 years and is estimated to extend to 88 years by 2070. In addition, based on the statistics compiled by the National Development Council, Taiwan's population aged 65 and above accounted for 18.3% of total population in 2023, and it is forecasted to grow to 46.5% by 2070. Amidst a rapidly aging population and longer life expectancy in general, the percentage of health expenditure over GDP in Taiwan only ranked 34 out of 39 OECD's jurisdictions, recording 6.6% in 2023, below the OECD's average of 9.1%. The growing health expenditure in Taiwan might lead to an increasing demand for commercial health insurance to complement the current coverage provided by the public health system.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

The Company is managed by the board of directors (the "**Board of Directors**"), which is collectively responsible for overseeing management of the Company's business and affairs. The Board of Directors also formulates the overall strategy of the Company, monitors its financial performance and maintains an effective corporate governance structure in its subsidiary. Daily operations and administration are delegated to the management of the Company and its subsidiary.

The Board of Directors is currently comprised of a total of 14 directors, including three independent directors. The table below sets forth the Company's directors, their ages and positions:

Name	Age	Title
Mr. Mark Wei 魏寶生	66	Chairman, Director
Mr. Michael Hung 洪士琪	53	Vice Chairman, Director
Mr. Min-Yi Huang 黃敏義	68	Director, President
Mr. Hsiung-Chi Tsai 蔡雄繼	71	Director
Mr. David Ting Chen 陳鼎中	59	Director
Mr. Min-Wei Wu 吳敏暐	91	Director
Mr. Shih Chiun Hung 洪士鈞	60	Director
Mr. Hsin-Chang Huang 黃信昌	59	Director
Mr. Hsin-Ta Wu 吳昕達	56	Director
Mr. Shih Fei Chen 陳詩飛	62	Director
Mr. Benson Wu 吳邦聲	72	Director
Mr. Hong-Nerng Ho 何弘能	71	Independent Director
Ms. Min-Chiu Chien 簡敏秋	61	Independent Director
Mr. Jung-Feng Chang 張榮豐	70	Independent Director

CHAIRMAN

Mr Mark Wei 魏寶生, aged 66, is Chairman of the Company and has served as as a director of the Company since June 2023. Mr. Wei is also currently serving as an executive director of the Sino-German Cultural and Economic Association, an executive supervisor of the Friends of the Armed Forces Society, a director of the Taipei Honors Foundation, a director of United International Travel Service Co., Ltd., an independent director of Nuvoton Technology Co., Ltd., an independent director of Likai Power Technology Co., Ltd. (British Cayman Islands), a vice chairman of the Taiwan-Turkey Economic and Trade Association (group), an independent director of Enos Biotech Co., Ltd.(U.S.), a director of SKFH, a director of Prophet Biotech Co., Ltd. (British Cayman Islands) and a director of the National Chiao Tung University Siyuan Foundation. Mr Wei previously served as chairman of KGI Bank, chairman of AIG Insurance (Taiwan), chairman of Chartis Taiwan Insurance, chairman of AIA Securities, chairman of AIA Investment Consulting, Director-General of the Insurance Bureau, Financial Supervisory Commission of the Executive Yuan, and head of the First Group of the Securities and Futures Regulatory Commission of the Ministry of Finance.

Mr Wei holds a master's degree in business administration from George Washington University and completed his education in the Department of Maritime Transport at National Chiao Tung University.

VICE CHAIRMAN

Mr Michael Hung 洪士琪, aged 53, is Vice Chairman of the Company and has served as a director of the Company since September 2015. Mr. Hung is also currently serving as a director of Yongguang Co., Ltd., a director of Shin Kong Mega Co., Ltd., a director of Wangtian Wool Textile Co., Ltd., a director of Taiwan Shin Kong Industrial Co., Ltd., a director of Ruifang Agriculture Co., Ltd., a director of Xinsheng Co., Ltd., chairman of Taiwan Conservation Foundation, chairman of Taipei Hong Wanchuan Charity Foundation, a director of Xinshou Apartment Building Management and Maintenance Co., Ltd., a supervisor of Shin Kong Asset Management, a director of Shin Kong Lohas Co., Ltd., a director of Yuanqingye Catering Co., Ltd., a director of Mega Green Energy, a director of Jiadong Development Co., Ltd., a director of SKFH and vice chairman of Taipei Zoo Friends Association. Mr Hung previously served as a director of Taiwan Shin Kong Commercial Bank and a director of Shinkong Insurance Co., Ltd.

Mr Hung holds a master's degree in business administration from Salve Regina University.

DIRECTOR

Mr Min-Yi Huang 黃敏義, aged 68, is President of the company and has served as a director of the Company since June 2020. Mr. Huang is also currently serving as a director of the Shin Kong Life Insurance Charity Foundation. Mr Huang previously served as acting president of SKFH, first vice president of Shin Kong Life, chief auditor of SKFH, senior vice president of Shin Kong Bank and as a part-time professor-level professional and technical personnel in the Master of Business Administration Program for Senior Executives at the National Taiwan Normal University College of Management.

Mr. Huang holds a master's degree in management science from Tamkang University.

Mr Hsiung-Chi Tsai 蔡雄繼, aged 71, has served as a director of the Company since June 2014. Mr Tsai previously served as president of Shin Kong Life Insurance, a director of Shin Kong Life Insurance and a director of Taiwan Sustainable Energy Research Foundation.

Mr. Tsai holds a master's degree in insurance from Feng Chia University.

Mr David Ting Chen 陳鼎中, aged 59, has served as a director of the Company since June 2023. Mr Chen previously served as a chief operating officer of CMB-Cigna Insurance Company, president of BNP Paribas Life Insurance Taiwan, chief executive officer of China Life Insurance Asia Pacific, president of American Life Insurance Taiwan, vice president of American International Assurance Company Limited (Hong Kong) and vice president of Corporate Marketing for Nanshan Life Insurance Company Taiwan.

Mr Chen holds a dual degree from the Hua Dui College of Business and the College of Humanities and Sciences at the University of Pennsylvania.

Mr Min-Wei Wu 吳敏暐, aged 91, has served as a director of the Company since June 2023. Mr Wu is also currently serving as a director of the Jin Guangfu Cultural and Educational Foundation, a supervisor of Xinsheng Co., Ltd., a director of Taishin Leasing Co., Ltd., a director of Guilan Cultural and Art Foundation, chairman of Xinsheng Investment Co., Ltd., chairman of Chongwei Management Consulting Co., Ltd., chairman of Deshi Industrial Co., Ltd., chairman of Deliang Co., Ltd., chairman of Dejie Industrial Co., Ltd., chairman of Deyue Industrial Co., Ltd. and chairman of Hongjie Investment Co., Ltd. Mr Wu previously served as a director of SKFH.

Mr Wu completed his education at Tamkang University College of Arts and Sciences.

Mr Shih Chiun Hung 洪士鈞, aged 60, has served as a director of the Company since February 2002. Mr Hung is also currently serving as chairman of Xinhua Film Co., Ltd., chairman of Qisheng Industrial Co., Ltd., chairman of Taipei Sun Charity Foundation, supervisor of Wangtian Woolen Textile Co., Ltd., a director of Taiwan Shin Kong Industrial Co., Ltd., chairman of Hanshan Construction Co., Ltd., a supervisor of Xinsheng Co., Ltd., chairman of Hanlin Construction Co., Ltd., chairman of Hanlin Entertainment Co., Ltd., chairman of Lianhua Film Co., Ltd., supervisor of Dasheng Cultural and Creative Arts Co., Ltd., chairman of Jiubing Industrial Co., Ltd., a director of Shiyuan Investment Co., Ltd., chairman of Su Tiantang Co., Ltd., chairman of Wanfu Information Co., Ltd., a director of Taideng Green Electric Co., Ltd., a director of Shin Kong Financial International Venture Capital Co., Ltd., chairman of Shin Kong Innovation Building Manager Co., Ltd., chairman of Ruihong Financial Advisory Co., Ltd., chairman of Ruihong Investment Co., Ltd., chairman of Boco

Technology Co., Ltd., chairman of Qijian Industrial Co., Ltd., chairman of Jingquan Co., Ltd., a director of Shin Kong Synthetic Fiber Co., Ltd. and chairman of Qiaoquan Co., Ltd.

Mr Hung has completed his education at the Graduate School of Business Administration at Case Western Reserve University.

Mr Hsin-Chang Huang 黃信昌, aged 59, has served as a director of the Company since June 2023. Mr Huang previously served as a director of China Development Capital, head of the Financial Markets Department at KGI Bank/ICBC Development Bank, head of the Bond Department at KGI Securities/UOB Securities and a member of the Finance Department at Citibank.

Mr Huang completed his education at the Graduate Institute of Finance and Banking at National Taiwan University and the Department of Management Science at National Chiao Tung University.

Mr. Hsin-Ta Wu 吳昕達, aged 56, has served as a director of the Company since June 2020. Mr Wu is also currently serving as a director of Yongguang Co., Ltd., a director of Xinguang Agriculture and Animal Husbandry Co., Ltd., a director of Xinguang Zhaofeng Co., Ltd., a director of Wangtian Woolen Textile Co., Ltd., a director of Taiwan Xinguang Industrial Co., Ltd., a director of Xinsheng Co., Ltd., chairman of Xinshou Apartment Building Management and Maintenance Co., Ltd., a director of Shinguang Mitsukoshi Department Store Co., Ltd., a director of Yueyang Industrial Co., Ltd., a director of Hongyue International Co., Ltd., chairman of Shinguang Mitsukoshi Development Co., Ltd., a director of Xinghong Industrial Co., Ltd., a director of Hongda Management Consulting Co., Ltd., a director of Xingli Enterprise Co., Ltd., a director of Fnac Co., Ltd., a director of Shinguang Financial Holdings Co., Ltd. and supervisor of Zhaofeng Solar Energy Co., Ltd.

Mr Wu holds a master's degree in business administration from University of California, Los Angeles and a master's degree in architecture from the University of Southern California.

Mr Shih Fei Chen 陳詩飛, aged 62, has served as a director of the Company since December 2021. Mr Chen is also currently serving as chairman of Xinhe Investment Co., Ltd. and chairman of Haoting Investment Co., Ltd. Mr Chen previously served as supervisor of SKFH and supervisor of Shin Kong Life Insurance.

Mr Chen completed his education at the Department of Computer Science, Soochow University.

Mr Benson Wu 吳邦聲, aged 72, has served as a director of the Company since March 2015. Mr Wu is also currently serving as a director of the Jin Guangfu Culture and Education Foundation, a director of Shin Kong Entertainment Co., Ltd., a director of Shin Kong Construction and Development Co., Ltd., a director of Yongguang Co., Ltd., a director of Shin Kong Agriculture and Animal Husbandry Co., Ltd., chairman of Shin Kong Chaofeng Co., Ltd., supervisor of Luk Fook Industrial Co., Ltd., chairman of the Taipei Wu Jialu Insurance Culture and Education Foundation, a director of Shui Mei Hot Spring Bathhouse Enterprise Co., Ltd., chairman of Jiabang Investment Co., Ltd., chairman of Beitou Hotel Co., Ltd., chairman of Cuiyuan Co., Ltd., a chairman of Yunshan Co., Ltd., a director of Yuanxingju Biotechnology Co., Ltd. and a director of SKFH.

Mr Wu holds a master's degree in business administration from the University of Southern California.

INDEPENDENT DIRECTOR

Mr Hong-Nerng Ho 何弘能, aged 71, has served as independent director of the Company since June 2023. Mr Ho is currently working as a representative of Taipei Cancer Center, chairman of the Qingxing Medical Culture and Education Foundation, a director of the Wang Min-ning Memorial Foundation, a director of the Taiwan Medical Alliance Foundation, a director of the Taiwan Astellas Medical Research and Development Foundation, a director of the Mr Xu Yuan-chih Medical Foundation, a director of the NTU Jingfu Foundation, an independent director of StemCyte International Ltd, an independent director of Glycobiomedical Co., Ltd. and chairman of Lejia Regenerative Technology Co., Ltd. Mr Ho previously served as an independent director of Fubon Life Insurance Company, general counsel of Taipei Medical University and president of the hospital affiliated with the National Taiwan University School of Medicine.

Mr Ho holds a bachelor's degree in medicine from National Taiwan University. Mr Ho was an exchange scholar at the University of California, Los Angeles and a research scholar at the University of Pittsburgh.

Ms Min-Chiu Chien 簡敏秋, aged 61, has served as an independent director of the Company since June 2023. Ms Chien is also currently working as supervisor of Qicheng Investment Co., Ltd., supervisor of Guanghong

Biomedical Technology Co., Ltd., head of Qinmin Accounting Firm, an independent director of Heysong Co., Ltd., supervisor of CITIC Investment Co., Ltd., an independent director of the British Cayman Islands Redwood Group Co., Ltd., a director of Qinmin Enterprise Management Consulting Co., Ltd., an independent director of Xinguang Financial Holdings Co., Ltd. and an independent director of Wangpin Catering Co., Ltd. Ms Chien previously served as chief accountant of Qinmin Accounting Firm and as a director of Hongmu Group Co., Ltd.

Ms Chien is a certified public accountant licence holder in Taiwan. she holds a master's degree from the Institute of Social Studies, Soochow University.

Mr. Jung-Feng Chang 張榮豐, aged 70, has served as an independent director of the Company since June 2023. Mr Chang is also currently working as chairman of the Taiwan Strategic Simulation Society. Mr Chang previously served as an independent director of Fubon Financial Holdings Co., Ltd., an independent director of Fubon Life Insurance Co., Ltd., vice president of the Chung-Hua Institution for Economic Research, a researcher and a director of the First Research Institute, deputy secretary-general of the National Security Council and as an adjunct professor of the Department of Economics at National Taiwan University.

Mr Chang holds a PhD from the Institute of East Asian Studies at National Chengchi University, a master's degree in economics from National Chengchi University, an executive master's degree in business administration from National Taiwan University and a bachelor's degree in statistics from National Chengchi University.

SENIOR MANAGEMENT

In addition to the Board of Directors, members of the Company's senior management are also responsible for the day-to-day management of the Company's business. The table below sets forth the members of the Company's senior management, their ages, positions and major education and experience.

Name	Age	Title	Major education and experience
Mr. Min-Yi Huang 黃敏義	68	President, Director	Tamkang University Institute of Management Science
Mr. Shen-Cheng Liu 劉信成	63	Chief Channel Officer	Feng Chia University School of Insurance
Mr. Han-Wei Lin 林漢維	53	Chief Actuary	University of Iowa, Master of Science in Actuarial Science
Mr. Chuan-Kuo Kao 高全國	53	Chief Compliance Officer	National Taiwan University Law School
Ms. Chih-Hsiang Ou Yang 歐陽志祥	55	Chief Auditor	National Chung Hsing University
Mr. Chao-Kai Fu 傅昭凱	61	Chief Information Security Officer	Cornell University, Master of Engineering (Electrical)
Mr. Min-Chi Wuj 吳敏綺	58	Chief Risk Control Officer	National Chengchi University Risk Management and Insurance Department

USE OF PROCEEDS

The gross proceeds from the offering of the Bonds before deducting underwriting commissions to be charged by the Managers and other expenses incurred or to be incurred in connection with the offering of the Bonds will be U.S.$396,092,000. The net proceeds of the Bonds will be used to supplement and strengthen the Guarantor's financial structure and capital base and to improve the capital adequacy ratio of the Guarantor.

REGULATION AND SUPERVISION OF THE TAIWAN LIFE INSURANCE INDUSTRY

REGULATORY AUTHORITY

In the past, Taiwan has adopted multiple supervisory systems for insurance, securities, and banking, which were conducted by the three different departments of the Ministry of Finance – the Bureau of Monetary Affairs, the Department of Insurance, and the Securities and Futures Commission. Moreover, the supervision and on-site examination of banks were also conducted by overlapping authorities, including three different agencies – the Central Bank of the Republic of China (Taiwan), the Ministry of Finance and the Central Deposit Insurance Corporation.

In order to promote integrated financial supervision, the FSC was established on 1 July 2004 as a single financial regulator and an independent authority to take on the responsibility for financial supervision and to consolidate the functions of monitoring and rule-setting for the banking, securities and insurance industries, and to carry out cross-sector financial examinations. Nonetheless, following the governmental reorganisation effective from 1 July 2012, the FSC has become a subordinate agency under the direction of the Executive Yuan. The Chairperson and the Vice Chairpersons of the FSC are appointed by the premier of the Executive Yuan and are vested with the executive power. The Chairperson and Vice Chairpersons and all the other commissioners under the FSC are required to have expertise and experience in areas of the financial industry.

The FSC consists of four bureaus, namely the Insurance Bureau, the Banking Bureau, the Securities and Futures Bureau and the Financial Examination Bureau. The Insurance Bureau, the Banking Bureau, and the Securities and Futures Bureau regulate and supervise the insurance, banking and securities industries, respectively. The Financial Examination Bureau is responsible for law enforcement and financial examination. Under Article 5 of the Organic Act of the Financial Supervisory Commission of the ROC, the Financial Examination Bureau is granted the power to: (1) require a financial institution, a related party thereof, or a public company to present relevant materials; (2) notify an examinee to appear at a designated office to answer inquiries from government officers; or (3) apply for a search warrant to be issued, and then enter and search the suspected places accompanied by judicial police authorities, provided that appropriate procedures are followed.

REGULATORY ENVIRONMENT FOR INSURANCE BUSINESS

The insurance industry is heavily regulated in Taiwan. The Insurance Bureau under the FSC is the official organisation that regulates the insurance industry in Taiwan, supervising, amongst others, the insurance, reinsurance, insurance brokerage and insurance agencies in Taiwan.

The legal framework of the insurance industry is comprised of the Insurance Act, the Regulations for the Establishment and Administration of Insurance Enterprises of the ROC, and other applicable laws and regulations, including the Regulations Governing Insurance Brokers, the Regulations Governing Insurance Agents, the Regulations Governing the Supervision of Insurance Solicitors, the Regulations Governing Business Solicitation, Policy Underwriting and Claim Adjusting of Insurance Enterprises, the Regulations Governing Pre-sale Procedures for Insurance Products, and the relevant rulings promulgated by the FSC from time to time.

Authorisation and License

According to the Insurance Act, a domestic insurance company must obtain the FSC's approval prior to commencing business. To obtain the approval of the FSC, an insurance company must meet the following requirements:

- ***Organisation Type***: According to Article 136 of the Insurance Act, an insurance company must be organised as a company limited by shares or as a cooperative. If an insurance company is organised as a company limited by shares, it shall be a public company unless otherwise permitted by law or by the FSC. Additionally, an insurance company that is not a public company must establish an audit committee and elect independent directors to ensure good governance.

- ***Minimum Capital Requirement***: According to Article 2 of the Regulations Governing the Establishment and Administration of Insurance Enterprises, the minimum paid-in capital for an insurance company is NT$2,000,000,000. The capital contribution by the promoters and shareholders is limited to cash. When the promoters apply for permission to establish an insurance company, at least 20% of the minimum paid in capital must be collected and deposited in a specific account in accordance with Article 7 of the Regulations Governing the Establishment and Administration of Insurance Enterprises.

- ***Capital Adequacy Requirement***: According to Article 143-4 of the Insurance Act and the Regulations Governing Capital Adequacy of Insurance Enterprises, an insurance company is subject to a minimum risk RBC ratio. Under Article 5 of the Regulations Governing Capital Adequacy of Insurance Enterprises, it is considered adequate if the RBC adequacy ratio of an insurance company equals to or exceeds 200% and the net worth ratio is more than 3% in one of the most recent two periods. If an insurance company's RBC adequacy ratio does not satisfy the relevant requirements, the relevant authorities may impose a range of regulatory sanctions depending on the degree of deficiency in its RBC adequacy ratio. Where necessary, the FSC may adjust the ratio according to international standards.

- ***Deposit of Bond***: According to Article 141 of the Insurance Act, an insurance company is required to post a deposit bond at the national treasury in an amount equal to 15% of the total amount of its paid-in capital or paid-in fund. The bond shall be posted in cash, or, with approval of the FSC, government bonds or notes. In principle, the posted bond can only be returned when such insurance company ceases or suspends its operation.

- ***Deposit of Reserve Funds***: According to Article 145 of the Insurance Act, at the end of each fiscal year, an insurance company shall calculate the amount it should allocate to the various reserve funds for each type of insurance, and shall record such reserve amounts in special account books. The reserve ratios for the various reserve funds are prescribed in the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises.

- ***Stabilisation Funds***: Enterprises engaged in non-life insurance and life insurance shall make contributions to set up independent stabilisation funds. According to Article 143-1 of the Insurance Act, the stabilisation funds shall be incorporated as foundations, and their governing regulations shall be prescribed by the FSC.

Responsible Persons of an Insurance Enterprise

The necessary qualifications of the responsible persons of an insurance company are prescribed by the Regulations Governing Required Qualifications for Responsible Persons of Insurance Enterprises. In general, if a person has no or limited legal capacity, has committed certain crimes relating to financial matters or other criminal offenses, is proven to have been involved with dishonest or improper activities, is an undischarged bankruptcy or currently serves as a responsible person of the companies in the financial sector, such person is prohibited from becoming a responsible person (including directors) for an insurance company.

Approval of Major Shareholders

Although there is no ownership restriction on insurance companies in the ROC, any person who acquires more than 5% of the shares in an insurance company must notify the Insurance Bureau of the FSC within 10 days after such acquisition. In addition, a person seeking to become a major shareholder (holding shares equal to or exceeding 10%, 25% or 50% of the shares in the insurance company) of an insurance company through acquisition of shares must meet certain criteria as set forth in the Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of an Insurance Enterprise, and obtain prior approval from the FSC.

If a major shareholder fails to meet any of the requirements set forth in the relevant laws, the FSC may request such major shareholder to take any necessary measures (including a compulsory disposal of its shares in the insurance company) or revoke the previously granted prior approval for the acquisition of shares in the insurance company.

THE FINANCIAL CONSUMER PROTECTION ACT

As financial services enterprises, activities by insurance companies are subject to the Financial Consumer Protection Act of the ROC, which became effective in June 2011. According to Article 7 of the Financial Consumer Protection Act, when an insurance enterprise enters into a contract with a financial consumer for the provision of financial products or services, it shall act in conformance with the principles of fairness, reasonableness, equality, reciprocity, and good faith. Where a clause in a standard form agreement violates the bona fide principle, it is clearly unfair for the consumer and is therefore void. Additionally, if there is a disagreement over the meaning of any contractual provision, the provision shall be interpreted in favour of the financial consumer. The Financial Consumer Protection Act also requires financial services enterprises, including insurance enterprises, to exercise the due care of a good administrator in providing financial products or services.

Specific limitations under the Insurance Act

According to Article 54-1 of the Insurance Act, in case any of the following was included in an insurance contract, and the inclusion of which was obviously unfair at the time the contract was signed, that portion of the agreement shall be void:

- the liabilities of the insurer required by the Insurance Act are exempted or reduced;
- the policyholder, beneficiary or insured is made to waive or restricted from asserting its rights under the Insurance Act;
- the policyholder or insured's liabilities are increased; and
- other material disadvantages are imposed upon the policyholder, beneficiary or insured.

Article 54 of the Insurance Act also provides that the mandatory provisions of the Insurance Act shall not be modified by contract; provided, however, that this rule shall not apply to modification which is favourable to the insured. The interpretation of an insurance contract shall be made on the basis of seeking the true intent of the parties, and shall not be restricted by the terminology as used. If there is any doubt, in principle the interpretation shall be such as to favour the insured.

Right to Withdraw Subscriptions and Right to Terminate Contracts

In Taiwan, a consumer has a ten-day cooling-off period to withdraw his/her subscription for any insurance policy for a full refund. The cooling-off period starts from the next day when the customer receives the insurance policy. Upon cancellation, the insurer shall return any premiums paid by the consumer with no interest.

A policyholder can terminate a life policy at any time. Nonetheless, an insurer may terminate the life policy if: (i) due to the actions or behaviour of the policyholder or the insured, the risks covered by the insurance policy increases to the extent that the insurance agreement may be terminated or the premium shall be raised but the policyholder does not agree the raise of premium; (ii) the premium is not paid within the specified period; and (iii) other terms provided in the insurance contract expressly provide for it under the insurance policy.

Punitive Penalty Surcharges

In case of a violation of the principles regarding the duty to explain, prohibition of unfair sales practices, and prohibition of improper solicitation and advertisements by a financial service provider, when the violation is deemed severe, the FSC may increase the penalty to the extent appropriate within the scope of the benefit gained by such financial service provider, regardless of the limitation of the maximum penalty set by the relevant provisions under the Financial Consumer Protection Act.

SALES

Scope of Business of Life Insurance Companies

According to the Insurance Act, insurance can be classified into "property insurance" or "personal insurance". It further provides that "personal insurance" includes life insurance, health insurance, personal accident insurance and annuity insurance. Under the Insurance Act, a life insurance company is prohibited from concurrently operating a life insurance business and a property insurance business (including property, marine and cargo and liability insurance) and therefore, in Taiwan, a life insurance company can only operate life insurance, health insurance, personal accident insurance and annuity insurance. Nonetheless, a life insurance company and a property insurance company can be subject to common control by a financial holding company under the ROC law.

Overlap of Products with General Insurance Companies

Although a life insurance company is prohibited from concurrently operating a life insurance business and a property insurance business (including property, marine and cargo and liability insurance), a property insurance company may engage in health insurance and personal accident insurance if prior approval is obtained from the Insurance Bureau of the FSC.

General Terms of Insurance Policy

Generally, all rate formulas, terms of policies, and design for each kind of insurance product shall be subject to either prior-approval or use-and-file procedure (as applicable) of the Insurance Bureau pursuant to the Insurance Act and its related regulations. For the insurance policies requiring prior approval, the insurer can only issue and sell such insurance products to the public after obtaining the FSC's approval. However, for the sale of certain insurance products that are under the use-and-file procedure, the prior approval of the FSC is not required. Instead, notification to the FSC must be made within 15 days after the issuance of the policies. Use-and-file procedure is generally required for any amendment to terms of policies, insurance application or proposal forms, pricing actuarial memorandum, and premium rates of policies that have previously been approved by or filed with the Insurance Bureau. However, if the Insurance Bureau deems the change material or such change increases the renewal premium rates of guaranteed renewable personal health insurance products, this will require the Insurance Bureau's prior approval. In addition, the FSC may issue regulations regarding product pricing and premium calculation formulas. Prior to entering into a life insurance contract, an insurer must provide the information required by the relevant applicable regulations. A person must fill out an insurance application or proposal form and submit such application to the insurer, which has the discretion to agree whether to underwrite the policy or not.

Insurance Solicitation

Article 136 of the Insurance Act makes it clear only an "insurance enterprise", which is registered with and licensed by the FSC, can engage in any insurance or insurance-related activities. Article 163 of the Insurance Act sets out the general prohibition on unlicensed operation of an "insurance broker" or "insurance agent" and Article 167-1 of the Insurance Act imposes a criminal liability on the agency, brokerage or solicitation for unlicensed insurers.

Article 9 of the Insurance Act provides that the term "insurance broker" means "a person who, on the basis of the interests of the insured and on his behalf, contacts an insurer for conclusion of an insurance contract and collects commission from the insurer that undertakes the insurance". Article 8 of the Insurance Act provides that the term "insurance agent" means "a person who, on basis of an agency agreement or a letter of authorisation, collects remuneration from the insurer and acts as an agent in managing business operations." In addition to "insurance enterprise", "insurance broker" and "insurance agent", the statute further extends its coverage to "insurance solicitor", which refers to "a person who solicits insurance business for insurance enterprises, insurance broker companies, or insurance agents". All brokers, agents and solicitors are required to pass a qualifying examination and be registered with the competent authority. A solicitor shall pass a qualifying examination and be registered with a principal which may be an insurance enterprise, agent, or broker.

Unless otherwise permitted by law, if a person or entity is seen as providing agency, brokerage services or soliciting insurance business on behalf of an unlicensed "insurance enterprises" (which may include a foreign insurance company) in Taiwan, that person or entity will be in violation of the Insurance Act and hence subject to a prison term of not more than 3 years, and in addition thereto, a fine ranging from NT$3,000,000 to NT$20,000,000.

Marketing

Insurance companies and distributors may use the various methods and channels to market insurance products, including local premises, internet, television advertisements, telephone calls, visits to potential clients and any other methods approved by the FSC. Advertising of insurance products is subject to further restrictions as provided in, amongst others, the Regulations Governing Insurance Brokers, the Regulations Governing Insurance Agents and the Self-Regulatory Rules for the Advertisement and Promotional Activities for Solicitation of Insurance Business (保險業招攬廣告自律規範). The marketing and selling activities of insurance products are also subject to the requirements set forth in the Fair Trade Act, Consumer Protection Law and the Financial Consumer Protection Act of the ROC.

Pursuant to Article 38 of the Regulations Governing Insurance Brokers and Article 36 of the Regulations Governing Insurance Agents, the content of publicity and advertising used in insurance solicitation by insurance solicitors of an agent company or a broker company shall have been approved by the employing company; the employing company shall furthermore bear liability in this regard. Further, the documents, graphic illustrations, advertising or promotional materials used by a solicitor in soliciting insurance shall indicate the name of the employing company, and, where the employing company is an agent company or broker company, the name of the insurance enterprise acting as its provider.

The content of the documents, graphic illustrations, advertising, or promotional materials shall comply with the policy provisions, premium rates, insurance application or proposal form, and any other such documents as reviewed and approved by the FSC and shall be used upon approval by the employing company. The content shall also comply with requirements prescribed by the FSC in relation to information disclosure.

Apart from the above, an insurance company shall comply with the following requirements stipulated in Article 4 of the Self-Regulatory Rules for the Advertisement and Promotional Activities for Solicitation of Insurance Business:

- disclose the name, address and telephone number of the insurance company;
- ensure the correctness of the advertisement;
- the materials shall be made in the name of the insurance company and the content shall be approved by the company;
- the content shall be in plain Chinese and indicate the original language(s) if necessary;
- if the disclosure of insurance products or services is in relation to the insurance rate, fee, reward and risk, the disclosure shall be expressed in an equal and remarkable way;
- a life insurance company shall disclose relevant information according to the Rules Governing the Disclosure of Information for the Participating and Nonparticipating Life Insurance Policies;
- for a participating insurance policy, the participation rate may not be used to solicit clients. An insurance company may not compare the amount of participation with the returns of the same businesses, bank deposits or other financial products in the advertising activities;
- the content of the advertisement shall not contain or result in the following:
  - inducing the insured to prematurely terminate or redeem the contract;
  - misleading the consumers to believe that the government has provided a guarantee by approving the insurance products;
  - producing advertising or other promotional activities for an insurance product that has not been approved for offering by the FSC;
  - advertising by means of exaggerating past performance or using negative advertising with respect to others in the industry;
  - engaging in false, fraudulent or other misleading acts;
  - including any remarks or limitation provisions in inconspicuous font; or
  - engaging in any other conduct prohibited by the FSC; and
- the proper disclosure of the capital adequacy of the insurance company, which should ensure the correctness of the content, prohibit improper comparison and competition, avoid misleading consumers that the government has provided a guarantee for such insurance company or its related business, and comply with other requirements as stipulated by relevant laws, rulings and regulations.

Also, any solicitation or marketing of specific insurance products by the solicitors via online channels (including disclosing the name and feature of the insurance product, or any information that is sufficient to identify a specific insurance product) is not permitted unless the advertisement used is approved by the insurance company in advance. The Self-Regulatory Rules also require the insurance enterprises to establish a supervisory mechanism for online solicitation.

Bancassurance

Life insurance companies may use the bancassurance channel to distribute their insurance products. To engage in bancassurance business, both the insurance company and the bank must obtain approvals from the FSC. After the

first approval has been acquired, a bank can deal with any other insurance companies or an insurance company can deal with any other banks without further approval unless the FSC suspends their bancassurance business (due to their violation of laws or regulations).

For joint promotion activities by and between banks, securities firms, insurance companies and/or insurance agents/brokers, the related insurance industry associations promulgated model agreements for joint promotion via bancassurance. The model agreements have been reviewed and recognised by the FSC. Although not mandatory, such agreement is usually adopted when the parties conduct bancassurance business in Taiwan.

ACCOUNTING AND RISK MANAGEMENT

Calculation

An insurance company is required to close its annual financials as of 31 December of each year and shall (i) compile a report detailing its operational status and the use of its funds, attaching a balance sheet, profit and loss statement, statement of changes in shareholders' equity, cash flow statement and proposal for allocation of surplus profit or compensation of deficit, and other matters designated by the competent authority;(ii) have the above items audited by a certified public accountant;(iii) submit the above items for approval at a shareholders meeting or a general assembly of cooperative members; and (iv) thereafter submit the above items to the FSC within 15 days for recordation.

In addition to the financial and business reports that an insurance company must submit to the FSC, the FSC may, if considered necessary, require either that an insurance company report, within a specified time limit, its business and financial conditions to the competent authority or an institution designated thereby, or that an insurance company furnish account books, statements, vouchers, or other related financial and operational documents. Standards governing preparation of the financial reports referred for an insurance company are set forth under "Regulations Governing the Preparation of Financial Reports by Insurance Enterprises".

Solvency Requirements

In order to secure an insurance company's ability to pay insurance claims and assure the soundness of its management, an insurance company is required to satisfy certain RBC requirements, a regulatory capital measure to ensure that the insurer can satisfy its financial obligations to the policyholders.

The Insurance Act and the Regulations Governing Capital Adequacy of Insurance Companies of the ROC, newly amended on 4 August 2023, classify insurance companies by RBC ratio into the following four tiers and, pursuant to Article 143-6 of the Insurance Act, the FSC is required to adopt different supervisory measures for insurance companies in each tier:

- capital adequate (RBC ratio above 200% and the net worth ratio of an insurance company is more than 3% in one of the most recent two periods);
- capital inadequate (RBC ratio above 150% but under 200% or the net worth ratio of an insurance company is less than 3% in both of the most recent two periods and more than 2% in at least one period);
- capital obviously inadequate (RBC ratio above 50% but under 150% or the net worth ratio for both the most recent two periods of an insurance company is less than 2% and more than zero); and
- capital seriously inadequate (RBC ratio under 50% or the net worth of the insurance company is less than zero).

For an insurance company classified as "capital seriously inadequate" and where such insurance company or its responsible person fails to complete the capital injection plan or the corrective action plan for finance or business within the specific period required by the FSC, the FSC will, within 90 days following the expiration of the above specific period, assume conservatorship or receivership over such an insurance company, order the insurance company to suspend and wind up business, or liquidate it. For the FSC to effectively monitor the insurance industry's capital adequacy, each insurer must file the RBC ratio report periodically (annual and semi-annual) with the FSC.

For increased alignment with international regulatory supervision standards, the Insurance Bureau of the FSC has announced a plan to adopt a new solvency regime (i.e. the TW-ICS) in 2026, which will be based upon the ICS.

The introduction of TW-ICS aims to have the local insurer's financial statements reflect the assets/liabilities at fair value and more aligned with the international measurements of the insurance companies' financial conditions.

Key differences between the traditional RBC ratio requirements and the TW-ICS regime are as follows:

- solvency measurement will move away from a historical-value balance sheet approach to an economic balance sheet approach, providing a current view of the solvency position of an insurer. Asset and liabilities are measured at mark-to-market value;

- the calculation of required capital will move away from a factor-based approach to a stress-based approach to better capture the "tail-risk" as broader risks will be included; and

- requirements on assets qualifying as admissible capital for solvency purposes will be stricter than the current requirement and the capital will be classified into Tier 1 limited capital, Tier 1 unlimited capital and Tier 2 capital based on quality considerations.

To ensure a smooth transition into the TW-ICS regime, the FSC is taking a gradual approach and plans to adopt the new regime in three phases:

- phase 1 (on-site field-testing phase), 2020 – 2021: Insurance companies are required to conduct the on-site field testing and research projects for the implementation of the TW-ICS regime. During this period, drafting of the localised supervisory rules for the implementation of the TW-ICS regime would be carried out by the FSC and other regulatory bodies;

- phase 2 (parallel run phase), 2022 – 2024: Insurance companies are required to submit information calculated based on the draft rules implementing the TW-ICS regime in addition to the traditional RBC ratio. During this period, drafting of transitional measures and localised supervisory rules and a full review of the required amendments to the existing laws and regulations for the implementation of the TW-ICS regime would be conducted by the FSC and other regulatory bodies; and

- phase 3 (preparatory phase), 2025: During this period, insurance companies are required to review all related processes to implement the TW-ICS regime.

Implementation timetable: Implementation of the TW-ICS regime is scheduled to take place in 2026, to align with the adoption of IFRS 17.

ASSET MANAGEMENT

Restrictions on Asset Management

An insurance company's fund is equivalent to the sum of its shareholders' equity plus all required reserves ("**Insurance Funds**"). According to the Insurance Act, an insurance company can use its Insurance Funds only for (i) savings deposits; (ii) investment of securities; (iii) purchase of real estate; (iv) lending; (v) engaging, with the approval of the Insurance Bureau of the FSC, in special projects, public investments (e.g., infrastructure and utilities) and social welfare enterprises; (vi) foreign investments; (vii) investments in insurance-related businesses (businesses of insurance, financial holding, banking, bills, trust, credit card, finance leasing, securities, futures, securities investment trust and securities investment consulting enterprises, as well as other insurance-related businesses as recognised by the Insurance Bureau of the FSC); (viii) trading in derivative products as approved by the Insurance Bureau; and (ix) others as approved by the Insurance Bureau.

Domestic Securities Permitted to Be Invested by an Insurance Company

According to Article 146-1 of the Insurance Act, investment in domestic securities made by an insurance company is limited to following type of securities, subject to a ceiling of aggregate investment amount set by the FSC for each type of the domestic securities:

- government bonds and treasury notes;

- financial debentures issued by banks, transferable certificates of deposit, bills of exchange accepted by banks, and commercial paper guaranteed by financial institutions; and

- shares issued through public offering;

- corporate bonds issued through public offering (i) secured by collateral or (ii) with the issuer's credit rating at least twBBB- provided by Taiwan Ratings Corp. or an equivalent rating from S&P, Fitch and Moody's;
- beneficiary certificate of the security investment funds or other mutual funds permitted to be issued though public offering;
- securitisation-related products; and
- other securities issued through private placement if the investment subject meets certain financial or other qualifications as set forth in the Measures for the Administration of Investment in Unlisted, Unlisted and Privately Placed Securities in the Insurance Industry (保險業投資未上市未上櫃及私募有價證券管理辦法).

Even if insurance companies are permitted to acquire shares issued through public offering, the exercise of their shareholder rights is limited. As shareholders, insurance companies are not allowed to be elected nor to appoint a representative as director or supervisor of such issuing company, to vote for directors or supervisors of such issuing company, to appoint any personnel to the management of such issuing company, to act as trustee of the invested securitisation-related products or to enter into any agreement with any other person for the purpose of engaging in the business operations of such issuing company.

Additionally, except for the investment in insurance-related industry or other industry allowed by the FSC or other competent authorities, an insurance company is prohibited from (i) investing more than 5% of its Insurance Funds in equity shares of one single company, and (ii) holding more than 10% of paid-in capital of one single company.

Foreign Investment by Insurer

Foreign investment by an insurer is limited to the following categories and is subject to certain maximum amount restrictions as specified under the FSC Regulations Governing Insurance Company's Foreign Investment:

- foreign currency deposits;
- offshore securities, which include, amongst others, (i) government bonds, treasury bills, and savings bonds issued by foreign governments; (ii) financial bonds, negotiable certificates of deposit or floating rate notes issued or guaranteed by foreign banks; (iii) corporate bonds and financial debentures denominated in foreign currencies issued by domestic companies or banks; (iv) commercial papers denominated in foreign currencies; (v) stocks or corporate bonds traded on foreign centralised security markets or over-the-counter markets; (vi) beneficiary certificates of foreign securities investment trust funds; (vii) securitisation products; and (viii) bonds issued by international organisations;
- loan denominated in foreign currency;
- derivatives;
- offshore real estate;
- establishment of or investment in a foreign insurance company, insurance agency, insurance brokerage, overseas special purpose vehicle for the purpose of issuing bonds with capital characteristics for specific use of proceeds ("**Offshore Fundraising SPV**") or other insurance-related enterprise approved by the FSC;
- investment project approved by the Executive Yuen of the ROC; and
- other foreign investment approved by the FSC.

When undertaking foreign investment, only insurance companies approved by the Insurance Bureau of the FSC may engage in derivatives trading for the purpose of risk hedging, enhancing investment efficiency, and for structured products transactions; relevant measures for self-regulation in derivatives trading may be adopted by related industry associations and implemented after reporting to and ratification by the Insurance Bureau of the FSC.

In principle, the ceiling amount of foreign investment is 45% of such insurance company's Insurance Funds. The FSC also promulgates specific limitations and ceiling amounts applicable to each type of foreign investment under the FSC Regulations Governing Insurance Company's Foreign Investment and other regulations. Additional investment limitations apply to investment denominated in RMB.

Other major investment limits on the foreign investment include:

- the total outstanding balance of loans denominated in foreign currency together with the total outstanding balance of other permissible types of loan, including (i) loans guaranteed by a bank, or by a credit guarantee institution recognised by the FSC, (ii) loans secured by personal property or real property, and (iii) loans secured by certain qualified securities, e.g., government bonds and treasury bills, under the Insurance Act shall not exceed 35% of the Insurance Funds;

- the amount an insurance enterprise invests in the corporate bonds and stocks issued by the same corporation shall not exceed 5% of its Insurance Funds and 10% of the shareholders' equity of such issuer;

- the amount an insurance enterprise invests in bonds issued or guaranteed by each foreign governmental agencies shall not exceed 5% of its Insurance Funds;

- an insurance enterprise may not invest in offshore real estate, including real estate located in the PRC, unless (i) such insurance enterprise's RBC ratio satisfies the statutory standards, (ii) there are no major sanctions and penalties for violations of the Insurance Act in relation to the use of its Insurance Funds in the most recent two years and there are no major violations of the internal control procedures governing various applications of funds in the most recent two years, or rectification of those violations has been carried out and affirmed by the competent authority, and (iii) a risk management committee has been established or a chief risk officer has been appointed to govern the overall risk management of such insurance enterprise; and

- the amount an insurance enterprise invests in offshore real estate shall not exceed 1% of its Insurance Funds and 10% of its shareholders' equity. Notwithstanding the foregoing, in cases where an insurance enterprise's RBC ratio for the most recent period reaches more than 1.25 times the statutory standards, such ceiling amount shall be 2.5% of its Insurance Funds and 40% of its shareholders' equity, and in cases where an insurance enterprise's RBC ratio for the most recent period reaches more than 1.5 times the statutory standards, such ceiling amount shall be 3% of its Insurance Funds and 40% of its shareholders' equity.

A prior approval from the Insurance Bureau of the FSC must be obtained for the establishment of or investment in a foreign insurance company, insurance agency, insurance brokerage, or other insurance-related enterprise approved by the FSC (collectively, "**Offshore Insurance Related Companies**") by an insurance enterprise. When reviewing the application for such foreign investment, the applicant insurance enterprise must demonstrate that, amongst others, it has complied with the all relevant requirements for making the mandatory reserves in the preceding year, it has met the relevant RBC requirements, its board as well as the board of its financial holding parent company, if applicable, have approved such foreign investment, it has established internal control procedures related to investment in Offshore Insurance Related Companies, and it has established a risk management committee or appointed a chief risk officer to govern the overall risk management of such insurance enterprise. After the completion of such foreign investment of Offshore Insurance Related Companies, the insurance enterprise is subject to various post-investment monitoring and reporting obligations. For example, the insurance enterprise must make filings with the FSC within seven days following the occurrence of certain events, including the change of business scope or the major operational policy of the invested Offshore Insurance Related Companies, making of an important financial or business decision that requires an extraordinary resolution of the board of the invested Offshore Insurance Related Companies, dissolution or cessation of business of the invested Offshore Insurance Related Companies, merger or sale of all or a substantial part of its assets, etc. In addition, the insurance enterprise shall, at least once in a quarter, have its board of directors receive reports on and discuss all material financial matters, internal audit, risk management, hiring and dismissal of important personnel and other matters of such invested Offshore Insurance Related Companies. If such invested Offshore Insurance Related Company is a subsidiary of the investing insurance enterprise, the above matters may be discussed by a dedicated department authorised by the board of the investing insurance enterprise. Furthermore, if the insurance enterprise is a subsidiary of the financial holding company established in Taiwan, the above matters shall be reported to the board or a dedicated department of its controlling financial holding company.

Similar to the requirements applicable to the investment in the Offshore Insurance Related Companies, a prior approval from the Insurance Bureau of the FSC is also required for the establishment of an Offshore Fundraising SPV. Because the sole purpose of the Offshore Fundraising SPV is to serve as an offshore vehicle of the insurance enterprise to issue bonds with capital characteristics for fundraising purpose, the Offshore Fundraising SPV must be structured as a wholly owned subsidiary of the insurance enterprise. In addition, except for borrowing operational funds and subject to various procedural and reporting requirements, it is not allowed for an Offshore Fundraising SPV to borrow funds from, act as guarantor for, or provide its own assets as collateral for the debt of a third party. After the Offshore Fundraising SPV completes each offering of bonds with capital characteristics for specific use of proceeds, basic information, including the issuer, issuance date, maturity date, term, issuance amount, coupon rate, redemption right, etc., related to the insurance must be disclosed to the public pursuant to the form prescribed by the FSC. Similar to the requirements applicable to the investment for the Offshore Insurance Related Companies, all material financial matters, internal audit, risk management, hiring and dismissal of important personnel and other matters of the Offshore Fundraising SPV shall be reported to and discussed by a dedicated department authorised by the board of the investing insurance enterprise. Furthermore, if the insurance enterprise is a subsidiary of the financial holding company established in Taiwan, the above matters shall be reported to the board or a dedicated department of its controlling financial holding company.

Establishment and Operation of Separate Accounts

Insurance companies must establish and operate separate accounts on the balance sheet and income statements relating to investment-linked insurance business or labour pension annuity insurance business to record the value of the assets in which they invest.

Prohibition on Provision of Guarantees or Borrowing

Under the Insurance Act, insurance companies are generally prohibited from borrowing money or pledging their assets as a security or guarantee for repayment of a third party's debt obligations, unless a prior approval from the FSC is obtained for the borrowing for any of the following purposes:

- the borrowing is to meet cash flow needs arising from payment of major benefits, a large amount of policy surrenders or a large amount of policy loans;
- the borrowing is needed for a merger or for assumption of the in-force contracts of a troubled insurer; or
- the borrowing is done by issuing bonds with capital characteristics, for the purpose of strengthening the insurance company's financial structure.

INTERNAL CONTROL

Overview

According to the FSC's ruling under the Securities and Exchange Act of the ROC, an insurance company must have at least two independent directors and the seats of independent directors should not be less than one-fifth of the total board seats.

To fulfil the oversight responsibility of independent directors, FSC promulgates various regulations. According to these regulations, the board should consider the opinion of the independent directors and record in the minutes any vote for or against the proposals as well as the reasons for the votes while dealing the following issues:

- deliberating on the systems of internal controls, the proposals of acquisition or the disposal of significant assets; and
- conducting derivatives transactions, provision of loans to another, and provision of endorsement or guarantee to another.

Internal Control Mechanism

For the purposes of compliance with applicable laws and regulations, sound management of its assets and protection of its policyholders, an insurance company is required to establish internal control procedures and standards in accordance with which its officers and employees are required to perform their duties.

Under the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises, an insurer shall, based on its business nature and scale, establish internal control system covering the following aspects and review and revise such internal control procedures in a timely manner:

- insurance product development and management;
- product sales;
- claims;
- fund utilisation;
- solvency assessment;
- processing derivatives transactions;
- reinsurance;
- matters relating to accounting, general affairs, resources, personnel management and other businesses;
- management of financial examination reports;
- management of financial consumers protection;
- management of the application of international financial reporting standards;
- mechanism for handling major incidents;
- mechanism for anti-money laundering and combating the financing of terrorism ("**AML/CFT**") and management of compliance with relevant laws and regulations, including mechanism for identifying, assessing, and monitoring AML/CFT risks;
- sustainable information management; and
- other matters as designated by the FSC.

Whistleblowing

In Taiwan, every insurer shall set up a whistleblower system and designate a unit at its head office with independent functions to accept and investigate whistleblower cases. The whistleblowing mechanism must, at least, include the following aspects and be approved by the board of directors of the insurer:

- the whistleblowing mechanism must make clear that anyone may file a report when discovering any crime, corruption, or potential violations;
- the scope of whistleblowing (i.e., types of cases that will be accepted);
- the establishment and announcement of the whistleblowing channels;
- the process of investigation, rules of recusal and standard operating procedure of subsequent disposition mechanism;
- whistleblower protection measures;
- acceptance of whistleblowing, investigation process, investigation results, records and retention of relevant documentation; and
- the whistleblower shall be given appropriate notice in writing or by other means concerning the progress of the whistleblowing.

Moreover, an insurer must keep the whistleblower's identity confidential and shall not terminate, dismiss, downgrade/relocate such whistleblower, give a reduction in pay, impair their entitlement as stipulated under the law, contract, or customs, or impose any unfavourable disposition because of the whistleblowing.

To ensure the whistleblowing system functions effectively, if the alleged perpetrator is a director (council member), a supervisor (member of the board of supervisor), or a managerial officer in a position equivalent to a vice general manager or higher, the investigation report shall be reviewed by the supervisors (board of supervisors) or the audit committee of the insurer. The insurer shall report to or inform relevant governmental authorities of any major incidents or violations of laws discovered during the investigation.

Conflict of interest

To control the risks arising from related-party transactions by the insurer, which could present a conflict of interest and may not be consistent with the best interests of the company, shareholders, and policyholders, the FSC enacted the regulations governing the lending activities of the insurers and other transactions entered into by insurers. Such regulations include the Regulations for Extending Loans by Insurance Enterprises to Interested Parties and the Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties.

Under the Regulations for Extending Loans by Insurance Enterprises to Interested Parties, the lending activities of an insurer to a related party will be subject to the following requirements:

- such loan must be fully secured;
- the terms and conditions of the loan (e.g., interest rates, security, guarantor, borrowing period, repayment method, as applicable) should not be more favourable than those extended to other borrowers of the same category. Other borrowers of the same category refers to any person or entities to whom the loans are extended by the same insurer, for the same purpose and under the same accounting item in the last year;
- if the loans extended to the same borrower who is a related party, respectively or aggregately, reach NT$100 million or accounts for 1% of the proprietary equity of the insurer, such related-party loan would require the concurrence of at least three-quarters of all directors of the insurer present at a board of directors meeting attended by at least two-thirds of all directors;
- the following ceiling of respective related-party loan:
  - the total amount of the secured loans extended to a single related party who is a natural person shall not exceed 2% of the proprietary equity of such insurer;
  - the total amount of the secured loans extended to a single related party which is a corporate shall not exceed 10% of the proprietary equity of such insurer; and
  - the total amount of the secured loans extended to the same related party shall not exceed 30% of the proprietary equity of such insurer;
- the total amount of all related-party loans of an insurer shall not exceed 1.5 times the proprietary equity of such insurer.

In terms of other related-party transactions, an insurer is required to comply with the following requirements set forth in the Regulations Governing Transactions Other Than Loans between Insurance Enterprises and Interested Parties:

- the terms and conditions of the related-party transaction should not be more favourable than those with similar counterparties in the market; and
- the following limits should apply to the transaction amount:
  - the aggregate amount of transactions with a single related party shall not exceed 10% of the proprietary equity of such insurer;
  - the aggregate amount of transactions with all related parties shall not exceed 60% of the proprietary equity of such insurer; and

- such related-party transaction would require the concurrence of at least three-quarters of all directors of the insurer present at a board of directors meeting attended by at least two-thirds of all directors.

Outsourcing regulatory framework

Under the outsourcing regulatory regime in Taiwan, if an insurance company intends to outsource certain matters, it must comply with the relevant requirements stipulated under the Directions for Operation Outsourcing by Insurance Enterprises ("**Outsourcing Directions**") promulgated by the Insurance Bureau of the FSC. Under the Outsourcing Directions, an insurer is permitted to outsource only the operational or back-office matters related to the insurance company's business or certain matters related to customer information as listed under Clause 3 of the Outsourcing Directions.

Prior approval is required if an insurer outsources its information technology systems used in material business operations and involving relevant data of customers who are natural persons to an offshore entity. Whether the outsourcing of the information technology systems requires prior approval would be subject to the three-element test, namely (i) materiality, (ii) natural person customer data, and (iii) offshore destination. If any element is absent, no prior approval is required pursuant to Clause 16 of the Outsourcing Directions.

Every insurer is required to establish a risk-based outsourcing management framework and strengthen its ability to respond to emergencies. Additionally, the insurer shall bear the ultimate responsibility for outsourcing arrangements pursuant to Paragraph 2 of Clause 4 of the Outsourcing Directions. Before and during the outsourcing, an insurer should evaluate the risk of the outsourcing matters, assess the impact on operations and consumer rights and take appropriate control measures based on the risk level.

To strengthen the FSC's supervisory measures, if there is any violation of relevant laws and regulations, the FSC may, depending on the severity of the case, require the insurer to take necessary measures such as terminating or suspending outsourcing engagement and making improvements within a specified time frame.

COMPLIANCE OFFICER AND RISK MANAGEMENT TASK FORCE

An insurance company is required to designate a dedicated compliance unit under the supervision of the general manager to take charge of the planning, management and implementation of the compliance system and investigate and report any violation to the audit committee. The compliance unit shall be led by a head office chief compliance officer who oversees the compliance matters and reports to the board of directors (committee) and supervisors or the audit committee at least semi-annually, and in case of any major regulatory violation, shall immediately inform the directors (committee members) and supervisors, and report to the board of directors (committee) on compliance matters.

An insurance company shall establish appropriate risk management policies and procedures, which shall be adopted by the board of directors and be reviewed regularly. In addition, an insurance company shall establish an independent risk management task force and regularly report to the board of directors; upon identifying a significant risk exposure that might adversely affect its financial or business status or compliance with applicable acts and regulations, the task force shall take immediate and adequate countermeasures and submit a report to the board of directors.

Pursuant to Article 34-2 of the Regulations Governing Implementation of Internal Control and Auditing System of Insurance Enterprises, the risk management mechanisms of an insurance company shall include the following principles:

- the acceptable scope of risks must be identified and evaluated based on the business scale, product characteristics and overall economic conditions;

- risks that must be considered include market risks (including interest rate risks), credit risks, liquidity risks, operational risks, insurance risks and asset liability matching risks, amongst others. Related risk management mechanisms shall also be established; and

- the management must regularly review the risk management mechanism and the own risk and solvency assessment ("**ORSA**") mechanisms in accordance with relevant laws and regulations, self-regulatory guidelines, and actual economic conditions, and adopt appropriate strategies to deal with the identified risks.

An insurance company shall consider the nature, scale and complexity of its business risks based on its risk management framework and develop ORSA operation processes that are appropriate for its organisational structure and risk management system.

The risk management mechanisms established by an insurance company shall include at least the following matters:

- the risk management framework shall include, amongst others, risk governance, risk management organisational framework and duties, risk identification, risk measurement, risk response, risk monitoring and information, communication, and documentation;

- the risk management mechanisms shall incorporate the business management and corporate culture of the insurance company, and shall adopt qualitative and quantitative technologies in accordance with the risk management policies to manage relevant risks that can be reasonably anticipated by the insurance company; and

- the insurance company shall set its risk appetite and specify the risk level it is willing to accept to attain strategic objectives and business plans. It must also set risk limits concerning major risks for regular monitoring and management.

Disclosure Requirements

The Insurance Bureau of the FSC promulgated several regulations and rulings to regulate the pre-contract disclosure, including the Regulations Governing Public Disclosure of Information by Life Insurance Enterprises. The ROC Life Insurance Association and the ROC Non-Life Insurance Association have also promulgated the required disclosure information, which was reviewed by the Insurance Bureau of the FSC.

An insurance company must accurately create and provide documents detailing its financial and business matters and make such documents publicly available for inspection in compliance with the applicable regulations. If an insurance enterprise becomes aware of any material information affecting the rights and interests of consumers, it shall report to the competent authority in writing within two days and explain the matter publicly.

Key disclosure requirements under the Regulations Governing Public Disclosure of Information by Life Insurance Enterprises are as follows:

- company overview: including the organisational structure, the functional duties of departments, the name of each department's responsible person, the dates of establishment, addresses, telephone and fax numbers, free telephone complaint line numbers, website addresses and e-mail addresses for the head office, branch offices (administering post offices), service centres, contact centres, and other domestic and overseas branch institutions;

- financial overview: including a funds utilisation table, a balance sheet with appended notes for any capital increases or decreases, a consolidated income statement, a statement of changes in equity, insurance contract liabilities, insurance contract assets (including liability for remaining coverage, liability for incurred claims and assets for insurance acquisition cash flows), financial liabilities related to investment contracts measured at fair value through profit or loss, and financial liabilities related to investment contracts measured at amortised cost, etc.;

- operations overview: including market share, premium revenues and indemnity paid for each type of insurance, reserves for each type of insurance, insurance solicitors' 13-month retention rate, average insured amount under newly written individual life-insurance policies, average insured amount under in-force individual life-insurance policies, average premiums under in-force individual life-insurance policies, the ratio of appeal cases (including claim and non-claim appeal cases) filed with the financial ombudsman institution ("FOI") and the average number of days taken for the FOI to process the cases, the number of claims litigations and the ratio of litigations to claims, etc.;

- corporate governance report: including the corporate governance framework and regulations, the equity structure of the company and shareholder rights, the structure, diversity policy and level of independence of the board of directors, the operation of the board of directors, the responsibilities of the board of directors and managers, the composition of the audit committee, and the election of supervisors, their responsibilities and level of independence, etc.;

- insurance product: including the reference number and date of the insurance product, the contract key terms, the extent of coverage and any exclusions, the relationship between policy value reserves and cash surrender value of policies, and the formula for calculation of the cash surrender value, the formula used in calculating policy dividends and an explanation of its use and participating policy dividends, the provisions governing reduced paid-up insurance and extended term insurance, rules and limitations governing policy conversion, etc.;

- material information affecting the rights and interests of the consuming public: including change in shareholder equity of 10% or more, any litigation, non-litigation, administrative disposition, administrative litigation, or application for or execution of a provisional attachment or provisional injunction having a material effect on finance or operations, a change of chairperson, general manager, independent director, or one third or more of the directors, a change of responsible person for the branch office of a foreign insurance enterprise in Taiwan, a change of certified public accountants or a change in the fiscal year (note that the disclosure provision does not apply if the change of certified public accountants is effected due to internal adjustment of the accounting firm), a capital increase ordered by the competent authority pursuant to applicable laws and regulations, a board of directors resolution for a capital decrease or issuance of new shares for a capital increase, failure to obtain the competent authority's approval for a plan for capital increase or decrease or a capital increase application mentioned above, a change in the company name, dissolution or transfer of insurance contracts, a certified public accountants issued audit or review report containing an opinion other than an unqualified, the enterprise's assets are insufficient to satisfy its liabilities and any other occurrence of malpractice, litigation, or ineffective investment or business management likely to affect goodwill or financial soundness; and other matters.

TAXATION

The following is a general description of certain tax considerations relating to the Bonds and is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Bonds, whether in those jurisdictions or elsewhere. Prospective purchasers of the Bonds should consult their own tax advisers as to which jurisdictions' tax laws could be relevant to acquiring, holding and disposing of the Bonds and receiving payments of interest, principal and/or other amounts under the Bonds and the consequences of such actions under the tax laws of those countries. It is emphasised that none of the Issuer, the Guarantor, the Managers, the Trustee or the Agents or any of their respective directors, officers, employees, agents, representatives, affiliates or advisers or any person who controls any of them or any other persons involved in the offering and sale of the Bonds accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Bonds.

ROC

The following discussion is a summary of the material ROC tax considerations relevant to an investment decision by non-ROC Bondholders. The summary addresses the principal ROC tax consequences of the ownership and disposition of the Bonds to non-resident individuals ("**Non-ROC Individual Holders**") or non-resident entities ("**Non-ROC Entity Holders**", together with the Non-ROC Individual Holders, the "**Non-ROC Holder**") that hold such Bonds. A Non-ROC Individual Holder is a foreign national individual who is not physically present in the ROC for 183 days or more during any calendar year in which he or she owns the Bonds and a Non-ROC Entity Holder is a corporation or a non-corporate body that is organised under the laws of a jurisdiction other than the ROC and does not have a fixed place of business or business agent in the ROC.

Interest Payments

Payments of interest and premium on the Bonds made by the Issuer will not be subject to ROC withholding tax. Payments of interest or premium (if any) on the Bonds made by the Guarantor under the Guarantee of the Bonds to a Non-ROC Holder will be subject to ROC withholding tax at a rate of 15% at the time of payment unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is resident.

Capital Gains Tax

Capital gains derived from the sale of the Bonds will not be subject to ROC income tax.

Stamp Duty

No ROC stamp duty will be chargeable upon the issue or transfer of a Bond.

Tax Treaties

At present, the ROC has double tax treaties with Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Eswatini, France, Gambia, Germany, Hungary, India, Indonesia, Israel, Italy, Japan, Kiribati, Korea, Luxembourg, Malaysia, New Zealand, North Macedonia, Paraguay, Poland, Saudi Arabia, Senegal, Singapore, Slovakia, South Africa, Sweden, Switzerland, the Netherlands, the U.K., Thailand, and Vietnam. These tax treaties may provide a reduced withholding tax rate on interests and dividends paid with respect to bonds or shares in ROC companies.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA makes ("**FATCA**"), a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the ROC) have entered into, or have agreed in substance to, intergovernmental agreements with the U.S. to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to

payments on instruments such as the Bonds, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register, and securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Bonds (as described under "*Terms and Conditions of the Bonds - Further Issues*") that are not distinguishable from previously issued Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Bonds, including the Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Bonds, no person will be required to pay additional amounts as a result of the withholding.

SINGAPORE

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Monetary Authority of Singapore ("**MAS**") in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities ("**QDS**") scheme for early redemption fee (as defined in the Income Tax Act) and redemption premium (as such term has been amended by the Income Tax Act). These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any Bondholder or of any person acquiring, selling or otherwise dealing in the Bonds or on any tax implications arising from the acquisition, sale or other dealings in respect of the Bonds. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Bonds and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. Prospective Bondholders are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Bonds, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Guarantor nor any other persons involved in this Offering Circular accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Bonds.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

- any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

- any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in

Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The above withholding tax rates may be reduced by applicable tax treaties, subject to certain conditions.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from Singapore income tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium derived from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

As the issue of the Bonds is jointly lead-managed by BNP Paribas, Singapore Branch, J.P. Morgan Securities Asia Private Limited, The Hong Kong and Shanghai Banking Corporation Limited, Singapore Branch, Natixis, Singapore Branch and UBS AG, Singapore Branch, each of which is a Specified Licensed Entity (as defined below), and the Bonds are issued as debt securities before 31 December 2028, the Bonds should be QDS for the purposes of the Income Tax Act to which the following treatment shall apply:

- subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require, and the inclusion by the Issuer in all offering documents relating to the Bonds of a statement to the effect that where interest, discount income, early redemption fee or redemption premium is derived from the Bonds by any person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Bonds using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Bonds derived by a Bondholder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore, or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Bonds are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

- subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require), Qualifying Income from the Bonds derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector lncentive(s) who may be taxed at different rates); and

- subject to:

  (a) the Issuer including in all offering documents relating to the Bonds a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Bonds is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

  (b) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Bonds in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Bonds as the MAS may require,

  Qualifying Income derived from the Bonds is not subject to withholding of tax by the Issuer.

Notwithstanding the foregoing:

- if during the primary launch of the Bonds, the Bonds are issued to fewer than four persons and 50 per cent. or more of the issue of the Bonds is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Bonds would not qualify as QDS; and

- even though the Bonds are QDS, if, at any time during the tenure of the Bonds, 50 per cent. or more of the Bonds which are outstanding at any time during the life of their issue is beneficially held or funded,

directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Bonds held by:

(a) any related party of the Issuer; or

(b) any other person where the funds used by such person to acquire the Bonds are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the Income Tax Act, the reference to the term "**Specified Licensed Entity**" above means:

- a bank or merchant bank licensed under the Banking Act 1970 of Singapore;
- a finance company licensed under the Finance Companies Act 1967 of Singapore; or
- a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products.

The terms "related party", "early redemption fee" and "redemption premium" are defined in the Income Tax Act as follows:

- "**related party**", in relation to a person ("*A*"), means any person (a) who directly or indirectly controls *A*; (b) who is being controlled directly or indirectly by *A*; or (c) who, together with *A*, is directly or indirectly under the control of a common person;
- "**early redemption fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and
- "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "related party", "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Bonds by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the Income Tax Act (as mentioned above) shall not apply if such person acquires the Bonds using the funds and profits of such person's operations through a permanent establishment in Singapore.

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Bonds without deduction or withholding for tax under Section 45 or Section 45A of the Income Tax Act, any person whose interest, discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) derived from the Bonds is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital arising from the sale of the Bonds will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Bonds which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. There are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains arising from the disposal of the Bonds may be construed to be of an income nature and subject to income tax, especially if they arise from activities which the Comptroller of Income Tax would regard as the carrying on of a trade or business in Singapore.

In addition, Bondholders who apply or are required to apply Singapore Financial Reporting Standard ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Bonds, irrespective of disposal, in accordance with FRS 109 or SFRS(I) 9 (as the case may be) (as modified

by the applicable provisions of Singapore income tax law). Please see the section below on "Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes" below.

Adoption of FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 Financial Instruments".

Holders of the Bonds who may be subject to the tax treatment under Section 34AA of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Bonds.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Managers (the "**Subscription Agreement**"), pursuant to which and subject to certain conditions contained therein, the Issuer agreed to sell to the Managers, and each of the Managers has agreed severally but not jointly, to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds indicated in the following table at an issue price of 99.023 per cent. of their principal amount in the amounts set forth opposite their names below:

	Principal Amount of Bonds
BNP PARIBAS	U.S.$95,000,000
The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch	U.S.$95,000,000
J.P. Morgan Securities Asia Private Limited	U.S.$95,000,000
Natixis Singapore Branch	U.S.$95,000,000
UBS AG Singapore Branch	U.S.$20,000,000
Total	U.S.$400,000,000

The Subscription Agreement provides that the Issuer and the Guarantor will jointly and severally indemnify the Managers and their affiliates against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent and entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Issuer (or the Guarantor) has agreed to pay the Managers a combined management and underwriting commission in connection with the offering and will reimburse the Managers for certain fees and expenses incurred in connection with the offering.

In connection with the issue of the Bonds, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) may, to the extent permitted by applicable laws and directives, over-allot the Bonds and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the Issuer or the Guarantor. However, there is no assurance that the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) will undertake stabilisation action. Any loss or profit sustained as a consequence of any such overallotment or stabilisation shall be for the account of the Managers.

The Managers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Managers and their respective affiliates may have, from time to time, performed, and may in the future perform, various Banking Services or Transactions with the Issuer and the Guarantor for which they have received, or will receive, fees and expenses.

In connection with the offering of the Bonds, the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor, may act as investors and place orders, receive allocations and trade the Bonds for their own account and such orders, allocations or trading of the Bonds may be material. Such entities may hold or sell such Bonds or purchase further Bonds for their own account in the secondary market or deal in any other securities of the Issuer or the Guarantor, and therefore, they may offer or sell the Bonds or other securities otherwise than in connection with the offering of the Bonds. Accordingly, references herein to the offering of the Bonds should be read as including any offering of the Bonds to the Managers and/or their respective affiliates, or affiliates of the Issuer or the Guarantor as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Bonds may be impacted.

Furthermore, it is possible that a significant proportion of the Bonds may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in the Bonds may be constrained. The Issuer, the Guarantor and the Managers are under no obligation to disclose the extent of the distribution of the Bonds amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

In the ordinary course of their various business activities, the Managers and their respective affiliates make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and may at any time hold long and short positions in such securities and instruments. Such investment and

securities activities may involve securities and instruments of the Issuer and/or the Guarantor, including the Bonds and could adversely affect the trading price and liquidity of the Bonds. The Managers and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Bonds or other financial instruments of the Issuer or the Guarantor, and may recommend to their clients that they acquire long and/or short positions in the Bonds or other financial instruments of the Issuer or the Guarantor.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for this offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds. The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Manager(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations"(as used in the SFC Code);

- Whether any underlying investor order is a "Proprietary Order"(as used in the SFC Code); and
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: dl.asia.syndicate@asia.bnpparibas.com, hk_syndicate_omnibus@hsbc.com.hk, investor.info.hk.bond.deals@jpmorgan.com, Project.Shine.2025@natixis.com and sh-asia-ccs-dcm-filing@ubs.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, the Guarantor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Manager with such evidence within the timeline requested.

GENERAL

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Managers, the Issuer or the Guarantor that would, or is intended to, permit a public offering of the Bonds, or the possession or distribution of this Offering Circular or any amendment or supplement thereto or any offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required.

Accordingly, the Bonds should not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material, circular, prospectus, form of application or advertisement in connection with the Bonds should be distributed or published in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the Issuer, the Guarantor and the Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Manager or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Manager or such affiliate on behalf of the Issuer in such jurisdiction.

UNITED STATES

The Bonds and the Guarantee of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds and the Guarantee of the Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds and the Guarantee of the Bonds, an offer or sale of the Bonds or the Guarantee of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

PROHIBITION OF SALES TO UK RETAIL INVESTORS

Each of the Managers has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the UK. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law of the UK by virtue of the EUWA.

UNITED KINGDOM

Each of the Managers has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the UK.

HONG KONG

Each of the Managers has represented and undertaken that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

PRC

Each of the Managers has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong Special

Administrative Region or Macao Special Administrative Region or Taiwan), except as permitted by applicable laws of the PRC.

SINGAPORE

Each Manager has acknowledged that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

JAPAN

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

ROC

The Bonds may not be sold, offered or issued in the ROC unless they are made available outside the ROC for purchase by such investors outside the ROC so long as no public solicitation or other relevant activities take place in the ROC.

SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN TAIWAN-IFRS AND IFRS ACCOUNTING STANDARDS

The Group's audited consolidated financial statements as at and for the years ended 31 December 2023 and 2024 and its unaudited consolidated financial statements as at and for the three months ended 31 March 2025 have been prepared and presented in accordance with Taiwan-IFRS. Taiwan-IFRS and IFRS Accounting Standards differ in certain significant respects. A brief description of certain significant differences between Taiwan-IFRS and IFRS Accounting Standards is set forth below. The regulatory organisations that promulgate Taiwan-IFRS and IFRS Accounting Standards have projects underway that could affect future comparisons such as that below. The summary does not and is not intended to provide a comprehensive listing of all existing or future differences between Taiwan-IFRS and IFRS Accounting Standards, including those specifically related to the Group or to the industries in which the Group operates. No attempt has been made to identify future differences between Taiwan-IFRS and IFRS Accounting Standards as a result of prescribed changes in accounting standards, or disclosure, presentation or classification differences that would affect the manner in which transactions and events are reflected in the Group's financial statements or the notes thereto. Further, had the Group undertaken to identify the differences specifically affecting the financial statements presented in this Offering Circular, other potentially significant differences which are not in the following summary may have come to the Group's attention. Accordingly, there can be no assurance that this summary provides a complete description of all differences which may have a significant impact on the Group's financial statements. The Group's management has not quantified the effects of the differences between Taiwan-IFRS and IFRS Accounting Standards on any of the Group's financial results.

Summary of Certain Material Differences

Subject	Taiwan-IFRS	IFRS Accounting Standards
IFRS 17	The effective date of IFRS 17 in the ROC is 1 January 2026.	IFRS 17 was effective on 1 January 2023.
Measurement of loan loss	In addition to IFRS 9, in accordance with the Regulations Governing the Procedures for Insurance Enterprises to Evaluate Assets and Deal with Non-performing/Non-accrual Loans, credit assets are classified as normal assets ("**First Category**"), assets that require special attention ("**Second Category**"), assets that are substandard ("**Third Category**"), assets that are doubtful ("**Fourth Category**") and assets for which there is loss ("**Fifth Category**") based on the borrower's financial conditions and the delay for payment of principal and interests as well as the status of the loan collateral and the length of time overdue. The minimum amounts of allowance for bad debts are based upon each of the following categories: (i) The sum of 0.5 per cent. of the First Category loan assets excluding life insurance policy loans, premium loans and loans to government agencies, 2 per cent. of the Second Category loan assets, 10 per cent. of the Third	According to IFRS 9, an entity shall recognise a loss allowance for expected credit losses (ECLs) on financial assets at amortised cost (including receivables and loans). An entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. ECLs reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that

Subject	Taiwan-IFRS	IFRS Accounting Standards
	Category loan assets, as well as 50 per cent. and 100 per cent. of the Fourth and Fifth Category loan assets. (ii) 1 per cent. of the sum of all five categories of loan assets excluding life insurance policy loans, premium loans and loans to government agencies. (iii) Total unsecured portion of nonperforming loans and non-accrual loans. Besides, pursuant to Jin Guan Bao Tsai No. 10402506096, Insurance Enterprise shall keep the ratio of the allowance for bad debt over the home and construction loans at 1.5 per cent. or above to strengthen its ability against loss exposure to the aforementioned loan assets.	is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.
Tax on unappropriated earnings	The tax on unappropriated earnings is recorded in the year the shareholders approved the appropriation of earnings.	The tax on unappropriated earnings should be accrued during the period the earnings arise and adjusted to the extent of the appropriations approved by the shareholders in the following year.
Related party	An insurance enterprise shall fully disclose information on related party transactions in accordance with IAS 24, and in compliance with the following provisions: (i) The name and relationship of the related party shall be presented. (ii) If the transaction amount or balance of any single related party reaches 10 per cent. or more of the insurance enterprise's total amount or balance of such transactions, the name of each such related party shall be individually presented. Unless it can be established that no control, joint control, or significant influence exists, a party falling within any of the following shall be deemed to have a substantive related party relationship, and	In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form. There is no such specific guidance as applied under Taiwan-IFRS (as set out on the left) under IFRS Accounting Standards.

Subject	Taiwan-IFRS	IFRS Accounting Standards
	relevant information shall be disclosed in the footnotes in accordance with IAS 24: (i) An affiliated enterprise within the meaning given in Chapter VI-I of the Company Act of the ROC, and any of its directors, supervisors, and managerial officers. (ii) A company or institution governed by the same general management office as the insurance enterprise, and any of its directors, supervisors, and managerial officers. (iii) A person holding the position of manager or higher in the general management office. (iv) A company or institution shown as an affiliated enterprise in the insurance enterprise's public announcement or publications. (v) Another company or institution whose board chairman or president is the same person as, or is the spouse or a relative within the second degree of kinship of, the board chairman or president of the insurance enterprise.	
Reserve for foreign exchange valuation	Insurance enterprise shall provide reserve for foreign exchange valuation according to all of its foreign investments in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprises.	There is no requirement for such reserve under IFRS Accounting Standards.

GENERAL INFORMATION

1. CLEARING SYSTEMS

The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code number 309612388. The International Securities Identification Number for the Bonds is XS3096123883.

2. LEI NUMBER

The Issuer's LEI number is 9845008AEF61S9A2LB52.

3. AUTHORISATIONS

Each of the Issuer and the Guarantor has obtained all necessary consents, approvals and authorisations in connection with the entry into, issue and performance of their respective obligations under the Bonds, the Trust Deed and the Agency Agreement. The issue of the Bonds was authorised by resolutions of the board of directors of the Issuer dated 11 June 2025. The giving of the Guarantee of the Bonds was authorised by the resolution of the Board of Directors of the Guarantor dated 25 April 2025.

4. NO MATERIAL ADVERSE CHANGE

Since 31 December 2024, save as disclosed in this Offering Circular, there has been no material adverse change or development or event involving a prospective change, in the condition (financial or otherwise), prospects, results of operations or general affairs of the Issuer, the Guarantor or their subsidiaries.

5. LITIGATION

From time to time, the Issuer, the Guarantor and their subsidiaries may be involved in litigation that arise during the ordinary course of business. However, none of the Issuer, the Guarantor or any of their subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial condition or profitability of the Issuer, the Guarantor or their subsidiaries.

6. AVAILABLE DOCUMENTS

Copies of the Trust Deed and Agency Agreement are available (i) for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday other than public holidays) at the specified office of the Principal Paying Agent (being, at the date of issue of the Bonds, at Level 26, HSBC Main Building, 1 Queen’s Road Central, Hong Kong) following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent and (ii) electronically from the Principal Paying Agent, following prior written request and proof of holding and identity to the satisfaction of the Principal Paying Agent.

7. AUDITOR

The Group's audited consolidated financial statements as at and for the years ended 31 December 2023 and 2024, which are included elsewhere in this Offering Circular, have been prepared in accordance with the Taiwan-IFRS and are audited by Deloitte & Touche, as stated in its reports appearing herein.

8. LISTING OF BONDS

Approval in-principle has been received from the SGX-ST for the listing of and quotation for the Bonds on the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of U.S.$200,000, for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption in the event that the Global Certificate is exchanged for Certificates in definitive form. In addition, in the event that the Global Certificate is exchanged for Certificates in definitive form, announcement of such exchange will be made by the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Certificates in definitive form, including details of the paying agent in Singapore.

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Note:

1. The audited and unaudited consolidated financial statements have not been specifically prepared for inclusion in this Offering Circular.

Shin Kong Life Insurance Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2025 and 2024 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Shin Kong Life Insurance Co., Ltd.

Introduction

We have reviewed the accompanying consolidated balance sheets of Shin Kong Life Insurance Co., Ltd. and its subsidiaries (the Group) as of March 31, 2025 and 2024 and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Companies and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

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

The engagement partners on the reviews resulting in this independent auditors' review report are Chen-Hsiu Yang and Su-Huan You.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 14, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS	$ 32,443,516	1	$ 74,115,504	2	$ 53,806,733	1
RECEIVABLES	33,015,214	1	41,866,781	1	32,036,744	1
CURRENT TAX ASSETS	11,427,911	-	11,379,938	-	9,640,581	-
ASSETS CLASSIFIED AS HELD FOR SALE	6,789,434	-	6,789,434	-	8,144,775	-
INVESTMENTS						
Financial assets at fair value through profit or loss	296,695,845	8	297,754,288	8	323,709,079	9
Financial assets at fair value through other comprehensive income	151,292,528	4	129,889,403	4	147,444,371	4
Financial assets at amortized cost	2,627,634,755	71	2,607,519,729	70	2,570,942,301	70
Investments accounted for using equity method, net	2,859,362	-	2,877,156	-	2,778,757	-
Investment property	208,719,939	6	207,864,898	6	202,005,985	6
Loans	149,268,350	4	148,430,263	4	160,583,272	4
Total investments	3,436,470,779	93	3,394,335,737	92	3,407,463,765	93
REINSURANCE ASSETS	1,941,899	-	1,357,863	-	1,387,585	-
PROPERTY AND EQUIPMENT	25,562,538	-	25,614,721	1	26,024,836	1
RIGHT-OF-USE ASSETS	1,967,775	-	1,974,970	-	2,053,436	-
INTANGIBLE ASSETS	769,861	-	742,567	-	600,738	-
DEFERRED TAX ASSETS	66,762,547	2	55,872,569	1	43,183,188	1
OTHER ASSETS	26,126,840	1	28,525,912	1	33,144,625	1
ASSETS ON INSURANCE PRODUCT, SEPARATED ACCOUNT	56,448,938	2	57,212,215	2	54,302,017	2
TOTAL	$ 3,699,727,252	100	$ 3,699,788,211	100	$ 3,671,789,023	100
LIABILITIES AND EQUITY						
ACCOUNTS PAYABLE						
Notes payable	$ 186	-	$ 60	-	$ 1,177	-
Claims payable	180,542	-	177,613	-	172,509	-
Commission payable	925,246	-	923,422	-	600,690	-
Due to reinsurers and ceding companies	1,150,232	-	1,020,758	-	1,077,129	-
Other payables	7,442,401	-	8,196,164	-	8,295,222	-
Total accounts payable	9,698,607	-	10,318,017	-	10,146,727	-
CURRENT TAX LIABILITIES	28,711	-	16,887	-	45,675	-
SHORT-TERM LIABILITIES	-	-	-	-	2,419,028	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	14,898,143	1	26,885,868	1	27,802,301	1
BONDS PAYABLE	45,300,000	1	45,300,000	1	37,000,000	1
LEASE LIABILITIES	8,550,841	-	8,612,124	-	9,231,784	-
INSURANCE LIABILITIES						
Unearned premium reserve	12,163,558	-	12,122,170	-	10,852,095	-
Claim reserve	4,341,833	-	4,196,400	-	3,908,753	-
Liability reserve	3,285,799,734	89	3,268,414,896	89	3,286,551,689	90
Special claim reserve	1,448,050	-	1,396,979	-	6,916,038	-
Premium insufficient reserve	860,556	-	905,718	-	1,047,256	-
Total insurance liabilities	3,304,613,731	89	3,287,036,163	89	3,309,275,831	90
RESERVE FOR INSURANCE WITH NATURE OF FINANCIAL INSTRUMENT	137,474	-	127,931	-	88,976	-
RESERVE FOR FOREIGN EXCHANGE VALUATION	59,329,727	2	45,145,827	1	20,699,863	1
PROVISIONS	18,415	-	18,114	-	40,414	-
DEFERRED TAX LIABILITIES	34,271,467	1	27,046,633	1	18,735,430	-
OTHER LIABILITIES						
Advance receipts	1,898,459	-	1,606,906	-	1,225,103	-
Guarantee deposits and margins received	1,847,725	-	1,828,615	-	1,796,143	-
Other liabilities, others	361	-	361	-	361	-
Total other liabilities	3,746,545	-	3,435,882	-	3,021,607	-
LIABILITIES ON INSURANCE PRODUCT, SEPARATED ACCOUNT	56,448,938	2	57,212,215	2	54,302,017	2
Total liabilities	3,537,042,599	96	3,511,155,661	95	3,492,809,653	95
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY						
Share capital						
Ordinary share	82,768,904	2	82,768,904	2	77,498,562	2
Capital surplus						
Additional paid-in capital	35,215,253	1	35,215,253	1	26,336,336	1
Others	666,461	-	666,456	-	659,347	-
Total capital surplus	35,881,714	1	35,881,709	1	26,995,683	1
Retained earnings						
Special reserve	141,638,443	4	141,638,443	4	132,776,580	4
Accumulated deficit	(64,919,525)	(2)	(53,973,279)	(2)	(57,515,309)	(2)
Total retained earnings	76,718,918	2	87,665,164	2	75,261,271	2
Other equity						
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	7,938,245	-	5,989,532	-	5,598,522	-
Losses from investments in debt instruments measured at fair value through other comprehensive income	(731,168)	-	(850,011)	-	(730,812)	-
Exchange differences on translation of foreign financial statements	15,980	-	15,178	-	14,153	-
Gains on hedging instruments	1,128	-	1,721	-	2,202	-
Revaluation surplus	5,015,093	-	5,015,093	-	4,609,729	-
Reserve of overlay approach	(45,366,335)	(1)	(28,285,459)	-	(10,723,117)	-
Total other equity	(33,127,057)	(1)	(18,113,946)	-	(1,229,323)	-
Total equity attributable to owner of the Company	162,242,479	4	188,201,831	5	178,526,193	5
NON-CONTROLLING INTERESTS	442,174	-	430,719	-	453,177	-
Total equity	162,684,653	4	188,632,550	5	178,979,370	5
TOTAL	$ 3,699,727,252	100	$ 3,699,788,211	100	$ 3,671,789,023	100

The accompanying notes are an integral part of the consolidated financial statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OPERATING REVENUE				
Retained earned premium				
Written premium	$ 35,173,635	62	$ 36,631,664	50
Reinsurance premium	-	-	-	-
Total premium	35,173,635	62	36,631,664	50
Less: Reinsurance expense	(525,353)	(1)	(424,142)	(1)
Net changes in unearned premiums reserve	(6,996)	-	81,602	-
Retained earned premium	34,641,286	61	36,289,124	49
Reinsurance commission received	382,616	1	355,339	1
Fee income	239,217	-	219,970	-
Net income from investments				
Interest income	25,212,453	44	24,995,145	34
Losses on financial assets or liabilities at fair value through profit or loss	(32,066,605)	(56)	(38,720,996)	(53)
Losses arising from derecognition of financial assets measured at amortized cost	(912,875)	(1)	(646,551)	(1)
Realized (losses) gains on financial assets at fair value through other comprehensive income	(76,963)	-	50,634	-
Share of (loss) profit of associates and joint ventures accounted for using equity method	(7,308)	-	26,465	-
Foreign exchange gains, investments	21,819,291	38	65,600,906	89
Net changes in reserve for foreign exchange valuation	(14,183,900)	(25)	(7,481,164)	(10)
Gains on investment property	1,369,330	2	1,334,950	2
Expected credit losses of investments	(39,830)	-	(495,127)	-
Other net loss from investments	(50,522)	-	(66,238)	-
Gains (losses) on reclassification under the overlay approach	19,777,938	35	(10,805,260)	(15)
Other operating income	192,184	-	243,059	-
Income on insurance products, separated account	761,504	1	2,554,307	4
Total operating revenue	57,057,816	100	73,454,563	100
OPERATING COSTS				
Retained claim payments				
Insurance claim payment	53,996,783	95	58,031,010	79
Less: Claims recovered from reinsurers	(295,399)	(1)	(257,104)	-
Total retained claim payments	53,701,384	94	57,773,906	79
Net changes in insurance liabilities				
Net changes in claim reserve	144,060	-	(134,857)	-
Net changes in liability reserve	7,747,420	14	7,106,197	10

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
Net changes in special claim reserve	$ 51,071	-	$ 56,058	-
Net changes in premium deficiency reserve	(46,675)	-	(17,291)	-
Total net changes in insurance liabilities	7,895,876	14	7,010,107	10
Net changes in reserve for insurance with nature of financial instrument	9,041	-	17,301	-
Acquisition expenses	962	-	617	-
Commission expenses	2,245,050	4	1,555,212	2
Fee expenses	41,072	-	53,849	-
Financial costs	477,853	1	406,756	-
Other operating costs	295,579	-	237,908	-
Disbursements on insurance product, separated account	761,504	1	2,554,307	4
Total operating costs	65,428,321	114	69,609,963	95
OPERATING EXPENSES				
General expenses	1,858,406	3	1,813,373	2
Administrative expenses	2,004,558	4	1,241,158	2
Staff training expenses	28,340	-	34,424	-
Expected credit losses of non-investments	12,768	-	19,066	-
Total operating expenses	3,904,072	7	3,108,021	4
OPERATING (LOSS) INCOME	(12,274,577)	(21)	736,579	1
NON-OPERATING INCOME AND EXPENSES				
Impairment loss on non-financial assets	-	-	(312,535)	-
Recovered bad debts and overdue accounts	1,497	-	2,860	-
Other non-operating income and expenses	1,935	-	53,041	-
Total non-operating income and expenses	3,432	-	(256,634)	-
(LOSS) PROFIT FROM CONTINUING OPERATIONS BEFORE TAX	(12,271,145)	(21)	479,945	1
TAX INCOME (EXPENSE)	1,236,337	2	(7,164)	-
CONSOLIDATED NET (LOSS) INCOME	(11,034,808)	(19)	472,781	1

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
OTHER COMPREHENSIVE (LOSS) INCOME, NET OF INCOME TAX				
Components of other comprehensive income that will not be reclassified to profit or loss:				
Gains on revaluation	$ -	-	$ 134,598	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(280,940)	-	(469,631)	-
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	2,329,671	4	3,759,003	5
Components of other comprehensive income that will be reclassified to profit or loss:				
Exchange differences on translation	802	-	2,510	-
Share of the other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(593)	-	135	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	2,665,754	5	(1,118,945)	(2)
Gains (losses) from investments in debt instruments measured at fair value through other comprehensive income	150,150	-	(76,360)	-
Other comprehensive (loss) income on reclassification under the overlay approach	(19,777,938)	(35)	10,805,260	15
Total other comprehensive (loss) income, net of income tax	(14,913,094)	(26)	13,036,570	18
TOTAL COMPREHENSIVE (LOSS) INCOME	$ (25,947,902)	(45)	$ 13,509,351	19
NET (LOSS) INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ (11,049,480)	(19)	$ 453,171	1
Non-controlling interest	14,672	-	19,610	-
	$ (11,034,808)	(19)	$ 472,781	1

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	For the Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:				
Owner of the Company	$ (25,959,357)	(45)	$ 13,489,155	19
Non-controlling interest	11,455	-	20,196	-
	$ (25,947,902)	(45)	$ 13,509,351	19
(LOSS) EARNINGS PER SHARE				
Basic	$ (1.33)		$ 0.06	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company												
						Other Equity							
	Share Capital	Capital Surplus		Retained Earnings		Unrealized Gains on Financial Assets Measured at Fair Value Though Other Comprehensive Income	Exchange Differences on Translation of Foreign Financial Statements	Gains on Hedging Instruments	Revaluation Surplus	Reserve of Overlay Approach	Total	Non-controlling Interests	Total
	Ordinary Share	Additional Paid-in Capital	Others	Special Reserve	Accumulated Deficit								
BALANCE, JANUARY 1, 2024	$ 74,387,451	$ 22,447,447	$ 659,347	$ 132,776,580	$ (57,948,565)	$ 1,611,712	$ 11,643	$ 2,067	$ 4,493,933	$ (20,404,577)	$ 158,037,038	$ 432,981	$ 158,470,019
Net income for the three months ended March 31, 2024	-	-	-	-	453,171	-	-	-	-	-	453,171	19,610	472,781
Other comprehensive income, net of tax for the three months ended March 31, 2024	-	-	-	-	-	3,236,083	2,510	135	115,796	9,681,460	13,035,984	586	13,036,570
Total comprehensive income for the three months ended March 31, 2024	-	-	-	-	453,171	3,236,083	2,510	135	115,796	9,681,460	13,489,155	20,196	13,509,351
Issue of shares	3,111,111	3,888,889	-	-	-	-	-	-	-	-	7,000,000	-	7,000,000
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(19,915)	19,915	-	-	-	-	-	-	-
BALANCE, MARCH 31, 2024	$ 77,498,562	$ 26,336,336	$ 659,347	$ 132,776,580	$ (57,515,309)	$ 4,867,710	$ 14,153	$ 2,202	$ 4,609,729	$ (10,723,117)	$ 178,526,193	$ 453,177	$ 178,979,370
BALANCE, JANUARY 1, 2025	$ 82,768,904	$ 35,215,253	$ 666,456	$ 141,638,443	$ (53,973,279)	$ 5,139,521	$ 15,178	$ 1,721	$ 5,015,093	$ (28,285,459)	$ 188,201,831	$ 430,719	$ 188,632,550
Changes in equity of associates and joint ventures accounted for using equity method	-	-	5	-	-	-	-	-	-	-	5	-	5
Net (loss) income for the three months ended March 31, 2025	-	-	-	-	(11,049,480)	-	-	-	-	-	(11,049,480)	14,672	(11,034,808)
Other comprehensive income (loss), net of tax for the three months ended March 31, 2025	-	-	-	-	-	2,170,790	802	(593)	-	(17,080,876)	(14,909,877)	(3,217)	(14,913,094)
Total comprehensive (loss) income for the three months ended March 31, 2025	-	-	-	-	(11,049,480)	2,170,790	802	(593)	-	(17,080,876)	(25,959,357)	11,455	(25,947,902)
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	103,234	(103,234)	-	-	-	-	-	-	-
BALANCE, MARCH 31, 2025	$ 82,768,904	$ 35,215,253	$ 666,461	$ 141,638,443	$ (64,919,525)	$ 7,207,077	$ 15,980	$ 1,128	$ 5,015,093	$ (45,366,335)	$ 162,242,479	$ 442,174	$ 162,684,653

The accompanying notes are an integral part of the consolidated financial statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	**2024**
CASH FLOWS USED IN OPERATING ACTIVITIES		
(Loss) profit before tax	$ (12,271,145)	$ 479,945
Adjustments for:		
Depreciation expense	160,595	170,940
Amortization expense	68,620	56,305
Net loss on financial assets or liabilities at fair value through profit or loss	32,066,605	38,720,996
Net loss (gain) on financial assets at fair value through other comprehensive income	76,963	(50,634)
Financial costs	477,853	406,756
Net loss arising from derecognition of financial assets measured at amortized cost	912,875	646,551
Interest income	(25,212,453)	(24,995,145)
Net changes in insurance liabilities	17,568,827	31,936,565
Net change in reserve for insurance with nature of financial instrument	9,543	18,127
Net changes in reserve for foreign exchange valuation	14,183,900	7,481,164
Expected credit losses of investments	39,830	495,127
Expected credit losses of non-investments	12,768	19,066
Share of loss (profit) of associates and joint ventures accounted for using equity method	7,308	(26,465)
(Gain) loss on reclassified by applying overlay approach	(19,777,938)	10,805,260
Loss (gain) on disposal of property and equipment	50	(34,339)
Gain on disposal of assets classified as held for sale	-	(14,429)
Impairment loss on non-financial assets	-	312,535
Gain on fair value adjustment of investment property	(115,814)	(89,729)
Gain on lease modification	(21)	-
Net changes in operating assets and liabilities		
Decrease in receivables	8,870,193	3,192,250
Increase in financial assets at fair value through profit or loss	(15,913,813)	(21,155,531)
Increase in financial assets at fair value through other comprehensive income	(18,998,587)	(11,061,955)
Increase in financial assets at amortized cost	(12,316,691)	(79,766,834)
Increase in other assets	(874,252)	(934,480)
Increase in notes payable	126	1,148
Increase (decrease) in claims payable	766	(22,531)
Increase in commissions payable	1,824	3,107
Increase in due to reinsurers and ceding companies	129,474	164,471
(Decrease) increase in other payables	(953,388)	3,093,543
Decrease in financial liabilities at fair value through profit or loss	(29,237,812)	(17,346,310)
Increase (decrease) in advance receipts	302,457	(25,670)
Cash outflow generated from operations	(60,781,337)	(57,520,196)
Interests received	18,509,641	17,753,299

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2025	**2024**
Dividends received	$ 2,113,878	$ 1,837,926
Interests paid	(250,502)	(174,148)
Income tax paid	(77,268)	(99,354)
Net cash flows used in operating activities	(40,485,588)	(38,202,473)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Proceeds from disposal of assets classified as held for sale	-	338,249
Acquisition of property and equipment	(60,196)	(80,704)
Proceeds from disposal of property and equipment	1	58,361
Decrease (increase) in refundable deposits	654,925	(5,040,758)
Acquisition of intangible assets	(55,080)	(20,376)
(Increase) decrease in loans	(838,087)	1,878,933
Acquisition of investment properties	(703,014)	(349,895)
Increase in other assets	(37,793)	(35,647)
Net cash flows used in investing activities	(1,039,244)	(3,251,837)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Increase in notes and bonds issued under repurchase agreement	-	2,419,028
Increase (decrease) in guarantee deposits received	19,110	(13,567,399)
Repayments of lease liabilities	(167,068)	(174,644)
Proceeds from issuing shares	-	7,000,000
Net cash flows used in financing activities	(147,958)	(4,323,015)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	802	2,510
NET DECREASE IN CASH AND CASH EQUIVALENTS	(41,671,988)	(45,774,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	74,115,504	99,581,548
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 32,443,516	$ 53,806,733

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Shin Kong Life Insurance Co., Ltd. (the "Company" or SKLIC) was established in July 1963 and its shares were listed on the Taiwan Stock Exchange (TWSE) in December 1993. SKLIC is mainly engaged in the life insurance business, including individual and group life, accident, health, and so on. SKLIC has headquarters located in Taipei City and 23 branch offices throughout Taiwan.

On its establishment, the Company's paid-in-capital was $10,000 thousand; after a capital increase and decrease, the Company's paid-in-capital was $82,769,000 thousand as of March 31, 2025.

Through a share swap, SKLIC became a subsidiary of Shin Kong Financial Holding Co., Ltd. (SKFHCL) under Article 26 of the Financial Holding Company Act. SHFHCL, whose shares have been listed on the TWSE since February 19, 2002, engaged in managing its subsidiaries and investing in businesses approved by the relevant authorities.

Shin Kong Life Insurance Co., Ltd. (SKLIC) stopped listing its shares on February 19, 2002 and became a wholly owned subsidiary of SKFHCL.

On October 9, 2024, Shin Kong Financial Holding CO., Ltd. shareholders held an extraordinary meeting and resolved to merge with Taishin Financial Holding Co., Ltd. The aforementioned merger has been approved by the Financial Supervisory Commission pursuant to official letter No. 11401336542 dated March 31, 2025. The effective date of the merger has been mutually agreed upon by the chairpersons of both parties to be July 24, 2025. As a result of the merger, Taishin Financial Holding Co., Ltd. will become the parent company of the Company.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

Shin Kong Life Real Estate Service Company (SKLRESC) was established on July 12, 1988 and obtained an operating permit on August 17, 1988. SKLRESC mainly engages in management services; sanitary services; repair and maintenance of utilities equipment; sale and installation of waterproof, burglar-proof, fire alarm equipment, and car parking equipment; operation of parking lots; housing brokerage; and real estate business management.

Shin Kong Vietnam Co., Ltd. was approved for establishment by the board of directors of Shin Kong Life Insurance Co., Ltd. on August 21, 2024, and subsequently approved by the board of directors of Shin Kong Financial Holding Co., Ltd. on August 29, 2024. The establishment was approved by the Financial Supervisory Commission on December 24, 2024.

On February 24, 2025, the company obtained foreign investment approval from the Hanoi Department of Planning and Investment, granting Shin Kong Life Insurance Co., Ltd. permission to establish an insurance agency company in Hanoi. The approved business scope includes insurance agency and brokerage activities. On March 26, 2025, the Business Registration and Corporate Finance Office of the Hanoi Department of Finance issued the business registration certificate.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on May 14, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the FSC

Following are the IFRS Accounting Standards endorsed and issued into effect by the FSC for application starting from 2025.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

1) If a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

   - In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

   - In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

2) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

3) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

An entity shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application. An entity may restate prior periods if, and only if, it is possible to do so without the use of hindsight.

Expect for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) IFRS 17 "Insurance Contracts"

IFRS 17 sets out the accounting standards for insurance contracts that will supersede IFRS 4. The main standards and relevant amendments of IFRS 17 are as follows:

Level of aggregation

IFRS 17 requires the Group to identify portfolios of insurance contracts, which comprise contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

a) A group of contracts that are onerous at initial recognition;

b) A group of contracts that at initial recognition that has no significant possibility of becoming onerous;

c) A group of the remaining contracts in the portfolio.

The Group is not permitted to include contracts issued more than one year apart in the same group.

Recognition

The Group shall recognize a group of insurance contracts arising from the earliest of the following:

a) The beginning of the coverage period of the group of contracts;

b) The date when the first payment from a policyholder in the group becomes due; and

c) For a group of onerous contracts, when the group becomes onerous.

Measurement

The Group shall include all the future cash flows within the boundary of each contract in the Group. The fulfilment cash flows comprise the estimates of future cash flows, an adjustment to reflect the time value of money, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit of a group of insurance contracts that the Group will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) The initial recognition of an amount for the fulfilment cash flows;

b) Any cash flows arising from the contracts in the group at that date.

c) The derecognition at the initial recognition date of the following:

   i. Any assets or liabilities recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date. On subsequent measurement, if a group of insurance contracts becomes onerous or more onerous, that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the fulfilment cash flows allocated, any previously recognized acquisition cash flows and any cash flows arising from the contract at that date are a net outflow. The Group shall recognize a loss in profit or loss for the net outflow in profit and loss, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium allocation approach

The Group may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on one of the conditions that, at the inception of the group:

a) The Group reasonably expects that this will be a reasonable approximation of the general model, or

b) The coverage period of each contract in the group is one year or less.

At the inception of the group, if the Group expects significant variances in the fulfilment cash flows during the period before a claim is incurred, such contracts are not eligible for the application of the PAA.

When using the PAA, the liability for remaining coverage shall be initially recognized as the premiums:

a) Received at initial recognition;

b) Minus any insurance acquisition cash flows at that date;

c) The derecognition at the initial recognition date of the following:

   i. Any assets or liabilities recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortization of acquisition cash flows, minus the amount recognized as insurance revenue for service provided in that period, and minus all investment components paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of the standard only if the issuer also issues insurance contracts. The requirements of the standard are modified for such investment contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Group shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Group shall derecognize an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Transition

The Group shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only needs to use available information without undue cost or effort. The Group shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Group determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which applied IFRS 9 may redesignate and reclassify financial assets that comply with paragraph C29 of IFRS 17. The entity does not have to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount and their carrying amount at the date of initial application of these financial assets is recognized in the retained earnings (or other equity, if appropriate) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of these affected financial assets under IFRS 9.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17, for financial assets that have been derecognized during the comparative period of the date of initial application of IFRS 17, the enterprise can choose to apply the classification overlay on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

3) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

4) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;

- The Group having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Companies and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair value and investment properties.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Basis of consolidation

Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 to consolidated financial statements and Table 2 following these notes for the detailed information of subsidiaries, including the percentage of ownership and main business.

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the material accounting judgments and key sources of estimation uncertainty applied in the preparation of these consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2024.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand	$ 47,584	$ 25,242	$ 36,357
Checking accounts and demand deposits	14,896,259	25,838,265	18,155,776
Time deposits with original maturities not exceeding three months	16,574,162	41,645,350	28,407,668
Bonds purchased under resale agreement (Note 33)	925,511	5,260,373	7,206,932
Notes purchased under resale agreement	-	1,346,274	-
	$ 32,443,516	$ 74,115,504	$ 53,806,733

The interest rate intervals of time deposits with original maturities not exceeding three months and notes and bonds purchased under resale agreements at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturities not exceeding three months (domestic and foreign)	1.23%-4.37%	1.23%-5.01%	1.30%-4.28%
Bonds purchased under resale agreements	1.25%-1.48%	1.22%-1.64%	1.05%-1.42%
Notes purchased under resale agreements	-	1.45%-1.47%	-

7. ACCOUNTS RECEIVABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable	$ 53,610	$ 57,088	$ 52,077
Interest receivable	28,038,986	28,038,082	26,637,016
Receivables of transactions on securities	2,565,312	10,356,077	3,292,591
Receivables of investment goods	561,513	685,860	615,347
Earned revenue receivable	2,299,643	3,122,225	1,733,279
Overdue receivable	74,442	60,608	52,492
Others	83,291	149,111	136,059
	33,676,797	42,469,051	32,518,861
Less: Allowance for impairment loss (Note 15)	(661,583)	(602,270)	(482,117)
	$ 33,015,214	$ 41,866,781	$ 32,036,744

The Group recorded part of the allowance for impairment loss of accounts receivable by the simplified approach under IFRS 9, which considered the historical experience of credit loss in the past three years, current financial position and industrial economic situation. The Group evaluated the past information and concluded that there was no significant difference between the economic situation of the past, the current and the future. As result of the evaluation, the Group used the historical average rate of expected credit loss to calculate the expected credit loss.

If there is evidence showing that a counterparty suffered a huge financial crisis and the Group is not able to predict the recoverable amount, the Group should write-off the related accounts receivable, take recourse and record the related recovered amount in profit or loss.

The following table details the loss allowance of part of trade receivables, part of earned revenue receivable and others based on the Group's provision matrix.

March 31, 2025

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-2.19%	0.00%-0.59%	100.00%	
Gross carrying amount	$ 767,308	$ 2,639	$ -	$ 769,947
Loss allowance (Lifetime ECLs)	(16)	(3)	-	(19)
Amortized cost	$ 767,292	$ 2,636	$ -	$ 769,928

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-5.21%	0.00%-10.00%	100.00%	
Gross carrying amount	$ 715,871	$ 12,827	$ 2	$ 728,700
Loss allowance (Lifetime ECLs)	(207)	-	(2)	(209)
Amortized cost	$ 715,664	$ 12,827	$ -	$ 728,491

March 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-5.21%	0.00%-10.00%	100.00%	
Gross carrying amount	$ 818,775	$ 20,349	$ 547	$ 839,671
Loss allowance (Lifetime ECLs)	(731)	(573)	(547)	(1,851)
Amortized cost	$ 818,044	$ 19,776	$ -	$ 837,820

Except for part of note receivable, part of earned revenue receivable and others that recorded part of the allowance for impairment loss of accounts receivable by the simplified approach, please refer to Notes 12 and 15 for information relating to the credit risk management and impairment of other receivables.

8. ASSETS CLASSIFIED AS HELD FOR SALE

	Land and Buildings		
	March 31, 2025	December 31, 2024	March 31, 2024
Cost	$ 6,141,775	$ 6,141,775	$ 7,324,427
Add: Fair value adjustment	647,659	647,659	820,348
	$ 6,789,434	$ 6,789,434	$ 8,144,775

SKLIC sold 3 units of President Jasper villa, Taipei City in the month ended March 31, 2024. Refer to Note 30.

9. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets mandatorily measured at FVTPL			
Domestic listed shares	$ 92,926,362	$ 88,850,570	$ 116,501,843
Domestic unlisted shares	165,000	161,700	166,800
Domestic beneficiary certificates	145,655,959	150,005,982	147,095,005
Domestic corporate bonds and bank debentures	18,363,397	18,354,843	18,949,565
Foreign listed shares	12,709,239	14,940,126	7,530,162
Foreign beneficiary certificates	18,595,104	17,398,326	25,253,068
Foreign bonds	8,232,167	8,042,741	8,173,122
Currency swap contracts	3,567	-	-
Foreign exchange forward contracts	45,050	-	39,514
	$ 296,695,845	$ 297,754,288	$ 323,709,079

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Financial liabilities measured at FVTPL			
Currency swap contracts	$ 12,162,451	$ 21,068,239	$ 16,669,035
Foreign exchange forward contracts	2,735,692	5,817,629	11,133,266
	$ 14,898,143	$ 26,885,868	$ 27,802,301

(Concluded)

a. As of March 31, 2025, SKLIC had committed amounts of private equity fund and infrastructure fund of $1,359,102 thousand and $331,820 thousand, respectively. The amounts transferred out were $759,145 thousand and $302,864 thousand, respectively, and were recorded as domestic beneficiary certificates and foreign beneficiary certificates, respectively.

b. At the end of the reporting period, SKLIC's outstanding derivative instruments contracts (notional amount) were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Currency swap contracts	US$ 20,750,000	US$ 21,461,000	US$ 20,942,000
Foreign exchange forward contracts	US$ 7,370,000	US$ 12,675,000	US$ 17,285,000

SKLIC entered into derivative instruments during the three months ended March 31, 2025 and 2024 to manage exposure to exchange rate fluctuations. The financial risk management objective of SKLIC is to minimize risks due to changes in fair value or cash flows. SKLIC did not adopt hedge accounting for derivative instruments.

c. SKLIC entered into trust agreements with Mega International Commercial Bank to invest in foreign securities in a prescribed manner. Furthermore, SKLIC reached a discretionary investment agreement with Asset Management One Hong Kong Ltd. ("AMO"), JP Morgan Asset Management Co., Ltd., BlackRock Assets Management Co., Ltd., Shin Kong Investment Trust Co., Ltd., MasterLink Securities Investment Advisory Co., Ltd. and Taishin Securities Investment Trust Co., Ltd. consigning these companies to invest in foreign securities.

As of March 31, 2025, the summary of the above-mentioned transactions was as follows:

	Consigning Amount	Advanced to Consignee (Note 1)
Mega International Commercial Bank	US$2.0 billion	NT$ 130,577 thousand
AMO		NT$ - thousand (Note 3)
JP Morgan Asset Management Co., Ltd.		NT$ 17,088 thousand (Note 2)
BlackRock Assets Management Co., Ltd.	US$0.1 billion	NT$ 2,717,256 thousand
Shin Kong Investment Trust Co., Ltd.	NT$1.2 billion	NT$ 1,059,540 thousand
MasterLink Securities Investment Advisory Co., Ltd.	NT$1.8 billion	NT$ 1,653,080 thousand
Taishin Securities Investment Trust Co., Ltd.	NT$1.2 billion	NT$ 1,079,439 thousand

Note 1: The entrusted transactions include financial assets designated at FVTPL, and financial assets measured at amortized cost.

Note 2: The Group terminated the discretionary investment agreement with JP Morgan Asset Management Co., Ltd. on March 16, 2016. As of March 31, 2025, the discretionary assets had not been settled.

Note 3: The Group terminated the AMO discretionary investment agreement on May 21, 2020, and the amount listed is the unsettled balance of the discretionary investment agreement as of March 31, 2025.

d. The Group's settled loss, revaluation gain (loss), foreign currency assets exchange gain, and net changes of reserve for changes in foreign exchange valuation in relation to currency derivatives were as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Currency derivatives		
Settled loss	$ (29,142,109)	$ (9,893,602)
Revaluation gain (loss)	12,036,341	(55,335,369)
Foreign currency assets exchange gain	21,819,291	65,600,906
Net changes of reserve for changes in foreign exchange valuation	(14,183,900)	(7,481,164)
	$ (9,470,377)	$ (7,109,229)

e. Upon the application of IFRS 9 starting from January 1, 2018, the Group adopted at the same time the overlay approach of IFRS 4 "Insurance Contracts" for the presentation of profit or loss of designated financial assets.

The financial assets related to investment activities of issued insurance contracts that adopted the overlay approach were as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Financial assets at fair value through profit or loss			
Domestic listed shares	$ 92,025,347	$ 86,611,660	$ 111,058,877
Domestic unlisted shares	165,000	161,700	166,800
Foreign shares	12,709,239	14,940,126	7,530,162
Domestic beneficiary certificates	143,207,660	140,657,659	140,094,233
Foreign beneficiary certificates	15,388,492	14,293,119	22,453,820
Domestic bank debentures	18,049,750	18,079,101	18,949,565
Foreign bank debentures	8,152,116	7,968,072	8,096,478

For the three months ended March 31, 2025 and 2024, the amounts due to reclassification of profit or loss of financial assets (that adopted the overlay approach) reclassified to other comprehensive income were as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Gain under IAS 39	$ 5,475,431	$ 15,551,821
(Loss) gain under IFRS 9	14,302,507	(26,357,081)
(Gain) loss on reclassified based on the overlay approach	$ 19,777,938	$ (10,805,260)

For the three months ended March 31, 2025 and 2024, adjustments based on the overlay approach were reduction of loss on assets at FVTPL from $32,066,605 thousand and $38,720,996 thousand to $12,288,667 thousand and $49,526,256 thousand, respectively.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31, 2024	March 31, 2024
Investments in equity instruments at FVTOCI	$ 106,552,558	$ 103,388,140	$ 121,107,703
Investments in debt instruments at FVTOCI	44,739,970	26,501,263	26,336,668
	$ 151,292,528	$ 129,889,403	$ 147,444,371

a. Investments in equity instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic investments			
Listed shares and emerging market shares	$ 70,053,793	$ 67,431,119	$ 85,454,661
Unlisted shares	3,422,193	3,530,174	3,656,585
Preference shares	33,076,572	32,426,847	31,996,457
	$ 106,552,558	$ 103,388,140	$ 121,107,703

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

For the three months ended March 31, 2025 and 2024, the Group sold its shares on the basis of managing credit concentration risk and capital reduction of investments. The sold shares had a fair value of $3,568,332 thousand and $3,271,210 thousand and the Group transferred a gain (loss) of $103,234 thousand and $(19,915) thousand from other equity to retained earnings, respectively.

Dividend income recognized relating to investments in equity instruments at FVTOCI for the three months ended March 31, 2025 and 2024 was $21,648 thousand and $41,812 thousand, respectively. Those related to investments derecognized for the three months ended March 31, 2025 and 2024 were $270 thousand and $15,036 thousand, respectively, and those related to investments held for the three months ended March 31, 2025 and 2024 were $21,378 thousand and $26,776 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic investments			
Corporate bonds	$ 15,244,525	$ 15,270,765	$ 14,337,323
Government bonds	6,787,632	6,777,610	6,893,152
	22,032,157	22,048,375	21,230,475

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
Foreign investments			
Corporate bonds	$ -	$ 768,711	$ 2,516,497
Government bonds	22,707,813	3,684,177	2,589,696
	22,707,813	4,452,888	5,106,193
	$ 44,739,970	$ 26,501,263	$ 26,336,668

(Concluded)

Refer to Note 12 for information relating to credit risk management and impairment.

11. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
Domestic investments			
Government bonds	$ 44,376,375	$ 45,919,067	$ 46,854,988
Corporate bonds	148,319,078	150,117,734	152,009,898
Structured instrument	34,000,000	34,000,000	34,000,000
Time deposits with original maturities of more than 3 months	4,144,232	4,517,032	2,311,832
Less: Security deposits paid	(13,294,432)	(13,294,432)	(12,024,432)
	217,545,253	221,259,401	223,152,286
Foreign investments			
Bonds	1,470,595,773	1,468,814,386	1,472,962,978
Mortgage-backed bonds	5,228,176	5,280,351	6,625,658
Callable bonds	943,623,330	923,524,897	884,484,408
Less: Security deposits paid	(4,039,340)	(6,071,457)	(9,619,577)
	2,415,407,939	2,391,548,177	2,354,453,467
Less: Allowance for impairment loss	(5,318,437)	(5,287,849)	(6,663,452)
	$ 2,627,634,755	$ 2,607,519,729	$ 2,570,942,301

a. For the three months ended March 31, 2025 and 2024, the Group sold part of its debt instruments which were not significant individually or as a whole. The bonds sold had a fair value of $17,685,080 thousand and $11,381,016 thousand and the Group recognized loss on disposal of $913,674 thousand and $646,312 thousand, respectively. The callable debt instruments for the three months ended March 31, 2025 and 2024 had a fair value of $1,627,121 thousand and $792,750 thousand, respectively, and the Group recognized a gain (loss) of $799 thousand and $(239) thousand, respectively.

b. The interest rate ranges for time deposits with original maturities of more than 3 months were approximately 0.75%-1.77%, 0.75%-1.77% and 0.75%-1.58% per annum as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

c. Refer to Note 12 for information relating to their credit risk management and impairment.

d. Refer to Note 21 for information relating to investments in financial assets at amortized cost pledged as security.

12. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The breakdown below shows the investment in debt instruments and structured instrument classified as FVTOCI and financial assets at amortized cost.

March 31, 2025

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 45,881,053	$ 2,646,142,732	Note	$ 2,692,023,785
Less: Allowance for impairment loss	(4,764)	(5,318,437)		(5,323,201)
Amortized cost	45,876,289	$ 2,640,824,295		2,686,700,584
Adjustment to fair value	(1,136,319)			(1,136,319)
	$ 44,739,970			$ 2,685,564,265

Note: The amount of debt instruments at amortized cost included security deposits paid of $16,539,340 thousand; excluding time deposits with original maturities of more than 3 months of $3,349,800 thousand which includes security deposits paid of $794,432 thousand.

December 31, 2024

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 27,792,687	$ 2,627,656,435	Note	$ 2,655,449,122
Less: Allowance for impairment loss	(4,955)	(5,287,849)		(5,292,804)
Amortized cost	27,787,732	$ 2,622,368,586		2,650,156,318
Adjustment to fair value	(1,286,469)			(1,286,469)
	$ 26,501,263			$ 2,648,869,849

Note: The amount of debt instruments at amortized cost included security deposits paid of $18,571,457 thousand; excluding time deposits with original maturities of more than 3 months of $3,722,600 thousand which includes security deposits paid of $794,432 thousand.

March 31, 2024

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 27,197,465	$ 2,596,937,930	Note	$ 2,624,135,395
Less: Allowance for impairment loss	(4,815)	(6,663,452)		(6,668,267)
Amortized cost	27,192,650	$ 2,590,274,478		2,617,467,128
Adjustment to fair value	(855,982)			(855,982)
	$ 26,336,668			$ 2,616,611,146

Note: The amount of debt instruments at amortized cost included security deposits paid of $20,819,577 thousand; excluding time deposits with original maturities of more than 3 months of $1,487,000 thousand which includes security deposits paid of $824,432 thousand.

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings of debt investment are continuously monitored. The Group also reviews information of debt issuer, debtor and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

Category	Gross Carrying Amount at March 31, 2025 Description	Basis for Recognizing Expected Credit Losses
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments, structured instrument and accounts receivable classified by credit category and the corresponding expected loss rates were shown below:

March 31, 2025

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-0.31%	$ 2,672,095,155
Doubtful	8.05%-9.39%	6,540,579
In default	10.50%-100%	40,411,904
Write-off	-	-

December 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-0.31%	$ 2,644,631,519
Doubtful	3.42%-9.39%	6,608,390
In default	10.50%-100%	39,564,795
Write-off	-	-

March 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-1.53%	$ 2,592,478,565
Doubtful	6.96%-18.77%	20,945,829
In default	10.50%-100 %	37,582,256
Write-off	-	-

The gross carrying amount listed above excluded the allowance for notes receivable, earned revenue receivables upon the application of the simplified approach of $769,947 thousand, $728,700 thousand and $839,671 thousand; interest receivables, notes receivable and premium receivables of $5,882,997 thousand, $6,384,769 thousand and $4,807,935 thousand derived from insurance contracts pursuant to IFRS 4 "Insurance Contracts".

a. The movements of the allowance for impairment loss of investments in debt instruments at fair value through other comprehensive income were as follows:

	Credit Rating		
Allowance for Impairment Loss	**Performing (12-month ECLs)**	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2025	$ 4,955	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	-	-	-
Derecognition	(191)	-	-
Change in model or risk parameters	-	-	-
Change in exchange rates or others	-	-	-
Balance at March 31, 2025	$ 4,764	$ -	$ -
Balance at January 1, 2024	$ 4,153	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	745	-	-
Derecognition	(83)	-	-
Change in model or risk parameters	-	-	-
Change in exchange rates or others	-	-	-
Balance at March 31, 2024	$ 4,815	$ -	$ -

1) As of March 31, 2025 and 2024, new investments in bonds at FVTOCI increased by $36,309,249 thousand and $5,334,238 thousand, respectively, and correspondingly the loss allowance for investments rated as performing increased by $0 thousand and $745 thousand, respectively.

2) As of March 31, 2025 and 2024, investments in bonds at FVTOCI of $9,600,270 thousand and $378,667 thousand were sold and bonds at FVTOCI of $9,097,015 thousand and $319,000 thousand were redeemed, respectively, with a consequential reduction in the loss allowance for investments rated as performing of $191 thousand and $83 thousand, respectively.

b. The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	Credit Rating		
	Performing (12-month ECLs)	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2025	$ 997,444	$ 2,185,357	$ 2,092,462
Transfers			
From doubtful to performing	50,412	(1,621,674)	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	202	-	-
Derecognition	(18,190)	-	-
Change in model or risk parameters	1,030,330	555,855	-
Change in exchange rates or others	(1,016,274)	(556,389)	1,606,316
Balance at March 31, 2025	$ 1,043,924	$ 563,149	$ 3,698,778
Balance at January 1, 2024	$ 1,058,536	$ 1,557,573	$ 3,453,621
Transfers			
From performing to doubtful	(12,021)	391,075	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	16,396	-	-
Derecognition	(26,476)	-	-
Change in model or risk parameters	32,122	59,339	-
Change in exchange rates or others	6,821	(21,442)	135,412
Balance at March 31, 2024	$ 1,075,378	$ 1,986,545	$ 3,589,033

1) As of March 31, 2025 and 2024, new investments in bonds at amortized cost increased by $601,004 thousand and $3,922,037 thousand, respectively, and correspondingly, the loss allowance for investments rated as performing increased by $202 thousand and $16,396 thousand, respectively.

2) As of March 31, 2025 and 2024, investments in bonds at amortized cost of $17,685,080 thousand and $11,381,016 thousand were sold and bonds at amortized cost of $1,627,121 thousand and $792,750 thousand were redeemed, respectively, with a consequential reduction in the loss allowance for investments rated as performing of $18,190 thousand and $26,476 thousand, respectively.

c. The movements of the allowance for impairment loss of structured instrument were as follows:

	Credit Rating		
	Performing (12-month ECLs)	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2025	$ 12,586	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	-	-	-
Derecognition	-	-	-
Change in model or risk parameters	-	-	-
Change in exchange rates or others	-	-	-
Balance at March 31, 2025	$ 12,586	$ -	$ -
Balance at January 1, 2024	$ 12,496	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	-	-	-
Derecognition	-	-	-
Change in model or risk parameters	-	-	-
Change in exchange rates or others	-	-	-
Balance at March 31, 2024	$ 12,496	$ -	$ -

d. The movements of the allowance for impairment loss of notes receivable, interest receivables and accounts receivable were as follows:

	Credit Rating		
	Performing (12-month ECLs)	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2025	$ 42,532	$ 40,370	$ 519,159
Transfers			
From doubtful to performing	510	(31,506)	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	2	-	-
Derecognition	(470)	-	-
Change in model or risk parameters	16,785	17,076	53,346
Change in exchange rates or others	(18,261)	(16,858)	38,879
Balance at March 31, 2025	$ 41,098	$ 9,082	$ 611,384

(Continued)

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In Default (Lifetime ECLs - Credit-impaired)
Balance at January 1, 2024	$ 45,340	$ 26,387	$ 342,768
Transfers			
From performing to doubtful	(283)	3,932	-
From doubtful to in default	-	-	19,599
From in default to write-off	-	-	(419)
New financial assets purchased	154	-	-
Derecognition	(311)	-	-
Change in model or risk parameters	(1,206)	(2,820)	38,955
Change in exchange rates or others	(2,239)	(4,165)	14,574
Balance at March 31, 2024	$ 41,455	$ 23,334	$ 415,477

(Concluded)

The balance of allowance for impairment loss at March 31, 2025 and 2024 included allowance for impairment of notes receivable of $32,168 thousand and $32,148 thousand, allowance for impairment of interest receivables of $554,635 thousand and $382,897 thousand and allowance for impairment of other receivables of $74,761 thousand and $65,221 thousand, excluding notes receivables and earned revenue receivables that recorded part of the allowance for impairment loss of accounts receivable by the simplified approach of $19 thousand and $1,851 thousand, respectively.

13. SUBSIDIARIES

a. Subsidiaries and joint ventures included in the consolidated financial statements

			% of Ownership		
Investor	Investee	Main Business	March 31, 2025	December 31, 2024	March 31, 2024
SKLIC	SKLRESC	Building management	72.01	72.01	72.01
SKLIC	Shin Kong Vietnam Co., Ltd (Note)	Property insurance agency	100.00	-	-

Note: Shin Kong Vietnam Co., Ltd.'s establishment was approved by the Vietnam authorities on March 26, 2025. On April 15, 2025, SKLIC injected a capital of US$600 thousand into the subsidiary on April 15, 2025.

b. The subsidiary is included in the consolidated financial statements.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2025		December 31, 2024		March 31, 2024	
	Carrying Value	% of Ownership and Voting Rights	Carrying Value	% of Ownership and Voting Rights	Carrying Value	% of Ownership and Voting Rights
Associates that are not individually material						
DingCheng Life Insurance Co.	$ -	25.00	$ 5,157	25.00	$ -	25.00
Century Biotech Development Corporation	628,875	24.00	619,903	24.00	592,925	24.00
Jih-yao Energy Co., Ltd.	101,847	33.33	101,752	33.33	103,190	33.33
LeadsunFox Greenergy Investment Co., Ltd.	579,364	28.33	575,101	28.33	597,636	28.33
Xinhe Energy Development Co., Ltd.	480,692	25.00	491,925	25.00	402,982	25.00
Xinding No. 1 Energy Co., Ltd.	250,806	25.00	251,324	25.00	248,072	25.00
Taipan Solar Co., Ltd.	423,089	30.00	435,188	30.00	429,341	30.00
Juxin Energy Co., Ltd.	179,318	24.00	180,897	25.00	186,824	25.00
Wholex Max Green Power Co., Ltd.	215,371	12.26	215,909	12.26	217,787	12.26
	$ 2,859,362		$ 2,877,156		$ 2,778,757	

Refer to Table 2 “Information on investee, including name, location and etc., excluding investee in the mainland China area.” and Table 6 “Investments in mainland China” following the notes to consolidated financial statements for information on nature of activities, principal place of business and country of incorporation of the associates.

On March 25, 2025, SKLIC did not participate in the capital subscription of Juxin Energy Company in proportion to its existing shareholding; thus, SKLIC’s ownership interest decrease to 24%. As a result, the carrying amount of the investment was reduced by $5 thousand, which was recognized in capital surplus - others.

On October 22, 2024, SKLIC bought 7,875 thousand ordinary shares of Xinhe Energy Development Co., Ltd for $78,750 thousand. After this share subscription, SKLIC’s shareholding ratio became 25%.

On May 22, 2020, SKLIC’s board of directors resolved to participate in DingCheng Life Insurance Company’s cash capital increase project through the issuance of shares, with a total amount of RMB187,500 thousand, and signed the share transfer agreement with a China company to sell all of DingCheng Life Insurance Company’s shares. SKLIC collected a deposit in the amount of RMB187,500 thousand which was recorded as deposits received. On September 2, 2020, SKLIC remitted capital increase of NT$807,188 thousand (RMB187,500 thousand) to DingCheng Life Insurance Company’s capital increase account and waiting for China Banking and Insurance Regulatory Commission’s approval. The capital increase account was recorded as advance investment. In January 2021, the supervisory authority of DingCheng Life Insurance Company’s capital increase case was changed from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission. The withdrawal of the capital increase was approved by the board of directors of Dingcheng Life Insurance Company on June 30, 2021, and the capital was remitted on August 16, 2021. SKLIC’s board of directors approved the withdrawal of the capital increase and the sale of all the shares of Dingcheng Life Insurance Company on June 29, 2021 and signed a sales agreement and its supplementary agreement with Hongdou Group Co., Ltd. on June 30, 2021. The price of the sales agreement is RMB462,500 thousand, and it was also agreed that SLKIC will no longer participate in the capital increase plan of Dingcheng Life Insurance Company. The share transfer is also subject to approval by the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission in May 2023.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

DingCheng Life Insurance Co.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
Loss from continuing operations	$ (5,157)	$ -
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	$ (5,157)	$ -

Century Biotech Development Corporation

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
Profit from continuing operations	$ 8,972	$ 6,455
Other comprehensive income	-	-
Total comprehensive income for the year	$ 8,972	$ 6,455

Jih-yao Energy Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
Profit (loss) from continuing operations	$ 95	$ (540)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 95	$ (540)

LeadsunFox Greenergy Investment Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
Profit from continuing operations	$ 4,263	$ 15,776
Other comprehensive income	-	-
Total comprehensive income for the year	$ 4,263	$ 15,776

Xinhe Energy Development Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
(Loss) profit from continuing operations	$ (11,233)	$ 6,909
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	$ (11,233)	$ 6,909

Xinding No.1 Energy Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
Loss from continuing operations	$ (518)	$ (1,528)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (518)	$ (1,528)

Taipan Solar Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
(Loss) profit from continuing operations	$ (1,608)	$ 482
Other comprehensive (loss) income	(593)	135
Total comprehensive (loss) income for the year	$ (2,201)	$ 617

Juxin Energy Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
Loss from continuing operations	$ (1,584)	$ (1,305)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (1,584)	$ (1,305)

Wholex Max Green Power Co., Ltd.

	For the Three Months Ended March 31	
	2025	**2024**
The Group's share of:		
(Loss) profit from continuing operations	$ (538)	$ 216
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	$ (538)	$ 216

The Group stopped recognizing further share of losses on its equity-method associate, DingCheng Life Insurance Co. Thus, the Group considered only the carrying amount of investments accounted for using the equity method when recognizing losses. The total unrecognized losses for the period excerpted from the associate's report is as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Loss from continuing operations	$ (213,863)	$ (78,339)
Other comprehensive loss	(128,460)	-
Total comprehensive loss for the year	$ (342,323)	$ (78,339)

As of March 31, 2025, the share of accumulated unrecognized losses of associates was $342,323 thousand.

15. LOANS

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Policy loans	$ 93,298,615	$ 93,686,565	$ 94,031,036
Premium loans	10,146,589	9,946,544	9,869,843
Secured loans	46,499,554	45,477,543	57,486,631
Overdue loans	6,774	2,793	5,900
	149,951,532	149,113,445	161,393,410
Allowance for impairment loss	(683,182)	(683,182)	(810,138)
	$ 149,268,350	$ 148,430,263	$ 160,583,272

As of March 31, 2025, December 31, 2024 and March 31, 2024, the floating-rate loans were $45,796,315 thousand, $44,732,135 thousand and $56,595,498 thousand, respectively, mainly based on the life insurance policy dividend rate as the benchmark interest rate, and the loan interest rate was adjusted every 6 months in principle.

The main effective interest rate intervals for loans are as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Effective interest rate			
Fixed-rate loans	2.45%-2.84%	2.45%-2.85%	2.32%-2.72%
Floating-rate loans	2.22%-2.93%	2.19%-3.06%	2.06%-2.93%

Movements in the allowance for impairment loss recognized were as follows:

	For the Three Months Ended March 31, 2025		
	Secured Loans	Non-accrual Loans	Accounts Receivable
Balance, January 1, 2025	$ 680,389	$ 2,793	$ 602,270
Add: Impairment loss recognized	-	-	55,553
Add (less): Reclassifications	(3,981)	3,981	-
Change in exchange rates or others	-	-	3,760
Balance at March 31, 2025	$ 676,408	$ 6,774	$ 661,583

	For the Three Months Ended March 31, 2024		
	Secured Loans	Non-accrual Loans	Accounts Receivable
Balance, January 1, 2024	$ 806,521	$ 3,617	$ 416,796
Add: Impairment loss recognized	-	-	57,570
Less: Written off	-	-	(419)
Add (less): Reclassifications	(2,282)	2,282	-
Change in exchange rates or others	-	-	8,170
Balance at March 31, 2024	$ 804,239	$ 5,899	$ 482,117

Reconciliation for allowance for impairment loss:

For the three months ended March 31, 2025

Allowance for Discounts and Loans, Net	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Individual)	Lifetime ECLs (Credit-impaired Financial Assets)	Lifetime ECLs (Credit-impaired Financial Assets Purchased)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	Total
Balance at January 1, 2025	$ 37,629	$ 1,924	$ -	$ 5,160	$ -	$ 44,713	$ 638,469	$ 683,182
Transfers								
To lifetime ECLs	(2)	1,475	-	(855)	-	618	-	618
To credit-impaired financial assets	-	(23)	-	484	-	461	-	461
To 12-month ECLs	5	(577)	-	(513)	-	(1,085)	-	(1,085)
Derecognition of financial assets	(16)	(4)	-	(16)	-	(36)	-	(36)
New financial assets purchased	5,909	-	-	-	-	5,909	-	5,909
Difference between IFRS 9 and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	-	(48,261)	(48,261)
Other changes	41,714	858	-	(178)	-	42,394	-	42,394
Balance at March 31, 2025	$ 85,239	$ 3,653	$ -	$ 4,082	$ -	$ 92,974	$ 590,208	$ 683,182

For the three months ended March 31, 2024

Allowance for Discounts and Loans, Net	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Individual)	Lifetime ECLs (Credit-impaired Financial Assets)	Lifetime ECLs (Credit-impaired Financial Assets Purchased)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	Total
Balance at January 1, 2024	$ 189,359	$ 6,436	$ -	$ 4,994	$ -	$ 200,789	$ 609,349	$ 810,138
Transfers								
To lifetime ECLs	(21)	2,412	-	(803)	-	1,588	-	1,588
To credit-impaired financial assets	-	(451)	-	1,673	-	1,222	-	1,222
To 12-month ECLs	21	(2,559)	-	(216)	-	(2,754)	-	(2,754)
Derecognition of financial assets	(12,987)	(73)	-	(57)	-	(13,117)	-	(13,117)
New financial assets purchased	8,732	-	-	-	-	8,732	-	8,732
Purchased or originated credit-impaired financial assets	-	-	-	-	-	-	-	-
Difference between IFRS 9 and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	-	761	761
Other changes	3,855	(153)	-	(134)	-	3,568	-	3,568
Balance at March 31, 2024	$ 188,959	$ 5,612	$ -	$ 5,457	$ -	$ 200,028	$ 610,110	$ 810,138

16. REINSURANCE ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Net claims recovered from reinsurers	$ 1,280,037	$ 1,118,156	$ 925,832
Net due from reinsurers and ceding companies	387,687	-	355,885
Net reinsurance assets			
Ceded reserve for unearned premiums	274,175	239,707	105,868
	$ 1,941,899	$ 1,357,863	$ 1,387,585

17. INVESTMENT PROPERTIES

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
March 31, 2025					
Measured at fair value	$ 125,322,025	$ 56,259,492	$ 43,550	$ 12,158,091	$ 193,783,158
Measured at cost	-	-	6,707,049	8,229,732	14,936,781
	$ 125,322,025	$ 56,259,492	$ 6,750,599	$ 20,387,823	$ 208,719,939
December 31, 2024					
Measured at fair value	$ 125,323,596	$ 56,167,639	$ 41,599	$ 12,132,559	$ 193,665,393
Measured at cost	-	-	5,928,638	8,270,867	14,199,505
	$ 125,323,596	$ 56,167,639	$ 5,970,237	$ 20,403,426	$ 207,864,898
March 31, 2024					
Measured at fair value	$ 123,053,672	$ 55,035,128	$ 28,129	$ 12,129,036	$ 190,245,965
Measured at cost	-	-	3,363,146	8,396,874	11,760,020
	$ 123,053,672	$ 55,035,128	$ 3,391,275	$ 20,525,910	$ 202,005,985

The right-of-use assets in investment properties refer to part of the superficies rights and buildings obtained by the Group for sublease under operating leases. Refer to Note 19(c) for the related items.

The maturity analysis of lease payments receivable under operating leases of investment properties at March 31, 2025, December 31, 2024 and March 31, 2024 was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Year 1	$ 4,363,720	$ 4,441,352	$ 4,357,018
Year 2	3,647,312	3,712,395	3,708,551
Year 3	2,779,339	3,052,594	3,291,595
Year 4	1,769,767	1,810,540	2,431,798
Year 5	1,349,187	1,383,736	1,504,977
Year 6 onwards	3,820,488	4,082,080	4,590,289
	$ 17,729,813	$ 18,482,697	$ 19,884,228

a. Investment properties measured at fair value

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Balance at January 1, 2025	$ 125,323,596	$ 56,167,639	$ 41,599	$ 12,132,559	$ 193,665,393
Additions	-	-	1,951	-	1,951
Gain on changes in fair value of investment properties	(1,571)	91,853	-	25,532	115,814
Balance at March 31, 2025	$ 125,322,025	$ 56,259,492	$ 43,550	$ 12,158,091	$ 193,783,158
Balance at January 1, 2024	$ 122,036,728	$ 53,286,221	$ 28,231	$ 11,956,856	$ 187,308,036
Additions	-	1,697	-	202,068	203,765
Disposals	-	(36,613)	-	-	(36,613)
Transferred from property and equipment	935,089	1,745,873	86	-	2,681,048
Gain on changes in fair value of investment properties	81,855	37,762	-	(29,888)	89,729
Other reclassifications	-	188	(188)	-	-
Balance at March 31, 2024	$ 123,053,672	$ 55,035,128	$ 28,129	$ 12,129,036	$ 190,245,965

Valuation of the investment properties of SKLIC had been performed by the following appraisers of the joint appraisal firms meeting the requirements of Article No. 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises for real estate appraisers. Except for some significant changes in cash flow due to the increase or decrease of lease contracts on March 31, 2025 and 2024, the completion of investment properties, new purchase of investment properties, or significant changes in the discount rate due to changes in market interest rates and the re-issuance of a formal valuation report after the valuation by the appraisers, the valuation dates were on December 31, 2024 and 2023. The valuations made by the appraisers on March 31, 2025 and 2024 have taken into consideration the increase and decrease of investment properties and lease contracts, as well as considered the appraisal amounts on December 31, 2024 and 2023, and the changes in the real estate market.

	December 31	
Name of Appraisal Firm	2024	2023
DTZ Real Estate Appraiser Firm	Chun-chun Hu; Jia-he Tsai; Chang-da Yang; Gen-yuan Li	Chun-chun Hu; Jia-he Tsai; Chang-da Yang; Gen-yuan Li; John Bareham
Savills plc Real Estate Appraiser Firm	Hong-kai Zhang; Yi-zhi Zhang; Cheng-ye Wu	Hong-kai Zhang; Yu-fen Ye; Yi-zhi Zhang; Shi-yu Ye
REPro Knight Frank Real Estate Appraiser Firm	Yu-hsiang Tsai; Shang-yi Shin; Andrew Low; Simon Gillespie	Yu-hsiang Tsai; Shang-yi Shin
Great Eastern Real Estate Joint Appraisers Firm	Zhi-ming Zhang; Shu-yuan Jian; Han-sheng Yuan	Zhi-ming Zhang; Shu-yuan Jian; Han-sheng Yuan

(Continued)

Name of Appraisal Firm	December 31 2024	December 31 2023
Shang-shang Real Estate Joint Appraisers Firm	Hong-yuan Wang; Jian-hao Huang; Wei-Zhi Wang	Hong-yuan Wang; Jian-hao Huang; Wei-Zhi Wang
CCIS Real Estate Joint Appraisers Firm	Zhi-hao Wu; Wei-ru Li	Zhi-hao Wu; Wei-ru Li
Elite Real Estate Joint Appraisers Firm	Yu-lin Chen; Yi-hui Luo; Xiu-Ying Zhan; Hsin-Hao Chen	Yu-lin Chen; Yi-hui Luo; Xiu-Ying Zhan
Euro-Asia Real Estate Joint Appraiser Firm	Zong-ting Xie; Shih-yuan Jhou; Xiu-fen Zeng	Zong-ting Xie; Shih-yuan Jhou; Xiu-fen Zeng
Sinyi Real Estate Joint Appraiser Firm	Wei-xin Chi; Wen-zhe Tsai; Liang-an Ji; Shi-ming Wang	Wei-xin Chi; Wen-zhe Tsai; Liang-an Ji; Shi-ming Wang
CBRE	Fu-xue Shi; Zhi-jia Zhang	Jonathan White; Gemma Waston; Fu-xue Shi; Zhi-jia Zhang
Colliers Real Estate Joint Appraiser Firm	Martyn Munford; Alistair Johnstone; Jian-hui Gu	-

(Concluded)

The appraisal firms and appraisers who made significant changes in cash flow due to the increase or decrease of lease contracts on March 31, 2025 and 2024, the completion of investment properties, new purchase of investment properties, or significant changes in the discount rate due to changes in market interest rates and the re-issuance of a formal valuation report after the valuation by the appraisers:

Name of Appraisal Firm	March 31 2025	March 31 2024
DTZ Real Estate Appraiser Firm	-	Chang-da Yang;
Savills plc Real Estate Appraiser Firm	-	Yu-fen Ye; Shi-yu Ye
Great Eastern Real Estate Joint Appraisers Firm	-	Zhi-ming Zhang;
Elite Real Estate Joint Appraisers Firm	-	Yi-hui Luo;
Sinyi Real Estate Joint Appraiser Firm	-	Liang-an Ji;
CBRE	Zhi-jia Zhang	-

The fair value is determined by the lower of fair value evaluation method stipulated by the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the normal market value. The fair value evaluation methods stipulated in the Regulations Governing the Preparation of Financial Statements by Insurance Companies are the discounted cash flow analysis method of the income approach and the cost approach. The normal market value is supported by observable evidence in the market. The main appraisal approaches applied include the sales comparison approach, income approach - direct capitalization method, income approach - discounted cash flow analysis method, cost approach and the method of land development analysis. Commercial office buildings and residences are mainly valued by the sales comparison approach and income approach because of the market liquidity and comparable sales and rental cases in the neighboring areas. Hotels, department stores and marketplaces are mainly valued by the income approach - direct capitalization method and income

approach - discounted cash flow analysis method because of the stable rental income in the long term. The second type of residential area, the third type of residential area and buildings have exceeded the residential areas that can be developed on land, and because the buildings have exceeded the economic and durable years, and the market has fewer homogeneous products, the buildings on the ground are not the most effective. Therefore, their fair values are determined by the method of land development analysis and comparison approach.

The main inputs used in the valuation are listed below. As the direct capitalization rates, the discount rates and overall capital interest rates (the method of land development analysis approach) decrease, the fair value will increase.

	December 31	
Name of Appraisal Firm	**2025**	**2024**
Direct capitalization rates, net	0.26%-5.08%	0.28%-5.11%
Discount rates	2.15%-7.36%	2.44%-6.43%
Overall capital interest rates (the method of land development analysis)	1.88%-8.35%	1.79%-7.94%

The main parameters used in the valuation on March 31, 2025 and 2024 were listed below:

	March 31	
Name of Appraisal Firm	**2025**	**2024**
Direct capitalization rates, net	2.66%-3.38%	1.03%-2.63%
Discount rates	3.97%	2.97%-4.85%

For the targets measured using the discounted cash flow analysis method of the income approach, their cash flow shall be valued on the basis of the existing lease. The expected future cash outflows from investment properties included land value tax, property tax, insurance premium and maintenance costs. These expenditures were based on the actual payments, taking into account the future adjustments to the government-announced land value, the tax rate promulgated under the Housing Tax Act, building and construction expense and estimation of price change. If there is an end-of-period value, the present value of the end-of-period value may be added. Their discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus an estimate based on the individual characteristics of the investment property. The term “based on a certain interest rate” means the interest rate may not be lower than the floating interest rate offered by the Chunghwa Post Co., Ltd. For two-year small postal time deposit, plus 1.25 percentage points.

External appraisers use the market extraction method, search several comparable properties which are identical with or similar to the target property, and consider the liquidity risk and risk premium when disposed of in the future when deciding the direct capitalization rate and the discount rate.

The fair value of right-of-use assets is determined by adding back the amount of lease liabilities already recognized to the valuation result that reflects the expected lease income after deduction of expected payments.

The Group measured investment properties subsequently using the fair value model. The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	$ 193,665,393	$ 187,308,036
Recognized in profit or loss gain arising from the change in fair value of investment properties	115,814	89,729
Acquisitions	1,951	1,697
Decrease	-	(36,613)
Transferred from property and equipment	-	2,681,048
Modification of lease agreement of right-of-use assets	-	202,068
Balance at March 31	$ 193,783,158	$ 190,245,965

b. Investment properties measured at cost

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Cost					
Balance, January 1, 2025	$ -	$ -	$ 5,928,638	$ 8,865,345	$ 14,793,983
Additions	-	-	778,411	368	778,779
Balance, March 31, 2025	-	-	6,707,049	8,865,713	15,572,762
Accumulated depreciation					
Balance, January 1, 2025	-	-	-	594,478	594,478
Depreciation expense	-	-	-	41,503	41,503
Balance, March 31, 2025	-	-	-	635,981	635,981
Accumulated impairment					
Balance, January 1, 2025	-	-	-	-	-
Additions	-	-	-	-	-
Balance, March 31, 2025	-	-	-	-	-
Carrying amount at March 31, 2025	$ -	$ -	$ 6,707,049	$ 8,229,732	$ 14,936,781
Cost					
Balance, January 1, 2024	$ -	$ -	$ 2,932,238	$ 8,832,921	$ 11,765,159
Additions	-	-	430,908	33,927	464,835
Balance, March 31, 2024	-	-	3,363,146	8,866,848	12,229,994
Accumulated depreciation					
Balance, January 1, 2024	-	-	-	428,473	428,473
Depreciation expense	-	-	-	41,501	41,501
Balance, March 31, 2024	-	-	-	469,974	469,974
Accumulated impairment					
Balance, January 1, 2024	-	-	-	-	-
Additions	-	-	-	-	-
Balance, March 31, 2024	-	-	-	-	-
Carrying amount at March 31, 2024	$ -	$ -	$ 3,363,146	$ 8,396,874	$ 11,760,020

1) The Group's investment properties measured at cost were not available for use during construction, or the target could not be valued using the cost model in accordance with the financial reporting preparation standards of the insurance industry, so the fair value could not be determined reliably. Investment properties measured at cost will be measured at fair value at the earlier of when their fair values can be determined reliably or when construction has been completed.

2) The depreciation expense of the investment properties - right-of-use assets for the three months ended March 31, 2025 and 2024 amounted to $41,503 thousand and $41,501 thousand, were respectively capitalized into investment properties - prepaid building and construction costs.

3) All of the Group's investment properties are held under freehold interests. The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	45-62 years
Building facilities	
Elevators	20-25 years
Exterior walls	25-30 years
Air conditioning units	18-25 years
Extinguishing equipment	20-25 years
Others	3-25 years
Right-of-use assets	35-139 years

4) As of March 31, 2025, the ownership of the foreign investment properties, held in name of the Group, was unrestricted.

18. PROPERTY AND EQUIPMENT

	Land	Buildings and Facilities	Transportation Equipment	Other Equipment	Prepayments for Buildings and Constructions in Progress	Total
Cost						
Balance, January 1, 2025	$ 18,374,925	$ 10,151,649	$ 45,202	$ 3,070,369	$ 644,101	$ 32,286,246
Additions	-	-	-	4,632	57,290	61,922
Disposals	-	-	-	(5,735)	-	(5,735)
Balance, March 31, 2025	18,374,925	10,151,649	45,202	3,069,266	701,391	32,342,433
Accumulated depreciation						
Balance, January 1, 2025	-	4,019,484	24,641	2,231,095	-	6,275,220
Depreciation expense	-	62,499	1,400	50,155	-	114,054
Disposals	-	-	-	(5,684)	-	(5,684)
Balance, March 31, 2025	-	4,081,983	26,041	2,275,566	-	6,383,590
Accumulated impairment						
Balance, January 1, 2025	387,795	8,510	-	-	-	396,305
Additions	-	-	-	-	-	-
Balance, March 31, 2025	387,795	8,510	-	-	-	396,305
Carrying amount, at March 31, 2025	$ 17,987,130	$ 6,061,156	$ 19,161	$ 793,700	$ 701,391	$ 25,562,538
Cost						
Balance, January 1, 2024	$ 19,630,477	$ 12,620,929	$ 53,723	$ 2,942,171	$ 303,950	$ 35,551,250
Additions	-	6,137	-	3,694	72,601	82,432
Disposals	(10,107)	(13,585)	(1,142)	(14,930)	(9,069)	(48,833)
Transferred to investment properties	(937,321)	(2,081,523)	-	-	(86)	(3,018,930)
Other reclassifications	-	387	-	-	(387)	-
Balance, March 31, 2024	18,683,049	10,532,345	52,581	2,930,935	367,009	32,565,919

(Continued)

	Land	Buildings and Facilities	Transportation Equipment	Other Equipment	Prepayments for Buildings and Constructions in Progress	Total
Accumulated depreciation						
Balance, January 1, 2024	$ -	$ 4,033,651	$ 23,847	$ 2,138,828	$ -	$ 6,196,326
Depreciation expense	-	71,732	1,791	45,756	-	119,279
Disposals	-	(9,431)	(644)	(14,736)	-	(24,811)
Transferred to investment properties	-	(159,945)	-	-	-	(159,945)
Balance, March 31, 2024	-	3,936,007	24,994	2,169,848	-	6,130,849
Accumulated impairment						
Balance, January 1, 2024	394,664	15,570	-	-	-	410,234
Additions	100,468	212,067	-	-	-	312,535
Transferred to investment properties	(100,468)	(212,067)	-	-	-	(312,535)
Balance, March 31, 2024	394,664	15,570	-	-	-	410,234
Carrying amount, at March 31, 2024	$ 18,288,385	$ 6,580,768	$ 27,587	$ 761,087	$ 367,009	$ 26,024,836

(Concluded)

Property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	45-62 years
Building facilities	
Elevators	20-25 years
Exterior walls	25-30 years
Air conditioning units	18-25 years
Extinguishing equipment	20-25 years
Others	3-25 years
Transportation equipment	5-7 years
Other equipment	
Dynamos	18-20 years
Air conditioning units	10-20 years
Others	3-10 years

19. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount			
Superficies rights	$ 1,605,846	$ 1,615,429	$ 1,701,802
Buildings	352,170	344,980	319,402
Other equipment	9,759	14,561	32,232
	$ 1,967,775	$ 1,974,970	$ 2,053,436

	For the Three Months Ended March 31	
	2025	2024
Additions to right-of-use assets	$ 43,922	$ 159,143
Disposals right-of-use assets	$ 3,347	$ -

(Continued)

	For the Three Months Ended March 31	
	2025	2024
Depreciation charge for right-of-use assets		
Superficies rights	$ 9,583	$ 9,938
Buildings	32,045	36,443
Other equipment	6,142	6,509
	$ 47,770	$ 52,890
Income from the subleasing of right-of-use assets (presented in other income)	$ 341,180	$ 352,623

(Concluded)

The depreciation expense of the right-of-use assets for land and buildings for the three months ended March 31, 2025 and 2024 were $9,583 thousand and $9,938 thousand, of which $1,229 thousand and $1,229 thousand were capitalized into property and equipment - construction-in-progress.

The Group subleased part of its leasehold superficies and buildings under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 17). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Carrying amount	$ 8,550,841	$ 8,612,124	$ 9,231,784

Movements of lease liabilities:

For the three months ended March 31, 2025

	January 1, 2025	Cash Flows (Note)	Non-cash Movements Addition	March 31, 2025
Lease liabilities	$ 8,612,124	$ (102,205)	$ 40,922	$ 8,550,841

Note: Include payments of lease liabilities of $167,068 thousand and interest expense of $64,863 thousand.

For the three months ended March 31, 2024

	January 1, 2024	Cash Flows (Note)	Non-cash Movements Addition	March 31, 2024
Lease liabilities	$ 8,941,095	$ (104,449)	$ 395,138	$ 9,231,784

Note: Include payments of lease liabilities of $174,644 thousand and interest expense of $70,195 thousand.

Range of discount rate for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Superficies	2.30%-4.58%	2.30%-4.58%	2.30%-4.58%
Land and buildings	1.75%-3.14%	1.75%-3.14%	1.75%-3.14%
Others	3.50%-4.35%	3.50%-4.35%	3.50%-4.35%

The interest expense for the lease liabilities for the three months ended March 31, 2025 was $64,863 thousand, of which $35,845 thousand and $497 thousand were capitalized into investment property - prepayments for buildings and property and equipment - construction-in-progress, respectively.

The interest expense for the lease liabilities for the three months ended March 31, 2024 was $70,195 thousand, of which $41,209 thousand and $499 thousand were capitalized into investment property - prepayments for buildings and property and equipment - construction-in-progress, respectively.

c. Material lease-in activities and terms

The superficies leased by the Group include the following items:

1) The Group purchased the superficies right of A12 in Xinyi Dist. by tender from Taipei City Government in November 2003; the right is for 50 years to December 2053.

2) The Group purchased the superficies right of Xinban Section in Banqiao Dist. from Taiwan Tobacco & Liquor Corporation in June 2013; the right is for 50 years to June 2063.

3) The Group purchased the superficies right of Dalong Section in Datong Dist. from CPC Corporation, Taiwan in October 2013; the right is for 50 years to October 2063.

4) The Group purchased the superficies right of Nangang Business Section by tender from Taipei City Government in March 2014; the right is for 60 years to March 2074.

5) The Group purchased the superficies right of Wenhua Section in Banqiao Dist. from CPC Corporation, Taiwan in October 2014; the right is for 50 years to October 2064.

6) The Group purchased the superficies right of London City in United Kingdom from Gracechurch Street No. 1 Limited, the right is for 141 years and ten months to October 2157.

7) The Group purchased the superficies right of Chenggong section in Zongzheng Dist. from Northern Region Branch, National Property Administration, MOF in June 2018; the right is for 70 years to June 2088.

8) The Group purchased the superficies right of Nangang bus station from Taipei city government in December 2020; the right is for 50 years to December 2070.

9) The Group purchased the superficies right of Qianjin District from Kaohsiung city government in March 2021; the right is for 70 years to April 2091.

10) The Group purchased the superficies right of Beitou District from the Taipei city government in February 2022; the right is for 50 years to February 2072.

d. Subleases

Refer to Note 17 for the details on subleases.

e. Other lease information

	For the Three Months Ended March 31	
	2025	2024
Expenses relating to short-term leases	$ 4,327	$ 4,969
Expenses relating to low-value asset leases	123	138
Expenses relating to variable lease payments not included in the measurement of lease liabilities	-	1,965
Total cash outflow for leases	$ 4,450	$ 7,072

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

20. INTANGIBLE ASSETS

	For the Three Months Ended March 31, 2025			
	Computer Software	Prepaid Computer Software	Franchise	Total
Balance, January 1	$ 348,020	$ 66,851	$ 327,696	$ 742,567
Additions	1,232	5,332	49,311	55,875
Amortization	(28,581)	-	-	(28,581)
Reclassification	1,232	(1,232)	-	-
Balance, March 31	$ 321,903	$ 70,951	$ 377,007	$ 769,861

	For the Three Months Ended March 31, 2024			
	Computer Software	Prepaid Computer Software	Franchise	Total
Balance, January 1	$ 293,947	$ 146,643	$ 163,318	$ 603,908
Additions	3,076	5,417	12,699	21,192
Amortization	(24,362)	-	-	(24,362)
Reclassification	1,202	(1,202)	-	-
Balance, March 31	$ 273,863	$ 150,858	$ 176,017	$ 600,738

The Group signed a Build-Operate-Transfer (BOT) investment contract with Taipei city government for Taipei Nangang Bus Station. The contract enabled the Group to obtain aboveground right of Nangang Bus Station, malls and office buildings, as well as the franchise for construction and operation, and an investment execution plan has been submitted to Taipei city government in January 2021. Franchise of Nangang Bus Station (main business part) is recorded as franchise under intangible assets; Franchise of malls and office buildings (subsidiary business part) is recorded as right-of-use under investment properties.

As of March 31, 2025, the Group has paid development royalties and processing fees in accordance with the investment contract for a total of $307,990 thousand.

The interest expense from amortization was $795 thousand and $773 thousand for the three month ended March 31, 2025 and 2024, which was capitalized into intangible assets - franchise.

Intangible assets are amortized on a straight-line basis over 3 to 45 years.

21. OTHER ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
Insurance Industry Stability Fund	$ 7,874,755	$ 7,896,639	$ 7,497,458
Less: Reserve for Insurance Industry Stability Fund	(7,874,755)	(7,896,639)	(7,497,458)
Guarantee deposits paid	18,795,731	21,482,773	26,855,763
Deferred expenses	590,252	607,082	584,471
Prepayment for investments	56,865	42,281	36,803
Net defined benefit assets (Note 22)	6,313,439	6,179,089	5,359,559
Others	370,553	214,687	308,029
	$ 26,126,840	$ 28,525,912	$ 33,144,625

a. Under Tai-Tsai-Bao No. 811769212 issued by the Ministry of Finance on December 31, 1992, one thousandth (1/1000) of premiums should be contributed to the Insurance Industry Stability Fund starting from January 1, 1993. According to "the standard of Life and Property Insurance Stabilization Fund", starting from July 1, 2014, the contribution to the Insurance Industry Stability Fund of Life Insurance Enterprises should be based on the premium income and contribution rate calculated using the difference between capital adequacy ratio and management performance rating indicator. The credit account, reserve for Insurance Industry Stability Fund, is a contra account of the Insurance Industry Stability Fund.

b. Guarantee deposits paid comprised:

	March 31, 2025	December 31, 2024	March 31, 2024
Insurance operation guarantee deposit	$ 12,500,000	$ 12,500,000	$ 11,200,000
Guarantee deposits for office rental (Note 33)	7,787	7,133	12,477
Deposit for derivatives trading	5,346,611	8,033,072	14,672,398
Other guarantee deposits	941,333	942,568	970,888
	$ 18,795,731	$ 21,482,773	$ 26,855,763

c. Based on Article 141 of the Insurance Law, insurance operation guarantee deposit should be deposited in the Central Bank equal to 15% of an insurance company' paid-in capital. Article 142 of the same law further stipulates that this deposit can only be refunded if the insurance company ceases its business operations and completes the required liquidation process. As of March 31, 2025 and 2024, SKLIC deposited government bonds to the special treasury account as operating guarantee deposit.

d. To meet the deposit requirements issued by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions for non-centrally cleared derivatives, which are subject to liquidation risk, SKLIC provided government bonds amounting to $5,346,611 thousand, $8,033,072 thousand and $14,672,398 thousand, respectively, as of March 31, 2025, December 31, 2024 and March 31, 2024, as deposits for currency derivatives trading.

e. Movements in deferred expenses were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance, January 1	$ 607,082	$ 581,655
Additions	23,209	34,759
Amortization	(40,039)	(31,943)
Balance, March 31	$ 590,252	$ 584,471

22. PROVISIONS

	March 31, 2025	December 31, 2024	March 31, 2024
Other employee benefit liabilities	$ 15,373	$ 15,373	$ 26,602
Reserve for loan commitments	3,042	2,741	13,812
	$ 18,415	$ 18,114	$ 40,414

a. The retirement expense recognized under defined benefit plans is calculated using the determined discount rates as of December 31, 2024 and 2023 were as follows:

	For the Three Months Ended March 31	
	2025	2024
Operating expenses	$ 782	$ (3,748)
Administrative expenses	(26,771)	(11,498)
	$ (25,989)	$ (15,246)

Shares and bonds of the consolidated entities, affiliates, and related parties held by the pension trust fund in the custody of the Committee of Pension Trust Funds were summarized as follows:

Name	Category	March 31, 2025	December 31, 2024	March 31, 2024
Shares				
SKFHC	Listed shares	126,798,070	126,798,070	104,495,260
SKFHC	Series A preferred shares	391,000	391,000	391,000
SKFHC	Series B preferred shares	21,312,364	21,312,364	21,312,364
Taiwan Shin Kong Security Co., Ltd.	Listed shares	7,720,001	7,720,001	7,720,001
Shinhai Gas Corporation	Listed shares	3,404,636	3,404,636	3,404,636
		159,626,071	159,626,071	137,323,261

(Continued)

Name	Category	March 31, 2025	December 31, 2024	March 31, 2024
Beneficiary certificates				
SKITC	Shin Kong Chi-Shin Money Market Fund	-	-	12,590,485
SKITC	Shin Kong TIP Taiwan Semiconductor 30 ETF	2,000,000	1,400,000	-
SKITC	Shin Kong's four-year investment in U.S. Equity Fund	3,000,000	3,000,000	3,000,000
SKITC	Shin Kong Global Multi Asset Fund	12,377,130	12,377,130	9,693,239
SKITC	Shin Kong Emerging Wealthy Nations Bond	5,498,735	5,498,735	5,498,735
SKITC	Shin Kong Premium Umbrella Fund - Shin Kong ICE 15 Year US Telecommunications Index ETF	3,240,000	3,240,000	3,240,000
SKITC	Shin Kong 20+ Year BBB US Investment Grade Corporate Bond ETF	4,000,000	4,000,000	-
		30,115,865	29,515,865	34,022,459
Corporate bonds				
SKLIC	Cumulative subordinate corporate bond of 2012 without maturity date	130 units	130 units	130 units
SKLIC	Cumulative subordinate corporate bond of 2016 without maturity date	700 units	700 units	700 units
SKLIC	Cumulative subordinate corporate bond of 2018 without maturity date	300 units	300 units	300 units

(Concluded)

b. Movements in reserve for loan commitments were as follows:

	For the Three Months Ended March 31	
	2025	2024
Balance, January 1	$ 2,741	$ 18,286
Provision	1,082	-
Recovery	(781)	(4,474)
Balance, March 31	$ 3,042	$ 13,812

23. OTHER PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
Accrued expense - salaries	$ 1,341,065	$ 2,092,153	$ 740,934
Accrued expense - others	1,326,130	1,520,781	1,284,554
Accrued interest	853,227	426,316	660,401
Dividend payable	4,938	4,938	4,938
Collection payable	38,990	176,577	43,496
Payable of transactions on securities	1,847,998	1,879,975	3,754,173
Other payable - franchise	83,773	83,646	81,447
Other payable - others	1,946,280	2,011,778	1,725,279
	$ 7,442,401	$ 8,196,164	$ 8,295,222

24. SHORT-TERM LIABILITIES

	March 31, 2025	December 31, 2024	March 31, 2024
Notes and bonds issued under repurchase agreements	$ -	$ -	$ 2,419,028
Interest rates	-	-	5.44%-5.45%

25. BONDS PAYABLE

	March 31, 2025	December 31, 2024	March 31, 2024
Cumulative subordinate corporate bond without maturity date	$ 24,000,000	$ 24,000,000	$ 24,000,000
10-year cumulative subordinated corporate bonds	21,300,000	21,300,000	13,000,000
	$ 45,300,000	$ 45,300,000	$ 37,000,000

26. INSURANCE LIABILITIES

a. Insurance liabilities for insurance contracts and financial instruments with discretionary participation feature

As of March 31, 2025, December 31, 2024 and March 31, 2024, each category and movements of reserve for insurance contracts and financial instruments with discretionary participation feature of the Group were as follows:

1) Reserve for unearned premiums

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 338	$ 5	$ 343	$ 383	$ 6	$ 389	$ 389	$ 8	$ 397
Individual accident insurance	5,410,007	-	5,410,007	5,442,457	-	5,442,457	4,513,103	-	4,513,103
Individual health insurance	4,795,452	-	4,795,452	5,025,608	-	5,025,608	4,442,976	-	4,442,976
Group insurance	1,910,825	-	1,910,825	1,607,597	-	1,607,597	1,852,616	-	1,852,616
Investment type insurance	46,931	-	46,931	46,119	-	46,119	43,003	-	43,003
	12,163,553	5	12,163,558	12,122,164	6	12,122,170	10,852,087	8	10,852,095
Less: Ceded reserve for unearned premiums									
Individual life insurance	73,661	-	73,661	61,765	-	61,765	39,787	-	39,787
Individual accident insurance	4,651	-	4,651	2,596	-	2,596	535	-	535
Individual health insurance	193,216	-	193,216	175,189	-	175,189	65,479	-	65,479
Group insurance	2,452	-	2,452	-	-	-	-	-	-
Investment type insurance	195	-	195	157	-	157	67	-	67
	274,175	-	274,175	239,707	-	239,707	105,868	-	105,868
	$ 11,889,378	$ 5	$ 11,889,383	$ 11,882,457	$ 6	$ 11,882,463	$ 10,746,219	$ 8	$ 10,746,227

Movements in reserve for unearned premiums were as follows:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 12,122,164	$ 6	$ 12,122,170	$ 10,963,724	$ 8	$ 10,963,732
Provision	252,432	4	252,436	343,607	2	343,609
Recovery	(211,043)	(5)	(211,048)	(455,244)	(2)	(455,246)
Balance, December 31	12,163,553	5	12,163,558	10,852,087	8	10,852,095
Less: Ceded reserve for unearned premiums						
Balance, January 1, net	239,707	-	239,707	135,790	-	135,790
Increase	227,908	-	227,908	112,515	-	112,515
Decrease	(193,516)	-	(193,516)	(142,550)	-	(142,550)
Net exchange differences	76	-	76	113	-	113
Balance, March 31	274,175	-	274,175	105,868	-	105,868
Balance, March 31, net	$ 11,889,378	$ 5	$ 11,889,383	$ 10,746,219	$ 8	$ 10,746,227

2) Reserve for claim payments

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance									
Reported but not paid	$ 238,005	$ 2,483	$ 240,488	$ 155,133	$ -	$ 155,133	$ 127,686	$ 302	$ 127,988
Incurred but not reported	6,151	2	6,153	6,101	2	6,103	5,290	2	5,292
Individual accident insurance									
Reported but not paid	102,784	-	102,784	88,828	-	88,828	97,927	-	97,927
Incurred but not reported	1,188,098	-	1,188,098	1,194,688	-	1,194,688	1,133,514	-	1,133,514
Individual health insurance									
Reported but not paid	61,061	-	61,061	51,003	-	51,003	30,790	-	30,790
Incurred but not reported	1,831,105	-	1,831,105	1,810,014	-	1,810,014	1,670,046	-	1,670,046
Group insurance									
Reported but not paid	9,312	-	9,312	5,168	-	5,168	10,940	-	10,940
Incurred but not reported	869,231	-	869,231	852,121	-	852,121	777,495	-	777,495
Investment type insurance									
Reported but not paid	33,601	-	33,601	33,342	-	33,342	54,761	-	54,761
	4,339,348	2,485	4,341,833	4,196,398	2	4,196,400	3,908,449	304	3,908,753
Less: Ceded reserve for claim payments	-	-	-	-	-	-	-	-	-
	$ 4,339,348	$ 2,485	$ 4,341,833	$ 4,196,398	$ 2	$ 4,196,400	$ 3,908,449	$ 304	$ 3,908,753

Movements in reserve for claim payments were as follows:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 4,196,398	$ 2	$ 4,196,400	$ 4,042,523	$ 3	$ 4,042,526
Provision	287,723	2,483	290,206	102,205	3,323	105,528
Recovery	(146,146)	-	(146,146)	(237,363)	(3,022)	(240,385)
Net exchange differences	1,373	-	1,373	1,084	-	1,084
Balance, December 31	4,339,348	2,485	4,341,833	3,908,449	304	3,908,753
Less: Ceded reserve for claim payments	-	-	-	-	-	-
Balance, March 31, net	$ 4,339,348	$ 2,485	$ 4,341,833	$ 3,908,449	$ 304	$ 3,908,753

3) Reserve for life insurance liability

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 2,912,293,921	$ 4,332,202	$ 2,916,626,123	$ 2,899,379,680	$ 4,309,040	$ 2,903,688,720	$ 2,920,145,754	$ 4,562,269	$ 2,924,708,023
Health insurance	354,059,416	-	354,059,416	349,336,646	-	349,336,646	333,032,392	-	333,032,392
Annuity insurance	299,512	13,857,726	14,157,238	298,139	14,143,380	14,441,519	319,049	15,592,519	15,911,568
Investment type insurance	44,246	-	44,246	42,836	-	42,836	42,029	-	42,029
	3,266,697,095	18,189,928	3,284,887,023	3,249,057,301	18,452,420	3,267,509,721	3,253,539,224	20,154,788	3,273,694,012
Less: Ceded reserve for life insurance liability	-	-	-	-	-	-	-	-	-
	$ 3,266,697,095	$ 18,189,928	$ 3,284,887,023	$ 3,249,057,301	$ 18,452,420	$ 3,267,509,721	$ 3,253,539,224	$ 20,154,788	$ 3,273,694,012

Reserve for liability plus “Reserve for life insurance - pending payments to insured” were $3,285,799,734 thousand and $3,268,414,896 thousand on March 31, 2025 and December 31, 2024, respectively.

Reserve for life insurance liability plus "Reserve for life insurance - pending payments to insured" were $3,286,551,689 thousand on March 31, 2024.

Movements in reserve for life insurance liability were as follows:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Balance, January 1	$ 3,249,057,301	$ 18,452,420	$ 3,267,509,721	$ 3,220,909,895	$ 20,650,092	$ 3,241,559,987
Provision	52,039,679	90,641	52,130,320	55,272,164	164,620	55,436,784
Recovery	(44,029,767)	(353,133)	(44,382,900)	(47,670,663)	(659,924)	(48,330,587)
Net exchange differences	9,629,882	-	9,629,882	25,027,828	-	25,027,828
Balance, December 31	3,266,697,095	18,189,928	3,284,887,023	3,253,539,224	20,154,788	3,273,694,012
Less: Ceded reserve for life insurance liability	-	-	-	-	-	-
Balance, December 31, net	$ 3,266,697,095	$ 18,189,928	$ 3,284,887,023	$ 3,253,539,224	$ 20,154,788	$ 3,273,694,012

Reserve for liability plus "Reserve for life insurance - pending payments to insured" were $3,285,799,734 thousand on March 31, 2025.

Reserve for life insurance liability plus "Reserve for life insurance - pending payments to insured" were $3,286,551,689 thousand on March 31, 2024.

SKLIC applied to the FSC in accordance with the provisions of Article 3, Item 1, Subsection 7 of the "Matters to be Noted for the Foreign Exchange Price Fluctuation Reserve in Life Insurance" as specified in the FSC's Order No. 11304931482, dated September 6, 2024. On December 23, 2024, SKLIC received approval from the FSC under Letter No. 1130434269, allowing SKLIC to transfer $58,034 thousand from the reserve for major accidents under liability reserves and $12,000,000 thousand from the voluntarily enhanced liability reserves under the FSC's Letter No. 10904917647 to the foreign exchange price fluctuation reserve. An equal amount of $12,000,000 thousand was also transferred to the special surplus reserve. Please refer to Notes 28d and 38b.

In order to conform to IFRS 17 and stabilize its financial structure, the Group starts calculating and recognizing the reserve for life insurance liabilities from the end of 2020 based on Article No. 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Rule No. 1090420964 and Rule No. 1090423011 issued by the FSC. According to Rule No. 10904917647 issued by the FSC, the amount measured by the special reserve appropriated following adoption of the fair value model for investment properties is recovered and the retained earnings is increased, and the reserve for life insurance liability is recognized. This accounting treatment does not affect the distribution of surplus and undistributed surplus. The Group estimated that the reserve for life insurance liability at the end of 2020 would be about $12 billion, but will continue to be adjusted in accordance with the regulatory standards of the authorities and the Company's strategic assessment. Subsequent assessment of the amount is based on estimates made based on current information, and its assessment methods involve a number of important assumptions, which may be adjusted due to uncertainties such as the Company's actual experience and the market environment, which may change the assessment results.

4) Special reserve for life insurance

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total
Reserve for participating policy dividends	$ 1,448,050	$ -	$ 1,448,050	$ 1,396,979	$ -	$ 1,396,979	$ 1,420,125	$ -	$ 1,420,125
Surplus of fair value measurement of investment properties offset by the negative effect of transition to IFRS Accounting Standards	-	-	-	-	-	-	-	5,495,913	5,495,913
	$ 1,448,050	$ -	$ 1,448,050	$ 1,396,979	$ -	$ 1,396,979	$ 1,420,125	$ 5,495,913	$ 6,916,038

Movements in special reserve for life insurance were as follows:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Surplus of Fair Value Measurement of Investment Properties Offset by the Negative Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Surplus of Fair Value Measurement of Investment Properties Offset by the Negative Effect of Transition to IFRS Accounting Standards	Total
Balance, January 1	$ 1,396,979	$ -	$ 1,396,979	$ 1,364,067	$ 5,495,913	$ 6,859,980
Provision of reserve for participating policy dividends	51,071	-	51,071	68,610	-	68,610
Recovery of reserve for participating policy dividends	-	-	-	(12,552)	-	(12,552)
Balance, March 31	$ 1,448,050	$ -	$ 1,448,050	$ 1,420,125	$ 5,495,913	$ 6,916,038

Note 1: The Group did not provide a special reserve for financial instruments with discretionary participation features.

Note 2: SKLIC, in accordance with the provisions of Article 3, Item 1, Subsection 7 of the "Matters to be Noted for the Foreign Exchange Price Fluctuation Reserve in Life Insurance" as specified in the FSC's Order No. 11304931482, dated September 6, 2024, applied to the Financial Supervisory Commission (FSC) and received approval on December 23, 2024, under FSC Letter No. 1130434269. SKLIC transferred the amount of $5,647,606 thousand, representing the unrealized gain after adjusting for the adverse impact of investment property measured at fair value under IFRS Accounting Standards for the first time, to the foreign exchange price fluctuation reserve. Please refer to Note 38b.

5) Reserve for insufficient premiums

	March 31, 2025			December 31, 2024			March 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 726,416	$ -	$ 726,416	$ 768,111	$ -	$ 768,111	$ 900,662	$ -	$ 900,662
Individual health insurance	134,140	-	134,140	137,607	-	137,607	146,594	-	146,594
	860,556	-	860,556	905,718	-	905,718	1,047,256	-	1,047,256
Less: Ceded reserve for insufficient premiums	-	-	-	-	-	-	-	-	-
	$ 860,556	$ -	$ 860,556	$ 905,718	$ -	$ 905,718	$ 1,047,256	$ -	$ 1,047,256

Movements in reserve for insufficient premiums were as follows:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 905,718	$ -	$ 905,718	$ 1,054,695	$ -	$ 1,054,695
Provision	2,196	-	2,196	33,699	-	33,699
Recovery	(48,871)	-	(48,871)	(50,990)	-	(50,990)
Net exchange differences	1,513	-	1,513	9,852	-	9,852
Balance, March 31	860,556	-	860,556	1,047,256	-	1,047,256
Less: Ceded reserve for insufficient premiums	-	-	-	-	-	-
Balance, March 31, net	$ 860,556	$ -	$ 860,556	$ 1,047,256	$ -	$ 1,047,256

6) Reserve for liability adequacy

	Insurance Contracts and Financial Instruments with Discretionary Participation Feature		
	March 31, 2025	December 31, 2024	March 31, 2024
Reserve for life insurance	$ 3,285,799,734	$ 3,268,414,896	$ 3,286,551,689
Reserve for unearned premiums	12,163,558	12,122,170	10,852,095
Reserve for claim payments	4,341,833	4,196,400	3,908,753
Reserve for insufficient premiums	860,556	905,718	1,047,256
Special reserve for life insurance	1,448,050	1,396,979	6,916,038
	3,304,613,731	3,287,036,163	3,309,275,831
Less: Intangible assets	-	-	-
Book value of insurance obligation	$ 3,304,613,731	$ 3,287,036,163	$ 3,309,275,831
Current estimates of cash flows	$ 2,897,630,652	$ 2,955,227,755	$ 2,968,174,925
Balance of reserve for liability adequacy	$ -	$ -	$ -

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group was not required to provide reserve for liability adequacy after evaluation.

Method used in the liability adequacy test is shown as follows:

	March 31, 2025, December 31, 2024 and March 31, 2024
Test method	Total premium measurement method
Test groups	All insurance contracts as a whole
Assumptions	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information

b. Net insurance premium income

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Gross written premiums	$ 35,168,777	$ 4,858	$ 35,173,635	$ 36,592,971	$ 38,693	$ 36,631,664
Reinsurance premiums	-	-	-	-	-	-
Total insurance income	35,168,777	4,858	35,173,635	36,592,971	38,693	36,631,664
Less: Reinsurance expenses	(525,353)	-	(525,353)	(424,142)	-	(424,142)
Net changes in reserve for unearned premiums	(6,997)	1	(6,996)	81,602	-	81,602
Net insurance premium income	$ 34,636,427	$ 4,859	$ 34,641,286	$ 36,250,431	$ 38,693	$ 36,289,124

c. Net insurance benefits and claims:

	For the Three Months Ended March 31					
	2025			2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Gross written insurance benefits and claims	$ 53,580,859	$ 415,924	$ 53,996,783	$ 57,328,407	$ 702,603	$ 58,031,010
Reinsurance claims	-	-	-	-	-	-
Insurance benefits and claims	53,580,859	415,924	53,996,783	57,328,407	702,603	58,031,010
Less: Claims recovered from reinsurers	(295,399)	-	(295,399)	(257,104)	-	(257,104)
Net insurance benefits and claims	$ 53,285,460	$ 415,924	$ 53,701,384	$ 57,071,303	$ 702,603	$ 57,773,906

27. RESERVE FOR INSURANCE CONTRACT WITH THE NATURE OF FINANCIAL PRODUCTS

The Group issued financial instruments with discretionary participation feature and appropriated reserve for insurance contract with the nature of financial products. As of March 31, 2025, December 31, 2024 and March 31, 2024, the balance and movements were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Investment-linked product	$ 137,474	$ 127,931	$ 88,976

	For the Three Months Ended March 31	
	2025	2024
Balance, January 1	$ 127,931	$ 70,849
Provision	9,041	17,301
Net exchange differences	502	826
Balance, March 31	$ 137,474	$ 88,976

28. EQUITY

a. Ordinary share

	March 31, 2025	December 31, 2024	March 31, 2024
Shares authorized (in thousands of shares)	9,000,000	9,000,000	8,000,000
Shares authorized (in thousands of NTD)	$ 90,000,000	$ 90,000,000	$ 80,000,000
Shares issued and fully paid (in thousands of shares)	8,276,890	8,276,890	7,749,856
Shares issued (in thousands of NTD)	$ 82,768,904	$ 82,768,904	$ 77,498,562
Share premium	35,215,253	35,215,253	26,336,336
	$ 117,984,157	$ 117,984,157	$ 103,834,898

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on July 31, 2024, and the transaction was approved by the FSC on August 13, 2024. On subscription base date, August 22, 2024, the Company was fully paid and issued 527,034 thousand ordinary shares with a consideration of $26.30 per share. The capital increase amounted to $13,861,000 thousand, and the share premium of $8,590,658 thousand was recognized. The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on July 27 and December 4, 2023, and February 27, 2024, and the transaction was approved by the FSC on March 27, 2024. On subscription base date, March 28, 2024, the Company was fully paid and issued 311,111 thousand ordinary shares with a consideration of $22.50 per share. The capital increase amounted to $7,000,000 thousand and the share premium of $3,888,889 thousand was recognized. The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

b. Capital surplus

The donations and capital surplus which arises from shares issued in excess of par, conversion of convertible bonds and treasury shares transaction may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). According to Jin Guan Bao Tsai No. 10202501991 issued by the FSC on February 8, 2013, if a life insurance enterprise intends to distribute its legal reserve appropriated based on Article 145-1 of the Insurance Law and capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them in accordance with Article 241 of the Company Act, it should be approved by the FSC before the shareholders' meeting.

c. Retained earnings and dividend policy

Under the dividends policy of the Company's Article of Incorporation, where the Company made a profit in a fiscal year, the profit shall be utilized for paying taxes, adjusted in accordance with International Financial Reporting Standards and International Accounting Standards approved by the competent authority, and offset losses of previous years. The remaining profit should be set aside as legal reserve and special reserve in accordance with the laws and regulations. The payment of preferred dividends also takes precedence in accordance with the dividends policy of the preferred share, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 31 a.

In order for the Company to continue to expand its scale and increase profitability in line with its long-term financial strategy, future demand for capital and meet the dividend needs of ordinary shareholders, the Company adopted a dividend policy in framing a proposal for the distribution of annual earnings for the purpose of sustainable development, whereby share dividends, if declared, shall not be less than 50% of the total ordinary share dividends declared for the year. However, the Company may adjust dividend policy moderately based on the capital needs of business and investment, the approval of dividend appropriation or major regulation and amendments, etc.

When distributing earnings, the Company must follow relevant regulations such as Rule No. 11004920441 issued by the FSC to deduct the net amount of other equity (such as Exchange differences on translating the financial statements of foreign operations, unrealized gain (loss) on financial assets at FVTOCI, hedging instrument gains and losses, and revaluation increment and set aside as a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash. Pursuant to Jin Guan Bao Tsai No. 10202501991, if a life insurance enterprise intends to appropriate legal reserve under Article 145-1 of the Insurance Act and to distribute, in accordance with Article 241 of the Company Act, its legal reserve and capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them, it should be approved by the FSC before shareholders' meeting.

The offsetting of the deficits for 2024 and 2023 had been approved by the board of directors (on behalf of the shareholder) on May 24, 2025 and March 26, 2024. The reserves used to offset deficits were as follows:

	For the Year Ended December 31	
	2024	**2023**
Legal reserve	$ -	$ -
Special reserve	12,775,452	(3,315,401)

d. Special reserves

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Special reserve for catastrophic events and fluctuation of risks recognized (1)	$ 14,931,825	$ 14,931,825	$ 14,491,792
Special reserve for the foreign exchange valuation (2)	5,773,353	5,773,353	5,773,353
Special reserve for unrealized loss on financial instruments	712,694	712,694	712,694
Special reserve appropriated following first-time adoption of IFRS Accounting Standards (3)	3,953,868	3,953,868	3,953,868
Recover special reserve for revaluation increments of property (4)	22,590,424	22,590,424	22,590,424
Special reserve for gains or losses on disposal of immature debt instruments (5)	33,314,053	33,314,053	36,893,914
Special reserve appropriated following adoption of fair value model to measure investment properties (6)	36,338,123	36,338,123	36,346,298
Special reserve for travel insurance (7)	24,103	24,103	14,237
Special reserve for special provision (8)	12,000,000	12,000,000	12,000,000
Reclassification of designated liability item to the provision for changes in foreign exchange (9)	12,000,000	12,000,000	-
	$ 141,638,443	$ 141,638,443	$ 132,776,580

1) Special reserve for catastrophic events and fluctuation of risks recognized

Following the revised "Regulations Governing the Calculation of Various Reserves for Operations" dated February 7, 2012, SKLIC transferred the balance of the special reserve for catastrophe and for contingent claim, net of tax, from liability to special reserve.

Under the rules submitted by the Company to the authorities and relevant regulations, the Company has set aside a special reserve for catastrophic events and a special reserve for the fluctuation of risks for retained insurance policies with terms shorter than one year and injury insurance policies with terms longer than one year, as follows:

a) Special reserve for catastrophic events

All types of insurance are subject to the reserve rates for catastrophic events set by the authorities. Upon the occurrence of the catastrophic events, an actual claims by a covered business in excess of $30,000 thousand can be withdrawn from the special reserve. If the reserve has been accumulating for over 15 years after the catastrophe, the Company may plan a reserve recovery process through an assessment by certified actuarial professionals and submit the plan to the authorities for reference. The post-tax amount of the recovery determined in accordance with IAS 12 "Income Taxes" can be recorded in the special capital reserve for catastrophic events under equity.

b) Special reserve for fluctuation of risks

When the actual claim payment less a drawdown from the special reserve for catastrophic events is less than the anticipated claim amount, 15% of this difference should be placed in the special reserve for fluctuation of risks.

When the actual claim payment less a drawdown from the special reserve for catastrophic events is greater than the anticipated claim amount, the excess can be used to further draw down the special reserve for fluctuation of risks. If the total amount of special reserves for fluctuation of risks is not enough to cover the actual claim payment, the special reserve for the fluctuation of risks for other types of insurance can be used, and the type of insurance and total amount written down should be reported to the authorities. Under the Ministry of Finance directive Tai Tsai Bao No. 0910074195 dated December 30, 2002, when the accumulated amount of special reserve for fluctuation of risks exceeds 30% of the retained earned premium of the current year, the excess will be recovered. To promote the sustainable development of the insurance industry, the authorities may designate or restrict the use of the recovered amount.

The post-tax amount of write-down or recovery determined in accordance with the IAS 12 "Income Taxes" can be recorded in the special capital reserve for fluctuation of risks under equity.

The annual provision for the above special reserves should be recorded in special reserve under equity, net of tax, in accordance with IAS 12"Income Taxes".

Under Article 23-2 of the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises," life insurance enterprises should recognize the amount equal to the initial reserve for foreign exchange valuation transferred from liabilities as special reserve for three years, starting from the setup of the initial reserve. This special reserve includes the reduced recovery amounts of special reserve for catastrophic events and special reserve for fluctuation of risks, which are calculated in accordance with Articles 19 and 20, due to the transfer of the initial amount of reserve for foreign exchange valuation.

According to Jin Guan Bao Tsai No. 09802513192, the revised Regulations Governing the Setting Aside of Various Reserve by Insurance Enterprise, issued on December 28, 2009, the provision for special reserve for catastrophic events and for fluctuation of risks is recognized at the end of the year and should not be distributed as dividends or be used for any other purposes.

Special reserve for catastrophic events and fluctuation of risks recognized comprised:

	March 31, 2025		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 240	$ -	$ 240
Individual accident insurance	1,856,862	-	1,856,862
Individual health insurance	4,192,454	-	4,192,454
Group insurance	2,113,648	-	2,113,648
For contingent claim			
Individual life insurance	286	-	286
Individual accident insurance	1,493,043	-	1,493,043
Individual health insurance	546,578	-	546,578
Group insurance	4,728,714	-	4,728,714
	$ 14,931,825	$ -	$ 14,931,825

	December 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 240	$ -	$ 240
Individual accident insurance	1,856,862	-	1,856,862
Individual health insurance	4,192,454	-	4,192,454
Group insurance	2,113,648	-	2,113,648
For contingent claim			
Individual life insurance	286	-	286
Individual accident insurance	1,493,043	-	1,493,043
Individual health insurance	546,578	-	546,578
Group insurance	4,728,714	-	4,728,714
	$ 14,931,825	$ -	$ 14,931,825

	March 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 220	$ -	$ 220
Individual accident insurance	1,803,592	-	1,803,592
Individual health insurance	3,951,841	-	3,951,841
Group insurance	1,940,024	-	1,940,024
For contingent claim			
Individual life insurance	218	-	218
Individual accident insurance	1,942,405	-	1,942,405
Individual health insurance	546,578	-	546,578
Group insurance	4,306,914	-	4,306,914
	$ 14,491,792	$ -	$ 14,491,792

2) Special reserve for foreign exchange valuation reserve

According to Jin Guan Bao Tsai No. 10102501551 issued on February 7, 2012 and Article 9 of the Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprise, the Company should appropriate a special reserve at 10% of the profit after tax in order to strengthen the foreign exchange reserve and capital.

According to Jin Guan Bao Tsai No. 10102501551 and Jin Guan Bao Tsai No. 10402026901 issued on May 8, 2015 and Article 8 of the Direction for Reserve for Foreign Exchange Reserve, the Company should set aside special reserve at the amount of hedging expense saved. This special reserve should be set aside in later years if there are no sufficient earnings, and it should only be used for transferring to capital or offsetting deficit.

3) Special reserves appropriated following first-time adoption of IFRS Accounting Standards

For the first-time adoption of IFRS Accounting Standards in 2013, the Company appropriated to special reserve the amounts that were the same as the unrealized revaluation increment, $4,577,526 thousand, cumulative translation differences, $77,017 thousand, and the increment of $20,398 thousand in accordance with Bao Tsai No. 10202508140. Investment properties have been disposed of and the related special reserve had been reversed; thus, balance of special reserve was $721,073 thousand as of March 31, 2025.

Special reserve for unrealized revaluation increment may be reversed when investment properties are disposed of or reclassified. Special reserve for cumulative translation differences may be reversed in proportion to the Company's disposed of foreign operations and may be fully reversed when the Company lost its significant influence on foreign operations.

4) In accordance with Jin Guan Bao Shou No. 10704272230 issued on March 28, 2018, Jin Guan Bao Shou No. 10502915790 issued on February 14, 2017, Jin Guan Bao Tsai No. 10402914880 issued on February 17, 2016 and Jin Guan Bao Tsai No. 10402901500 issued on March 13, 2015, the Company recovered special reserve for revaluation increments of property of $1,590,424 thousand, $7,000,000 thousand, $7,000,000 thousand and $7,000,000 thousand in 2018, 2017, 2016 and 2015, respectively. In accordance with Jin Guan Bao Tsai No. 10102515281 issued on November 30, 2012, revocation of special reserve for revaluation increments of property should be transferred to special reserve under equity. The limitation is $10 billion per year.

5) In accordance with Jin Guan Bao Tsai No. 11204939731 starting from January 1, 2019, the Company should make a special reserve from gains or losses after a tax of 20% on disposals of the following immature debt instruments, which should be amortized and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity periods cannot be determined:

   a) Financial assets not measured at fair value.

   b) Financial assets measured at FVTOCI.

   c) Financial assets measured at FVTPL using overlay approach.

   In the calculation of immature debt instruments, beneficiary certificates, short-term notes, preferred shares (classified as equity instrument), and the positions belonging to the segregated assets for participating insurance or interest-sensitive commodities may be excluded. Special reserve for immature debt instruments should be appropriated after appropriate special reserve according to Item 9 of the Guideline Governing Reserves for Change on Foreign Exchange Price by Life Insurance Enterprises and the accumulated balance should not be negative.

6) Special reserve for investment properties at fair value model in subsequent measurement

   In accordance with Jin Guan Bao Tsai No. 10904917647, the Company set aside special reserve based on net effect for the first-time adoption of fair value model in subsequent measurement, and accumulated net gain on subsequent fair value measurements.

   Special reserve for investment properties at fair value model in subsequent measurement can only be used for compensating deficit of policy reserve of effective contracts, which was measured by IFRS 17 “Insurance Contracts”, Fair value evaluation of in force insurance contract liabilities and other method approved by the authorities.

   When the Company disposes of investment properties, special reserve for investment properties at fair value model in subsequent measurement could be reversed in the proportion of initial recognition. The earnings appropriation regarding the reversal of special reserve should be arranged in accordance with Jin Guan Bao Tsai No. 10202501992.

7) Under Rule No. 11304908291 and Rule No. 10904939031, for the accidental death and loss of personal travel insurance sold in the year, a reserve is provided at 10% of the total premium income calculated according to the amount insured and the number of days insured, after deducting 20% tax, shall be transferred to the special reserve account under the owner’s equity.

8) In accordance with Jin Guan Bao Shou No. 1110468177 issued on January 7, 2023, Jin Guan Bao Shou No. 1100430455 issued on September 27, 2021, the Group appropriated $6,000,000 thousand to special reserve at the end of 2022 and 2021, respectively. According to article 21 of Regulations Governing Calculation of Various Reserve for Operations, a personal insurance enterprise may add special reserves based on special needs for the insurance business with an insurance period of more than one year; the method of adding and deduction and the accumulation limit shall be reported to the competent authority for approval in advance.

9) In accordance with Order NO. Jin Guan Bao Shou No. 1130434269 dated December 23, 2024, promulgated by the Financial Supervisory Commission, Shin Kong Life Insurance Co., Ltd. reclassified $12,000,000 thousand of liability reserves that were voluntarily strengthened in 2020 (in accordance with Order NO. Jin Guan Bao Cai No. 10904917647) to voluntarily strengthen its foreign exchange valuation reserve. At the same time, the Company appropriated an equal amount of $12,000,000 thousand as a special surplus reserve.

e. Other equity

1) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2025	**2024**
Balance at January 1	$ 5,139,521	$ 1,611,712
Recognized for the year		
Unrealized gain (loss) - debt instruments	248,952	(85,844)
Unrealized gain (loss) - equity instruments	2,332,888	3,758,417
Income tax related to financial assets at FVTOCI	(331,970)	(444,210)
Net remeasurement of loss allowance	(191)	662
Reclassification adjustment		
Disposal of investments in debt instruments	(98,611)	8,822
Income tax related to disposal of investments in debt instruments	19,722	(1,764)
Other comprehensive income (loss) recognized for the year	2,170,790	3,236,083
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(117,311)	22,631
Income tax related to disposal of investments in equity instruments	14,077	(2,716)
Balance at March 31	$ 7,207,077	$ 4,867,710

2) Gains on hedging instruments

	For the Three Months Ended March 31	
	2025	**2024**
Balance at January 1	$ 1,721	$ 2,067
Recognized for the year		
Share from associates and joint ventures accounted for using the equity method	(593)	135
Other comprehensive income recognized for the year	(593)	135
Balance at March 31	$ 1,128	$ 2,202

3) Gains on property revaluation

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	$ 5,015,093	$ 4,493,933
Gains on property revaluation	-	134,598
Income taxes related to gains on property revaluation	-	(18,802)
Other comprehensive income recognized for the year	-	115,796
Balance at March 31	$ 5,015,093	$ 4,609,729

f. Non-controlling interests

	For the Three Months Ended March 31	
	2025	2024
Balance at January 1	$ 430,719	$ 432,981
Attributable to non-controlling interests:		
Share of profit for the year	14,672	19,610
Other comprehensive income recognized for the year		
Unrealized gain or loss on financial assets at fair value through other comprehensive income	(3,217)	586
Balance at March 31	$ 442,174	$ 453,177

g. Equity ratio

The ratios of the Company's equity divided by the total assets excluding special account of investment insurance at March 31, 2025, December 31, 2024 and March 31, 2024 were 4.45%, 5.17% and 4.94%.

29. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2025	2024
Basic and diluted (loss) earnings per share from continuing operations	$ (1.33)	$ 0.06

The (loss) earnings and weighted average number of ordinary shares outstanding used in the computation of (loss) earnings per share were as follows:

Net (Loss) Profit for the Year

	For the Three Months Ended March 31	
	2025	2024
(Loss) earnings used in the computation of basic and diluted earnings per share	$ (11,049,480)	$ 453,171

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Three Months Ended March 31	
	2025	**2024**
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	8,276,890	7,452,420

30. NET GAIN ON INVESTMENTS

	For the Three Months Ended March 31	
	2025	**2024**
Interest income		
Cash in bank	$ 281,626	$ 284,343
Financial instruments at FVTPL	269,831	282,405
Financial instruments at FVTOCI	157,606	133,871
Financial assets at amortized cost	22,860,122	22,574,197
Loans	1,643,268	1,720,329
	$ 25,212,453	$ 24,995,145
Loss on financial assets and liabilities at FVTPL		
Loss on changes in fair value	$ (7,798,886)	$ (44,066,175)
Dividend income	2,087,030	1,818,765
Gain (loss) on disposal of investments		
Non-derivative instruments	2,718,782	13,281,560
Derivative instruments	(29,142,109)	(9,893,602)
Distributions from foreign investments	68,578	138,456
	$ (32,066,605)	$ (38,720,996)
Realized gain on investments in equity instruments at fair value through other comprehensive income		
Dividend revenue	$ 21,648	$ 41,812
(Loss) gain on investments in debt instruments at fair value through other comprehensive income		
(Loss) gain on disposal of investments	$ (98,611)	$ 8,822
Loss on financial assets at amortized cost		
Loss on disposal of investments	$ (912,875)	$ (646,551)
Gain on investment properties		
Gain on disposal	$ -	$ 14,429
Revaluation	115,814	89,729
Rental income (Note 32)	1,253,516	1,230,792
	$ 1,369,330	$ 1,334,950

For the three months ended March 31, 2024, SKLIC sold 3 units of President Jasper Villa at the net sales amount of $338,249 thousand (total price of $351,840 thousand minus other taxes and costs of $13,591 thousand). After deducting the carrying amount of $323,820 thousand, the gain on disposal was $14,429 thousand, which was recorded under the gain or loss on investment properties.

	For the Three Months Ended March 31	
	2025	2024
Expected credit impairment losses and gains on reversal from investments		
Investments in debt instruments at fair value through other comprehensive income	$ 191	$ (662)
Financial assets at amortized cost	3,065	(460,435)
Reserve for loan commitments	(301)	4,474
Interest receivables	(42,785)	(38,504)
	$ (39,830)	$ (495,127)

31. NET PROFIT FROM CONTINUING OPERATIONS

a. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
Short-term benefits		
Salary	$ 2,144,832	$ 2,132,434
Labor and health insurance	268,485	235,725
Termination benefits (Note)	76,902	74,753
Termination benefits (Note)	745,015	3,656
Other employee benefits	45,112	31,285
Total employee benefits expense	$ 3,280,346	$ 2,477,853
An analysis of employee benefits expense by function		
Operating costs	$ 760,574	$ 625,904
Operating expenses	2,519,772	1,851,949
	$ 3,280,346	$ 2,477,853

Note: The employee placement plan arising from the merger of Shin Kong Financial Holdings Co., Ltd., the parent company and ultimate parent of Shin Kong Life Insurance Company, and Taishin Financial Holdings Co., Ltd., has been approved by the board of directors of Shin Kong Financial Holdings Co., Ltd. and the relevant expenses are recognized. Please refer to Note 1 for a description of the merger.

According to the Articles of Incorporation of the Company, if there is a profit in the current year, the Company should distribute compensation of employees at the rates of 1% of net profit before income tax. However, the Company has to first cover accumulated loss, if any. There was no distribution required for the three months ended March 31, 2025 and 2024.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The compensation of employees for the years 2024 and 2023 was resolved by the Company's board of directors on behalf of the shareholder on February 19, 2025 and May 24, 2024 and the amount of compensation of employees recognized in the consolidated financial report was both $0.

Information on the compensation of employees resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

b. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	**2024**
Property and equipment	$ 114,054	$ 119,279
Right-of-use assets	46,541	51,661
Intangible assets and other assets	68,620	56,305
	$ 229,215	$ 227,245
An analysis of depreciation by function		
Operating costs	$ 1,528	$ 1,652
Operating expenses	159,067	169,288
	$ 160,595	$ 170,940
An analysis of amortization by function		
Operating expenses	$ 68,620	$ 56,305

c. Direct operating expenses from investment properties

	For the Three Months Ended March 31	
	2025	**2024**
Direct operating expenses from investment properties generating rental income	$ 275,656	$ 282,993
Direct operating expenses from investment properties not generating rental income	2,458	2,532
	$ 278,114	$ 285,525

d. Donation expense

	For the Three Months Ended March 31	
	2025	**2024**
Other related party		
National Sun Yat-sen University	$ -	$ 3,000
Others	508	-
	$ 508	$ 3,000

On June 28, 2022, the Company's board of directors approved donations of $24,000 thousand each to non-related parties National Sun Yat-sen University and National Chengchi University for the establishment of an International School of Finance. The donations are to be paid to each university at $3,000 thousand annually over eight years from 2022 to 2029.

32. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax benefit (expense) were as follows:

	For the Three Months Ended March 31	
	2025	**2024**
Current tax		
In respect of the current year	$ (41,119)	$ 445,649
Land value increment tax	-	(5,247)
Deferred tax		
In respect of the current year	1,277,456	(447,566)
Income tax benefit (expense) recognized in profit or loss	$ 1,236,337	$ (7,164)

The income tax expenses for the three months ended March 31, 2025 and 2024 included $29,182 thousand and $48,131 thousand, respectively, which were the withholding taxes on foreign income paid by the Company. The foreign income had no income tax deduction effect, so it was recorded under income tax expenses in the current period, Income tax expenses for the current period in 2025 and 2024 decreased by $0 thousand and $509,843 thousand, respectively, due to the use of deferred tax assets of SKLIC under the merger-linked tax of Financial Holdings.

Due to the merger between Shin Kong Financial Holding Co., Ltd., the parent and ultimate parent company of Shin Kong Life Insurance Co., Ltd., and Taishin Financial Holding Co., Ltd., which has been approved by the Financial Supervisory Commission, and with both parties' chairpersons jointly agreeing to set the merger base date as July 24, 2025, Shin Kong Life Insurance Co., Ltd. will cease adopting the consolidated tax filing system starting from the year ended 2025.

b. Income tax recognized directly in equity

	For the Three Months Ended March 31	
	2025	**2024**
Current tax		
Disposal of investments in equity instruments designated as at FVTOCI	$ (14,077)	$ 2,716
Deferred tax		
Disposal of investments in equity instruments designated as at FVTOCI	14,077	(2,716)
Total income tax recognized directly in equity	$ -	$ -

c. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31	
	2025	2024
Deferred tax		
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	$ (331,970)	$ (444,210)
Gains on property revaluation	-	(18,802)
Arising on income and expenses reclassified from equity to profit or loss:		
On disposal of investments in debt instruments at fair value through other comprehensive income	19,722	(1,764)
Other comprehensive income based on reclassification using the overlay approach	2,697,062	(1,123,800)
Income tax benefit (expense) on total income tax recognized in other comprehensive income	$ 2,384,814	$ (1,588,576)

d. Information about unused loss carryforwards

Loss carryforwards as of March 31, 2025 comprised:

Unused Amount	Expiry Year
$ 15,035,176	2028
121,651,997	2032
77,639,624	2033
74,651,669	2034
46,354,283	2035
$ 335,332,749	

e. Income tax assessments

The tax returns of the Company through 2019 have been assessed by the tax authorities.

33. RELATED-PARTY TRANSACTIONS

a. The related parties and their relationships with the Group are as follows:

Related Party	Relationship
Shin Kong Financial Holdings Co., Ltd.	The parent company
Taipan Solar Co., Ltd.	Associate Enterprise
Bao-Shen Wei	Key management personnel
Shih-Chi Hung	Key management personnel
Min-Yi Hung and other directors	Key management personnel
Hsin-Cheng Liu and other management personnel	Key management personnel
Hung-Neng Ho and other audit committee members	Key management personnel

(Continued)

Related Party	Relationship
Shin Kong Investment Trust Co., Ltd.	Fellow subsidiary
Taiwan Shin Kong Commercial Bank Co., Ltd.	Fellow subsidiary
Shin Kong Marketing Consultant Co., Ltd.	Fellow subsidiary
Shin Kong Property Insurance Agency Co., Ltd.	Fellow subsidiary
Shin Kong Venture Capital International Co., Ltd.	Fellow subsidiary
MasterLink Securities Co., Ltd.	Fellow subsidiary
MasterLink Futures Co., Ltd.	Fellow subsidiary
MasterLink Securities Investment Advisory Co., Ltd.	Fellow subsidiary
MasterLink Insurance Agency Co., Ltd.	Fellow subsidiary
Shin Kong Chao Feng Co., Ltd.	Other related party
ChiaBan Investment Co., Ltd.	Other related party
Skin Kong Lohas Co., Ltd.	Other related party
Shin Kong Synthetic Fiber Corp.	Other related party
Shin Sheng Co., Ltd.	Other related party
Shin Kong Life Charity Foundation	Other related party
Yung Kwang Co., Ltd.	Other related party
Shinkong Co., Ltd.	Other related party
Shin Kong Mitsukoshi Department Store Co., Ltd.	Other related party
Wang Tien Woolen Textile Co., Ltd.	Other related party
Shin Kong Recreation Co., Ltd.	Other related party
Shin Kong Spinning Co., Ltd.	Related party in substance
Waibel Enterpris, Inc.	Related party in substance
Shin Kong Capital Co., Ltd.	Related party in substance
ShinSoft Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Co., Ltd.	Related party in substance
Shin Kong Communication Co., Ltd.	Related party in substance
The Great Taipei Gas Corp.	Related party in substance
Shin Kong Shien Ya International Co., Ltd.	Related party in substance
Shinhai Gas Corporation	Related party in substance
Yi Kong Security Co., Ltd.	Related party in substance
Yi Kong Building Management Service Co., Ltd.	Related party in substance
Taiwan Security Co., Ltd.	Related party in substance
Shin-Po Leasing Co., Ltd.	Related party in substance
Jaspervilla Co., Ltd.	Related party in substance
Shin Kong Fire & Marine Insurance Co., Ltd.	Related party in substance
Taishin Securities International Trust Co., Ltd.	Related party in substance
An Long Enterprise Co., Ltd.	Related party in substance
Hung Shin Enterprise Co., Ltd.	Related party in substance
Hui Feng Investment Co., Ltd.	Related party in substance
Taishin Investment Trust Co., Ltd.	Related party in substance
Taishin Securities Co., Ltd.	Related party in substance
Dah-Yu Mee Company	Related party in substance
Hua Nan Commercial Bank Co., Ltd.	Related party in substance
Hua Nan Securities Co., Ltd.	Related party in substance
Hua Nan Investment Trust Co., Ltd.	Related party in substance
Sliver Kitchen Co., Ltd.	Related party in substance
Shin Kong Medical Club	Related party in substance
Shin Kong Bank Cultural and Educational Foundation	Related party in substance
Shin Kong Memorial Hospital (Shin Kong Wu Ho-Su Memorial Hospital)	Related party in substance

(Continued)

Related Party	Relationship
Great Taipei Broadband Co., Ltd.	Related party in substance
Chi-Ye Chemical Engineering Co., Ltd.	Related party in substance
Taiwan Shin Kong Real Estate Development Co., Ltd.	Related party in substance
Shin Kong Investment Co., Ltd.	Related party in substance
Xinxin Healthcare Management Co., Ltd.	Related party in substance
New Xiyue Co., Ltd	Related party in substance
Shin Kong Jasper fitness Co., Ltd.	Related party in substance
Taroko Development Corp.	Related party in substance
Taiwan Fuhbic Corp.	Related party in substance
Taiwan Institute for Sustainable Energy	Related party in substance
Other related party in substance	Associate and other related parties not separately disclosed. Independent directors of the Company, spouse and the relative within second degree of kinship of the fellow subsidiaries, director and associate of the Company

(Concluded)

Note: The Company classified the above relationship into five categories: (1) parent company, (2) joint venture, (3) fellow subsidiary, (4) associate, (5) key management personnel, (6) related party in substance, (7) others (those not included in the above (1)-(6)). This classification is a basis for disclosure of transactions with related parties.

b. Except for significant intra-group transactions that have been eliminated on consolidation and are not disclosed in this note, significant transactions with related parties were as follows:

1) Deposits

Deposits (recognized as cash and cash equivalents)

	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
Fellow subsidiary						
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 11,307,833	35	$ 24,367,011	33	$ 24,373,947	45
Related party in substance						
Taishin International Bank	80,978	-	143,717	-	84,629	-
Hua Nan Bank	65,945	-	174,772	-	59,573	-
	$ 11,454,756	35	$ 24,685,500	33	$ 24,518,149	45

Time deposits with original maturities exceeding three months (recognized as financial assets measured at amortized cost)

	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
Fellow subsidiary						
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 944,432	23	$ 922,432	20	$ 922,432	40

The deposits mentioned above include pledged fixed deposits deposited with related parties, which were $794,432 thousand, $794,432 thousand, and $824,432 thousand on March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The deposits above referred to the amount of bank deposit adjusted for in-transit deposits and undiscounted checks. The terms and conditions of the above deposits to related parties were not significantly different from that of unrelated parties.

The interest income generated by the deposits in Taiwan's Shin Kong Commercial Bank was $51,544 thousand and $75,449 thousand for three months ended in 2025 and 2024, respectively.

2) Secured loans

	March 31, 2025				
	Highest Balance	Period-end Balance	%	Interest Rate (%)	Interest Income
Key management personnel	$ 1,025	$ 1,004	-	2.20	$ 6
Related party in substance	21,808	21,134	-	2.19-2.63	126
		$ 22,138	-		$ 132

	March 31, 2024				
	Highest Balance	Period-end Balance	%	Interest Rate (%)	Interest Income
Key management personnel	$ 6,269	$ 1,131	-	2.06	$ 22
Related party in substance	35,280	34,614	-	2.06-2.50	204
		$ 35,745	-		$ 226

There is no significant difference between the approval conditions of the secured loans of related parties mentioned above and that of non-related parties.

3) Lease arrangements

a) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Others	$ 2,827	$ 2,964	$ 3,386
Related party in substance			
The Great Taipei Gas Corp.	96,996	101,437	3,678
HSBC Investment Co., Ltd.	-	1,191	3,547
Shin Kong Spinning Co., Ltd.	10,918	11,448	13,026
Others	787	825	939
	108,701	114,901	21,190
	$ 111,528	$ 117,865	$ 24,576

b) Interest expense

	For the Three Months Ended March 31	
	2025	2024
Others	$ 13	$ 74
Related party in substance	534	54
	$ 547	$ 128

c) Lease expense

	For the Three Months Ended March 31	
	2025	2024
Related party in substance	$ 19	$ 237

As of March 31, 2025, December 31, 2024 and March 31, 2024, the deposits paid for leasing and building management to related parties were as follow:

	March 31, 2025	December 31, 2024	March 31, 2024
Others	$ 13	$ 13	$ 13
Related party in substance	13,435	16,937	22,192
	$ 13,448	$ 16,950	$ 22,205

The above listed refundable deposits are the security deposits paid for the lease of operating premises. The deposits will be refunded without interest at the end of the lease terms when the lease targets are returned.

4) Lease of investment properties to related parties

Operating lease/sublease

a) Rentals receivable from related parties were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
The parent company	$ -	$ -	$ 2,866
Fellow subsidiary	173	-	-
Others	323	323	664
Related party in substance	9,861	10,616	20,625
	$ 10,357	$ 10,939	$ 24,155

b) Future lease payment receivables are as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
The parent company	$ 24,567	$ 32,756	$ 57,323
Fellow subsidiary			
Taiwan Shin Kong Commercial Bank Co., Ltd.	635,992	689,360	899,195
MasterLink Securities Co., Ltd.	121,448	57,634	77,931
Others	154,270	88,729	108,697
	911,710	835,723	1,085,823
Others			
Shin Kong Mitsukoshi Department Store Co., Ltd.	1,299,048	1,382,857	1,760,000
Others	32,342	36,047	42,844
	1,331,390	1,418,904	1,802,844
Related party in substance			
Jasper villa Co., Ltd.	465,723	472,932	505,003
Others	630,250	686,116	782,105
	1,095,973	1,159,048	1,287,108
	$ 3,363,640	$ 3,446,431	$ 4,233,098

c) Rentals received for the leasing of investment properties to related parties were as follows:

	For the Three Months Ended March 31	
	2025	2024
The parent company	$ 8,223	$ 8,230
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	66,931	68,545
MasterLink Securities Co., Ltd.	8,284	7,922
Others	6,549	6,188
	81,764	82,655
Others		
Shin Kong Mitsukoshi Department Store Co., Ltd.	83,810	83,809
Others	3,754	3,755
	87,564	87,564
Related party in substance		
Shin Kong Wu Ho-Su Memorial Hospital	16,281	16,654
Others	47,035	54,074
	63,316	70,728
	$ 240,867	$ 249,177

d) All the terms of the lease transactions with related parties were not significantly different from that of general transactions. The above rentals received excluded VAT.

e) As of March 31, 2025 and 2024, deposits received for the lease of properties to related parties were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
The parent company	$ 8,386	$ 8,386	$ 8,395
Fellow subsidiary			
Taiwan Shin Kong Commercial Bank Co., Ltd.	68,810	68,734	71,641
Others	18,583	16,672	16,628
	87,393	85,406	88,269
Others	3,261	3,261	3,261
Related party in substance	43,484	43,298	44,166
	$ 142,524	$ 140,351	$ 144,091

5) Commission expense (recognized under operating costs)

	For the Three Months Ended March 31	
	2025	2024
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 528,786	$ 351,332
MasterLink Insurance Agency Co., Ltd.	7,363	10,831
Related party in substance		
Taishin International Bank Co., Ltd.	47,324	8,786
Shin Kong Fire & Marine Insurance Co., Ltd.	117	39
Hua Nan Commercial Bank Co., Ltd.	88	164
	$ 583,678	$ 371,152

6) Operating expenses

a) Building management expense and cleaning fee

	For the Three Months Ended March 31	
	2025	2024
Others		
Yi Kong Building Management Service Co., Ltd.	$ 326	$ 808

b) Insurance expense

	For the Three Months Ended March 31	
	2025	2024
Related party in substance		
Shin Kong Fire & Marine Insurance Co., Ltd.	$ 8,316	$ 8,701

c) Professional service expense

	For the Three Months Ended March 31	
	2025	2024
Related party in substance		
Taiwan Shin Kong Security Co., Ltd.	$ 2,778	$ 2,993
Jasper villa Co., Ltd.	6,382	12,347
Others	428	342
	$ 9,588	$ 15,682

d) Postage expense

	For the Three Months Ended March 31	
	2025	2024
Related party in substance		
Great Taipei Broadband Co., Ltd.	$ 4,012	$ 3,268
Taishin International Bank Co., Ltd.	12	24
	$ 4,024	$ 3,292

e) Donation expense

The Group donated $10,000 thousand to Shin Kong Life Charitable Foundation, which was approved by the Group's board of directors on April 24, 2024, respectively.

f) Other expenses

	For the Three Months Ended March 31	
	2025	2024
Others	$ 3,017	$ 3,183
Related party in substance	742	1,628
	$ 3,759	$ 4,811

7) Processing fee income

	For the Three Months Ended March 31	
	2025	2024
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 2,427	$ 6,735
Shin Kong Property Insurance Agency Co., Ltd.	4,000	3,769
Shin Kong Investment Trust Co., Ltd.	445	576
MasterLink Securities Co., Ltd.	300	500
	$ 7,172	$ 11,580

8) Processing fee expense (recognized under processing fee expenses and management expenses)

	For the Three Months Ended March 31	
	2025	2024
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 83,593	$ 78,612
Related party in substance		
Taishin International Bank Co., Ltd.	6,566	7,235
Hua Nan Commercial Bank Co., Ltd.	123	126
	$ 90,282	$ 85,973

9) Beneficiary certificates

	March 31, 2025	December 31, 2024	March 31, 2024
Fellow subsidiary			
Shin Kong Investment Trust Co., Ltd.	$ 2,893,722	$ 2,763,224	$ 3,380,648
Related party in substance			
Taishin Investment Trust Co., Ltd.	1,700,111	844,126	824,772
	$ 4,593,833	$ 3,607,350	$ 4,205,420

The Group acquired and disposed of several mutual funds from Shin Kong Investment Trust Co., Ltd., Taishin Investment Trust Co., Ltd. and Hua Nan Investment Trust Co., Ltd. for the three months ended March 31, 2025 and 2024; the mutual funds were as follows:

	2025		2024	
	Buy	Sell	Buy	Sell
Fellow subsidiary				
Shin Kong Investment Trust Co., Ltd.	$ 150,000	$ 57,528	$ 510,000	$ 5,049
Related party in substance				
Taishin Investment Trust Co., Ltd.	1,576,199	650,429	-	623,172
Hua Nan Investment Trust Co., Ltd.	-	-	750,000	1,513,471
	$ 1,726,199	$ 707,957	$ 1,260,000	$ 2,141,692

10) Bonds purchased under resale agreements

	March 31, 2025				
Related Party	Highest Balance	Month with Highest Balance	Ending Balance	Interest Rate (%)	Interest Income
Fellow subsidiary					
MasterLink Securities Co., Ltd.	$ 400,000	February 2025	$ -	1.50	$ 164

	March 31, 2024				
Related Party	Highest Balance	Month with Highest Balance	Ending Balance	Interest Rate (%)	Interest Income
Fellow subsidiary					
MasterLink Securities Co., Ltd.	$ 1,060,000	January 2024	$ -	-	$ 452

11) Securities processing fees and other expenses

The amounts of transaction fee paid for the trading of securities by the Group and the related party were as follows:

	For the Three Months Ended March 31	
	2025	2024
Fellow subsidiary		
MasterLink Securities Co., Ltd.	$ 41,440	$ 50,379
Related party in substance		
Taishin Securities Co., Ltd.	1,577	2,246
Hua Nan Securities Co., Ltd.	1,137	1,073
	$ 44,154	$ 53,698

12) Management and custodian fee on discretionary investment services

The amounts of securities investment manager fees paid for the management of domestic securities investments by the Group and the related party, Shin Kong Investment Trust Co., Ltd., MasterLink Securities Investment Advisory Co., Ltd. and Taishin Securities Investment Trust Co., Ltd. and the paid amount were as follows:

	For the Three Months Ended March 31	
	2025	2024
Fellow subsidiary		
Shin Kong Investment Trust Co., Ltd.	$ 1,550	$ 1,717
MasterLink Securities Investment Advisory Co., Ltd.	2,360	2,505
Related party in substance		
Taishin Securities Investment Trust Co., Ltd.	1,618	1,634
	$ 5,528	$ 5,856

The funds for operating discretionary investment are under the custody of the fellow subsidiary, Taiwan Shin Kong Commercial Bank Co., Ltd. The custodian fees were $251 thousand and $388 thousand for the three months ended March 31, 2025 and 2024, respectively.

13) Securities lending

The amount of securities lending income and securities borrowing fees generated from the securities lending transactions between the Group and the related parties were as follows:

	For the Three Months Ended March 31			
	2025		2024	
	Lending	Borrowings	Lending	Borrowings
Fellow subsidiary				
MasterLink Securities Co., Ltd.	$ 8	$ 1	$ -	$ -
Related party in substance				
Hua Nan Securities Co., Ltd.	94	-	354	-
	$ 102	$ 1	$ 354	$ -

14) Other operating revenue

	For the Three Months Ended March 31	
	2025	2024
Parent company	$ 1,572	$ 1,425
Fellow subsidiary	17,154	18,784
Other related parties	20,358	19,975
Related party in substance	25,931	29,560
	$ 65,015	$ 69,744

15) Other operating cost

	For the Three Months Ended March 31	
	2025	2024
Other related parties	$ -	$ 235
Related party in substance	33,746	35,422
	$ 33,746	$ 35,657

16) Other operating income

	For the Three Months Ended March 31	
	2025	2024
Related party in substance		
Jasper Villa Co., Ltd.	$ 67	$ 262

17) Cash dividends receivable

The board of directors of Taipan Solar Co., Ltd. approved the distribution of cash dividends $32,993 thousand on February 26, 2025 and SKLIC recognized cash dividends receivable $9,898 thousand on March 31, 2025, which was recorded as account receivable.

18) Dividends payable on preference shares

The parent company held 4,700,000 thousand series D preference shares with interest rate of 4.25% issued by the Company. The Company had already redeemed them on January 6, 2014. The Company accrued $2,736 thousand for dividend payable for preference shares, which was recorded as dividend payables, both for the three months ended March 31, 2025 and 2024.

19) Current tax assets

In accordance with Article 49 of the Financial Holding Company Act, the Company and its parent company jointly filed income tax returns since 2004 under the integrated income tax system with the financial holding company (the parent) as the taxpayer along with its subsidiaries which the parent held for more than 12 months. The Company and its parent company accrued $11,379,938 thousand, $11,379,938 thousand and $9,640,581 thousand for distribution of cash receipts as current tax asset related to the integrated income tax system for the three months ended March 31, 2025, December 31, 2024 and March 31, 2024.

c. Compensation of key management personnel

	For the Three Months Ended March 31	
	2025	**2024**
Short-term employee benefits	$ 36,910	$ 31,451
Post-employment benefits	405	464
Other long-term employee benefits	19	32
Share-based payments	29,117	-
	$ 66,451	$ 31,947

The remuneration of directors and key executives was determined based on the performance of individuals and market trends.

34. INSURANCE PRODUCTS - SEPARATE ACCOUNTS

The related account balances are summarized as follows:

	March 31, 2025	**December 31, 2024**	**March 31, 2024**
Separate account assets			
Beneficiary certificates	$ 54,253,593	$ 55,169,341	$ 54,154,203
Bonds	2,028,871	1,972,138	79
Accounts receivable	156,415	60,881	126,703
Bank deposits	10,059	9,855	21,032
	$ 56,448,938	$ 57,212,215	$ 54,302,017
Separate account liabilities			
Reserves	$ 32,364,437	$ 32,707,568	$ 33,941,544
Accounts payable	18,026	19,436	41,918
Investment contracts	24,066,475	24,485,211	20,318,555
	$ 56,448,938	$ 57,212,215	$ 54,302,017

	For the Three Months Ended March 31	
	2025	2024
Income on insurance products - separate accounts		
Premium income	$ 860,711	$ 687,175
Gain and loss on fair value change of financial assets and liabilities designated as at FVTPL	(733,044)	688,215
Exchange gain and loss	398,294	941,113
Interest income and fund distributions	236,606	238,156
Other gains	(1,063)	(352)
	$ 761,504	$ 2,554,307
Disbursement on insurance products - separate account		
Insurance claims and payment	$ 231,506	$ 303,852
Cash surrender value	603,617	828,866
Net change in insurance reserves - insurance contract	(373,865)	1,118,769
Payment of maintenance fee	300,246	302,820
	$ 761,504	$ 2,554,307

For the three months ended March 31, 2025 and 2024, SKLIC managed separate accounts and received sales rebates of $16,045 thousand and $15,218 thousand from dealers, respectively, as processing fee income and commission income.

35. BUSINESS OR TRANSACTION ACTIVITIES, JOINT BUSINESS PROMOTION ACTIVITIES, INTERACTIVE USE OF INFORMATION, OR SHARING OF BUSINESS EQUIPMENT OR PREMISES WITH VARIOUS SUBSIDIARIES OF FINANCIAL HOLDING COMPANIES, AND THE METHOD OF APPORTIONING REVENUE, COSTS, EXPENSES, AND PROFITS AND LOSSES

In order to expand the economic scale and utilize the benefits of the group's resources, SKFHC and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or apportion it to the respective companies by its paid-in capital.

36. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of March 31, 2024, SKLIC had 13 open purchase contracts and construction contracts signed for investment properties; the contract price payable in the future was as follows:

	Amount
2025	$ 3,799,188
2026-2030	5,642,150
	$ 9,441,338

37. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. Shin Kong Vietnam Co., Ltd.'s establishment was approved by the Vietnam authorities on March 26, 2025. On April 15, 2025, SKLIC injected a capital of US$600 thousand into the subsidiary on April 15, 2025.

b. After approving by the board of directors on February 19, 2025 and April 25, 2025, SKLIC is to establish a 100% shareholding Shin Kong Life Singapore Pte. Ltd., with a capital of US$20,000 thousand. The subsidiary will be established pending approval by the competent authority in Singapore.

c. On April 25, 2025, SKLIC's board of directors approved to issue a cumulative subordinated ordinary corporate bond with a maturity of more than 10 years (inclusive) with an amount of up to $25,000,000 thousand (including NT$ and/or equivalent foreign currency), which will be issued in one time or in installments within one year from the date of the resolution of the board of directors in China or through Shin Kong Life Insurance Co., Ltd. Singapore special purpose foreign fundraising enterprise, depending on market conditions and objective conditions.

38. OTHERS

a. Hedging strategies and exposure situation:

1) Simulation scenario and countermeasures in the event of significant fluctuations in the foreign exchange market

When special or significant events happen to the macroeconomic environment such as the September 11 terrorist attack in the U.S., the September 21 earthquake in Taiwan, the United Kingdom leaving the European Union, COVID-19, Ukraine and Russia war or the exchange rate of the N.T. dollar against the U.S. dollar fluctuates over a pre-determined level, an emergency meeting will be held to discuss corresponding measures.

2) Foreign exchange hedging strategy

The Company mainly uses traditional hedging instruments. The investment department evaluates various factors such as market liquidity, hedging cost, and investing environment, then chooses the hedging instruments with the optimal long-term cost efficiency, and executes foreign exchange hedges according to approved intervals and targets.

3) The Company's control mechanism of foreign exchange risk

a) Control of hedging ratio on foreign exchange

The risk management department periodically monitors whether the hedging ratio on foreign exchange satisfies the standards.

b) Control of value-at-risk of foreign exchange exposure

SKLIC follows the relevant regulations for the foreign exchange price fluctuation reserve and adjusts or allocates the reserve based on foreign exchange gains and losses while implementing corresponding risk control measures. The risk management department monitors the daily or monthly variations in the balance of reserves for changes in foreign exchange valuation. When the decrease reaches a certain threshold, the risk management department will issue a warning notice or hold meetings to discuss corresponding measures.

c) Control of foreign exchange gains or losses and reverse for changes in foreign exchange valuation differential

SKLIC follows the relevant regulations for maintaining the reserve for changes in foreign exchange valuation and adjusts or allocates the reserve based on foreign exchange gains and losses while implementing risk control measures. The risk management department monitors the daily or monthly variations in the balance of reserves for changes in foreign exchange valuation. When the decrease reaches a certain threshold, the risk management department will issue a warning notice or hold meetings to discuss the required measures.

d) Control of reserves for changes in foreign exchange valuation and making various provisions

SKLIC follows the relevant regulations for maintaining the reserve for changes in foreign exchange valuation and establishes control indicators for this reserve. When the reserve falls below a certain threshold, the risk management department will issue a warning notice or hold meetings to discuss the required measures.

e) Foreign exchange hedging instruments

The Company mainly uses traditional hedging instruments. The investment department evaluates various factors such as market liquidity, hedging cost, and investing environment and chooses the hedging instruments with the optimal long-term cost efficiency.

b. Movements in reserve for changes in foreign exchange valuation:

For the three months ended March 31, 2025

	Reserve for Changes in Foreign Exchange Valuation	Special Reserve for Surplus in Fair Value Measurement of Investment Properties (Note 25)	Reserve for Major Accidents under Liability Reserves (Note 25)	Reserve for Life Insurance Liability (Note 25)
Balance at January 1	$ 45,145,827	$ -	$ -	$ -
Provision				
Compulsory provision	2,233,338	-	-	-
Additional provision	12,056,184	-	-	-
	14,289,522	-	-	-
Reversal	(105,622)	-	-	-
Balance at March 31	$ 59,329,727	$ -	$ -	$ -

For the three months ended March 31, 2024

	Reserve for Changes in Foreign Exchange Valuation	Special Reserve for Surplus of Fair Value Measurement of Investment Properties (Note 25)	Reserve for Major Accidents under Liability Reserves (Note 25)	Reserve for Life Insurance Liability (Note 25)
Balance at January 1	$ 13,218,699	$ 5,495,913	$ 58,034	$ 12,000,000
Provision				
Compulsory provision	916,110	-	-	-
Additional provision	8,216,801	-	-	-
	9,132,911	-	-	-
Reversal	(1,651,747)	-	-	-
Balance at March 31	$ 20,699,863	$ 5,495,913	$ 58,034	$ 12,000,000

SKLIC applied to the FSC in accordance with the provisions of Article 3, Item 1, Subsection 7 of the "Matters to be Noted for the Foreign Exchange Price Fluctuation Reserve in Life Insurance" as specified in the FSC's Order No. 11304931482, dated September 6, 2024. On December 23, 2024, SKLIC received approval from the FSC under Letter No. 1130434269, allowing SKLIC to transfer $58,034 thousand from the reserve for major accidents under liability reserves and $12,000,000 thousand from the voluntarily enhanced liability reserves under the FSC's Letter No. 1090491647, and $5,647,606 thousand representing the unrealized gain after adjusting for the adverse impact of investment properties measured at fair value under IFRS Accounting Standards for the first time to the foreign exchange price fluctuation reserve. An equal amount of $12,000,000 thousand was also transferred to the special surplus reserve.

c. Effect of reserve for changes in foreign exchange valuation:

For the three months ended March 31, 2025

Affected Accounts	Amounts If Not Applied	Amounts If Applied	Effects
Profit (loss) attributable to owner of the Company	$ 297,640	$ (11,049,480)	$ (11,347,120)
Earnings (loss) per share	0.04	(1.33)	(1.37)
Reserve for changes in foreign exchange valuation	-	59,329,727	59,329,727
Equity attributable to owner of the Company	192,649,751	162,242,479	(30,407,272)

For the three months ended March 31, 2024

Affected Accounts	Amounts If Not Applied	Amounts If Applied	Effects
Profit attributable to owner of the Company	$ 6,438,102	$ 453,171	$ (5,984,931)
Earnings per share	0.86	0.06	(0.80)
Reserve for changes in foreign exchange valuation	-	20,699,863	20,699,863
Equity attributable to owner of the Company	192,194,086	178,526,193	(13,667,893)

Profit if not applied with reserve for change in foreign exchange valuation: Profit if applied with reserve for changes in foreign exchange valuation ± (Net changes in reserve for changes in foreign exchange valuation) × 80%, for the three months ended March 31, 2025 and 2024.

39. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not measured at fair value

March 31, 2025

		Fair Values			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,627,634,755	$ 409,927,324	$ 841,066,146	$ 713,679,241	$ 1,964,672,711
Refundable deposits	18,795,731	-	16,404,566	-	16,404,566
Financial liabilities					
Deposits received	1,847,725	-	1,801,983	-	1,801,983

December 31, 2024

		Fair Values			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,607,519,729	$ 301,794,952	$ 937,192,558	$ 711,937,765	$ 1,950,925,275
Refundable deposits	21,482,773	-	18,690,914	-	18,690,914
Financial liabilities					
Deposits received	1,828,615	-	1,783,414	-	1,783,414

March 31, 2024

		Fair Values			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,570,942,301	$ 412,058,258	$ 878,891,921	$ 699,527,469	$ 1,990,477,648
Refundable deposits	26,855,763	-	22,909,545	-	22,909,545
Financial liabilities					
Deposits received	1,796,143	-	1,754,077	-	1,754,077

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined using discounted cash flow analysis, market quotes from providers such as TPEX, Bloomberg or other recognized markets, or the theoretical price calculated by the Yield Book system or Bloomberg, with the most significant unobservable input being the discount rate that reflects the credit risk of counterparties.

b. Fair value of financial instruments that are measured at fair value.

1) Fair value hierarchy

Item	March 31, 2025 Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 105,800,601	$ 105,635,601	$ -	$ 165,000
Debt investments	26,595,564	328,826	10,072,585	16,194,153
Others	164,251,063	160,145,195	4,015,292	90,576
Financial assets at FVTOCI				
Share investments	106,552,558	103,113,234	-	3,439,324
Debt investments	44,739,970	-	44,739,970	-
Derivatives				
Assets				
Financial assets at FVTPL	48,617	-	48,617	-
Liabilities				
Financial liabilities at FVTPL	14,898,143	-	14,898,143	-

Item	December 31, 2024 Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 103,952,396	$ 103,790,696	$ -	$ 161,700
Debt investments	26,397,584	283,302	10,067,408	16,046,874
Others	167,404,308	163,384,696	3,936,850	82,762
Financial assets at FVTOCI				
Share investments	103,388,140	99,817,250	-	3,570,890
Debt investments	26,501,263	768,710	25,732,553	-
Derivatives				
Assets				
Financial assets at FVTPL	-	-	-	-
Liabilities				
Financial liabilities at FVTPL	26,885,868	-	26,885,868	-

Item	March 31, 2024 Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 124,198,805	$ 124,032,005	$ -	$ 166,800
Debt investments	27,122,687	16	12,428,962	14,693,709
Others	172,348,073	164,243,444	8,042,252	62,377
Financial assets at FVTOCI				
Share investments	121,107,703	117,393,810	-	3,713,893
Debt investments	26,336,668	2,516,497	23,820,171	-
Derivatives				
Assets				
Financial assets at FVTPL	39,514	-	39,514	-
Liabilities				
Financial liabilities at FVTPL	27,802,301	-	27,802,301	-

There were no transfers between Level 1 and Level 2 as of March 31, 2025 and 2024.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the three months ended March 31, 2025

Item	January 1, 2025	Evaluation Profit or Loss		Increase in Current Year		Decrease in Current Year		March 31, 2025
		Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Purchase or Issuance	Transferred to Level 3	Sale, Disposal or Settlement	Transferred from Level 3	
Financial assets at fair value through profit or loss	$ 16,291,336	$ 50,873	$ -	$ 107,520	$ -	$ -	$ -	$ 16,449,729
Financial assets at fair value through other comprehensive income	3,570,890	-	(102,588)	-	-	(5,393)	(23,585)	3,439,324

For the three months ended March 31, 2024

Item	January 1, 2024	Evaluation Profit or Loss		Increase in Current Year		Decrease in Current Year		March 31, 2024
		Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Purchase or Issuance	Transferred to Level 3	Sale, Disposal or Settlement	Transferred from Level 3	
Financial assets at fair value through profit or loss	$ 13,493,418	$ (220,674)	$ -	$ 360,242	$ 1,289,900	$ -	$ -	$ 14,922,886
Financial assets at fair value through other comprehensive income	3,560,528	-	153,365	-	-	-	-	3,713,893

For the three months ended March 31, 2025, the emerging stock held by the Group were transferred from Level 3 to Level 1 with an amount of $23,585 thousand because the transactions were active.

For the three months ended March 31, 2025, the Group changed the valuation method used in calculating the fair values of domestic financial debentures at FVTPL to the Yield Book system. Therefore, debentures amounting to $1,289,000 thousand were transferred from Level 2 to Level 3.

The total gains for the three months ended March 31, 2025 included unrealized gains (losses) on financial assets at FVTPL of $50,873 thousand and unrealized losses on financial assets at FVTOCI of $(102,588) thousand, based on Level 3 fair value measurement applied at the end of the reporting period.

The total gains for the three months ended March 31, 2024 included unrealized (losses) gains on financial assets at FVTPL of $(220,674) thousand and unrealized gains on financial assets at FVTOCI of $153,365 thousand, based on Level 3 fair value measurement applied at the end of the reporting period.

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic and foreign bond investments	Discounted cash flow. Discount on bond credit spreads and market interest rates. Market quotes from providers such as TPEX, Bloomberg or other recognized markets.
Foreign listed shares	Market quotes from providers such as Bloomberg.
Domestic and foreign beneficiary certificates	Quoted price in non-active market.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
Derivatives	Evaluation of forward exchange at market price: Forward exchange is evaluated and calculated in accordance with notional amounts, contract forward rate and market forward rate.

(Concluded)

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares	Discounted cash flow approach: The company's free cash flow model is used as the evaluation method, and the significant unobservable input values are net income growth rate, cost of equity capital and discount for lack of marketability. Net asset method: The company's net value is used as the fair value, and the significant unobservable input value is the discount for lack of marketability. Equity adjustment approach: The fair value is adjusted according to the company's net value, and the significant unobservable input values are discount for lack of marketability and discount for minority interest. Market multiple approach: Evaluate the fair value of the target according to the transaction price of the shares of comparable peers in the active market, the corresponding market multiplier and the discount rate. Significant unobservable input values are price-book ratio, price-sales revenue ratio, price-EBIT ratio, price-EBITDA ratio, price-earnings ratio, and discount for lack of marketability.
Mortgage Backed Securities (MBS), Callable Financial Debentures and International Callable Financial Debentures	The theoretical price calculated by the Yield Book system is used in a prepayment model and/or interest rate model to calculate and discount the cash flow. The significant unobservable input value is the option-adjusted spread.
Domestic financial debentures	The theoretical price is calculated by the Bloomberg OAS1 model. The significant unobservable input value is the option-adjusted spread. The theoretical price calculated by the Yield Book method. Cash flows are calculated and discounted to their present value using advance repayment models and/or interest rate models for investment valuation. The significant unobservable input value is the option-adjusted spread.
Domestic beneficiary certificates	Equity adjustment approach: The fair value is adjusted according to the company's net asset value, and the significant unobservable inputs values are the discount for lack of marketability and the minority interest discount.

The valuation data for assets measured at fair value based on Level 3 of the Group comes from an independent system or the financial statements of the subject, and is updated and re-evaluated on each reporting date based on the data source to ensure that the valuation is reasonable. Depending on the method used, the significant unobservable inputs for Level 3 valuation are shown in the following table.

	March 31, 2025	December 31, 2024	March 31, 2024
Net income growth rate	2.61%-3.18%	2.61%-3.31%	2.88%-3.15%
Cost of equity capital	5.14%	4.57%	4.13%
Price-book ratio	0.83-2.95	0.30-3.11	0.46-2.76
Discount for lack of marketability	0%-30%	0%-30%	0%-30%
Discount for minority interest	20%-35%	20%-35%	20%-35%
Price-sales revenue ratio	1.59-3.85	0.82-3.99	0.94-4.26
Price-EBIT ratio	19.44	20.00	17.86
Price-EBITDA ratio	4.35-19.44	4.55-20.00	5.38-17.86
Price-earnings ratio	12.13-16.89	14.64-16.88	11.04-15.51
Option adjusted spread	0-51bps	0-50bps	0-58bps

In order to reflect the influence of significant unobservable inputs, assuming all other variables were held constant, the market value would increase (decrease) as follows:

March 31, 2025

Risk Factors	Difference (+/-)	Effective Value
Net income growth rate	-10%	$ (73,443)
Cost of equity capital	+10%	(143,182)
Price-book ratio	-10%	(16,169)
Discount for lack of marketability	+10%	(155,267)
Discount for minority interest	+10%	(11,006)
Price-sales revenue ratio	-10%	(18,004)
Price-EBIT ratio	-10%	(2,155)
Price-EBITDA ratio	-10%	(6,301)
Price-earnings ratio	-10%	(7,224)
Option adjusted spread	+50bps	(801,025)

December 31, 2024

Risk Factors	Difference (+/-)	Effective Value
Net income growth rate	-10%	$ (81,302)
Cost of equity capital	+10%	(144,705)
Price-book ratio	-10%	(17,565)
Discount for lack of marketability	+10%	(159,196)
Discount for minority interest	+10%	(10,580)
Price-sales revenue ratio	-10%	(20,758)
Price-EBIT ratio	-10%	(2,601)
Price-EBITDA ratio	-10%	(6,597)
Price-earnings ratio	-10%	(7,260)
Option adjusted spread	+50bps	(763,940)

March 31, 2024

Risk Factors	Difference (+/-)	Effective Value
Net income growth rate	-10%	$ (103,569)
Cost of equity capital	+10%	(155,480)
Price-book ratio	-10%	(15,945)
Discount for lack of marketability	+10%	(163,763)
Discount for minority interest	+10%	(10,725)
Price-sales revenue ratio	-10%	(21,118)
Price-EBIT ratio	-10%	(2,992)
Price-EBITDA ratio	-10%	(7,202)
Price-earnings ratio	-10%	(7,131)
Option adjusted spread	+50bps	(760,706)

c. Categories of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Fair value through profit or loss	$ 296,695,845	$ 297,754,288	$ 323,709,079
Financial assets at amortized cost (Note 1)	2,861,157,566	2,893,415,050	2,844,224,813
Financial assets at fair value through other comprehensive income			
Equity instruments	106,552,558	103,388,140	121,107,703
Debt instruments	44,739,970	26,501,263	26,336,668
Financial liabilities			
Fair value through profit or loss	14,898,143	26,885,868	27,802,301
Amortized cost (Note 2)	56,849,374	57,449,373	51,375,710

Note 1: Amount of financial assets at amortized cost includes cash and cash equivalents, investment in debt instruments, loans, accounts receivable and refundable deposits and also includes related amount of portfolios that classified as assets for sale.

Note 2: Amount of financial liabilities at amortized cost includes accounts payable, short-term debt, bonds payable, reserve for loan commitments and deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, derivatives, accounts receivable, accounts payable and bonds payable. SKLIC's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of SKLIC through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by SKLIC's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk and the use of financial derivatives.

The corporate treasury function reports quarterly to SKLIC's risk management committee which reports to the board of directors, the risk management committee is an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (iii) below), interest rates (see (iv) below) and price fluctuations (see (v) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and risk of price fluctuation, including:

- Forward foreign exchange contracts and interest rate swap to hedge the exchange rate risk arising on foreign currency assets and liabilities; and

- Index futures and options to mitigate the price fluctuation of equity securities.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

Market risk exposures were measured using value-at-risk (VaR) and stress test and were supplemented by sensitivity analysis.

a) Value at Risk (VaR) analysis

The VaR measures estimate the potential loss that would result from market risks on investment portfolio in over a given holding period for a specified confidence level. The Group adopts two-week 99% VaR number as measures indicators.

b) Stress test

Besides the module of VaR, the Group adopted stress test periodically to measure potential risk of an extremely extraordinary event.

The investment positions were measured using stress test by simple sensitivity analysis and scenario analysis. This test covered position losses caused by changes in risk factors in various historical scenarios.

Simple sensitivity

Simple sensitivity is a method to measure the changes in value of investment portfolio that would resulted from changes in specific risk factors.

Scenario analysis

Scenario analysis is a method to measure the changes in value of an investment portfolio in a stressful event, of which two methods are as follows:

- Historical scenario

  Historical scenario involves selection of a prior period historical event, taking of the fluctuations of risk factors into consideration, and calculation of loss of the investment portfolio that would occur for an event.

- Hypothetical scenario

  Hypothetical scenario involves setting of assumptions for possible extreme market variations in the future based on reasonable expectation, taking of the fluctuations in risk factors into consideration, and calculation of losses of the investment portfolio that would occurred for an event.

  The corporate treasury function regularly reports historical scenario and hypothetical scenario to SKLIC's risk management committee as the basis of risk analysis, risk early-warning system and operation management.

Stress Test Table
For the Three Months Ended March 31, 2025

(In Thousands)

Risk Factors	Exchange Difference (+/-)	Effective Value
Equity risk (share index)	-10%	$ (17,801,606)
Interest risk (yield curve)	+20bps	(596,075)
Foreign currency risk (foreign exchange)	N.T. dollar devalued $1 against U.S. dollar	(24,962,082)
Commodity risk (commodity price)	-10%	-

Note: Equity risk is tested using stocks and funds (excluding currency and bond funds).

Stress Test Table
For the Three Months Ended March 31, 2024

(In Thousands)

Risk Factors	Exchange Difference (+/-)	Effective Value
Equity risk (share index)	-10%	$ (22,650,978)
Interest risk (yield curve)	+20bps	(704,919)
Foreign currency risk (foreign exchange)	N.T. dollar devalued $1 against U.S. dollar	(18,183,930)
Commodity risk (commodity price)	-10%	-

Note: Equity risk is tested using shares and funds (excluding currency and bond funds).

c) Foreign currency risk

The Group managed exchange rate exposures according to the policy for managing forward foreign exchange contracts and foreign exchange swap contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as well as non-monetary assets and liabilities at the end of the reporting period were as follows:

March 31, 2025

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 72,708,162	33.1820	$ 2,412,602,228
AUD	4,503,274	20.8018	93,676,183
RMB	1,340,801	4.5759	6,135,429
CNH	318,573	4.5703	1,455,984
GBP	3,313	42.9939	142,456
NZD	267	18.9104	5,050
Non-monetary items			
USD	955,225	33.1820	31,696,276
EUR	776	35.9427	27,884
CNH	673	4.5703	3,074
JPY	8,800	0.2225	1,958
AUD	33	20.8018	677
HKD	44	4.2651	188
Financial liabilities			
Monetary items			
USD	49,947	33.1820	1,657,338
Non-monetary items			
USD	448,983	33.1820	14,898,143

December 31, 2024

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 72,184,273	32.7810	$ 2,366,272,660
AUD	4,448,552	20.3963	90,734,164
RMB	1,514,339	4.4909	6,800,771
CNH	228,600	4.4778	1,023,622
IDR	154,953,664	0.0020	315,597
GBP	2,847	41.1795	117,246
Non-monetary items			
USD	985,389	32.7810	32,302,034
EUR	822	34.1316	28,066
CNH	667	4.4778	2,985
AUD	133	20.3963	2,708
JPY	11,382	0.2098	2,388
HKD	64	4.2223	271
Equity investments			
RMB	1,148	4.4909	5,157

(Continued)

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial liabilities			
Monetary items			
USD	$ 9,695	32.7810	$ 317,822
Non-monetary items			
USD	820,166	32.7810	26,885,868

(Concluded)

March 31, 2024

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 72,112,776	31.9900	$ 2,306,887,700
AUD	4,349,784	20.8223	90,572,466
CNH	2,185,841	4.4074	9,633,940
IDR	155,095,052	0.0020	312,929
RMB	50,620	4.4281	224,152
GBP	2,711	40.3682	109,427
Non-monetary items			
USD	899,472	31.9900	28,774,115
EUR	116,240	34.4500	4,004,480
AUD	1,584	20.8223	32,979
JPY	52,739	0.2114	11,148
CNH	1,828	4.4074	8,056
HKD	46	4.0878	189
Financial liabilities			
Non-monetary items			
USD	869,093	31.9900	27,802,301

As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group used foreign exchange forward contracts and foreign exchange swap contracts to mitigate exchange rate exposure, whose total nominal principal amounted to $933,077,840 thousand, $1,119,012,216 thousand and $1,222,881,730 thousand, respectively. The Group negotiated the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details SKLIC's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the USD. The rate of 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in post-tax profit/loss be associated with the New Taiwan dollar strengthening 1% against the USD. For a 1% weakening of the New Taiwan dollar against the USD, the impact on pre-tax profit/loss will be the same amount but negative.

	USD Impact	
	For the Three Months Ended March 31	
	2025	2024
Pre-tax profit/loss	$ 8,282,918	$ 5,817,039

The impacts in the table above were net effects of exchange fluctuation risk by considering the foreign currency monetary assets and related hedging financial derivative instruments.

SKLIC and its subsidiaries have set up a foreign exchange (forex) price fluctuation reserve. Forex-related stress test scenarios help determine the amount of forex price fluctuation reserve to be allocated, as calculated in accordance with the regulations set by the authorities.

d) Interest rate risk

The Group is exposed to interest rate risk because of investments in both fixed-rate financial assets and floating rate financial assets. The Group managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Group financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets			
Fair value interest rate risk			
Financial assets	$ 2,685,536,788	$ 2,643,678,361	$ 2,605,654,563
Cash flow interest rate risk			
Financial assets	31,941,478	36,876,921	44,742,722

Sensitivity analysis

The sensitivity analyses below were determined based on SKLIC's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A positive number below indicates an increase in income before tax and pre-tax other comprehensive income associated with 1 basis point decrease in interest rate. If interest rates had been 1 basis point higher, there would be an equal and opposite impact on income before tax and pre-tax other comprehensive income and the balance below would be negative.

	USD Impact	
	For the Three Months Ended March 31	
	2025	2024
Income before tax	$ 16,297	$ 16,988
Pre-tax other comprehensive profit or loss	13,507	18,258

The changes in the fair value of debt instruments at fair value through profit or loss and at fair value through other comprehensive income were the main reasons for the changes in pre-tax profit or loss and pre-tax other comprehensive profit or loss.

e) Other price risk

The Group is exposed to equity price risk through investments in listed equity securities. Equity investments are held for strategic purposes associated with the assets and liability management rather than trading purposes. The Group's equity price risk was mainly concentrated on equity instruments operating in the electronics industry (including telecommunication) sector quoted on the Taiwan Stock Exchange. In addition, the Group had appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

A positive number below indicated an increase in income before tax, pre-tax other comprehensive income due to the changes in the fair value of held-for-trading investments and the changes in fair value of available-for-sale shares associated with 1% increase in equity securities and beneficiary certificate prices. If equity securities and beneficiary certificate prices had been 1% lower, there would be an equal and opposite impact on income before tax, pre-tax other comprehensive income due to the changes in the fair value of held-for-trading investments and changes in fair value of available-for-sale shares.

	Effects	
	For the Three Months Ended March 31	
	2025	2024
Income before tax	$ 42,606	$ 83,375
Pre-tax other comprehensive income	3,700,483	4,023,008

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could equal the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's investment objects are spread in various industry sectors and geographical locations. Ongoing credit evaluation is performed on financial condition of investment object and credit risk exposure is controlled under risk management strategy.

Apart from the largest customers, Citibank, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Citibank did not exceed 3% of capital employed at any time, for the three months ended March 31, 2025 and 2024. Concentration of credit risk to any other counterparty did not exceed 3% of capital employed at any time for the three months ended March 31, 2025 and 2024.

The Group's concentration of credit risk by geographical locations was mainly in US, which accounted for 33.98%, 33.22% and 33.57% of the total foreign investments as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The Group's concentration of credit risk of 11.23%, 11.05% and 10.76% in total transaction amounts as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, was related to the Group's five largest customers.

The credit risks of the Group resulted from financial instrument transactions in operating activities, including debt investment and loan. The possibility of large losses to investment portfolio caused by a single event of credit risk due to significant concentration was lowered by regular statistics and monitoring of concentrations as follows:

a) The amount of exposure to credit risk - industry sector

March 31, 2025

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ 19	$ 26,281,898	$ -	$ 34,020	$ 277,371	$ 2,256	$ -	$ -	$ -	$ -	$ 26,595,564
Financial assets at fair value through other comprehensive income	29,495,445	10,564,364	-	-	-	650,529	-	601,922	-	3,427,710	44,739,970
Financial assets at amortized cost	638,931,465	1,222,061,610	133,203,731	73,240,196	28,686,379	31,694,811	126,116,261	70,863,927	203,666,608	117,677,744	2,646,142,732
Total	668,426,929	1,258,907,872	133,203,731	73,274,216	28,963,750	32,347,596	126,116,261	71,465,849	203,666,608	121,105,454	2,717,478,266
% of total	24.59%	46.32%	4.90%	2.70%	1.07%	1.19%	4.65%	2.63%	7.49%	4.46%	100.00%

December 31, 2024

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ 18	$ 26,121,823	$	$ -	$ 275,743	$ -	$ -	$ -	$ -	$ -	$ 26,397,584
Financial assets at fair value through other comprehensive income	10,461,788	11,119,261	-	-	-	650,680	249,883	602,153	-	3,417,498	26,501,263
Financial assets at amortized cost	640,296,740	1,206,634,179	133,561,363	72,532,683	28,406,473	31,445,151	125,702,269	70,651,685	201,320,043	117,105,849	2,627,656,435
Total	650,758,546	1,243,875,263	133,561,363	72,532,683	28,682,216	32,095,831	125,952,152	71,253,838	201,320,043	120,523,347	2,680,555,282
% of total	24.27%	46.39%	4.98%	2.71%	1.07%	1.20%	4.71%	2.66%	7.51%	4.50%	100.00%

March 31, 2024

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ 16	$ 27,122,671	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,122,687
Financial assets at fair value through other comprehensive income	9,482,848	13,442,300	-	-	-	-	-	-	-	3,411,520	26,336,668
Financial assets at amortized cost	639,397,379	1,180,460,682	131,432,491	71,799,715	32,760,576	31,102,052	124,207,949	70,239,275	197,317,403	118,220,408	2,596,937,930
Total	648,880,243	1,221,025,653	131,432,491	71,799,715	32,760,576	31,102,052	124,207,949	70,239,275	197,317,403	121,631,928	2,650,397,285
% of total	24.48%	46.07%	4.96%	2.71%	1.24%	1.17%	4.69%	2.65%	7.44%	4.59%	100.00%

b) The amount of exposure to credit risk - geographical location

March 31, 2025

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 26,515,513	$ 64,891	$ 15,160	$ -	$ -	$ -	$ -	$ -	$ 26,595,564
Financial assets at fair value through other comprehensive income	22,032,157	22,707,813	-	-	-	-	-	-	44,739,970
Financial assets at amortized cost	242,323,154	1,175,735,052	241,783,417	323,953,776	245,714,511	129,780,766	286,852,056	-	2,646,142,732
Total	290,870,824	1,198,507,756	241,798,577	323,953,776	245,714,511	129,780,766	286,852,056	-	2,717,478,266
% of total	10.70%	44.10%	8.90%	11.92%	9.04%	4.78%	10.56%	-	100.00%

December 31, 2024

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 26,322,915	$ 67,127	$ 7,542	$ -	$ -	$ -	$ -	$ -	$ 26,397,584
Financial assets at fair value through other comprehensive income	22,048,375	3,934,060	-	518,828	-	-	-	-	26,501,263
Financial assets at amortized cost	245,425,830	1,159,957,824	239,698,360	324,315,492	242,764,051	132,886,103	282,608,775	-	2,627,656,435
Total	293,797,120	1,163,959,011	239,705,902	324,834,320	242,764,051	132,886,103	282,608,775	-	2,680,555,282
% of total	10.96%	43.42%	8.94%	12.12%	9.06%	4.96%	10.54%	-	100.00%

March 31, 2024

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 27,046,044	$ 76,643	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,122,687
Financial assets at fair value through other comprehensive income	21,230,475	2,950,465	-	1,200,914	-	954,814	-	-	26,336,668
Financial assets at amortized cost	247,740,083	1,139,682,710	238,853,630	326,567,737	239,809,901	130,378,954	273,904,915	-	2,596,937,930
Total	296,016,602	1,142,709,818	238,853,630	327,768,651	239,809,901	131,333,768	273,904,915	-	2,650,397,285
% of total	11.17%	43.11%	9.01%	12.37%	9.05%	4.96%	10.33%	-	100.00%

Regarding credit quality, the Group regularly tracked credit ratings by each credit rating agency for normal assets that were neither past due nor impaired, which were classified into low credit risk, medium credit risk and high credit risk according to their credit ratings. The definition of each level of risk is as follows:

Low credit risk

Refers to a company which has a robust ability to fulfill its contract commitments, even when there are negative news or unfavorable economic terms, the company is still in a good financial position to manage these adverse situations.

Medium credit risk

Refers to a company which has a lower ability to fulfill its contract commitments, and various negative news or unfavorable economic terms may weaken its financial position, which in turn would raise doubts about its impairment of assets or cause a loss to the Group.

High credit risk

Refers to a company with a weak ability to fulfill its contract commitments and which is dependent on the business environment, and various negative news or unfavorable economic conditions would lower its ability and willingness to fulfill its obligations.

Impaired

Refers to a company which has failed to fulfill its obligations in accordance with the contract, and SKLIC estimated the standard of impairment based on the potential loss.

SKLIC recognized impairment losses regarding each financial asset in accordance with IFRS Accounting Standards, and under the principle of conservative estimates, the amount after impairment losses have been recognized can appropriately reflect the current value. Information on credit quality is disclosed as follows:

Credit Quality of Financial Asset Analysis

March 31, 2025

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 44,739,970	$ -	$ -	$ 44,739,970	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,739,970
Financial assets at amortized cost	2,547,316,090	27,059,635	30,099,889	2,604,475,614	-	-	6,440,662	6,440,662	35,226,456	-	35,226,456	(5,318,437)	2,640,824,295
Total	2,592,056,060	27,059,635	30,099,889	2,649,215,584	-	-	6,440,662	6,440,662	35,226,456	-	35,226,456	(5,318,437)	2,685,564,265
% of total	96.52%	1.01%	1.12%	98.65%	-	-	0.24%	0.24%	1.31%	-	1.31%	(0.20%)	100.00%

December 31, 2024

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 26,501,263	$ -	$ -	$ 26,501,263	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,501,263
Financial assets at amortized cost	2,524,932,343	25,602,604	35,761,133	2,586,296,080	-	-	6,502,823	6,502,823	34,857,532	-	34,857,532	(5,287,849)	2,622,368,586
Total	2,551,433,606	25,602,604	35,761,133	2,612,797,343	-	-	6,502,823	6,502,823	34,857,532	-	34,857,532	(5,287,849)	2,648,869,849
% of total	96.32%	0.97%	1.35%	98.64%	-	-	0.25%	0.25%	1.31%	-	1.31%	(0.20%)	100.00%

March 31, 2024

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 26,336,668	$ -	$ -	$ 26,336,668	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 26,336,668
Financial assets at amortized cost	2,504,982,883	9,402,171	27,672,296	2,542,057,350	-	-	20,699,321	20,699,321	34,181,259	-	34,181,259	(6,663,452)	2,590,274,478
Total	2,531,319,551	9,402,171	27,672,296	2,568,394,018	-	-	20,699,321	20,699,321	34,181,259	-	34,181,259	(6,663,452)	2,616,611,146
% of total	96.74%	0.36%	1.06%	98.16%	-	-	0.79%	0.79%	1.31%	-	1.31%	(0.26%)	100.00%

Note 1: Normal assets and impaired items included debt instruments but excluded funds and shares. The amounts of impaired items were the gross amounts of impaired assets (before net of accumulated impairment).

Note 2: The credit rating for normal assets was simultaneously considered all the ratings declared by S&P, Moody's, Fitch and Taiwan Rating, and chosen by the middle of the first three ratings or the lower of two ratings.

Note 3: Lower credit risk means that the credit rating is BBB or above.

Note 4: Medium credit risk means that credit rating is between BBB- or below and BB+ or above.

Note 5: High credit risk means that credit rating is below BB or no credit rating.

Loan Arrangements by Geographical Location
(Excluding Policy Loans and Premium Loans)

March 31, 2025

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 22,433,755	$ 8,528,708	$ 15,324,005	$ 213,086	$ 46,499,554
Overdue loans	4,210	2,310	254	-	6,774
Total	22,437,965	8,531,018	15,324,259	213,086	46,506,328
% of total	48.25%	18.34%	32.95%	0.46%	100.00%

December 31, 2024

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 22,499,909	$ 7,970,916	$ 14,792,519	$ 214,199	$ 45,477,543
Overdue loans	2,372	112	309	-	2,793
Total	22,502,281	7,971,028	14,792,828	214,199	45,480,336
% of total	49.48%	17.53%	32.52%	0.47%	100.00%

March 31, 2024

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 29,032,463	$ 10,447,262	$ 17,808,917	$ 197,989	$ 57,486,631
Overdue loans	3,082	145	2,673	-	5,900
Total	29,035,545	10,447,407	17,811,590	197,989	57,492,531
% of total	50.50%	18.17%	30.98%	0.35%	100.00%

c) Liquidity risk

The Group had sufficient working capital to meet financial commitment; therefore, there was no liquidity risk due to the shortage of capital in response to performing contract obligations.

Majority of debt investments and shares of the Group have active market and, therefore, are expected to be easily disposed in markets rapidly at the price near fair values. The foreign exchange forward contracts and currency swap contracts the Group entered into were fixed and for hedging, and these contracts were to be settled in net or gross and did not require huge cash position, resulting in no material cash flow risk.

Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

March 31, 2025

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 8,257,573	$ 392,253	$ 618,062	$ 164,942
Fixed interest rate liabilities	402,500	1,329,500	28,583,500	24,832,500
Reserve for outstanding loss	194,982	70,710	125,536	58,725
Lease liabilities	84,345	1,306,714	2,039,721	9,760,643

December 31, 2024

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 9,330,403	$ 119,082	$ 615,909	$ 166,612
Fixed interest rate liabilities	-	1,732,000	28,583,500	24,832,500
Reserve for outstanding loss	111,833	57,045	107,132	58,612
Lease liabilities	171,551	1,204,780	2,027,552	9,911,156

March 31, 2024

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 8,973,919	$ 122,008	$ 571,491	$ 165,641
Fixed interest rate liabilities	210,000	1,231,500	28,343,000	15,600,000
Reserve for outstanding loss	119,030	34,722	113,533	57,122
Lease liabilities	82,720	1,018,131	2,993,081	10,045,259
Bonds issued under repurchase agreements	2,419,028	-	-	-

The following table details the Group's expected maturity for some of non-derivative financial assets. The tables below had been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

March 31, 2025

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 1,120,415	$ 14,395,626	$ 128,185,764	$ 139,074,273
Foreign	36,277,179	49,560,820	274,229,590	5,086,068,242

December 31, 2024

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 760,153	$ 15,273,039	$ 126,719,864	$ 141,854,226
Foreign	16,838,613	47,895,690	279,903,620	5,056,574,657

March 31, 2024

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 1,162,815	$ 2,232,421	$ 132,230,944	$ 156,077,304
Foreign	16,050,166	48,912,707	320,037,843	5,004,458,134

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The following table detailed the Group's liquidity analysis for derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

March 31, 2025

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (356,798)	$ (244,980)	$ (2,132,839)	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ -	$ -	$ 3,567	$ -	$ -
Outflows	(4,704,187)	(4,039,711)	(3,418,553)	-	-
Foreign exchange forward contracts					
Inflows	43,975	-	-	-	-
Outflows	-	-	-	-	-
	$ (4,660,212)	$ (4,039,711)	$ (3,414,986)	$ -	$ -

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (2,791,132)	$ (2,735,679)	$ (290,818)	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ -	$ -	$ -	$ -	$ -
Outflows	(12,776,111)	(6,115,267)	(2,176,861)	-	-
	$ (12,776,111)	$ (6,115,267)	$ (2,176,861)	$ -	$ -

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (4,136,090)	$ (4,131,090)	$ (2,276,064)	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ -	$ -	$ -	$ -	$ -
Outflows	(2,368,400)	(3,905,999)	(10,394,636)	-	-
Foreign exchange forward contracts					
Inflows	3,223	-	-	-	-
Outflows	(541,338)	(12,393)	-	-	-
	$ (2,906,515)	$ (3,918,392)	$ (10,394,636)	$ -	$ -

e. Total amount of assets and liabilities expected to recover or settle within and over 12 months

Items	March 31, 2025		
	Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 32,443,516	$ -	$ 32,443,516
Receivables	33,015,214	-	33,015,214
Current tax assets	-	11,427,911	11,427,911
Assets held for sale	6,789,434	-	6,789,434
Investments			
Financial assets at FVTPL	270,100,281	26,595,564	296,695,845
Financial assets at FVTOCI	90,860,179	60,432,349	151,292,528
Financial assets measured at amortized cost	18,075,173	2,609,559,582	2,627,634,755
Investments accounted for using the equity method	-	2,859,362	2,859,362
Investment property	-	208,719,939	208,719,939
Loans	-	149,268,350	149,268,350
Total investments	379,035,633	3,057,435,146	3,436,470,779
Reinsurance assets	1,941,899	-	1,941,899
Property and equipment	-	25,562,538	25,562,538
Right-of-use assets	-	1,967,775	1,967,775
Intangible assets	-	769,861	769,861
Deferred tax assets	-	66,762,547	66,762,547
Other assets	6,752,263	19,374,577	26,126,840
Separate account insurance product assets	2,158,565	54,290,373	56,448,938
Total assets	$ 462,136,524	$ 3,237,590,728	$ 3,699,727,252
Payables			
Notes payable	$ 186	$ -	$ 186
Payable for insurance claims and payments	180,542	-	180,542
Commissions payable	318,731	606,515	925,246
Due to reinsurers and ceding companies	1,150,232	-	1,150,232
Other payables	7,353,689	88,712	7,442,401
Total payables	9,003,380	695,227	9,698,607
Current tax liabilities	28,711	-	28,711
Financial liabilities at FVTPL	14,898,143	-	14,898,143
Bonds payable	-	45,300,000	45,300,000
Lease liabilities	1,333,646	7,217,195	8,550,841
Insurance liabilities			
Reserve for unearned premiums	12,163,558	-	12,163,558
Reserve for claim payments	265,692	4,076,141	4,341,833
Reserve for life insurance liability	42,345,596	3,243,454,138	3,285,799,734
Special reserve for life insurance	-	1,448,050	1,448,050
Reserve for insufficient premiums	-	860,556	860,556
Total insurance liabilities	54,774,846	3,249,838,885	3,304,613,731

(Continued)

Items	March 31, 2025		
	Recovery within 12 Months	Recovery over 12 Months	Total
Reserve for insurance contract with the nature of financial products	$ -	$ 137,474	$ 137,474
Reserve for foreign exchange valuation	-	59,329,727	59,329,727
Provisions	-	18,415	18,415
Deferred tax liabilities	-	34,271,467	34,271,467
Other liabilities			
Advance receipts	1,898,459	-	1,898,459
Guarantee deposits received	-	1,847,725	1,847,725
Others	-	361	361
Total other liabilities	1,898,459	1,848,086	3,746,545
Separate account insurance product liabilities	28,477,029	27,971,909	56,448,938
Total liabilities	$ 110,414,214	$ 3,426,628,385	$ 3,537,042,599

(Concluded)

Items	December 31, 2024		
	Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 74,115,504	$ -	$ 74,115,504
Receivables	41,866,781	-	41,866,781
Current tax assets	-	11,379,938	11,379,938
Assets held for sale	6,789,434	-	6,789,434
Investments			
Financial assets at FVTPL	271,356,705	26,397,583	297,754,288
Financial assets at FVTOCI	67,419,401	62,470,002	129,889,403
Financial assets measured at amortized cost	113,327,039	2,494,192,690	2,607,519,729
Investments accounted for using the equity method	-	2,877,156	2,877,156
Investment property	-	207,864,898	207,864,898
Loans	-	148,430,263	148,430,263
Total investments	452,103,145	2,942,232,592	3,394,335,737
Reinsurance assets	1,357,863	-	1,357,863
Property and equipment	-	25,614,721	25,614,721
Right-of-use assets	-	1,974,970	1,974,970
Intangible assets	-	742,567	742,567
Deferred tax assets	-	55,872,569	55,872,569
Other assets	6,449,060	22,076,852	28,525,912
Separate account insurance product assets	2,006,812	55,205,403	57,212,215
Total assets	$ 584,688,599	$ 3,115,099,612	$ 3,699,788,211

(Continued)

Items	December 31, 2024 Recovery within 12 Months	Recovery over 12 Months	Total
Payables			
Notes payable	$ 60	$ -	$ 60
Payable for insurance claims and payments	177,613	-	177,613
Commissions payable	316,907	606,515	923,422
Due to reinsurers and ceding companies	1,020,758	-	1,020,758
Other payables	8,107,580	88,584	8,196,164
Total payables	9,622,918	695,099	10,318,017
Current tax liabilities	16,887	-	16,887
Financial liabilities at FVTPL	26,885,868	-	26,885,868
Bonds payable	-	45,300,000	45,300,000
Lease liabilities	1,316,381	7,295,743	8,612,124
Insurance liabilities			
Reserve for unearned premiums	12,122,170	-	12,122,170
Reserve for claim payments	168,878	4,027,522	4,196,400
Reserve for life insurance liability	44,613,522	3,223,801,374	3,268,414,896
Special reserve for life insurance	-	1,396,979	1,396,979
Reserve for insufficient premiums	-	905,718	905,718
Total insurance liabilities	56,904,570	3,230,131,593	3,287,036,163
Reserve for insurance contract with the nature of financial products	-	127,931	127,931
Reserve for foreign exchange valuation	-	45,145,827	45,145,827
Provisions	-	18,114	18,114
Deferred tax liabilities	-	27,046,633	27,046,633
Other liabilities			
Advance receipts	1,606,906	-	1,606,906
Guarantee deposits received	-	1,828,615	1,828,615
Others	-	361	361
Total other liabilities	1,606,906	1,828,976	3,435,882
Separate account insurance product liabilities	27,284,635	29,927,580	57,212,215
Total liabilities	$ 123,638,165	$ 3,387,517,496	$ 3,511,155,661

(Concluded)

Items	March 31, 2024 Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 53,806,733	$ -	$ 53,806,733
Receivables	32,036,744	-	32,036,744
Current tax assets	-	9,640,581	9,640,581
Assets held for sale	8,144,775	-	8,144,775
Investments			
Financial assets at FVTPL	296,586,393	27,122,686	323,709,079
Financial assets at FVTOCI	85,039,192	62,405,179	147,444,371
Financial assets measured at amortized cost	4,453,377	2,566,488,924	2,570,942,301

(Continued)

Items	March 31, 2024		
	Recovery within 12 Months	Recovery over 12 Months	Total
Investments accounted for using the equity method	$ -	$ 2,778,757	$ 2,778,757
Investment property	-	202,005,985	202,005,985
Loans	-	160,583,272	160,583,272
Total investments	386,078,962	3,021,384,803	3,407,463,765
Reinsurance assets	1,387,585	-	1,387,585
Property and equipment	-	26,024,836	26,024,836
Right-of-use assets	-	2,053,436	2,053,436
Intangible assets	-	600,738	600,738
Deferred tax assets	-	43,183,188	43,183,188
Other assets	5,716,460	27,428,165	33,144,625
Separate account insurance product assets	147,735	54,154,282	54,302,017
Total assets	$ 487,318,994	$ 3,184,470,029	$ 3,671,789,023
Payables			
Notes payable	$ 1,177	$ -	$ 1,177
Payable for insurance claims and payments	172,509	-	172,509
Commissions payable	67,933	532,757	600,690
Due to reinsurers and ceding companies	1,077,129	-	1,077,129
Other payables	8,208,836	86,386	8,295,222
Total payables	9,527,584	619,143	10,146,727
Current tax liabilities	45,675	-	45,675
Short-Term Debt	-	2,419,028	2,419,028
Financial liabilities at FVTPL	27,802,301	-	27,802,301
Bonds payable	-	37,000,000	37,000,000
Lease liabilities	1,034,089	8,197,695	9,231,784
Insurance liabilities			
Reserve for unearned premiums	10,852,095	-	10,852,095
Reserve for claim payments	153,752	3,755,001	3,908,753
Reserve for life insurance liability	43,892,427	3,242,659,262	3,286,551,689
Special reserve for life insurance	-	6,916,038	6,916,038
Reserve for insufficient premiums	-	1,047,256	1,047,256
Total insurance liabilities	54,898,274	3,254,377,557	3,309,275,831
Reserve for insurance contract with the nature of financial products	-	88,976	88,976
Reserve for foreign exchange valuation	-	20,699,863	20,699,863
Provisions	-	40,414	40,414
Deferred tax liabilities	-	18,735,430	18,735,430
Other liabilities			
Advance receipts	1,225,103	-	1,225,103
Guarantee deposits received	-	1,796,143	1,796,143
Others	-	361	361
Total other liabilities	1,225,103	1,796,504	3,021,607
Separate account insurance product liabilities	22,316,011	31,986,006	54,302,017
Total liabilities	$ 116,849,037	$ 3,375,960,616	$ 3,492,809,653

(Concluded)

f. Transfer of financial assets

The transferred financial assets of the Group are mainly securities under repurchase agreements or equity securities under lending agreements. The Group cannot sell or pledge these transferred financial assets during the valid transaction period. Therefore, the Group does not completely derecognize the transferred assets. The table below discloses the information of financial assets that are not completely derecognized and the associated financial liabilities.

March 31, 2025

Type of Financial Assets	Carrying Amount of the Transferred Financial Assets	Carrying Amount of Relevant Financial Liabilities	Fair Value of the Transferred Financial Assets	Fair Value of Relevant Financial Liabilities	Fair Value Net Position
Security lending agreements - financial assets at FVTPL	$ 541,806	$ -	$ 541,806	$ -	$ 541,806
Security lending agreements - financial assets at FVTOCI	673,240	-	673,240	-	673,240

December 31, 2024

Type of Financial Assets	Carrying Amount of the Transferred Financial Assets	Carrying Amount of Relevant Financial Liabilities	Fair Value of the Transferred Financial Assets	Fair Value of Relevant Financial Liabilities	Fair Value Net Position
Security lending agreements - financial assets at FVTPL	$ 57,400	$ -	$ 57,400	$ -	$ 57,400
Security lending agreements - financial assets at FVTOCI	694,503	-	694,503	-	694,503

March 31, 2024

Type of Financial Assets	Carrying Amount of the Transferred Financial Assets	Carrying Amount of Relevant Financial Liabilities	Fair Value of the Transferred Financial Assets	Fair Value of Relevant Financial Liabilities	Fair Value Net Position
Security lending agreements - financial assets at FVTPL	$ 37,668	$ -	$ 37,668	$ -	$ 37,668
Security lending agreements - financial assets at FVTOCI	41,076	-	41,076	-	41,076
Bonds issued under repurchase agreements - financial assets measured at amortized cost	4,502,957	2,419,028	2,497,754	2,419,028	78,726

g. Offsetting financial assets and financial liabilities

The derivatives held by the Group did not meet the offsetting criteria pursuant to IFRS, but was covered by enforceable master netting arrangements or similar agreements signed with counterparties. Derivatives under enforceable master netting arrangements or similar agreements can be settled on a net basis of financial assets and financial liabilities if two parties decide to settle on net basis, or if not, settle on gross basis. If one party defaults, the other party can choose to settle on net basis.

The tables below present the information on financial assets and financial liabilities that have been offset.

March 31, 2025

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 48,617	$ -	$ 48,617	$ -	$ -	$ 48,617

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 14,898,143	$ -	$ 14,898,143	$ 4,039,340	$ 1,307,271	$ 9,551,532

Note: Included master netting arrangements and non-cash financial collateral.

December 31, 2024

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ -	$ -	$ -	$ -	$ -	$ -

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 26,885,868	$ -	$ 26,885,868	$ 6,071,457	$ 1,961,615	$ 18,852,796

Note: Included master netting arrangements and non-cash financial collateral.

March 31, 2024

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 39,514	$ -	$ 39,514	$ -	$ -	$ 39,514

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 27,802,301	$ -	$ 27,802,301	$ 9,619,577	$ 5,052,821	$ 13,129,903
Bonds issued under repurchase agreements	2,419,028	-	2,419,028	2,419,028	-	-

Note: Included master netting arrangements and non-cash financial collateral.

h. Structured entities

1) Merged companies held the equity of the following non-controlling structured entities. Merged companies did not provide financial or other support to these structured entities, and the maximum risk amount for these entities is the book value of assets held by the Group:

The Type of Structured Units	Nature and Purpose	Equity Held by SKLIC
Private equity investment	Invest in private funds issued by external third-party fund companies in order to obtain investment benefits.	Invest in units or limited partnership interests issued by the fund.
Asset securitization commodity	Invest in asset securitization commodities in order to obtain investment benefits.	Invest in asset-based securities issued by these entities.

2) As of March 31, 2025, December 31, 2024 and March 31, 2024, the book value of assets related to the equity of non-controlling structured entities is as follows:

	March 31, 2025	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 1,377,672	$ 1,013,541
Financial assets at amortized cost	-	5,228,176
	$ 1,377,672	$ 6,241,717

	December 31, 2024	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 1,398,811	$ 1,008,007
Financial assets at amortized cost	-	5,280,351
	$ 1,398,811	$ 6,288,358

	March 31, 2024	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 5,756,085	$ 904,791
Financial assets at amortized cost	-	6,625,658
	$ 5,756,085	$ 7,530,449

i. The property and coverage of risk of insurance contract:

1) Risk management

a) The policies of risk management

According to related laws and business needs, SKLIC's board of directors passed a resolution of "SKLIC's risk management policies", which clearly regulated the objectives and strategies of risk management, risk appetite and limit, the organization and responsibility of risk management, and the category and management of business management risk.

b) The objectives of risk management

The objectives of SKLIC's risk management are to protect assets, ensure the adequacy of risk-based capital (RBC), increase shareholder's value and conform with related laws, and under the premise of the balance between risk and return, to promote the sound operation and development.

c) The principles of risk management

SKLIC manages risks strategically. When making decisions, SKLIC takes risks into consideration, and through qualitative and quantitative management, carries out risk identification, evaluation, response, monitoring and controlling, keeping every risk it might encounter in operating activities endurable, in order to pursue stable operating policies and persist in the spirit of thorough implementation.

d) Organization and responsibility

In order to effectively plan, supervise and implement risk management, SKLIC established "Risk Management Committee" under the board of directors and related units independent to business units. The risk management levels and responsibilities are as follows:

i. The board of directors approves risk management policies.
ii. Audit committee controls the existing or potential risk.
iii. Risk Management Committee regularly evaluates risk tolerance.
iv. Risk management related units analyze and evaluate the change of risks.
v. Business units implement risk management activities within the scope of jurisdiction.

e) The category and management of business operating risk

SKLIC's business operating risks include insurance risk, market risk, credit risk, liquidity risk, concentration risk, operation risk, information security risk, asset-liability matching risk and other risks which are included in the resolutions of the parent company's Risk Management Committee or SKLIC's board of directors. In consideration of abovementioned business management risk, SKLIC complies with laws and regulations, builds adequate management system, and strictly implements policies.

2) Insurance risk information

a) Sensitivity of insurance risk

SKLIC's sensitivity analysis of insurance risk is based on the effect of individual changes in current year's financial revenue, operating expenses, insurance payments related to death or morbidity and termination fees (assuming other assumptions unchanged) on net income before tax and shareholder's equity. The assumptions are illustrated as follows:

i. Financial revenues include gains from lease of real estate, dividends and bonuses from financial assets and interest from fund application.

ii. Operating expenses include selling and administrative expenses and staff training expenses.

iii. Insurance payments related to death or morbidity are payments occurring due to insurance business and the insured's death or morbidity.

iv. Termination fees are refunds due to termination or invalidity of insurance contracts.

The Effects of Changes in Sensitivity Factors on Income Before Tax and Shareholders' Equity

	For the Three Months Ended March 31, 2025		
	Changes in Assumptions	**Changes in Income Before Tax**	**Changes in Shareholders' Equity**
Financial revenue	Decrease 5%	$ (1,432,716)	$ (1,146,173)
Operating expenses	Increase 5%	(321,160)	(256,928)
Insurance payments related to death or morbidity	Increase 5%	(423,207)	(338,565)
Termination fees	Increase 5%	29,404	23,523

Note: The abovementioned assumption factors and analysis are based on the Group's financial information for the three months ended March 31, 2025.

Supplemental:

v. The result is not linear; therefore, it is unable to estimate the extent of influence by interpolation method or extrapolation method.

vi. Assumption factors may not change and there may be correlation between different changes.

vii. Sensitivity analysis will not take into consideration the factors and effects that market changes have on business, such as buying or selling positions, changing asset allocation and adjustment to declared interest of insurance contracts.

viii. The calculation of changes in shareholders' equity is based on the amount net of income tax.

b) The illustration of insurance risk concentration

SKLIC's main insurance products are life insurance, annuity insurance, accident insurance and health insurance, and the business is mainly in the Republic of China. Also, there is no significant difference in insurance contracts between different regions.

SKLIC's premium income is mainly from individual life insurance, individual health insurance and individual accident insurance in that order. The insurance payments are mainly for endowment payments, refund benefit payments, termination fees and health benefits.

According to Regulations Governing Calculation of Various Reserve for Operations, due to heavy reparations when there are catastrophes and in order to deal with unusual changes in loss rate of different insurance and insurance payments, SKLIC provides special reserve for catastrophe and for contingent claim. The aforementioned catastrophe is one the government declared as a severe disaster, and the cumulative net indemnities of all the insurance products for an individual company are up to $30 million and the cumulative indemnities for all the life insurance companies are up to $1 billion.

The provision above for special reserve for catastrophe and for contingent claim is recognized, net of tax as special reserve under shareholder's equity.

c) Claims development

SKLIC provided reserve for claims, whether or not it is reported, for projected future payments and related costs. The provision for reserves is highly complicated since there are many uncertain causes, estimation and judgment. Some claim reports may be delayed to SKLIC, and the estimation is related to past claim experiences and subjective judgment when estimating possible payments for the claims not yet reported. The claim reserve per book is estimated on the basis of available information at present. Therefore, it is unable to make sure the claim reserve on the date of balance sheet is equal to the actual payments, which will deviate from original estimation as the claim goes on.

The following tables show the claims development. Every accident year means the year the accident happens, the horizontal axis is the year of development, and every amount is the cumulative payment incurring for every accident year at the end of the year. The cumulative payments include the claims whether or not it is sure to happen, and illustrate how SKLIC estimates payments for every accident year as time passes. The conditions and trends that influence SKLIC's reserve provision may not be the same when claims develop. Therefore, the projected payments may not actually happen.

i. Claims development of direct business

Accident Year	Development Trend of Direct Business Indemnities					Claim Reserve
	1	2	3	4	5	
2021	$ 11,459,775	$ 13,865,668	$ 14,065,816	$ 14,095,288	$ 14,097,711	
2022	12,414,515	15,337,966	15,571,133	15,580,957		
2023	13,751,413	16,972,094	17,069,809			
2024	14,316,700	16,627,886				
2025 Q1	1,948,754					

Claim reserve for unreported and unpaid claims	$ 3,888,434
Add: Claim reserve for unreported which provided by other regulation	6,153
Add: Reported but unpaid claims	447,246
Claim reserve, balance	$ 4,341,833

ii. Claims development of retained business

Accident Year	Development Trend of Direct Business Indemnities					Claim Reserve
	1	2	3	4	5	
2021	$ 11,407,026	$ 13,810,687	$ 14,005,796	$ 14,035,268	$ 14,037,691	
2022	12,330,498	15,253,580	15,486,025	15,495,769		
2023	13,668,794	16,887,493	16,977,785			
2024	14,201,459	16,485,112				
2025 Q1	1,917,964					

Claim reserve for unreported and unpaid claims	$ 3,870,043
Add: Claim reserve for unreported which provided by other regulation	6,153
Add: Reported but unpaid claims	447,246
Claim reserve, balance	$ 4,323,442

3) The credit risk, liquidity risk and market risk of insurance contracts

a) Credit risk

SKLIC enacted its Credit Risk Management Policies and established risk limit and required regular credit examination to control credit risks of investment objectives and counterparties. Undertaking large insurance risks is the core business of the insurance industry, and SKLIC's business scale is large enough to undertake considerable insurance risks. However, if certain risks are over-concentrated or significantly uncertain, reinsurance will be used to decentralize risks and reinsurance companies' credit ratings should meet the related regulations. Therefore, compared to retained risk, SKLIC's reinsurance risk is not significant.

b) Liquidity risk

SKLIC enacted its Liquidity Risk Control and Management Policies as the basis of controlling and managing fund liquidity risk and market liquidity risk. Also, SKLIC makes use of asset and liability matching model to project future assets and liabilities' cash flows, to ensure there are enough cash flows to satisfy project liability obligations, as the basis of a long-term controlling and managing measures of liquidity risk. Besides, based on the regulation of reserve provision, the book value of all contracts is higher than surrender value. Therefore, the liquidity risk from contract termination is not significant. In consideration of materiality principle, there will be no cash flow analysis disclosure on maturity date when policyholders execute options to lapse.

c) Market risk

According to the Regulations Governing Calculation of Various Reserves for Operations and other rulings promulgated by regulators, SKLIC calculates and provides various reserves for life insurance liabilities of insurance products based on projected interest rate and undertaking rate regulated by regulatory authorities. Since projected interest rate is determined when selling insurance products, it will not fluctuate as market interest rate does. Regulatory authorities considered a long-term level when it regulated the interest rate, which will not change with present market risk variables in the same time, same way or at the same amount. If the result of liability adequacy test is inadequate, the insufficient amount should be provided as liability adequacy reserve. Otherwise, reasonably possible changes in market risks would not influence SKLIC's amount of liabilities of insurance products.

In addition, for the calculation of reserve for life insurance liability, it is not likely that regulatory authorities will change the projected interest rate from fixed interest rate to floating rate fluctuating with market interest rate. Therefore, it is unlikely that market risk will, through liabilities of insurance products, have a significant effect on net income.

40. FINANCIAL INFORMATION ON OPERATING SEGMENTS

a. General information on operating segments:

Business segments of the Group were identified by the type of insurance products and are divided into three reportable segments, including standard insurance segment, interest-sensitive insurance segment and investment type insurance segment.

Premium income and investment income represent the main source of income for the Group. Comparable insurance products which are identical with or similar to subject products and delivering of those products are closely related to segment's capital employed. When preparing financial statements, based on insurance industry practice and business operation, standard insurance segment, interest-sensitive insurance segment and investment type insurance segment are considered as a single operating segment.

The accounting policies are the same as the summary of material accounting policies in Note 4. The Group's segment profits are evaluated on the basis of operating profits before tax, excluding extraordinary gain or loss.

b. The Group's reportable profit by segment for the three months ended March 31, 2025 and 2024 is as follows:

	For the Three Months Ended March 31, 2025			
	Standard Insurance Segment	Interest - Sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total operating revenue of reportable segments	$ 25,333,657	$ 30,777,779	$ 761,504	$ 56,872,940
Reportable segment profit	$ (13,527,210)	$ 1,363,336	$ -	$ (12,163,874)

	For the Three Months Ended March 31, 2024			
	Standard Insurance Segment	Interest - Sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total operating revenue of reportable segments	$ 37,016,375	$ 33,614,357	$ 2,554,307	$ 73,185,039
Reportable segment profit	$ (1,368,025)	$ 2,072,988	$ -	$ 704,963

c. The reconciliation of segment revenues, profits, assets and liabilities:

	For the Three Months Ended March 31	
	2025	2024
Total operating revenue of reportable segments	$ 56,872,940	$ 73,185,039
Share of loss of associates accounted for using the equity method	(7,308)	26,465
Other operating revenue	192,184	243,059
Total revenue	$ 57,057,816	$ 73,454,563

(Continued)

	For the Three Months Ended March 31	
	2025	**2024**
Total reportable segment (loss) profit before tax	$ (12,163,874)	$ 704,963
Other (loss) gain	(110,703)	31,616
Non-allocable item:		
Other revenue	3,432	(256,634)
Total net (loss) profit before tax	$ (12,271,145)	$ 479,945

(Concluded)

	March 31, 2025			
	Standard Insurance Segment	**Interest-sensitive Insurance Segment**	**Investment Type Insurance Segment**	**Total**
Total reportable segment assets	$ 2,372,993,220	$ 1,215,858,080	$ 56,448,938	$ 3,645,330,238
Non-allocable items				
Property and equipment				25,562,538
Right-of use assets				1,967,775
Intangible assets				769,861
Other assets				26,126,840
Total assets	$ 2,372,993,220	$ 1,215,858,080	$ 56,448,938	$ 3,699,727,252
Total reportable segment liabilities	$ 2,229,072,679	$ 1,197,670,141	$ 56,448,938	$ 3,483,191,758
Non-allocable items				
Bonds payable				45,300,000
Lease liabilities				8,550,841
Total liabilities	$ 2,229,072,679	$ 1,197,670,141	$ 56,448,938	$ 3,537,042,599

	December 31, 2024			
	Standard Insurance Segment	**Interest-sensitive Insurance Segment**	**Investment Type Insurance Segment**	**Total**
Total reportable segment assets	$ 2,381,098,258	$ 1,204,619,568	$ 57,212,215	$ 3,642,930,041
Non-allocable items				
Property and equipment				25,614,721
Right-of use assets				1,974,970
Intangible assets				742,567
Other assets				28,525,912
Total assets	$ 2,381,098,258	$ 1,204,619,568	$ 57,212,215	$ 3,699,788,211
Total reportable segment liabilities	$ 2,214,817,789	$ 1,185,213,533	$ 57,212,215	$ 3,457,243,537
Non-allocable items				
Bonds payable				45,300,000
Lease liabilities				8,612,124
Total liabilities	$ 2,214,817,789	$ 1,185,213,533	$ 57,212,215	$ 3,511,155,661

	March 31, 2024			
	Standard Insurance Segment	Interest-sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total reportable segment assets	$ 2,287,514,327	$ 1,268,149,044	$ 54,302,017	$ 3,609,965,388
Non-allocable items				
Property and equipment				26,024,836
Right-of use assets				2,053,436
Intangible assets				600,738
Other assets				33,144,625
Total assets	$ 2,287,514,327	$ 1,268,149,044	$ 54,302,017	$ 3,671,789,023
Total reportable segment liabilities	$ 2,166,836,361	$ 1,225,439,491	$ 54,302,017	$ 3,446,577,869
Non-allocable items				
Bonds payable				37,000,000
Lease liabilities				9,231,784
Total liabilities	$ 2,166,836,361	$ 1,225,439,491	$ 54,302,017	$ 3,492,809,653

41. CAPITAL MANAGEMENT

a. Management objectives

In order to ensure sound operation and development, the Company manages its capital adequacy and risk management in accordance with Regulations Governing Capital Adequacy of Insurance Companies.

The Company manages owned capital to meet the requirements of regulations and achieve the minimum required capital adequacy ratio as the basis for objective capital management. Owned capital is calculated according to requirements regulated by authorities.

To ensure the Company owns sufficient capital to assume risks, the Company evaluates the risks according to the portfolio amount and characteristics. Risk on capital is calculated according to requirements regulated by authorities.

The Company manages total equity to meet the requirements of regulations and achieve the minimum required equity ratio as the basis for objective capital management. Equity ratio is calculated according to requirements regulated by authorities.

b. Capital management procedures

Capital adequacy ratio and equity ratio are inspected and calculated periodically by the Company in compliance with requirements of authorities, and delivered to the authority every six months.

In order to ensure sufficiency of capital and solvency, the Company analyzes its capital adequacy ratio for any changes of business strategy and potential effect on solvency.

In accordance with Regulations Governing Capital Adequacy of Insurance Companies, rating of capital adequacy ratio should take into consideration both capital adequacy ratio and equity ratio. Capital adequacy ratio is calculated by owned capital divided by risk-based capital. The components of owned capital and risk-based capital are as follows:

1) Owned capital

   Owned capital is the insurance company's total amount of capital as admitted by the authorities, which includes:

   a) Tier 1 unlimited capital.

   b) Tier 1 limited capital.

   c) Tier 2 capital.

   Calculation of owned capital should comply with requirements regulated by the authorities.

2) Risk-based capital

   Risk-based capital is calculated according to the risks occurring in the business of an insurance enterprise, including:

   a) Asset risk
   b) Insurance risk
   c) Interest rate risk
   d) Other risk
   e) Catastrophe Risk

   Calculation of risk-based capital should comply with requirements regulated by the authorities.

   The equity ratio is the Company's equity audited by the auditors divided by the total assets excluding the total assets recorded in separate accounts for investment type insurance policies.

c. Capital adequacy ratio

Based on the capital adequacy ratio and net worth ratio calculated under the "Regulations Governing Capital Adequacy of Insurance Companies", SKLIC classifies the insurance industry's capital as adequate, undercapitalized, significantly undercapitalized, and severely undercapitalized. If an insurance of the Company's capital is classified as undercapitalized, significantly undercapitalized, or severely undercapitalized, the insurance company cannot distribute its earnings, buy back its shares, or return its shares by means other than stock dividends or transfer the shares to the members for subscription. In such a case, the competent authority shall take relevant measures in accordance with the provisions of Article 143-6 of the Insurance Act.

The Company's capital adequacy ratio and equity ratio calculated in accordance with the Regulations Governing Capital Adequacy of Insurance Companies, were above 200% during the past three years and above 3%, respectively, for the years ended 2021 and 2022. Both ratios were therefore in compliance with the Regulations. In the past two years, the impact of the lift rates, Russo-Ukrainian war and inflationary factors adversely affected after-tax income and retained earnings, and the widening of the Taiwan-U.S. interest rate spread increased the cost of foreign exchange hedging, resulting in a decline in the amount of capital owned by SKLIC. In addition, the revision of the interest rate risk accrual method by the competent authority resulted in an increase in risk capital so that SKLIC's capital adequacy ratio as of the six months ended and year end of 2023 did not reach the capital adequacy level stipulated by the law, respectively, but the net worth ratio still reaches more than 3%, and the capital level is undercapitalized.

However, due to the economic recovery in the financial markets during in 2024, the continuous record highs in the Taiwan stock market, realized capital gains from stocks, and the positive impact of the reserve for changes in foreign exchange valuation system approved as of the year end of 2024, Shin Kong Life Insurance Co., Ltd.'s capital adequacy ratio reached over 200% by the six months and year end of 2024, and its net worth ratio exceeded 3%, meeting the legal requirements.

SKLIC continues to plan capital adequacy improvement strategies to increase its own capital, based on long-term stable operation and protection of policyholders' interests. These include capital increase plans for cash capital increase of the parent company and issuance of capitalized bonds, as well as financial and business improvement plans to increase recurring revenues, increase capital gains, reduce hedging costs, increase real estate income and austere expenses in order to achieve the goal of increasing the capital adequacy ratio to the level of capital adequacy required by the law. The goal is to increase the capital adequacy ratio to the capital adequacy level required by law.

On October 26, 2023, SKLIC issued the 2023 first issue of domestic unsecured cumulative subordinated common bonds amounting to $13,000,000 thousand. On June 24, August 28 and December 9, 2024, the first, second and third tranches of secured cumulative subordinated common corporate bonds for 2024 were issued domestically, amounting to $5,500,000 thousand, $2,000,000 thousand and $800,000 thousand. On December 29, 2023, March 28, 2024 and August 22, 2024, SKLIC completed a private placement for a cash capital increase of $1,500,000 thousand, $7,000,000 thousand and 13,861,000 thousand, respectively.

42. SUPPLEMENTAL DISCLOSURES

a. Information about significant transactions

Code	Description	Explanation
1	Acquisition of individual real estate at prices over $100 million or 20% of the paid-in capital	None
2	Disposal of individual real estate at prices over $100 million or 20% of the paid-in capital	Table 1
3	Engage in core business transactions with related parties amounting over $100 million or 20% of the paid-in capital.	Note 33
4	Receivables from related parties over $100 million or 20% of the paid-in capital	Note 33
5	Derivative transactions	Notes 9 and 39

b. Information of investees

Code	Description	Explanation
1	Information on investee, including name, location and etc., excluding investee in the mainland China area.	Table 2
2	Financing provided to others.	Table 3
3	Endorsements/guarantees provided.	Table 4
4	Marketable securities held.	Table 5
5	Marketable securities acquired or disposed of at accumulated amounts over $100 million or 20% of the paid-in capital.	None
6	Acquisition of individual real estate at price over $100 million or 20% of the paid-in capital.	None
7	Disposal of individual real estate at price over $100 million or 20% of the paid-in capital.	None
8	Engage in core business transactions with related parties and transaction amounting over $100 million or 20% of the paid-in capital	None
9	Receivables from related parties amounting over $100 million or 20% of the paid-in capital.	None
10	Trading in derivative instruments.	None

c. Investments in mainland China

Code	Description	Explanation
1	Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of the investment, repatriation of investment income, and limit of investment in mainland China. If the investee belongs to the insurance industry, the location, status of capital funds and related income, provision methodology and balances of insurance policy reserves, percentage of insurance income and percentage of insurance benefits and claims should also be disclosed.	Table 6
2	Significant transaction elements like price, disbursement condition and unrealizable income generated directly or indirectly through a third area, by investee in mainland China.	None
3	Notes, endorsements and collateral provided directly or indirectly through an investee in a third area in mainland China.	None
4	Capital financing directly or indirectly through an investee in a third area in mainland China.	None
5	Other significant transactions which may affect the decisions of users of the financial statements	None

d. The important intercompany transactions of the Group are disclosed in Table 7 following the Notes to Consolidated Financial Statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST $100 MILLION OR 20% OF ISSUED SHARE CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain on Disposal (Note)	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
SKLIC	President Jessburg A2 5F, B1 15F, B2 14F, B3 3F, No. 35,37,39,43, Sec. 3, Chongqing S. Rd., Zhongzheng Dist., Taipei City	2025.01.06-2025.01.13	2009.10.01-2014.08.29	$ 370,226	$ 387,460	Collected $155,010	$ -	Natural persons (total of 4 people including Mr. Lin)	None	Investment	Appraisers' report and actual selling price login	

Note: Gain on disposal is net of necessary transaction costs. As of March 31, 2025, 12 units of the President Jasper villa had been sold but transfer had not been completed.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEE, INCLUDING NAME, LOCATION AND ETC., EXCLUDING INVESTEE IN THE MAINLAND CHINA AREA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars/In Thousands of Ordinary Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Number of Shares	Shareholding Ratio (%)	Carrying Amount			
SKLIC	Controlled entity										
	Shin Kong Life Real Estate Service Company (SKLRESC)	18 F., No. 66, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City	Management services	$ 352,641	$ 352,641	36,007	72.01	$ 1,169,107	$ 52,383	$ 38,615	Subsidiary
	Shin Kong Vietnam Co., Ltd	Vietnam	Insurance agency and brokerage	-	-	-	-	-	-	-	Subsidiary (Note)
	Significant influence over the entity										
	Century Biotech Development Corporation	2nd Floor, Suite 3, No. 508, Section 7, Zhongxiao East Road, Taipei City, Taiwan	Investment and development	600,000	600,000	60,000	24.00	628,875	37,385	8,972	Associate
	Jih-yao Energy Co., Ltd.	9th Floor, No. 295, Section 2, Diding Road, Taipei City, Taiwan	Energy services	100,000	100,000	10,000	33.33	101,847	284	95	Associate
	LeadsunFox Greenergy Investment Co., Ltd.	10th Floor, Suite 1, No. 1, Songgao Road, Taipei City, Taiwan	Energy services	496,400	496,400	53,134	28.33	579,364	15,047	4,263	Associate
	Xinhe Energy Development Co., Ltd.	10th Floor, Suite 1, No. 57, Fuxing North Road, Taipei City, Taiwan	Energy services	500,000	500,000	50,000	25.00	480,692	(44,931)	(11,233)	Associate
	Xinding No. 1 Energy Co., Ltd.	8th Floor, No. 99, Section 1, Xinsheng South Road, Taipei City, Taiwan	Energy services	250,000	250,000	25,000	25.00	250,806	(2,072)	(518)	Associate
	Taipan Solar Co., Ltd.	Room 1, 19th Floor, No. 8, Ziqiang South Road, Zhubei City, Hsinchu County	Energy services	421,200	421,200	42,120	30.00	423,089	(5,359)	(1,608)	Associate
	Juxin Energy Co., Ltd.	Room 1, 11th Floor, No. 52, Section 2, Zhongshan North Road, Taipei City, Taiwan	Energy services	180,000	180,000	18,000	24.00	179,318	(6,428)	(1,584)	Associate
	Wholes Max Green Power Co., Ltd.	No. 3, Industrial 1st Road, Hukou Township, Hsinchu County, Taiwan	Energy services	195,000	195,000	19,500	12.26	215,371	(3,021)	(538)	Associate

Note: Shin Kong Vietnam Co., Ltd.'s establishment was approved by the Vietnam authorities on March 26, 2025. On April 15, 2025, SKLIC injected a capital of US$600 thousand into the subsidiary on April 15, 2025.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	LeadsunFox Greenergy Investment Co., Ltd.	Changyuan Wind Power Ltd.	Other receivables - related party	Yes	$ 30,000	$ 30,000	$ 30,000	2.00	2	$ -	Operating turnover	$ -	None	$ -	$ -	$ -	
		Beiyuan Wind Power Ltd.	Other receivables - related party	Yes	30,000	30,000	27,000	2.00	2	-	Operating turnover	-	None	-	-	-	
		Lisheng Wufu Co., Ltd.	Other receivables - related party	Yes	200,000	200,000	100,000	2.00-2.90	2	-	Operating turnover	-	None	-	-	-	
		Lisheng Sifang Co., Ltd.	Other receivables - related party	Yes	50,000	50,000	-	2.00	2	-	Operating turnover	-	None	-	-	-	
3	Wholes Max Green Power Co., Ltd.	Mingxiang Energy Co., Ltd.	Other receivables - related party	Yes	40,000	40,000	40,000	-	2	-	Operating turnover	-	None	-	-	-	

Note 1: Issuer is number 0; investees are sequentially numbered starting from 1.

Note 2: 1 for those who have business contacts; 2 if there is a need for short-term financing.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	LeadsunFox Greenergy Investment Co., Ltd.	Xingwei Electric Power Co., Ltd.	Subsidiary	None	$ 4,000,000	$ 4,000,000	$ 3,693,900	None	195.62	None	Yes	No	No
		Lisheng Wufu Co., Ltd.	Subsidiary	None	998,574	998,574	687,524	None	48.83	None	Yes	No	No
2	Jih-yao Energy Co., Ltd.	Zhaoyang Solar Technology Co., Ltd.	Subsidiary	$ 1,527,710	892,254	892,254	397,034	None	292.02	$ 1,527,710	Yes	No	No
3	Wholes Max Green Power Co., Ltd.	Yuan Deng Solar Energy Co., Ltd.	Subsidiary	None	253,300	253,300	197,537	None	15.29	None	Yes	No	No
		Tai Ling Energy Technology Co., Ltd.	Subsidiary	None	109,930	109,930	79,670	None	6.64	None	Yes	No	No
		Jin Ya Xing Optoelectronics Co., Ltd.	Subsidiary	None	600,000	600,000	554,911	None	36.22	None	Yes	No	No
		Mingxiang Energy Co., Ltd.	Subsidiary	None	312,860	312,860	93,077	None	18.89	None	Yes	No	No

Note 1: Issuer is number 0; investees are sequentially numbered starting from 1.

Note 2: The limit for endorsements and guarantees for a single enterprise and external endorsements and guarantees: Shall not exceed five times the net worth of Jih-yao Energy Co., Ltd. as of March 31, 2025: 305,542 × 5 = 1,527,710.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Except Number of Shares)

Holding Company	Type and Name of Marketable Security	Issuer's Relationship to the Holding Company	Financial Statement Account	End of March 31, 2025				Note
				Units/Shares ('000)	Carrying Value	Ownership Interest (%)	Market Price	
SKLRESC	Listed shares							
	The Great Taipei Gas Corp.	Affiliate	Financial assets at fair value through other comprehensive income	11,699	$ 352,735	2.27	$ 352,735	
	Taiwan Shin Kong Security Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	3,450	142,498	0.89	142,498	
	Spinning Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	643	27,167	0.21	27,167	
	Shinkong Insurance Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	778	86,358	0.25	86,358	
	Unlisted shares							
	Yi Kong Security Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	5,607	226,476	15.50	226,476	
	Lian-An Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	5	114	0.20	114	
	Great Taipei Broadband Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	10,000	45,221	6.67	45,221	
	Yu Chi Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income	165	1,518	2.50	1,518	
	Beneficial certificates							
	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	10,101	132,512	0.67	132,512	
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	9,541	152,922	0.23	152,922	
	Jih-Sun Money Market Fund	None	Financial assets at fair value through profit or loss	6,566	101,968	0.23	101,968	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	None	Financial assets at fair value through profit or loss	1,000	32,840	0.23	32,840	
	CAPITAL ICE ESG 20+ Year BBB US Corporate ETF	None	Financial assets at fair value through profit or loss	1,900	30,172	0.01	30,172	
	CTBC Enhanced Yield 15+ Year Investment Grade Senior US Developed Markets Corporate ESG Screened Bond ETF	None	Financial assets at fair value through profit or loss	3,000	30,180	0.09	30,180	
	KGI Global 10+Year USD Single A Corporate Bond ETF	None	Financial assets at fair value through profit or loss	1,400	21,112	0.12	21,112	
	Bonds							
	Mercuries Life Insurance Co., Ltd.	None	Financial assets at amortized cost	-	39,928	-	39,928	

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Business and Product	Total Amount of Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Investee Company's Earnings (Loss)	Percentage of Ownership (%)	Equity in the Earnings (Loss)	Carrying Value as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025
					Outflow	Inflow						
DingCheng Life Insurance Co.	Insurance	$ 5,544,400 (RMB 1,250,000)	Invest China directly	$ 1,386,100	$ -	$ -	$ 1,386,100	$ (879,213)	25	$ (5,157)	$ -	$ 1,688,029

Accumulated Investment in Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$1,386,100	$337,721 (US$12,642 thousand)	$97,345,487

Note 1: SKLIC was approved by the Ministry of Finance and Ministry of Economic Affairs Investment Commission to establish an insurance company in mainland China in its letter in 2003. SKLIC obtained the approval of the China Insurance Regulatory Commission (Ref. No. (96) Bao-Jian-Guo-Ji No. 1254), and SKLIC and HNA Group prepared to establish the Chinese and foreign joint venture life insurance company. SKLIC remitted the investment fund amount of RMB250,000 thousand, or the equivalent of US$36,150 thousand, on June 6, 2008. SKHLIC started operation on April 27, 2009. SKLIC applied to increase its investment in mainland China by RMB187,500 thousand, or the equivalent of US$28,310 thousand. This investment was approved by the Investment Commission, MOEA on September 25, 2018. The application for repatriation of RMB350,000 thousand (US$51,818 thousand) which was raised by SKLIC from selling partial shares of SKHLIC had been reported to Investment Commission, MOEA on February 18, 2019. SKLIC applied to increase its investment in mainland China by RMB187,500 thousand, or the equivalent of US$26,865 thousand. This investment was approved by the Investment Commission, MOEA on August 24, 2020. The aforementioned capital increase account was remitted on August 16, 2021. This investment was approved by the Investment Commission, MOEA on September 10, 2021.

Note 2: Accumulated outflow of investment from Taiwan and current investment inflow were the original investment amount.

Note 3: SKLIC obtained approval from the China Insurance Regulatory Commission to increase and transfer the capital of SKHLIC on September 29, 2018. SKLIC transferred $838,125 thousand (RMB187,500 thousand) to the capital account held by SKHLIC as well as recognized a gain on disposal of investments of $1,688,029 thousand as other gain or loss on investments in 2018. SKLIC reclassified 25% of their ownership for sale to assets classified as held for sale in the amount of $6,130 thousand. After the capital of SKHLIC had been transferred, SKLIC derecognized assets classified as held for sale and equity related to assets classified as held for sale.

Note 4: On April 3, 2019, SKHLIC obtained the approval from the China Banking and Insurance Regulatory Commission to change its name to DingCheng Life Insurance Company.

Note 5: SKLIC remitted a capital increase of $807,188 thousand (RMB187,500 thousand) to DingCheng Life Insurance Company's (DLIC) capital increase account and waited for the China Banking and Insurance Regulatory Commission's approval. This capital increase was recorded as advance investment. In January 2021, the supervisory authority over DLIC's capital increase case was changed from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau ("Beijing Regulatory Bureau") of the China Banking and Insurance Regulatory Commission. The capital increase was both approved and terminated by DLIC's board of directors on June 30, 2021, and the capital increase was remitted on August 16, 2021. SKLIC's board of directors approved the withdrawal of the capital increase and the sale of all of DLIC's shares on June 29, 2021; an agreement on this sale was signed with Hongdou Group Co., Ltd. on June 30, 2021. The price of the shares sold was RMB462,500 thousand, and a condition of the sale was that SLKIC would no longer participate in DLIC's capital increase plan. The transfer of the equity interest has been under the approval process of the Beijing Regulatory Bureau since May 2023.

Note 6: Shenzhen Bolin Asset Management Co., Ltd. and Shenzhen Guo Zhan Investment Development Co., Ltd., shareholders of DingCheng Life Insurance Company, donated RMB450,000 thousand and RMB50,000 thousand to Dingcheng Life Insurance Company on March 16, 2021, respectively. The total donation is 500,000 thousand and gratuitously. Dingcheng Life Insurance Company has no obligation to repay the funds, and has no effect on the shareholding ratio of SKLIC and all other shareholders. It is used to improve the company's solvency ratio to support the company business development. The donation is recorded under capital surplus of Dingcheng Life Insurance Company, and SKLIC recognized the total amount $543,285 thousand as capital surplus - others according to the shareholding ratio.

Note 7: Location: Beijing, China.

Note 8: Status of capital funds and related income: As of March 31, 2025, DingCheng Life Insurance Company's capital funds, which were deposited in banks or were invested in securities and policy loans, totaled $42,607,480 thousand, and the investment income for the three months ended March 31, 2025 was $282,020 thousand.

(Continued)

Note 9: Provision methodology and balances of insurance liability reserves:

	March 31, 2025
Reserve for unearned premiums	$ 232
Reserve for claim payments	330
Reserve for life insurance liability	44,042,159
	$ 44,042,721

a. Reserve for unearned premiums for short-term insurance universal insurance and for risk premiums with individual terms of less than one year is provided by policy type in accordance with the risk for the remaining policy period.

b. Reserve for claim payments is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, and reserve for claim payments reported but not yet paid is provided by case based on actual data.

c. Reserve for life insurance liability is provided according to modified standards stated by the Regulations Governing Calculation of Various Reserves for Operations. The calculation uses mortality table and projected interest rate of reserve regulations in China.

Note 10: Percentage of insurance income: 11.48%.

Note 11: Percentage of insurance benefits and claims: 0.15%.

(Concluded)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Ref. No. (Note 1)	Name of Company	Name of Counterparty	Flow of Transaction (Note 2)	Transaction			
				Account	Amount	Terms	% to Total Consolidated Operating Income or Total Consolidated Assets (Note 3)
0	SKLIC (parent company)	SKLRESC	a	Rental income	$ 4,535	Note 4	-
		SKLRESC	a	Guarantee deposits received	2,173	Note 4	-
		SKLRESC	a	Management expenses	103,962	Note 4	-
		SKLRESC	a	Refundable deposits	10,401	Note 4	-
		SKLRESC	a	Accrued expenses	82,987	Note 4	-
		SKLRESC	a	Interest expenses	9	Note 4	-
		SKLRESC	a	Earned revenue receivables	1,368	Note 4	-

Note 1: Parent company is number 0; subsidiaries are sequentially numbered starting from 1.

Note 2: Flow of transaction:

a. From parent company to subsidiary.
b. From subsidiary to parent company.
c. Between subsidiaries.

Note 3: Percentage of transaction amount to total consolidated operating revenue and assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets.
For income statement accounts: Accumulated transaction amount ÷ Total consolidated revenue from operations.

Note 4: Terms and conditions of related party transactions are made on arm's length basis.

Shin Kong Life Insurance Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Shin Kong Life Insurance Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Shin Kong Life Insurance Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2024 are stated as follows:

Valuation of Reserve for Life Insurance Liability and Liability Adequacy Test

The description of the key audit matter:

As described in Note 25a-3 to the accompanying consolidated financial statements, the reserve for life insurance liability amounted to NT$3,268,414,896 thousand, 93% of total consolidated liabilities. Note 25a-6 also describes the exemption from a reserve for liability adequacy after testing and evaluation by management.

Shin Kong Life Insurance Co., Ltd.'s management adopts actuarial models and several significant assumptions for estimating the reserve for life insurance liability and the reserve for liability adequacy. Judging the reserve for life insurance liability involves significant assumptions, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The setup of assumptions is based on legislation, regulations, knowledge of the Group's actual experience and industry-specific experience. The tests performed in respect of the reserve for liability adequacy on insurance contracts are in accordance with regulations enacted by the Actuarial Institute of the Republic of China, and the setup of future test discount rates accounts for the Group's best estimate scenario as well as the rate of the portfolio return under the current information.

Refer to Notes 4n-3, 4n-6, 4o, 5a and 25 to the accompanying consolidated financial statements for the details on the related information, accounting policies, accounting estimations and assumption uncertainty for the reserve for life insurance liability and the reserve for liability adequacy test.

Since any changes in the actuarial models and important assumptions may lead to significant impacts on the results of the reserves for life insurance liability and for the liability adequacy test estimations, the reserves for life insurance liability and for liability adequacy test were identified as a key audit matter.

Corresponding audit procedures:

1. We understand the internal controls related to management's estimations of the reserves for life insurance liability and for liability adequacy test as well as evaluate the operating effectiveness of these internal controls.

2. We obtain actuarial reports regarding management's estimations of the reserves for life insurance liability and for liability adequacy test as well as evaluate the Group's contracted actuarial specialist's professional ability and competence.

3. Our actuarial specialist performs the following procedures, and we compare the results with the actuarial report published by the Group's contracted actuary in order to evaluate the rationality of the actuarial models and significant assumptions regarding the recognition of the reserve for life insurance liability applied by management. The main audit procedures are described as follows:

    a. Our actuarial specialist randomly samples the insurance products of Shin Kong Life Insurance Co., Ltd. to examine whether the calculations of the reserve for life insurance liability were in accordance with the regulations.

    b. Our actuarial specialist focuses on the actuarial models and important assumptions of selected insurance policies and verifies the recognized amount of the reserve for life insurance liability.

c. Our actuarial specialist performs profiling tests focused on long term insurance policies to identify any abnormal situations with recognized amounts of reserve of life insurance liability on single insurance policies as of December 31, 2024.

d. Our actuarial specialist uses the previously recognized amounts of the reserve for life insurance liability in consideration with the business development for this year and performs a ratio analysis of the reasonableness of the reserve for life insurance liability to estimate the overall recognized amount of reserve for life insurance liability.

4. Our actuarial specialist performs the following procedures, and we compare the results with the actuarial report published by the Group's contracted actuary in order to evaluate the rationality of the actuarial models and significant assumptions regarding the recognition of the reserve for liability adequacy test applied by management. The main audit procedures are described as follows:

   a. Our actuarial specialist focuses on the samples selected from insurance policies for our audit in order to examine whether the assumptions provided by Shin Kong Life Insurance Co., Ltd. were consistent with regulations and the important built-in assumptions with the actuarial tools.

   b. Our actuarial specialist focuses on the samples selected from insurance policies in order to evaluate the future test discount rates applied by Shin Kong Life Insurance Co., Ltd. for the reserve for liability adequacy test, and our actuarial specialist performs individual recalculations.

   c. Our actuarial specialist performs a comparative analysis of the prior period's results in consideration with the impact of the current business development in order to evaluate the rationality of the calculation of the reserve for liability adequacy test.

Valuation of Non-derivative Financial Instruments at Fair Value Through Profit or Loss or Other Comprehensive Income by Valuation Models with Quoted Price in Non-active Markets

The description of the key audit matter:

On December 31, 2024, Shin Kong Life Insurance Co., Ltd. held non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets. The financial instruments that were classified as Level 2 and Level 3 financial assets, amounted to NT$40,239,257 thousand, 9% of the total financial assets at fair value through profit or loss or other comprehensive income. The non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets were mainly stocks and bond investments. For the financial instruments, the management of Shin Kong Life Insurance Co., Ltd. applied valuation models to determine the fair values.

Refer to Notes 4l, 5b, 9, 10, and 38b to the accompanying consolidated financial statements for details on the relevant information, accounting policies, accounting estimation, and assumption uncertainty for the valuation of non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets.

The valuation models of the non-derivative financial instruments at fair value through profit or loss or other comprehensive income were selected based on the rules and practical experience of IFRS 13 "Fair Value Measurement" and Evaluation Standards 12 "Evaluation of Financial Instruments" by Accounting Research and Development Foundation, included the adjusted observable and unobservable inputs. The selection of the valuation models, as mentioned, and the inputs were involved in the critical judgments and estimations from management. Therefore, the valuation of the above-mentioned financial instruments was considered to be a key audit matter.

Corresponding audit procedures:

1. We understand the internal controls related to management's valuation of the non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets as well as evaluate the design of the internal controls.

2. With sampling the investment targets of the Level 2 and Level 3 non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models, we evaluate whether the valuation models and inputs adopted by management were reasonable, and recalculate the results to evaluate whether the carrying amounts are reasonable.

Assessment of Fair Values of Investment Properties

The description of the key audit matter:

The investment properties of Shin Kong Life Insurance Co., Ltd. are measured at their fair values. To support the management in making reasonable estimates, Shin Kong Life Insurance Co., Ltd. used the fair values assessed by external independent appraisers. As the appraisal method and parameters used in the assessment of fair values involve significant judgments and estimates, we deemed the assessment of the fair values of investment properties as a key audit matter. Refer to Notes 4h, 5b and 17 to the accompanying consolidated financial statements for details on the accounting policies, accounting estimation, assumption uncertainty, and relevant disclosure information on the assessment of fair values of investment properties.

Corresponding audit procedures:

1. We evaluate the professional capability, competence and objectivity of the external independent appraisers, and verified the qualification of the appraisers.

2. We appointed an internal valuation specialist to evaluate the reasonableness of the appraisal reports adopted by its management, including the appraisal methods, main parameters and discount rate of the appraisal reports.

Other Matters

We have also audited the parent company only financial statements of Shin Kong Life Insurance Co., Ltd. as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified audit opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chen-Hsiu Yang and Su-Huan You.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

ASSETS	2024 Amount	2024 %	2023 Amount	2023 %
CASH AND CASH EQUIVALENTS	$ 74,115,504	2	$ 99,581,548	3
RECEIVABLES	41,866,781	1	34,270,013	1
CURRENT TAX ASSETS	11,379,938	-	9,084,906	-
ASSETS CLASSIFIED AS HELD FOR SALE	6,789,434	-	8,468,595	-
INVESTMENTS				
Financial assets at fair value through profit or loss	297,754,288	8	299,381,566	8
Financial assets at fair value through other comprehensive income	129,889,403	4	132,691,219	4
Financial assets at amortized cost	2,607,519,729	70	2,495,474,760	70
Investments accounted for using equity method, net	2,877,156	-	2,752,157	-
Investment property	207,864,898	6	198,644,722	6
Loans	148,430,263	4	162,462,205	4
Total investments	3,394,335,737	92	3,291,406,629	92
REINSURANCE ASSETS	1,357,863	-	980,845	-
PROPERTY AND EQUIPMENT	25,614,721	1	28,944,690	1
RIGHT-OF-USE ASSETS	1,974,970	-	1,947,183	-
INTANGIBLE ASSETS	742,567	-	603,908	-
DEFERRED TAX ASSETS	55,872,569	1	43,017,469	1
OTHER ASSETS	28,525,912	1	18,007,443	-
ASSETS ON INSURANCE PRODUCT, SEPARATED ACCOUNT	57,212,215	2	51,870,326	2
TOTAL	$ 3,699,788,211	100	$ 3,588,183,555	100
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE				
Notes payable	$ 60	-	$ 29	-
Claims payable	177,613	-	195,240	-
Commission payable	923,422	-	597,583	-
Due to reinsurers and ceding companies	1,020,758	-	912,658	-
Other payables	8,196,164	-	5,033,355	-
Total accounts payable	10,318,017	-	6,738,865	-
CURRENT TAX LIABILITIES	16,887	-	29,756	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	26,885,868	1	1,312,272	-
BONDS PAYABLE	45,300,000	1	37,000,000	1
LEASE LIABILITIES	8,612,124	-	8,941,095	-
INSURANCE LIABILITIES				
Unearned premium reserve	12,122,170	-	10,963,732	-
Claim reserve	4,196,400	-	4,042,526	-
Liability reserve	3,268,414,896	89	3,254,410,930	91
Special claim reserve	1,396,979	-	6,859,980	-
Premium insufficient reserve	905,718	-	1,054,695	-
Total insurance liabilities	3,287,036,163	89	3,277,331,863	91
RESERVE FOR INSURANCE WITH NATURE OF FINANCIAL INSTRUMENT	127,931	-	70,849	-
RESERVE FOR FOREIGN EXCHANGE VALUATION	45,145,827	1	13,218,699	-
PROVISIONS	18,114	-	44,888	-
DEFERRED TAX LIABILITIES	27,046,633	1	16,533,044	1
OTHER LIABILITIES				
Advance receipts	1,606,906	-	1,257,976	-
Guarantee deposits and margins received	1,828,615	-	15,363,542	1
Other liabilities, others	361	-	361	-
Total other liabilities	3,435,882	-	16,621,879	1
LIABILITIES ON INSURANCE PRODUCT, SEPARATED ACCOUNT	57,212,215	2	51,870,326	2
Total liabilities	3,511,155,661	95	3,429,713,536	96
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY				
Share capital				
Ordinary share	82,768,904	2	74,387,451	2
Capital surplus				
Additional paid-in capital	35,215,253	1	22,447,447	1
Others	666,456	-	659,347	-
Total capital surplus	35,881,709	1	23,106,794	1
Retained earnings				
Special reserve	141,638,443	4	132,776,580	4
Accumulated deficit	(53,973,279)	(2)	(57,948,565)	(2)
Total retained earnings	87,665,164	2	74,828,015	2
Other equity				
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	5,989,532	-	2,271,019	-
Losses from investments in debt instruments measured at fair value through other comprehensive income	(850,011)	-	(659,307)	-
Exchange differences on translation of foreign financial statements	15,178	-	11,643	-
Gains on hedging instruments	1,721	-	2,067	-
Revaluation surplus	5,015,093	-	4,493,933	-
Reserve of overlay approach	(28,285,459)	-	(20,404,577)	(1)
Total other equity	(18,113,946)	-	(14,285,222)	(1)
Total equity attributable to owner of the Company	188,201,831	5	158,037,038	4
NON-CONTROLLING INTERESTS	430,719	-	432,981	-
Total equity	188,632,550	5	158,470,019	4
TOTAL	$ 3,699,788,211	100	$ 3,588,183,555	100

The accompanying notes are an integral part of the consolidated financial statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING REVENUE					
Retained earned premium					
Written premium	$ 182,868,231	57	$ 154,020,290	59	19
Reinsurance premium	-	-	-	-	-
Total premium	182,868,231	57	154,020,290	59	19
Less: Reinsurance expense	(2,009,609)	(1)	(1,795,941)	(1)	12
Net changes in unearned premiums reserve	(1,054,662)	-	(1,103,003)	-	(4)
Retained earned premium	179,803,960	56	151,121,346	58	19
Reinsurance commission received	349,618	-	360,461	-	(3)
Fee income	1,087,402	-	910,090	-	19
Net income from investments					
Interest income	101,059,160	32	101,253,361	39	-
Losses on financial assets or liabilities at fair value through profit or loss	(83,477,897)	(26)	(6,540,175)	(2)	1,176
Losses arising from derecognition of financial assets measured at amortized cost	(3,291,099)	(1)	(3,555,020)	(1)	(7)
Realized gains on financial assets at fair value through other comprehensive income	5,360,367	2	6,173,604	2	(13)
Share of loss of associates and joint ventures accounted for using equity method	(141,291)	-	(184,186)	-	(23)
Foreign exchange gains, investments	107,160,086	34	2,962,528	1	3,517
Net changes in reserve for foreign exchange valuation	(14,221,488)	(5)	14,122,918	5	(201)
Gains on investment property	7,787,791	2	9,861,296	4	(21)
Expected credit losses or reversal of expected credit losses of investments	956,955	-	491,989	-	95
Other net loss from investments	(315,368)	-	(309,809)	-	2
Gains (losses) on reclassification under the overlay approach	9,455,315	3	(26,354,998)	(10)	136
Other operating income	1,277,154	1	929,076	-	37
Income on insurance products, separated account	6,407,879	2	8,746,681	4	(27)
Total operating revenue	319,258,544	100	259,989,162	100	23

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING COSTS					
Retained claim payments					
Insurance claim payment	$ 292,892,865	92	$ 246,254,035	95	19
Less: Claims recovered from reinsurers	(1,227,751)	(1)	(863,013)	(1)	42
Total retained claim payments	291,665,114	91	245,391,022	94	19
Net changes in insurance liabilities					
Net changes in claim reserve	153,961	-	468,466	-	(67)
Net changes in liability reserve	(13,577,730)	(4)	7,511,174	3	(281)
Net changes in special claim reserve	44,257	-	(389,236)	-	111
Net changes in premium deficiency reserve	(163,388)	-	(363,415)	-	(55)
Total net changes in insurance liabilities	(13,542,900)	(4)	7,226,989	3	(287)
Net changes in reserve for insurance with nature of financial instrument	55,517	-	50,080	-	11
Acquisition expenses	4,385	-	7,219	-	(39)
Commission expenses	8,586,892	3	6,103,614	2	41
Fee expenses	221,643	-	71,548	-	210
Financial costs	1,782,277	1	1,258,332	-	42
Other operating costs	1,198,566	-	1,272,560	1	(6)
Disbursements on insurance product, separated account	6,407,879	2	8,746,681	4	(27)
Total operating costs	296,379,373	93	270,128,045	104	10
OPERATING EXPENSES					
General expenses	9,262,950	3	7,998,115	3	16
Administrative expenses	6,538,574	2	5,639,423	2	16
Staff training expenses	197,209	-	193,778	-	2
Expected credit losses or reversal of expected credit losses of non-investments	13,908	-	(302)	-	4,705
Total operating expenses	16,012,641	5	13,831,014	5	16
OPERATING INCOME (LOSS)	6,866,530	2	(23,969,897)	(9)	129

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NON-OPERATING INCOME AND EXPENSES					
Impairment loss on non-financial assets	$ (325,887)	-	$ -	-	-
Recovered bad debts and overdue accounts	7,251	-	25,873	-	(72)
Other non-operating income and expenses	384,415	-	324,389	-	19
Total non-operating income and expenses	65,779	-	350,262	-	(81)
PROFIT (LOSS) FROM CONTINUING OPERATIONS BEFORE TAX	6,932,309	2	(23,619,635)	(9)	129
TAX INCOME	3,296,737	1	6,511,868	3	(49)
CONSOLIDATED NET INCOME (LOSS)	10,229,046	3	(17,107,767)	(6)	160
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX					
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains on remeasurements of defined benefit plans	576,834	-	4,358	-	13,136
Gains on revaluation	603,445	-	1,165,042	-	(48)
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,005,535)	-	(1,717,409)	(1)	(41)
Revaluation gains on investments in equity instruments measured at fair value through other comprehensive income	6,733,624	2	12,517,219	5	(46)

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	$ 3,535	-	$ (123)	-	2,974
Share of the other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	243,128	-	63,374	-	284
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	1,647,101	1	(3,659,217)	(1)	145
Losses (gains) from investments in debt instruments measured at fair value through other comprehensive income	(506,846)	-	18,677	-	(2,814)
Other comprehensive (loss) income on reclassification under the overlay approach	(9,455,315)	(3)	26,354,998	10	(136)
Total other comprehensive (loss) income, net of income tax	(1,160,029)	-	34,746,919	13	(103)
TOTAL COMPREHENSIVE INCOME	$ 9,069,017	3	$ 17,639,152	7	(49)
NET INCOME (LOSS) ATTRIBUTABLE TO:					
Owner of the company	$ 10,157,479	3	$ (17,192,701)	(6)	159
Non-controlling interest	71,567	-	84,934	-	(16)
	$ 10,229,046	3	$ (17,107,767)	(6)	160
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owner of the company	$ 8,997,080	3	$ 17,537,850	7	(49)
Non-controlling interest	71,937	-	101,302	-	(29)
	$ 9,069,017	3	$ 17,639,152	7	(49)

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2024		2023		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
EARNINGS (LOSS) PER SHARE					
Basic	$1.29		$(2.33)		

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company												
						Other Equity							
	Share Capital	Capital Surplus		Retained Earnings		Unrealized (Losses) Gains on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Exchange Differences on Translation of Foreign Financial Statements	Gains on Hedging Investments	Revaluation Surplus	Reserve of Overlay Approach	Total	Non-controlling Interests	Total
	Ordinary Share	Additional Paid-in Capital	Others	Special Reserve	Accumulated Deficit								
BALANCE, JANUARY 1, 2023	$ 73,720,784	$ 21,614,114	$ 659,347	$ 133,088,524	$ (43,519,549)	$ (6,991,393)	$ 11,766	$ 3,301	$ 3,537,471	$ (43,101,268)	$ 139,023,097	$ 408,641	$ 139,431,738
Appropriation of 2022 earnings													
Special reserve for gains arising from derecognition of the investments in debt instruments	-	-	-	(51,467)	51,467	-	-	-	-	-	-	-	-
Special reserve - net amount of the adjustments on investment properties that subsequently measures at fair value model	-	-	-	11,937	(11,937)	-	-	-	-	-	-	-	-
Provision of reserve for catastrophe and contingent claim	-	-	-	268,213	(268,213)	-	-	-	-	-	-	-	-
Special reserve for travel insurance	-	-	-	9,473	(9,473)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(76,962)	(76,962)
Special reserve reversed under Rule No. 11004920441 issued by the Financial Supervisory Commission	-	-	-	(532,380)	532,380	-	-	-	-	-	-	-	-
Special reserve reversed under Rule No. 10904917647 issued by the Financial Supervisory Commission	-	-	-	(17,720)	17,720	-	-	-	-	-	-	-	-
Net (loss) income for the year ended December 31, 2023	-	-	-	-	(17,192,701)	-	-	-	-	-	(17,192,701)	84,934	(17,107,767)
Other comprehensive income (loss), net of tax for the year ended December 31, 2023	-	-	-	-	3,605	11,075,150	(123)	(1,234)	956,462	22,696,691	34,730,551	16,368	34,746,919
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(17,189,096)	11,075,150	(123)	(1,234)	956,462	22,696,691	17,537,850	101,302	17,639,152
Issue of shares	666,667	833,333	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,472,045	(2,472,045)	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income from participating policy transfer in special reserve	-	-	-	-	(23,909)	-	-	-	-	-	(23,909)	-	(23,909)
BALANCE, DECEMBER 31, 2023	74,387,451	22,447,447	659,347	132,776,580	(57,948,565)	1,611,712	11,643	2,067	4,493,933	(20,404,577)	158,037,038	432,981	158,470,019
Appropriation of 2023 earnings													
Special reserve for gains arising from derecognition of the investments in debt instruments	-	-	-	(3,579,861)	3,579,861	-	-	-	-	-	-	-	-
Special reserve - net amount of the adjustments on investment properties that subsequently measures at fair value model	-	-	-	(13,226)	13,226	-	-	-	-	-	-	-	-
Provision of reserve for catastrophe and contingent claim	-	-	-	440,033	(440,033)	-	-	-	-	-	-	-	-
Special reserve for travel insurance	-	-	-	9,866	(9,866)	-	-	-	-	-	-	-	-
Special reserve - designated liability transferred to reserve for foreign exchanges valuation	-	-	-	12,000,000	(12,000,000)	-	-	-	-	-	-	-	-
Special reserve reversed under Rule No. 10904917647 issued by the Financial Supervisory Commission	-	-	-	5,051	(5,051)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(76,962)	(76,962)
Net income for the year ended December 31, 2024	-	-	-	-	10,157,479	-	-	-	-	-	10,157,479	71,567	10,229,046
Other comprehensive income (loss), net of tax for the year ended December 31, 2024	-	-	-	-	460,671	5,735,463	3,535	(346)	521,160	(7,880,882)	(1,160,399)	370	(1,160,029)
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	10,618,150	5,735,463	3,535	(346)	521,160	(7,880,882)	8,997,080	71,937	9,069,017
Issue of shares	8,381,453	12,479,547	-	-	-	-	-	-	-	-	20,861,000	-	20,861,000
Share-based payments	-	288,259	7,109	-	-	-	-	-	-	-	295,368	2,763	298,131
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,207,654	(2,207,654)	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income from participating policy transfer in special reserve	-	-	-	-	11,345	-	-	-	-	-	11,345	-	11,345
BALANCE, DECEMBER 31, 2024	$ 82,768,904	$ 35,215,253	$ 666,456	$ 141,638,443	$ (53,973,279)	$ 5,139,521	$ 15,178	$ 1,721	$ 5,015,093	$ (28,285,459)	$ 188,201,831	$ 430,719	$ 188,632,550

The accompanying notes are an integral part of the consolidated financial statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES		
Profit (loss) before tax	$ 6,932,309	$ (23,619,635)
Adjustments for:		
Depreciation expense	651,185	676,721
Amortization expense	229,074	237,593
Net loss on financial assets or liabilities at fair value through profit or loss	83,477,897	6,540,175
Net gain on financial assets at fair value through other comprehensive income	(5,360,367)	(6,173,604)
Financial costs	1,782,277	1,258,332
Net loss arising from derecognition of financial assets measured at amortized cost	3,291,099	3,555,020
Interest income	(101,059,160)	(101,253,361)
Net changes in insurance liabilities	27,211,243	9,781,961
Net change in reserve for insurance with nature of financial instrument	57,082	49,885
Net changes in reserve for foreign exchange valuation	14,221,488	(14,122,918)
Expected credit losses or reversal of expected credit loss of investments	(956,955)	(491,989)
Expected credit losses or reversal of expected credit loss of non-investments	13,908	(302)
Share-based payments	298,131	-
Share of loss of associates and joint ventures accounted for using equity method	141,291	184,186
(Gain) loss on reclassified by applying overlay approach	(9,455,315)	26,354,998
Gain on disposal of property and equipment	(207,868)	(148,819)
Gain on disposal of investment properties	(136,726)	(40,548)
Gain on disposal of assets classified as held for sale	(5,492)	(45,625)
Impairment loss on non-financial assets	325,887	-
Gain on fair value adjustment of investment property	(2,729,172)	(4,888,636)
Loss (gain) on fair value adjustment of assets classified as held for sale	33,124	(161,196)
Gain recognized in bargain purchase transaction	-	(16,818)
Loss on lease modification	153	-
Net changes in operating assets and liabilities		
Increase in receivables	(5,470,621)	(6,351,338)
Decrease in financial assets at fair value through profit or loss	25,945,640	42,644,358
Decrease in financial assets at fair value through other comprehensive income	8,754,024	40,846,639
(Increase) decrease in financial assets at amortized cost	(95,757,874)	66,815,638
Increase in other assets	(1,630,946)	(371,056)
Increase (decrease) in notes payable	31	(399)
(Decrease) increase in claims payable	(815)	1,605
Increase in commissions payable	325,839	68,390
Increase in due to reinsurers and ceding companies	108,100	412,748
Increase (decrease) in other payables	3,310,294	(27,575)

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Decrease in financial liabilities at fair value through profit or loss	$ (91,204,472)	$(127,569,559)
Increase (decrease) in other payables	565,605	(20,217)
Increase in advance receipts	390,467	387,491
Cash outflow generated from operations	(135,909,635)	(85,487,855)
Interests received	72,898,687	76,287,205
Dividends received	14,641,594	13,989,698
Interests paid	(1,781,046)	(1,257,966)
Income tax paid	(717,965)	(782,075)
Net cash flows (used in) from operating activities	(50,868,365)	2,749,007
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(78,750)	(320,000)
Proceeds from capital reduction of investments accounted for using equity method	-	50,100
Proceeds from disposal of assets classified as held for sale	1,651,529	1,132,096
Acquisition of property and equipment	(571,929)	(508,242)
Proceeds from disposal of property and equipment	287,538	232,689
(Increase) decrease in refundable deposits	(1,945,888)	6,523,191
Acquisition of intangible assets	(226,819)	(121,082)
Decrease (increase) in loans	14,158,898	(3,285,864)
Acquisition of investment properties	(2,681,151)	(1,512,572)
Proceeds from disposal of investment properties	557,142	111,984
Increase in other assets	(169,572)	(129,294)
Net cash flows from investing activities	10,980,998	2,173,006
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuing bonds	8,300,000	13,000,000
(Decrease) increase in guarantee deposits received	(13,534,927)	8,918,246
Repayments of lease liabilities	(1,131,881)	(1,218,625)
Proceeds from issuing shares	20,861,000	1,500,000
Cash dividends paid to non-controlling interests	(76,962)	(76,962)
Net cash flows from financing activities	14,417,230	22,122,659
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	4,093	54
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(25,466,044)	27,044,726
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	99,581,548	72,536,822
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 74,115,504	$ 99,581,548

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Shin Kong Life Insurance Co., Ltd. (the "Company" or SKLIC) was established in July 1963 and its shares were listed on the Taiwan Stock Exchange (TWSE) in December 1993. SKLIC is mainly engaged in the life insurance business, including individual and group life, accident, health, and so on. SKLIC has headquarters located in Taipei City and 23 branch offices throughout Taiwan.

On its establishment, the Company's paid-in-capital was $10,000 thousand; after a capital increase and decrease, the Company's paid-in-capital was $82,769,000 thousand as of December 31, 2024.

Through a share swap, SKLIC became a subsidiary of Shin Kong Financial Holding Co., Ltd. (SKFHCL) under Article 26 of the Financial Holding Company Act. SHFHCL, whose shares have been listed on the TWSE since February 19, 2002, engaged in managing its subsidiaries and investing in businesses approved by the relevant authorities.

Shin Kong Life Insurance Co., Ltd. (SKLIC) stopped listing its shares on February 19, 2002 and became a wholly owned subsidiary of SKFHCL.

On October 9, 2024, SKFHCL's shareholders held an extraordinary meeting and resolved to merge with Taishin Financial Holding Co., Ltd. (TFHCL), with TFHCL as the sole surviving company. With SKFHCL eliminated, its stock will be delisted, public issuance of its shares will cease, and SKFHCL will be dissolved at the merger record date.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

Shin Kong Life Real Estate Service Company (SKLRESC) was established on July 12, 1988 and obtained an operating permit on August 17, 1988. SKLRESC mainly engages in management services; sanitary services; repair and maintenance of utilities equipment; sale and installation of waterproof, burglar-proof, fire alarm equipment, and car parking equipment; operation of parking lots; housing brokerage; and real estate business management.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 19, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Following are the IFRS Accounting Standards endorsed and issued into effect by the FSC for application starting from 2024.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024
Amendments to AS 1 "Classification of Liabilities as Current or Non-current" (Amendment in 2020) and "Non-current Liabilities with Covenant" (Amendment in 2022)	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024
Measurement of liabilities for the consideration received from employees, which should be returned if employees resign under the restricted share plan	October 11, 2024

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"- the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026

(Continued)

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027

(Concluded)

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

   Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) IFRS 17 "Insurance Contracts"

   IFRS 17 sets out the accounting standards for insurance contracts that will supersede IFRS 4. The main standards and relevant amendments of IFRS 17 are as follows:

   Level of aggregation

   IFRS 17 requires the Group to identify portfolios of insurance contracts, which comprise contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

   a) A group of contracts that are onerous at initial recognition;

   b) A group of contracts that at initial recognition that has no significant possibility of becoming onerous;

   c) A group of the remaining contracts in the portfolio.

The Group is not permitted to include contracts issued more than one year apart in the same group.

Recognition

The Group shall recognize a group of insurance contracts arising from the earliest of the following:

a) The beginning of the coverage period of the group of contracts;

b) The date when the first payment from a policyholder in the group becomes due; and

c) For a group of onerous contracts, when the group becomes onerous.

Measurement

The Group shall include all the future cash flows within the boundary of each contract in the Group. The fulfilment cash flows comprise the estimates of future cash flows, an adjustment to reflect the time value of money, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit of a group of insurance contracts that the Group will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) The initial recognition of an amount for the fulfilment cash flows;

b) Any cash flows arising from the contracts in the group at that date.

c) The derecognition at the initial recognition date of the following:

   i. Any assets or liabilities recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date. On subsequent measurement, if a group of insurance contracts becomes onerous or more onerous, that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the fulfilment cash flows allocated, any previously recognized acquisition cash flows and any cash flows arising from the contract at that date are a net outflow. The Group shall recognize a loss in profit or loss for the net outflow in profit and loss, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium allocation approach

The Group may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on one of the conditions that, at the inception of the group:

a) The Group reasonably expects that this will be a reasonable approximation of the general model, or

b) The coverage period of each contract in the group is one year or less.

At the inception of the group, if the Group expects significant variances in the fulfilment cash flows during the period before a claim is incurred, such contracts are not eligible for the application of the PAA.

When using the PAA, the liability for remaining coverage shall be initially recognized as the premiums:

a) Received at initial recognition;

b) Minus any insurance acquisition cash flows at that date;

c) The derecognition at the initial recognition date of the following:

   i. Any assets or liabilities recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortization of acquisition cash flows, minus the amount recognized as insurance revenue for service provided in that period, and minus all investment components paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of the standard only if the issuer also issues insurance contracts. The requirements of the standard are modified for such investment contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Group shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Group shall derecognize an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Transition

The Group shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only needs to use available information without undue cost or effort. The Group shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Group determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which applied IFRS 9 may redesignate and reclassify financial assets that comply with paragraph C29 of IFRS 17. The entity does not have to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount and their carrying amount at the date of initial application of these financial assets is recognized in the retained earnings (or other equity, if appropriately) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of these affected financial assets under IFRS 9.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17, for financial assets that have been derecognized during the comparative period of the date of initial application of IFRS 17, the enterprise can choose to apply the classification overlay on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

3) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.

- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.

- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

4) Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and

- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;

- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and

- The settlement risk associated with the electronic payment system being insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Insurance Companies and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value, investment properties, and net defined benefit liabilities that are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

The assets and liabilities in the consolidated financial statements are classified according to the nature of each account and stated in the order of their liquidity rather than divided into current or noncurrent accounts.

d. Basis of consolidation

Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 to consolidated financial statements and Table 3 following these notes for the detailed information of subsidiaries, including the percentage of ownership and main business.

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign operations (including of the subsidiaries, associates, joint ventures, branches or operations in other countries that use or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owner of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor associate in a joint venture.

The Group uses the equity method to account for its investments in associate.

Under the equity method, an investment in an associate and joint venture is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate or a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method or does not remeasure the retained interest.

When an entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of the Groups interests as unrelated party of the associate are.

g. Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

Properties and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees. Such assets are depreciated and classified to the appropriate categories of property and equipment when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation (investment properties include right-of-use assets and properties under construction if the definition of investment properties is met). Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Investment properties acquired through leases are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties under construction, of which the fair value is not reliably measurable, are measured at cost less accumulated impairment loss until such time as either the fair value becomes reliably measurable or construction is completed (whichever comes earlier).

For a transfer of classification from investment properties to property and equipment, the deemed cost of an item of property for subsequent accounting is its fair value.

For a transfer of classification from property, equipment and right-of-use assets to investment properties, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

The sale of land or houses is not part of the normal business activities of the Group. The houses acquired in exchange for land in accordance with the joint construction contract are classified as investment properties, and the exchange gains and losses are not recognized at the time of exchange, and when they meet the conditions for classification as held for sale under IFRS 5, they are classified as assets for sale.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Any changes in estimates are accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for the usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognizes this as an intangible asset. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of investment properties (measured at cost less accumulated depreciation and accumulated impairment loss), property, equipment, right-of-use assets, tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its investment properties (measured at cost less accumulated depreciation and accumulated impairment loss) property, equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The corporate assets allocated on a reasonable and consistent basis; to the smallest group of cash-generating units.

Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Assets held for sale

Assets are classified as held for sale if their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and investments in equity instruments measured at fair value through other comprehensive income.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or loss. Fair value is determined in the manner described in Note 38.

Overlay approach

For designated financial assets, the Group can choose to adopt the overlay approach.

The qualified financial assets that are allowed to adopt the overlay approach are limited to financial assets measured at fair value through profit or loss under IFRS 9, but not under IAS 39 and without any relationship to IFRS 4 "Insurance Contracts".

If the company chooses to use the overlay approach, it should designate the qualified financial assets upon initial application of IFRS 9 and designate the new assets acquired after initial recording. The changes in fair value of qualified financial assets should be divided into two parts, recorded as profit or loss under IAS 39 and the difference between application of IFRS 9 and IAS 39 recorded as other comprehensive income.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and loans, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and notes and bonds purchased under resale agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and expected credit losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group recorded part of the allowance for impairment loss of accounts receivable by the simplified approach under IFRS 9. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

To measure the expected credit losses, the Group considers the Probability of default ("PD") of the financial asset or issuer or counterparty in the next 12 months or over its lifetime, which is included in the Loss given default ("LGD") which is then multiplied by the Exposure at default ("EAD"), taking into consideration the impact of the time value of the currency when calculating the 12 months and lifetime expected credit loss. In addition, for debt instruments and loans that needed to amortize cash flow of every period, cash flow method is used to assess the lifetime expected credit losses.

PD is the rate that a default occurs on issuers or counterparties. LGD is the loss rate that resulted from a default of issuers or counterparties.

Loss given default used by the Company in impairment assessment is based on information regularly issued by Moody's and JCIC or internal historical information (for example, historical experience of credit loss) and determined based upon current observable information and macroeconomic information (for example, gross domestic product and economic growth rate) with adjustments of historical data.

The Group uses the total carrying amount of financial assets measured at amortized cost (including receivables and loans), investments in debt instruments at FVTOCI, and commitment off financial statements to measures the amount of exposure at default (EAD).

For internal credit risk management purposes, the Group considers the situations in which internal or external information shows that the debtor will not be able to pay its creditors as an indication that a financial asset is in default (without taking into account any collateral held by the Group):

The impairment loss on all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, but for investments in debt instruments that are measured at FVTOCI, the loss allowance is recognized in other comprehensive income and the carrying amounts of these financial assets are not reduced.

SKLIC evaluates the collectability of credit assets based on the financial conditions of the borrowers and the payments of principal or interests as well as the values of specific loan collateral assessed by the Company according to the conditions of the collaterals and the length of time overdue, in accordance with Regulation Governing the Procedures for Insurance Companies to Evaluates Assets and Deal with Nonperforming/Non-accrual Loans.

Based on the regulation mentioned above, unsound credit assets are classified into four categories as those that require special mention (category 2), substandard (category 3), doubtful (category 4), and losses (category 5) with the minimum loan loss provision and guarantee reserve at the sum of 2%, 10%, 50% and 100% of categories 2 to 5 of unsound credit assets, respectively. Besides, additional allowance for doubtful accounts should be provided at 0.5% of normal credit assets excluding policy loans, premium loans and loans to government institutions. Credit assets deemed uncollectible are written off after the approval of the board of directors.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by an entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. The carrying amount of equity instruments is calculated based on a weighted average method by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability.

Fair value is determined in the manner described in Note 38.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset host that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

5) Modification of financial instruments

When a financial instrument is modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

m. Separate accounts

The Group sells investment type insurance policies. The insurance premiums paid by policyholders, net of several expenses of the insurance companies, according to agreed terms are invested in separate accounts at allocation agreed with or directed by the policyholders. The value of the separate-account assets on the valuation date is measured in fair value and calculated value of net asset in accordance with the related regulations and accounting standards generally accepted in the ROC.

The assets and liabilities of separate accounts, which are generated either from insurance contracts or from insurance contracts with features of financial instrument, are recorded in assets on insurance products - separate accounts and liabilities on insurance products - separate accounts. The revenues and expenses of separate accounts, which represent income and expenses, pursuant to IFRS 4 “Insurance Contracts”, are recorded in income on insurance products - separate accounts and disbursements on insurance products - separate accounts.

n. Insurance liability reserves

SKLIC provides reserve for insurance products and financial instruments with discretionary participation features pursuant to the Regulations Governing Calculation of Various Reserves for Operations, which are attested by actuaries accredited by the FSC. Except that the provision for short-term group insurance should be based on premium income received according to Tai-Tsai-Bao No. 852367814, other provision methodology is stated as follows:

1) Reserve for unearned premiums

Reserve for unearned premiums of effective policies with a term less than one year and of accident insurance with a term exceeding one year is provided by policy type according to the risk for the remaining policy period.

2) Reserve for claim payments

Reserve for claim payments is for claims which are reported but not yet paid and incurred but not yet reported. Reserve for claim payments reported but not yet paid is provided by case based on actual data. Reserve for claim payments incurred but not yet reported is provided as follows:

a) Health insurance and life insurance with a term less than one year is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, such as loss triangle; and

b) Accident insurance is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, such as loss triangle.

3) Reserve for life insurance liability

Reserve for life insurance liability is provided according to modified standards stated by Article 12 of the Regulations Governing Calculation of Various Reserves for Operations and other calculation descriptions of insurance product reported to and approved by authorities, based on the mortality table and projected interest rate in effect at the time when each insurance product is reported to and approved by the authorities.

For the effective policies whose policy dividends are applicable to the dividends formula of Tai-Tsai-Bao No. 800484251, the amount of decrease in dividends due to the netting-off of gain and loss from mortality margin and from interest margin in the current period should be provided in the reserve for life insurance liability of long-term effective policies.

4) Special reserve for life insurance

SKLIC sells participating life insurance. According to related regulations, at annual closing, special reserve for participating policy dividends should be provided according to income before tax of participating life insurance business each year, which is calculated based on Expenses and Revenues Allocation Principles of Participating and Nonparticipating Life Insurance reported to authorities, and should be reversed on declaration date. If the balance of special reserve for participating policy dividends is negative, special reserve for dividend risks should be provided in equal amount.

SKLIC measured investment properties at fair value according to Article 32 of Regulations Governing the Preparation of Financial Statements by Insurance Companies, and the surplus should be first offset by the negative effect of other accounts due to first-time adoption of IFRS Accounting Standards and then provided as a special reserve for insurance liabilities as of the date of transition to IFRS Accounting Standards. Please refer to Note 25.

5) Reserve for insufficient premiums

New life insurance, health insurance and annuity policies written since 2001, with terms exceeding one year and with premiums lower than the corresponding liability reserve required by regulations, are subject to reserve for insufficient premiums, and the amount by which the premium falls short of the liability reserve is provided as reserve for insufficient premiums.

6) Liability adequacy reserve

Liability adequacy reserve is based on the result of liability adequacy test according to IFRS 4.

o. Liability adequacy test

Liability adequacy test is performed in accordance with IFRS 4. The adequacy test of insurance liabilities is applied to recognize insurance liabilities based on current estimates of future cash flows from insurance policies. If the insurance liabilities are insufficient, the deficiency should be recognized as liability adequacy reserve.

p. Reserve for insurance contract with the nature of financial products

For non-separate account insurance products classified as financial instruments without discretionary participation features, the reserve should be recognized in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and depository accounting.

q. Reserve for changes in foreign exchange valuation

The reserve for changes in foreign exchange valuation is provided for by life insurance companies to manage the foreign exchange risk, lower cost and strengthen solvency. SKLIC provides this reserve according to Article 23-1 of Regulations Governing Calculation of Various Reserves for Operations for its foreign investment assets.

r. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. For contracts where the difference in timing between the service rendered and receipt of payment is within a year, the transaction price will not be adjusted.

s. Classification of insurance products

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Group identifies significant insurance risk as significant extra payments incurred only if there is an insured event, and excluding the circumstances without commercial substance (that is, the economic effect is small).

Insurance contract with the nature of financial instruments is a contract that makes the contract issuer exposed to financial risk and without significant insurance risk. Financial risk is the risk that one or multiple interest rates, the price of financial instruments, commodity price, exchange rate, price index, insurance premium index, credit ratings, credit index or other variables (if it is a non-financial variable, it has to be non-specific to both parties) will change in the future.

The policy that initially met the definition of insurance contract remains an insurance contract until all of the rights and obligations expire, even though the insurance risk has been significantly reduced through the duration of insurance. However, if significant insurance risk of the insurance contract with the nature of financial instruments is transferred to the Group afterwards, it shall be reclassified into insurance contract.

Insurance contracts whether or not with the nature of financial instruments can also be classified as whether or not with discretionary participation feature. Discretionary participation feature is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits:

1) That is likely to be a significant portion of the total contractual benefits;

2) Whose amount or timing is contractually at the discretion of the issuer; and

3) That is contractually based on:

   a) The performance of a specified pool of contracts or a specified type of contract;
   b) Realized and/or unrealized investment returns on a specified assets held by the Group; or
   c) The profit or loss of the Group, fund or other entity that issues the contract.

An embedded derivative shall be separated from its host contract and accounted for as a derivative when (1) the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract; (2) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (3) the entire instrument is not measured at fair value with changes in fair value recognized in the income statement.

t. Reinsurance

In order to limit potential losses from certain risk events, the Group enters into reinsurance agreements with the reinsurers according to its business needs and related insurance regulations. The Group cannot refuse to perform the obligations to the insured on the ground the reinsurers has failed to fulfill their obligations.

The Group's rights to the reinsurers, including reinsurance assets, claims recovered from reinsurers, and net due from reinsurers and ceding companies, are required to be tested for impairment on a regular basis. An impairment loss is recognized when there is objective evidence that an event happens after initial recognition causing the Group to be unable to collect receivables as stated in contract and the irrecoverable amount can be reliably measured. The difference between the recoverable amount and the book value of the underlying right is recognized as an impairment loss.

The reinsurance contract is classified by whether or not the Group transfers significant insurance risk to the reinsurers. If significant insurance risk is not transferred, the contract should apply deposit accounting.

For the reinsurance contract with significant insurance risk transferred, if the Group can evaluate the deposit component individually, the insurance component and the deposit component are unbundled separately. That is, the difference between the contract consideration the Group receives or pays and the amount of the insurance component is recognized as financial liabilities or assets instead of revenues or expenses. The financial assets or liabilities are recognized and measured at fair value, which is based on the discounted value of future cash flows.

u. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease and measures the carrying amount of the underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4 (investment properties) for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

v. Employee benefits

1) Employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan curtailment occurs or when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets, is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plan or reductions in future contributions to the plan.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for the defined benefit plan except that remeasurement is recognized in profit or loss.

w. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees and others providing similar services

The fair value at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

x. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

The Group adopted the accounting treatment of the consolidated income tax return of the parent company (Shin Kong Financial Holding Co., Ltd.) and its subsidiaries. The difference in current income tax and deferred income tax between the consolidated income tax return and the sum of income tax of the subsidiaries included in the consolidated tax returns is considered as the parent's income tax adjustment. Any distribution of cash payments and receipts among the consolidated group members is recorded as a receivable or payable.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry-forwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the economic implications of the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions, inflation and interest rate fluctuations when making its material accounting estimates on cash flows, growth rates, discount rates, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a. Valuation of reserve for life insurance liability and liability adequacy test

Management adopts actuarial models and several significant assumptions for estimating the reserve for life insurance liability and the reserve for liability adequacy. Judging the reserve for life insurance liability involves significant assumptions, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The setup of assumptions is based on legislation, regulations, knowledge of the Group's actual experience and industry-specific experience. The tests performed in respect of the reserve for liability adequacy on insurance contracts are in accordance with regulations enacted by the Actuarial Institute of the Republic of China, and the setup of future test discount rates accounts for the Group's best estimate scenario as well as the rate of portfolio return under the current information.

The management examines these estimates continuously and made adjustments when necessary, but actual results may differ from these estimates.

b. Valuation of investment properties and financial instruments at fair value through profit or loss or other comprehensive income by valuation models with no quoted price in active markets

Where some of the Group's assets measured at fair value have no quoted prices in active markets, the Group determines the appropriate valuation techniques for the fair value measurements and whether to engage third-party qualified valuers according to relevant regulations or judgments.

Where Level 1 inputs are not available, the Group and real estate appraiser will engage valuers to determine the appropriate inputs by referring to the analyses of the financial status and operating results of the investee, the latest transaction price, the quotation of the same equity instrument in the inactive market, the quotation of similar instruments in the active market, the evaluation multiplier of comparable companies, the interest rate of the bond market, the existing lease contracts and neighboring rent prices. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly.

Due to the uncertainty arising from the military conflict between Russia and Ukraine, related international sanctions, inflation, and fluctuations in market interest rates, there has been significant volatility in the financial markets, leading to uncertainty in the fair value measurement of financial instruments. The real estate market has also experienced significant fluctuations due to inflation and market interest rate volatility, resulting in uncertainty in the fair value measurement of investment properties.

The Group and real estate appraiser updates inputs every quarter to confirm the appropriateness of the fair value measurement. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Notes 17 and 38.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	$ 25,242	$ 30,233
Checking accounts and demand deposits	25,838,265	22,094,347
Time deposits with original maturities not exceeding three months	41,645,350	61,489,365
Bonds purchased under resale agreement (Note 32)	5,260,373	15,967,603
Notes purchased under resale agreement	1,346,274	-
	$ 74,115,504	$ 99,581,548

The interest rate intervals of time deposits with original maturities not exceeding three months and notes and bonds purchased under resale agreements at the end of the reporting period were as follows:

	December 31	
	2024	2023
Time deposits with original maturities not exceeding three months (domestic and foreign)	1.23%-5.01%	1.30%-5.94%
Bonds purchased under resale agreements	1.22%-1.64%	1.00%-1.34%
Notes purchased under resale agreements	1.45%-1.47%	-

7. ACCOUNTS RECEIVABLE

	December 31	
	2024	2023
Notes receivable	$ 57,088	$ 46,482
Interest receivable	28,038,082	25,781,572
Receivables of transactions on securities	10,356,077	6,739,524
Receivables of investment goods	685,860	502,633
Earned revenue receivable	3,122,225	1,500,729
Overdue receivable	60,608	45,974
Others	149,111	69,895
	42,469,051	34,686,809
Less: Allowance for impairment loss (Note 15)	(602,270)	(416,796)
	$ 41,866,781	$ 34,270,013

The Group recorded part of the allowance for impairment loss of accounts receivable by the simplified approach under IFRS 9, which considered the historical experience of credit loss in the past three years, current financial position and industrial economic situation. The Group evaluated the past information and concluded that there was no significant difference between the economic situation of the past, the current and the future. As result of the evaluation, the Group used the historical average rate of expected credit loss to calculate the expected credit loss.

If there is evidence showing that a counterparty suffered a huge financial crisis and the Group is not able to predict the recoverable amount, the Group should write-off the related accounts receivable, take recourse and record the related recovered amount in profit or loss.

The following table details the loss allowance of part of trade receivables, part of earned revenue receivable and others based on the Group's provision matrix.

December 31, 2024

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-5.21%	0.00%-10.00%	100.00%	
Gross carrying amount	$ 715,871	$ 12,827	$ 2	$ 728,700
Loss allowance (Lifetime ECLs)	(207)	-	(2)	(209)
Amortized cost	$ 715,664	$ 12,827	$ -	$ 728,491

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-12.50%	0.00%-10.00%	100.00%	
Gross carrying amount	$ 716,123	$ 15,760	$ 431	$ 732,314
Loss allowance (Lifetime ECLs)	(1,181)	(689)	(431)	(2,301)
Amortized cost	$ 714,942	$ 15,071	$ -	$ 730,013

Except for part of note receivable, part of earned revenue receivable and others that recorded part of the allowance for impairment loss of accounts receivable by the simplified approach, please refer to Notes 12 and 15 for information relating to the credit risk management and impairment of other receivables.

8. ASSETS CLASSIFIED AS HELD FOR SALE

	Land and Buildings	
	December 31	
	2024	2023
Cost	$ 6,141,775	$ 7,596,863
Add: Fair value adjustment	647,659	871,732
	$ 6,789,434	$ 8,468,595

SKLIC sold 17 units and 11 units of President Jasper Villa, Taipei City in the years ended December 31, 2024 and 2023, respectively. Refer to Note 29.

9. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	**2023**
Financial assets mandatorily measured at FVTPL		
Domestic listed shares	$ 88,850,570	$ 84,066,757
Domestic unlisted shares	161,700	168,000
Domestic beneficiary certificates	150,005,982	121,095,558
Domestic corporate bonds and bank debentures	18,354,843	19,059,170
Foreign listed shares	14,940,126	3,431,786
Foreign beneficiary certificates	17,398,326	34,620,844
Foreign bonds	8,042,741	8,054,596
Currency swap contracts	-	15,319,190
Foreign exchange forward contracts	-	13,565,665
	$ 297,754,288	$ 299,381,566
Financial liabilities measured at FVTPL		
Currency swap contracts	$ 21,068,239	$ 1,094,585
Foreign exchange forward contracts	5,817,629	217,687
	$ 26,885,868	$ 1,312,272

a. As of December 31, 2024, SKLIC had committed amounts of private equity fund and infrastructure fund of $1,335,217 thousand and $327,810 thousand, respectively. The amounts transferred out were $755,393 thousand and $299,204 thousand, respectively, and were recorded as domestic beneficiary certificates and foreign beneficiary certificates, respectively.

b. At the end of the reporting period, SKLIC's outstanding derivative instruments contracts (notional amount) were as follows:

	December 31	
	2024	**2023**
Currency swap contracts	US$ 21,461,000	US$ 21,355,000
Foreign exchange forward contracts	US$ 12,675,000	US$ 23,190,000

SKLIC entered into derivative instruments during the years ended December 31, 2024 and 2023 to manage its exposure to exchange rate fluctuations. The financial risk management objective of SKLIC is to minimize risks due to changes in fair value or cash flows. SKLIC did not adopt hedge accounting for derivative instruments.

c. SKLIC entered into trust agreements with Mega International Commercial Bank to invest in foreign securities in a prescribed manner. Furthermore, SKLIC reached a discretionary investment agreement with Asset Management One Hong Kong Ltd. ("AMO"), JP Morgan Asset Management Co., Ltd., BlackRock Assets Management Co., Ltd., Shin Kong Investment Trust Co., Ltd., MasterLink Securities Investment Advisory Co., Ltd. and Taishin Securities Investment Trust Co., Ltd. consigning these companies to invest in foreign securities.

As of December 31, 2024, the summary of the above-mentioned transactions was as follows:

	Consigning Amount	Advanced to Consignee (Note 1)
Mega International Commercial Bank	US$2.0 billion	NT$ 616,906 thousand
AMO		NT$ 67 thousand (Note 3)
JP Morgan Asset Management Co., Ltd.		NT$ 19,241 thousand (Note 2)
BlackRock Assets Management Co., Ltd.	US$0.1 billion	NT$ 2,610,530 thousand
Shin Kong Investment Trust Co., Ltd.	NT$1.2 billion	NT$ 1,272,255 thousand
MasterLink Securities Investment Advisory Co., Ltd.	NT$1.8 billion	NT$ 1,890,373 thousand
Taishin Securities Investment Trust Co., Ltd.	NT$1.2 billion	NT$ 1,237,785 thousand

Note 1: The entrusted transactions include financial assets designated at FVTPL, and financial assets measured at amortized cost.

Note 2: The Group terminated the discretionary investment agreement with JP Morgan Asset Management Co., Ltd. on March 16, 2016. As of December 31, 2024, the discretionary assets had not been settled.

Note 3: The Group terminated the AMO discretionary investment agreement on May 21, 2020, and the amount listed is the unsettled balance of the discretionary investment agreement as of December 31, 2024.

Note 4: SKLIC entered into a discretionary investment agreement with Fuh Hwa Securities Investment Trust Co., Ltd., which expired and was settled on December 31, 2024, and the payment was received on the same day.

d. The Group's settled loss, revaluation (loss) gain, foreign currency assets exchange gain, and net changes of reserve for changes in foreign exchange valuation in relation to currency derivatives were as follows:

	For the Year Ended December 31	
	2024	2023
Currency derivatives		
Settled loss	$ (74,635,600)	$(101,913,572)
Revaluation (loss) gain	(54,458,450)	50,649,918
Foreign currency assets exchange gain	107,160,086	2,962,528
Net changes of reserve for changes in foreign exchange valuation	(14,221,488)	14,122,918
	$ (36,155,452)	$ (34,178,208)

e. Upon the application of IFRS 9 starting from January 1, 2018, the Group adopted at the same time the overlay approach of IFRS 4 "Insurance Contracts" for the presentation of profit or loss of designated financial assets.

The financial assets related to investment activities of issued insurance contracts that adopted the overlay approach were as follows:

	December 31	
	2024	2023
Financial assets at fair value through profit or loss		
Domestic listed shares	$ 86,611,660	$ 80,967,140
Domestic unlisted shares	161,700	168,000
Foreign shares	14,940,126	3,431,786
Domestic beneficiary certificates	140,657,659	113,023,348
Foreign beneficiary certificates	14,293,119	31,884,901
Domestic bank debentures	18,079,101	19,059,170
Foreign bank debentures	7,968,072	7,977,311

For the years ended December 31, 2024 and 2023, the amounts due to reclassification of profit or loss of financial assets (that adopted the overlay approach) reclassified to other comprehensive income were as follows:

	For the Year Ended December 31	
	2024	2023
Gain under IAS 39	$ 55,648,450	$ 17,873,194
Gain under IFRS 9	(46,193,135)	(44,228,192)
Gain (loss) on reclassified based on the overlay approach	$ 9,455,315	$ (26,354,998)

For the years ended December 31, 2024 and 2023, adjustments based on the overlay approach were reduction of loss on assets at FVTPL from $83,477,897 thousand and $6,540,175 thousand to $74,022,582 thousand and $32,895,173 thousand, respectively.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2024	2023
Investments in equity instruments at FVTOCI	$ 103,388,140	$ 111,008,342
Investments in debt instruments at FVTOCI	26,501,263	21,682,877
	$ 129,889,403	$ 132,691,219

a. Investments in equity instruments at FVTOCI

	December 31	
	2024	2023
Domestic investments		
Listed shares and emerging market shares	$ 67,431,119	$ 75,696,064
Unlisted shares	3,530,174	3,503,701
Preference shares	32,426,847	31,808,577
	$ 103,388,140	$ 111,008,342

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

For the years ended December 31, 2024 and 2023, the Group sold its shares on the basis of managing credit concentration risk and capital reduction of investments. The sold shares had a fair value of $49,945,277 thousand and $51,087,583 thousand and the Group transferred a gain of $2,207,654 thousand and $2,472,045 thousand from other equity to retained earnings, respectively.

Dividend income recognized relating to investments in equity instruments at FVTOCI for the years ended December 31, 2024 and 2023 was $5,631,966 thousand and $6,189,136 thousand, respectively. Those related to investments derecognized for the years ended December 31, 2024 and 2023 were $1,739,080 thousand and $1,860,031 thousand, respectively, and those related to investments held for the years ended December 31, 2024 and 2023 were $3,892,866 thousand and $4,329,105 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	December 31	
	2024	**2023**
Domestic investments		
Corporate bonds	$ 15,270,765	$ 14,676,672
Government bonds	6,777,610	7,006,205
	22,048,375	21,682,877
Foreign investments		
Corporate bonds	768,711	-
Government bonds	3,684,177	-
	4,452,888	-
	$ 26,501,263	$ 21,682,877

Refer to Note 12 for information relating to credit risk management and impairment.

11. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	**2023**
Domestic investments		
Government bonds	$ 45,919,067	$ 46,898,465
Corporate bonds	150,117,734	150,519,419
Structured instrument	34,000,000	34,000,000
Time deposits with original maturities of more than 3 months	4,517,032	3,484,032
Less: Security deposits paid	(13,294,432)	(11,934,432)
	221,259,401	222,967,484

(Continued)

	December 31	
	2024	2023
Foreign investments		
Bonds	$ 1,468,814,386	$ 1,425,867,234
Mortgage-backed bonds	5,280,351	6,373,488
Callable bonds	923,524,897	846,493,377
Less: Security deposits paid	(6,071,457)	(144,597)
	2,391,548,177	2,278,589,502
Less: Allowance for impairment loss	(5,287,849)	(6,082,226)
	$ 2,607,519,729	$ 2,495,474,760

(Concluded)

a. For the years ended December 31, 2024 and 2023, the Group sold part of its debt instruments which were not significant individually or as a whole. The bonds sold had a fair value of $52,726,868 thousand and $87,292,809 thousand and the Group recognized loss on disposal of $2,790,968 thousand and $3,556,213 thousand, respectively. The callable debt instruments for the years ended December 31, 2024 and 2023 had a fair value of $7,347,366 thousand and $8,631,363 thousand, respectively, and the Group recognized a (loss) gain of $(500,131) thousand and $1,193 thousand, respectively.

b. The interest rate ranges for time deposits with original maturities of more than 3 months were approximately 0.75%-1.77% and 0.75%-1.58% per annum as of December 31, 2024 and 2023, respectively.

c. Refer to Note 12 for information relating to their credit risk management and impairment.

d. Refer to Note 21 for information relating to investments in financial assets at amortized cost pledged as security.

12. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The breakdown below shows the investment in debt instruments and structured instrument classified as FVTOCI and financial assets at amortized cost.

December 31, 2024

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 27,792,687	$ 2,627,656,435	Note	$ 2,655,449,122
Less: Allowance for impairment loss	(4,955)	(5,287,849)		(5,292,804)
Amortized cost	27,787,732	$ 2,622,368,586		2,650,156,318
Adjustment to fair value	(1,286,469)			(1,286,469)
	$ 26,501,263			$ 2,648,869,849

Note: The amount of debt instruments at amortized cost included security deposits paid of $18,571,457 thousand; excluding time deposits with original maturities of more than 3 months of $3,722,600 thousand which includes security deposits paid of $794,432 thousand.

December 31, 2023

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 22,466,653	$ 2,510,151,983	Note	$ 2,532,618,636
Less: Allowance for impairment loss	(4,153)	(6,082,226)		(6,086,379)
Amortized cost	22,462,500	$ 2,504,069,757		2,526,532,257
Adjustment to fair value	(779,623)			(779,623)
	$ 21,682,877			$ 2,525,752,634

Note: The amount of debt instruments at amortized cost included security deposits paid of $11,254,597 thousand; excluding time deposits with original maturities of more than 3 months of $2,659,600 thousand which includes security deposits paid of $824,432 thousand.

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings of debt investment are continuously monitored. The Group also reviews information of debt issuer, debtor and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

Category	Gross Carrying Amount at December 31, 2024 Description	Basis for Recognizing Expected Credit Losses
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments, structured instrument and accounts receivable classified by credit category and the corresponding expected loss rates were shown below:

December 31, 2024

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-0.31%	$ 2,644,631,519
Doubtful	3.42%-9.39%	6,608,390
In default	10.50%-100%	39,564,795
Write-off	-	-

December 31, 2023

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-1.52%	$ 2,510,606,551
Doubtful	7.25%-19.00%	15,583,637
In default	10.50%-100%	35,764,208
Write-off	-	-

The gross carrying amount listed above excluded the allowance for notes receivable, earned revenue receivables upon the application of the simplified approach of $728,700 thousand and $732,314 thousand; interest receivables, notes receivable and premium receivables of $6,384,769 thousand and $4,618,735 thousand derived from insurance contracts pursuant to IFRS 4 “Insurance Contracts”.

a. The movements of the allowance for impairment loss of investments in debt instruments at fair value through other comprehensive income were as follows:

	Credit Rating		
Allowance for Impairment Loss	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In Default (Lifetime ECLs - Credit-impaired)
Balance at January 1, 2024	$ 4,153	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	1,290	-	-
Derecognition	(388)	-	-
Change in model or risk parameters	(100)	-	-
Change in exchange rates or others	-	-	-
Balance at December 31, 2024	$ 4,955	$ -	$ -
Balance at January 1, 2023	$ 5,590	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	187	-	-
Derecognition	(1,505)	-	-
Change in model or risk parameters	(126)	-	-
Change in exchange rates or others	7	-	-
Balance at December 31, 2023	$ 4,153	$ -	$ -

1) During 2024 and 2023, new investments in bonds at FVTOCI increased by $14,278,165 thousand and $4,218,511 thousand, respectively, and correspondingly the loss allowance for investments rated as performing increased by $1,290 thousand and $187 thousand, respectively.

2) Investments in bonds at FVTOCI of $8,690,439 thousand and $6,880,728 thousand were sold and bonds at FVTOCI of $519,000 thousand and $543,000 thousand were redeemed during 2024 and 2023, respectively, with a consequential reduction in the loss allowance for investments rated as performing of $388 thousand and $1,505 thousand, respectively.

b. The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	Credit Rating		
	Performing (12-month ECLs)	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2024	$ 1,058,536	$ 1,557,573	$ 3,453,621
Transfers			
From performing to doubtful	(23,913)	827,053	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	37,093	-	-
Derecognition	(148,737)	-	-
Change in model or risk parameters	(536,887)	(1,176,535)	49,393
Change in exchange rates or others	611,352	977,266	(1,410,552)
Balance at December 31, 2024	$ 997,444	$ 2,185,357	$ 2,092,462
Balance at January 1, 2023	$ 856,248	$ 2,452,474	$ 3,471,803
Transfers			
From doubtful to performing	34,391	(949,822)	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	13,738	-	-
Derecognition	(66,969)	-	-
Change in model or risk parameters	103,552	152,371	-
Change in exchange rates or others	117,576	(97,450)	(18,182)
Balance at December 31, 2023	$ 1,058,536	$ 1,557,573	$ 3,453,621

1) During 2024 and 2023, new investments in bonds at amortized cost increased by $7,069,919 thousand and $18,897,829 thousand, respectively, and correspondingly, the loss allowance for investments rated as performing increased by $37,093 thousand and $13,738 thousand, respectively.

2) Investments in bonds at amortized cost of $52,726,868 thousand and $87,292,809 thousand were sold and bonds at amortized cost of $7,347,366 thousand and $8,631,363 thousand were redeemed during 2024 and 2023, respectively, with a consequential reduction in the loss allowance for investments rated as performing of $148,737 thousand and $66,969 thousand, respectively.

c. The movements of the allowance for impairment loss of structured instrument were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In Default (Lifetime ECLs - Credit-impaired)
Balance at January 1, 2024	$ 12,496	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	-	-	-
Derecognition	-	-	-
Change in model or risk parameters	90	-	-
Change in exchange rates or others	-	-	-
Balance at December 31, 2024	$ 12,586	$ -	$ -
Balance at January 1, 2023	$ 12,899	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	-	-	-
Derecognition	-	-	-
Change in model or risk parameters	(403)	-	-
Change in exchange rates or others	-	-	-
Balance at December 31, 2023	$ 12,496	$ -	$ -

d. The movements of the allowance for impairment loss of notes receivable, interest receivables and accounts receivable were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In Default (Lifetime ECLs - Credit-impaired)
Balance at January 1, 2024	$ 45,340	$ 26,387	$ 342,768
Transfers			
From performing to doubtful	(549)	18,959	-
From doubtful to in default	-	-	16,082
From in default to write-off	-	-	(419)
New financial assets purchased	422	-	-
Derecognition	(3,228)	-	-
Change in model or risk parameters	(6,336)	(24,342)	172,178
Change in exchange rates or others	6,883	19,366	(11,450)
Balance at December 31, 2024	$ 42,532	$ 40,370	$ 519,159

(Continued)

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In Default (Lifetime ECLs - Credit-impaired)
Balance at January 1, 2023	$ 42,217	$ 43,653	$ 196,481
Transfers			
From doubtful to performing	626	(18,246)	-
From doubtful to in default	-	-	(474)
From in default to write-off	-	-	(13,892)
New financial assets purchased	140	-	-
Derecognition	(1,211)	-	-
Change in model or risk parameters	1,903	3,966	160,533
Change in exchange rates or others	1,665	(2,986)	120
Balance at December 31, 2023	$ 45,340	$ 26,387	$ 342,768

(Concluded)

The balance of allowance for impairment loss at December 31, 2024 and 2023 included allowance for impairment of notes receivable of $32,149 thousand and $32,321 thousand, allowance for impairment of interest receivables of $508,090 thousand and $336,290 thousand and allowance for impairment of other receivables of $61,822 thousand and $45,974 thousand, excluding notes receivables and earned revenue receivables that recorded part of the allowance for impairment loss of accounts receivable by the simplified approach of $209 thousand and $2,301 thousand, respectively.

13. SUBSIDIARIES

a. Subsidiaries and joint ventures included in the consolidated financial statements

			% of Ownership December 31	
Investor	**Investee**	**Main Business**	**2024**	**2023**
SKLIC	SKLRESC	Building management	72.01	72.01

b. The subsidiary is included in the consolidated financial statements.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2024		2023	
	Carrying Value	% of Ownership and Voting Rights	Carrying Value	% of Ownership and Voting Rights
Associates that are not individually material				
DingCheng Life Insurance Co.	$ 5,157	25.00	$ -	25.00
Century Biotech Development Corporation	619,903	24.00	586,470	24.00
Jih-yao Energy Co., Ltd.	101,752	33.33	103,730	33.33
LeadsunFox Greenergy Investment Co., Ltd.	575,101	28.33	581,860	28.33
Xinhe Energy Development Co., Ltd.	491,925	25.00	396,073	25.00
Xinding No. 1 Energy Co., Ltd.	251,324	25.00	249,600	25.00
Taipan Solar Co., Ltd.	435,188	30.00	428,724	30.00
Juxin Energy Co., Ltd.	180,897	25.00	188,129	25.00
Wholex Max Green Power Co., Ltd.	215,909	12.26	217,571	12.26
	$ 2,877,156		$ 2,752,157	

Refer to Table 2 “Information on investee, including name, location and etc., excluding investee in the mainland China area.” and Table 6 “Investments in mainland China” following the notes to consolidated financial statements for information on nature of activities, principal place of business and country of incorporation of the associates.

On October 22, 2024, SKLIC bought 7,875 thousand ordinary shares of Xinhe Energy Development Co., Ltd. for $78,750 thousand. After subscription of the shares, the shareholding ratio was 25%.

On June 13, 2023, SKLIC bought 19,500 thousand ordinary shares of Wholex Max Green Power Co., Ltd. (“Wholex”) for $195,000 thousand. After this share subscription, SKLIC’s shareholding ratio became 12.26%, and SKLIC could assign one of the five members of the board of directors of Wholex. Therefore, SKLIC gained significant influence on the investee. The gain of $16,818 thousand on SKLIC’s bargain purchase of Wholex’s shares, which was the difference between the consideration transferred and the fair value of the identifiable net assets acquired, was recorded in 2023.

On February 24, 2023, SKLIC bought 12,500 thousand ordinary shares of Xinding No.1 Energy Co., Ltd. for $125,000 thousand. After this share subscription, SKLIC’s shareholding ratio became 25%.

On May 22, 2020, SKLIC’s board of directors resolved to participate in DingCheng Life Insurance Company’s cash capital increase project through the issuance of shares, with a total amount of RMB187,500 thousand, and signed the share transfer agreement with a China company to sell all of DingCheng Life Insurance Company’s shares. SKLIC collected a deposit in the amount of RMB187,500 thousand which was recorded as deposits received. On September 2, 2020, SKLIC remitted capital increase of NT$807,188 thousand (RMB187,500 thousand) to DingCheng Life Insurance Company’s capital increase account and waiting for China Banking and Insurance Regulatory Commission’s approval. The capital increase account was recorded as advance investment. In January 2021, the supervisory authority of DingCheng Life Insurance Company’s capital increase case was changed from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission. The withdrawal of the capital increase was approved by the board of directors of Dingcheng Life Insurance Company on June 30, 2021, and the capital was remitted on August 16, 2021.

SKLIC's board of directors approved the withdrawal of the capital increase and the sale of all the shares of Dingcheng Life Insurance Company on June 29, 2021 and signed a sales agreement and its supplementary agreement with Hongdou Group Co., Ltd. on June 30, 2021. The price of the sales agreement is RMB462,500 thousand, and it was also agreed that SLKIC will no longer participate in the capital increase plan of Dingcheng Life Insurance Company. The share transfer is also subject to approval by the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission in May 2023.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

DingCheng Life Insurance Co.

	For the Year Ended December 31	
	2024	**2023**
The Group's share of:		
Loss from continuing operations	$ (237,759)	$ (221,829)
Other comprehensive income	242,916	64,431
Total comprehensive income (loss) for the year	$ 5,157	$ (157,398)

Century Biotech Development Corporation

	For the Year Ended December 31	
	2024	**2023**
The Group's share of:		
Profit (loss) from continuing operations	$ 33,433	$ (9,967)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 33,433	$ (9,967)

Jih-yao Energy Co., Ltd.

	For the Year Ended December 31	
	2024	**2023**
The Group's share of:		
Profit from continuing operations	$ 965	$ 3,270
Other comprehensive income	-	-
Total comprehensive income for the year	$ 965	$ 3,270

LeadsunFox Greenergy Investment Co., Ltd.

	For the Year Ended December 31	
	2024	**2023**
The Group's share of:		
Profit from continuing operations	$ 35,216	$ 44,329
Other comprehensive income	-	-
Total comprehensive income for the year	$ 35,216	$ 44,329

Xinhe Energy Development Co., Ltd.

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
Profit (loss) from continuing operations	$ 17,102	$ (18,041)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 17,102	$ (18,041)

Xinding No.1 Energy Co., Ltd.

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
Profit (loss) from continuing operations	$ 1,724	$ (210)
Other comprehensive income	-	-
Total comprehensive income (loss) for the year	$ 1,724	$ (210)

Taipan Solar Co., Ltd.

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
Profit from continuing operations	$ 10,998	$ 4,652
Other comprehensive loss	(346)	(1,234)
Total comprehensive income for the year	$ 10,652	$ 3,418

Juxin Energy Co., Ltd.

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
(Loss) profit from continuing operations	$ (7,232)	$ 7,857
Other comprehensive income	-	-
Total comprehensive (loss) income for the year	$ (7,232)	$ 7,857

Wholex Max Green Power Co., Ltd.

	For the Year Ended December 31	
	2024	2023
The Group's share of:		
Profit from continuing operations	$ 4,262	$ 5,753
Other comprehensive income	-	-
Total comprehensive income for the year	$ 4,262	$ 5,753

The Group stopped recognizing further share of losses on its equity-method associate, DingCheng Life Insurance Co. Thus, the Group considered only the carrying amount of investments accounted for using the equity method when recognizing losses. The total unrecognized losses for the period excerpted from the associate's report is as follows:

	For the Year Ended December 31	
	2024	2023
Current amount	$ -	$ (26,816)

The losses on investments in some equity-method associates shown in the consolidated financial statements for 2023 turned positive as of December 31, 2024. Therefore, for the year of 2024, the Group resumed recognizing its share of the associates' profits after the accumulated share of profits equaled the share of losses that were not previously recognized, including the share of losses not recognized in 2023.

15. LOANS

	December 31	
	2024	2023
Policy loans	$ 93,686,565	$ 95,580,698
Premium loans	9,946,544	9,765,592
Secured loans	45,477,543	57,922,436
Overdue loans	2,793	3,617
	149,113,445	163,272,343
Allowance for impairment loss	(683,182)	(810,138)
	$ 148,430,263	$ 162,462,205

As of December 31, 2024 and 2023, the floating-rate loans were $44,732,135 thousand and $56,980,231 thousand, respectively, mainly based on the life insurance policy dividend rate as the benchmark interest rate, and the loan interest rate was adjusted every 6 months in principle.

The main effective interest rate intervals for loans are as follows:

	December 31	
	2024	2023
Effective interest rate		
Fixed-rate loans	2.45%-2.85%	2.32%-2.72%
Floating-rate loans	2.19%-3.06%	2.06%-2.93%

Movements in the allowance for impairment loss recognized were as follows:

	For the Year Ended December 31, 2024		
	Secured Loans	Non-accrual Loans	Accounts Receivable
Balance, January 1, 2024	$ 806,521	$ 3,617	$ 416,796
Add: Impairment loss (reversed) recognized	(126,956)	-	171,094
Less: Written off	-	-	(419)
Add (less): Reclassifications	824	(824)	-
Change in exchange rates or others	-	-	14,799
Balance at December 31, 2024	$ 680,389	$ 2,793	$ 602,270

	For the Year Ended December 31, 2023		
	Secured Loans	Non-accrual Loans	Accounts Receivable
Balance, January 1, 2023	$ 710,295	$ 29,058	$ 284,416
Add: Impairment loss recognized	70,785	-	147,473
Less: Written off	-	-	(13,892)
Add (less): Reclassifications	25,441	(25,441)	-
Change in exchange rates or others	-	-	(1,201)
Balance at December 31, 2023	$ 806,521	$ 3,617	$ 416,796

Reconciliation for allowance for impairment loss:

For the year ended December 31, 2024

Allowance for Discounts and Loans, Net	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Individual)	Lifetime ECLs (Credit-impaired Financial Assets)	Lifetime ECLs (Credit-impaired Financial Assets Purchased)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	Total
Balance at January 1, 2024	$ 189,359	$ 6,436	$ -	$ 4,994	$ -	$ 200,789	$ 609,349	$ 810,138
Transfers								
To lifetime ECLs	(25)	1,222	-	(177)	-	1,020	-	1,020
To credit-impaired financial assets	(4)	(404)	-	2,334	-	1,926	-	1,926
To 12-month ECLs	2	(2,053)	-	(494)	-	(2,545)	-	(2,545)
Derecognition of financial assets	(66,234)	(1,861)	-	(976)	-	(69,071)	-	(69,071)
New financial assets purchased	5,173	35	-	-	-	5,208	-	5,208
Purchased or originated credit-impaired financial assets	-	-	-	-	-	-	-	-
Difference between IFRS 9 and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	-	29,120	29,120
Other changes	(90,642)	(1,451)	-	(521)	-	(92,614)	-	(92,614)
Balance at December 31, 2024	$ 37,629	$ 1,924	$ -	$ 5,160	$ -	$ 44,713	$ 638,469	$ 683,182

For the year ended December 31, 2023

Allowance for Discounts and Loans, Net	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Individual)	Lifetime ECLs (Credit-impaired Financial Assets)	Lifetime ECLs (Credit-impaired Financial Assets Purchased)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	Total
Balance at January 1, 2023	$ 149,776	$ 11,095	$ -	$ 9,268	$ -	$ 170,139	$ 569,214	$ 739,353
Transfers								
To lifetime ECLs	(25)	2,801	-	(493)	-	2,283	-	2,283
To credit-impaired financial assets	(3)	(652)	-	3,108	-	2,453	-	2,453
To 12-month ECLs	39	(3,795)	-	(1,027)	-	(4,783)	-	(4,783)
Derecognition of financial assets	(8,173)	(2,985)	-	(5,500)	-	(16,658)	-	(16,658)
New financial assets purchased	47,556	-	-	-	-	47,556	-	47,556
Purchased or originated credit-impaired financial assets	-	-	-	-	-	-	-	-
Difference between IFRS 9 and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	-	40,135	40,135
Other changes	189	(28)	-	(362)	-	(201)	-	(201)
Balance at December 31, 2023	$ 189,359	$ 6,436	$ -	$ 4,994	$ -	$ 200,789	$ 609,349	$ 810,138

16. REINSURANCE ASSETS

	December 31	
	2024	2023
Net claims recovered from reinsurers	$ 1,118,156	$ 845,055
Net reinsurance assets		
Ceded reserve for unearned premiums	239,707	135,790
	$ 1,357,863	$ 980,845

17. INVESTMENT PROPERTIES

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
December 31, 2024					
Measured at fair value	$ 125,323,596	$ 56,167,639	$ 41,599	$ 12,132,559	$ 193,665,393
Measured at cost	-	-	5,928,638	8,270,867	14,199,505
	$ 125,323,596	$ 56,167,639	$ 5,970,237	$ 20,403,426	$ 207,864,898
December 31, 2023					
Measured at fair value	$ 122,036,728	$ 53,286,221	$ 28,231	$ 11,956,856	$ 187,308,036
Measured at cost	-	-	2,932,238	8,404,448	11,336,686
	$ 122,036,728	$ 53,286,221	$ 2,960,469	$ 20,361,304	$ 198,644,722

The right-of-use assets in investment properties refer to part of the superficies rights and buildings obtained by the Group for sublease under operating leases. Refer to Note 19(c) for the related items.

SKLIC sold Tianmu Mingyuan, part of the San Chongpu Building, Minde Commercial Building and Shilin Huaxia for the year ended December 31, 2024, refer to Note 29.

SKLIC sold 1 unit of Qiyan Jasper, 1 unit of Minsheng Plaza, part of the Muzha Building land and part of the Changhua Building land for the year ended December 31, 2023, refer to Note 29.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2024 and 2023 was as follows:

	December 31	
	2024	2023
Year 1	$ 4,441,352	$ 4,304,177
Year 2	3,712,395	3,653,671
Year 3	3,052,594	3,177,827
Year 4	1,810,540	2,547,972
Year 5	1,383,736	1,405,524
Year 6 onwards	4,082,080	4,239,725
	$ 18,482,697	$ 19,328,896

a. Investment properties measured at fair value

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Balance at January 1, 2024	$ 122,036,728	$ 53,286,221	$ 28,231	$ 11,956,856	$ 187,308,036
Additions	-	766	12,815	201,378	214,959
Decrease	-	(36,613)	-	-	(36,613)
Disposals	(359,765)	(60,651)	-	-	(420,416)
Transferred from property and equipment	1,594,083	2,074,663	941	-	3,669,687
Transferred to property and equipment	(10,474)	(3,846)	(6)	-	(14,326)
Transferred from right-of-use assets	-	-	-	56,345	56,345

(Continued)

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Gain or (loss) on changes in fair value of investment properties	$ 1,914,125	$ 897,067	$ -	$ (82,020)	$ 2,729,172
Other reclassifications	148,899	10,032	(382)	-	158,549
Balance at December 31, 2024	$ 125,323,596	$ 56,167,639	$ 41,599	$ 12,132,559	$ 193,665,393
Balance at January 1, 2023	$ 116,592,964	$ 52,429,959	$ 17,828	$ 12,131,407	$ 181,172,158
Additions	-	13,059	17,457	-	30,516
Decrease	-	(10,343)	-	(377)	(10,720)
Disposals	(66,415)	(5,021)	-	-	(71,436)
Transferred from property and equipment	1,609,595	403,439	-	-	2,013,034
Transferred to property and equipment	(520,723)	(216,922)	(255)	-	(737,900)
Transferred from right-of-use assets	-	-	-	23,748	23,748
Gain or (loss) on changes in fair value of investment properties	4,421,307	665,251	-	(197,922)	4,888,636
Other reclassifications	-	6,799	(6,799)	-	-
Balance at December 31, 2023	$ 122,036,728	$ 53,286,221	$ 28,231	$ 11,956,856	$ 187,308,036

(Concluded)

Valuation of the investment properties of SKLIC had been performed by the following appraisers of the joint appraisal firms meeting the requirements of Article No. 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises for real estate appraisers, with valuation dates on December 31, 2024 and 2023.

Name of Appraisal Firm	December 31 2024	December 31 2023
DTZ Real Estate Appraiser Firm	Chun-chun Hu; Jia-he Tsai; Chang-da Yang; Gen-yuan Li	Chun-chun Hu; Jia-he Tsai; Chang-da Yang; Gen-yuan Li; John Bareham
Savills plc Real Estate Appraiser Firm	Hong-kai Zhang; Yi-zhi Zhang; Cheng-ye Wu	Hong-kai Zhang; Yu-fen Ye; Yi-zhi Zhang; Shi-yu Ye
REPro Knight Frank Real Estate Appraiser Firm	Yu-hsiang Tsai; Shang-yi Shin; Andrew Low; Simon Gillespie	Yu-hsiang Tsai; Shang-yi Shin
Great Eastern Real Estate Joint Appraisers Firm	Zhi-ming Zhang; Shu-yuan Jian; Han-sheng Yuan	Zhi-ming Zhang; Shu-yuan Jian; Han-sheng Yuan
Shang-shang Real Estate Joint Appraisers Firm	Hong-yuan Wang; Jian-hao Huang; Wei-Zhi Wang	Hong-yuan Wang; Jian-hao Huang; Wei-Zhi Wang
CCIS Real Estate Joint Appraisers Firm	Zhi-hao Wu; Wei-ru Li	Zhi-hao Wu; Wei-ru Li
Elite Real Estate Joint Appraisers Firm	Yu-lin Chen; Yi-hui Luo; Xiu-Ying Zhan	Yu-lin Chen; Yi-hui Luo; Xiu-Ying Zhan

(Continued)

Name of Appraisal Firm	December 31 2024	December 31 2023
Euro-Asia Real Estate Joint Appraiser Firm	Zong-ting Xie; Shih-yuan Jhou; Xiu-fen Zeng	Zong-ting Xie; Shih-yuan Jhou; Xiu-fen Zeng
Sinyi Real Estate Joint Appraiser Firm	Wei-xin Chi; Wen-zhe Tsai; Liang-an Ji; Shi-ming Wang	Wei-xin Chi; Wen-zhe Tsai; Liang-an Ji; Shi-ming Wang
CBRE	Fu-xue Shi; Zhi-jia Zhang	Jonathan White; Gemma Waston; Fu-xue Shi; Zhi-jia Zhang
Colliers Real Estate Joint Appraiser Firm	Martyn Munford; Alistair Johnstone; Jian-hui Gu	-

(Concluded)

The fair value is determined by the lower of fair value evaluation method stipulated by the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the normal market value. The fair value evaluation methods stipulated in the Regulations Governing the Preparation of Financial Statements by Insurance Companies are the discounted cash flow analysis method of the income approach and the cost approach. The normal market value is supported by observable evidence in the market. The main appraisal approaches applied include the sales comparison approach, income approach - direct capitalization method, income approach - discounted cash flow analysis method, cost approach and the method of land development analysis. Commercial office buildings and residences are mainly valued by the sales comparison approach and income approach because of the market liquidity and comparable sales and rental cases in the neighboring areas. Hotels, department stores and marketplaces are mainly valued by the income approach - direct capitalization method and income approach - discounted cash flow analysis method because of the stable rental income in the long term. The second type of residential area, the third type of residential area and buildings have exceeded the residential areas that can be developed on land, and because the buildings have exceeded the economic and durable years, and the market has fewer homogeneous products, the buildings on the ground are not the most effective. Therefore, their fair values are determined by the method of land development analysis and comparison approach.

The main inputs used in the valuation are listed below. As the direct capitalization rates, the discount rates and overall capital interest rates (the method of land development analysis approach) decrease, the fair value will increase.

Name of Appraisal Firm	December 31 2024	December 31 2023
Direct capitalization rates, net	0.26%-5.08%	0.28%-5.11%
Discount rates	2.15%-7.36%	2.44%-6.43%
Overall capital interest rates (the method of land development analysis)	1.88%-8.35%	1.79%-7.94%

For the targets measured using the discounted cash flow analysis method of the income approach, their cash flow shall be valued on the basis of the existing lease. The expected future cash outflows from investment properties included land value tax, property tax, insurance premium and maintenance costs. These expenditures were based on the actual payments, taking into account the future adjustments to the government-announced land value, the tax rate promulgated under the Housing Tax Act, building and construction expense and estimation of price change. If there is an end-of-period value, the present value of the end-of-period value may be added. Their discount rate shall be determined using the risk

premium approach only, with the calculation based on a certain interest rate, plus an estimate based on the individual characteristics of the investment property. The term "based on a certain interest rate" means the interest rate may not be lower than the floating interest rate offered by the Chunghwa Post Co., Ltd. For two-year small postal time deposit, plus 1.25 percentage points.

External appraisers use the market extraction method, search several comparable properties which are identical with or similar to the target property, and consider the liquidity risk and risk premium when disposed of in the future when deciding the direct capitalization rate and the discount rate.

The fair value of right-of-use assets is determined by adding back the amount of lease liabilities already recognized to the valuation result that reflects the expected lease income after deduction of expected payments.

The Group measured investment properties subsequently using the fair value model. The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 187,308,036	$ 181,172,158
Recognized in profit or loss gain arising from the change in fair value of investment properties	2,729,172	4,888,636
Acquisitions	13,581	30,516
Decrease	(36,613)	(10,343)
Sales	(420,416)	(71,436)
Transferred from property and equipment	3,669,687	2,013,034
Transferred to property and equipment	(14,326)	(737,900)
Transferred from right-of-use assets	56,345	23,748
Modification of lease agreement of right-of-use assets	201,378	(377)
Other reclassifications	158,549	-
Balance at December 31	$ 193,665,393	$ 187,308,036

b. Investment properties measured at cost

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Cost					
Balance, January 1, 2024	$ -	$ -	$ 2,932,238	$ 8,832,921	$ 11,765,159
Additions	-	-	2,996,400	32,424	3,028,824
Balance, December 31, 2024	-	-	5,928,638	8,865,345	14,793,983
Accumulated depreciation					
Balance, January 1, 2024	-	-	-	428,473	428,473
Depreciation expense	-	-	-	166,005	166,005
Balance, December 31, 2024	-	-	-	594,478	594,478
Accumulated impairment					
Balance, January 1, 2024	-	-	-	-	-
Additions	-	-	-	-	-
Balance, December 31, 2024	-	-	-	-	-
Carrying amount at December 31, 2024	$ -	$ -	$ 5,928,638	$ 8,270,867	$ 14,199,505

(Continued)

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Cost					
Balance, January 1, 2023	$ -	$ -	$ 1,196,499	$ 8,832,921	$ 10,029,420
Additions	-	-	1,737,454	-	1,737,454
Transferred to property and equipment	-	-	(1,715)	-	(1,715)
Balance, December 31, 2023	-	-	2,932,238	8,832,921	11,765,159
Accumulated depreciation					
Balance, January 1, 2023	-	-	-	263,159	263,159
Depreciation expense	-	-	-	165,314	165,314
Balance, December 31, 2023	-	-	-	428,473	428,473
Accumulated impairment					
Balance, January 1, 2023	-	-	-	-	-
Additions	-	-	-	-	-
Balance, December 31, 2023	-	-	-	-	-
Carrying amount at December 31, 2023	$ -	$ -	$ 2,932,238	$ 8,404,448	$ 11,336,686

(Concluded)

1) The Group's investment properties measured at cost were not available for use during construction, or the target could not be valued using the cost model in accordance with the financial reporting preparation standards of the insurance industry, so the fair value could not be determined reliably. Investment properties measured at cost will be measured at fair value at the earlier of when their fair values can be determined reliably or when construction has been completed.

2) The depreciation expense of the investment properties - right-of-use assets for the years ended December 31, 2024 and 2023 amounted to $166,005 thousand and $165,314 thousand, were respectively capitalized into investment properties - prepaid building and construction costs.

3) All of the Group's investment properties are held under freehold interests. The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	45-62 years
Building facilities	
Elevators	20-25 years
Exterior walls	25-30 years
Air conditioning units	18-25 years
Extinguishing equipment	20-25 years
Others	3-25 years
Right-of-use assets	35-139 years

4) As of December 31, 2024, the ownership of the foreign investment properties, held in name of the Group, was unrestricted.

18. PROPERTY AND EQUIPMENT

	Land	Buildings and Facilities	Transportation Equipment	Other Equipment	Prepayments for Buildings and Constructions in Progress	Total
Cost						
Balance, January 1, 2024	$ 19,630,477	$ 12,620,929	$ 53,723	$ 2,942,171	$ 303,950	$ 35,551,250
Additions	-	7,366	-	220,954	350,550	578,870
Disposals	(57,019)	(31,890)	(8,521)	(92,756)	(9,069)	(199,255)
Transferred from investment properties	10,474	3,846	-	-	6	14,326
Transferred to investment properties	(1,209,007)	(2,448,997)	-	-	(941)	(3,658,945)
Other reclassifications	-	395	-	-	(395)	-
Balance, December 31, 2024	18,374,925	10,151,649	45,202	3,070,369	644,101	32,286,246
Accumulated depreciation						
Balance, January 1, 2024	-	4,033,651	23,847	2,138,828	-	6,196,326
Depreciation expense	-	261,472	6,614	184,117	-	452,203
Disposals	-	(21,915)	(5,820)	(91,850)	-	(119,585)
Transferred to investment properties	-	(253,724)	-	-	-	(253,724)
Balance, December 31, 2024	-	4,019,484	24,641	2,231,095	-	6,275,220
Accumulated impairment						
Balance, January 1, 2024	394,664	15,570	-	-	-	410,234
Additions	98,974	225,235	-	-	-	324,209
Transferred to investment properties	(105,843)	(232,295)	-	-	-	(338,138)
Balance, December 31, 2024	387,795	8,510	-	-	-	396,305
Carrying amount, at December 31, 2024	$ 17,987,130	$ 6,123,655	$ 20,561	$ 839,274	$ 644,101	$ 25,614,721
Cost						
Balance, January 1, 2023	$ 19,769,927	$ 12,628,808	$ 46,875	$ 2,913,308	$ 195,795	$ 35,554,713
Additions	-	149,249	12,316	140,814	211,798	514,177
Disposals	(81,890)	-	(5,468)	(111,951)	-	(199,309)
Transferred from investment properties	520,723	216,922	-	-	1,970	739,615
Transferred to investment properties	(579,544)	(478,402)	-	-	-	(1,057,946)
Other reclassifications	1,261	104,352	-	-	(105,613)	-
Balance, December 31, 2023	19,630,477	12,620,929	53,723	2,942,171	303,950	35,551,250
Accumulated depreciation						
Balance, January 1, 2023	-	3,932,495	21,890	2,073,654	-	6,028,039
Depreciation expense	-	305,166	6,388	176,182	-	487,736
Disposals	-	-	(4,431)	(111,008)	-	(115,439)
Transferred to investment properties	-	(204,010)	-	-	-	(204,010)
Balance, December 31, 2023	-	4,033,651	23,847	2,138,828	-	6,196,326
Accumulated impairment						
Balance, January 1, 2023	394,664	15,570	-	-	-	410,234
Additions	-	-	-	-	-	-
Balance, December 31, 2023	394,664	15,570	-	-	-	410,234
Carrying amount, at December 31, 2023	$ 19,235,813	$ 8,571,708	$ 29,876	$ 803,343	$ 303,950	$ 28,944,690

Property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	45-62 years
Building facilities	
Elevators	20-25 years
Exterior walls	25-30 years
Air conditioning units	18-25 years
Extinguishing equipment	20-25 years
Others	3-25 years
Transportation equipment	5-7 years
Other equipment	
Dynamos	18-20 years
Air conditioning units	10-20 years
Others	3-10 years

19. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Superficies rights	$ 1,615,429	$ 1,687,384
Buildings	344,980	221,989
Other equipment	14,561	37,810
	$ 1,974,970	$ 1,947,183

	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	$ 324,813	$ 126,168
Disposals right-of-use assets	$ 35,945	$ 729
Right-of-use assets reclassified to investment properties	$ 55,504	$ 17,804
Depreciation charge for right-of-use assets		
Superficies rights	$ 39,035	$ 39,471
Buildings	139,587	128,386
Other equipment	25,277	26,042
	$ 203,899	$ 193,899
Impairment loss on right-of-use assets	$ 1,678	$ -
Income from the subleasing of right-of-use assets (presented in other income)	$ 1,353,683	$ 1,345,006

The depreciation expense of the right-of-use assets for land and buildings for the year ended December 31, 2024 and 2023 were $39,035 thousand and $39,471 thousand, of which $4,917 thousand and $4,914 thousand were capitalized into property and equipment - construction-in-progress and prepayment for building.

The Group subleased part of its leasehold superficies and buildings under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 17). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	December 31	
	2024	2023
Carrying amount	$ 8,612,124	$ 8,941,095

Movements of lease liabilities:

For the year ended December 31, 2024

	January 1, 2024	Cash Flows (Note)	Non-cash Movements Addition	December 31, 2024
Lease liabilities	$ 8,941,095	$ (851,794)	$ 522,823	$ 8,612,124

Note: Include payments of lease liabilities of $1,131,881 thousand and interest expense of $280,087 thousand.

For the year ended December 31, 2023

	January 1, 2023	Cash Flows (Note)	Non-cash Movements Addition	December 31, 2023
Lease liabilities	$ 9,742,266	$ (926,233)	$ 125,062	$ 8,941,095

Note: Include payments of lease liabilities of $1,218,625 thousand and interest expense of $292,392 thousand.

Range of discount rate for lease liabilities was as follows:

	December 31	
	2024	2023
Superficies	2.30%-4.58%	2.30%-4.58%
Land and buildings	1.75%-3.14%	1.75%-3.14%
Others	3.50%-4.35%	3.50%-4.35%

The interest expense for the lease liabilities for the year ended December 31, 2024 was $280,087 thousand, of which $162,825 thousand and $2,024 thousand were capitalized into investment property - prepayments for buildings and property and equipment - construction-in-progress, respectively.

The interest expense for the lease liabilities for the year ended December 31, 2023 was $292,392 thousand, of which $90,084 thousand and $1,021 thousand were capitalized into investment property - prepayments for buildings and property and equipment - construction-in-progress, respectively.

c. Material lease-in activities and terms

The superficies leased by the Group include the following items:

1) The Group purchased the superficies right of A12 in Xinyi Dist. by tender from Taipei City Government in November 2003; the right is for 50 years to December 2053.

2) The Group purchased the superficies right of Xinban Section in Banqiao Dist. from Taiwan Tobacco & Liquor Corporation in June 2013; the right is for 50 years to June 2063.

3) The Group purchased the superficies right of Dalong Section in Datong Dist. from CPC Corporation, Taiwan in October 2013; the right is for 50 years to October 2063.

4) The Group purchased the superficies right of Nangang Business Section by tender from Taipei City Government in March 2014; the right is for 60 years to March 2074.

5) The Group purchased the superficies right of Wenhua Section in Banqiao Dist. from CPC Corporation, Taiwan in October 2014; the right is for 50 years to October 2064.

6) The Group purchased the superficies right of London City in United Kingdom from Gracechurch Street No. 1 Limited, the right is for 141 years and ten months to October 2157.

7) The Group purchased the superficies right of Chenggong section in Zongzheng Dist. from Northern Region Branch, National Property Administration, MOF in June 2018; the right is for 70 years to June 2088.

8) The Group purchased the superficies right of Nangang bus station from Taipei city government in December 2020; the right is for 50 years to December 2070.

9) The Group purchased the superficies right of Qianjin District from Kaohsiung city government in March 2021; the right is for 70 years to April 2091.

10) The Group purchased the superficies right of Beitou District from the Taipei city government in February 2022; the right is for 50 years to February 2072.

d. Subleases

Refer to Note 17 for the details on subleases.

e. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	$ 13,358	$ 11,032
Expenses relating to low-value asset leases	602	1,536
Expenses relating to variable lease payments not included in the measurement of lease liabilities	15,350	13,809
Total cash outflow for leases	$ 29,310	$ 26,377

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

20. INTANGIBLE ASSETS

	For the Year Ended December 31, 2024			
	Computer Software	Prepaid Computer Software	Franchise	Total
Balance, January 1	$ 293,947	$ 146,643	$ 163,318	$ 603,908
Additions	26,376	39,200	164,378	229,954
Amortization	(91,295)	-	-	(91,295)
Reclassification	118,992	(118,992)	-	-
Balance, December 31	$ 348,020	$ 66,851	$ 327,696	$ 742,567

	For the Year Ended December 31, 2023			
	Computer Software	Prepaid Computer Software	Franchise	Total
Balance, January 1	$ 354,740	$ 116,971	$ 117,811	$ 589,522
Additions	23,334	55,284	45,507	124,125
Amortization	(109,739)	-	-	(109,739)
Reclassification	25,612	(25,612)	-	-
Balance, December 31	$ 293,947	$ 146,643	$ 163,318	$ 603,908

The Group signed a Build-Operate-Transfer (BOT) investment contract with Taipei city government for Taipei Nangang Bus Station. The contract enabled the Group to obtain aboveground right of Nangang Bus Station, malls and office buildings, as well as the franchise for construction and operation, and an investment execution plan has been submitted to Taipei city government in January 2021. Franchise of Nangang Bus Station (main business part) is recorded as franchise under intangible assets; Franchise of malls and office buildings (subsidiary business part) is recorded as right-of-use under investment properties.

As of December 31, 2024, the Group has paid development royalties and processing fees in accordance with the investment contract for a total of $307,990 thousand.

The interest expense from amortization was $3,135 thousand and $3,043 thousand for the years ended December 31, 2024 and 2023, which was capitalized into intangible assets - franchise.

Intangible assets are amortized on a straight-line basis over 3 to 45 years.

21. OTHER ASSETS

	December 31	
	2024	2023
Insurance Industry Stability Fund	$ 7,896,639	$ 7,369,249
Less: Reserve for Insurance Industry Stability Fund	(7,896,639)	(7,369,249)
Guarantee deposits paid	21,482,773	12,250,025
Deferred expenses	607,082	581,655
Prepayment for investments	42,281	35,915
Net defined benefit assets (Note 22)	6,179,089	4,928,091
Others	214,687	211,757
	$ 28,525,912	$ 18,007,443

a. Under Tai-Tsai-Bao No. 811769212 issued by the Ministry of Finance on December 31, 1992, one thousandth (1/1000) of premiums should be contributed to the Insurance Industry Stability Fund starting from January 1, 1993. According to “the standard of Life and Property Insurance Stabilization Fund”, starting from July 1, 2014, the contribution to the Insurance Industry Stability Fund of Life Insurance Enterprises should be based on the premium income and contribution rate calculated using the difference between capital adequacy ratio and management performance rating indicator. The credit account, reserve for Insurance Industry Stability Fund, is a contra account of the Insurance Industry Stability Fund.

b. Guarantee deposits paid comprised:

	December 31	
	2024	2023
Insurance operation guarantee deposit	$ 12,500,000	$ 11,110,000
Guarantee deposits for office rental (Note 32)	7,133	12,547
Deposit for derivatives trading	8,033,072	158,735
Other guarantee deposits	942,568	968,743
	$ 21,482,773	$ 12,250,025

c. Based on Article 141 of the Insurance Law, insurance operation guarantee deposit should be deposited in the Central Bank equal to 15% of an insurance company' paid-in capital. Article 142 of the same law further stipulates that this deposit can only be refunded if the insurance company ceases its business operations and completes the required liquidation process. As of December 31, 2024 and 2023, SKLIC deposited government bonds to the special treasury account as operating guarantee deposit.

d. To meet the deposit requirements issued by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions for non-centrally cleared derivatives, which are subject to liquidation risk, SKLIC provided bank deposits and government bonds amounting to $8,033,072 thousand, and $158,735 thousand as of December 31, 2024 and 2023, respectively, as deposits for currency derivatives trading.

e. Movements in deferred expenses were as follows:

	December 31	
	2024	2023
Balance, January 1	$ 581,655	$ 579,044
Additions	163,206	130,465
Amortization	(137,779)	(127,854)
Balance, December 31	$ 607,082	$ 581,655

22. PROVISIONS

	December 31	
	2024	2023
Other employee benefit liabilities	$ 15,373	$ 26,602
Reserve for loan commitments	2,741	18,286
	$ 18,114	$ 44,888

a. Defined contribution plans

SKLIC and SKLRESC, consolidated entities, adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by SKLIC and SKLRESC, consolidated entities, in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. SKLIC and SKLRESC contribute 8% and 2%, respectively, of total monthly salaries and wages to a pension administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy. Also, SKLIC contributes another account for pension fund, and established the Committee of Pension Trust Fund to manage it.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2024	**2023**
Present value of defined benefit obligation	$ 2,174,034	$ 3,216,562
Fair value of plan assets	(8,353,123)	(8,144,653)
Net defined benefit assets	$ (6,179,089)	$ (4,928,091)

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2023	$ 3,501,915	$ (8,158,198)	$ (4,656,283)
Service cost			
Current service cost	25,834	-	25,834
Past service cost and loss on settlements	907	-	907
Net interest expense (income)	66,616	(153,455)	(86,839)
Recognized in profit or loss	93,357	(153,455)	(60,098)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(96,416)	(96,416)
Actuarial profit - changes in demographic assumptions	(333)	-	(333)
Actuarial loss - changes in financial assumptions	33,489	-	33,489
Actuarial loss - experience adjustments	58,902	-	58,902
Recognized in other comprehensive income	92,058	(96,416)	(4,358)
Contributions from the employer	-	(206,068)	(206,068)
Benefits paid	(469,484)	469,484	-
Others	(1,284)	-	(1,284)
Balance at December 31, 2023	3,216,562	(8,144,653)	(4,928,091)

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Service cost			
Current service cost	$ 20,354	$ -	$ 20,354
Net interest expense (income)	58,907	(145,308)	(86,401)
Recognized in profit or loss	79,261	(145,308)	(66,047)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(762,693)	(762,693)
Actuarial profit - changes in demographic assumptions	(2,688)	-	(2,688)
Actuarial profit - changes in financial assumptions	(28,601)	-	(28,601)
Actuarial loss - experience adjustments	217,148	-	217,148
Recognized in other comprehensive income	185,859	(762,693)	(576,834)
Contributions from the employer	-	(606,412)	(606,412)
Benefits paid	(1,305,943)	1,305,943	-
Others	(1,705)	-	(1,705)
Balance at December 31, 2024	$ 2,174,034	$ (8,353,123)	$ (6,179,089)

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bonds/corporate bonds interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

4) Changes in demographic assumptions risk: The present value of the defined benefit obligation is calculated by reference to the turnover rate of plan participants. As such, a decrease in the turnover rate of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2024	**2023**
SKLIC		
Discount rates	2.04%	1.84%
Expected rate of salary increase	0.35%-3.18%	1.39%-3.18%
Turnover rate	0.00%-5.00%	0.00%-8.00%
SKLRESC		
Discount rates	1.50%	1.250%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2024	**2023**
Discount rate(s)		
0.5% increase	$ (64,815)	$ (87,627)
0.5% decrease	$ 68,335	$ 92,040
Expected rate(s) of salary increase		
0.5% increase	$ 73,378	$ 99,265
0.5% decrease	$ (70,206)	$ (95,347)
Turnover rate		
0.5% increase	$ (1,116)	$ (3,914)
0.5% decrease	$ 1,104	$ 3,957

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2024	**2023**
The expected contributions to the plan for the next year	$ 65,470	$ 106,228
The average duration of the defined benefit obligation	7.26-8.6 years	6.68-8.8 years

Shares and bonds of the consolidated entities, affiliates, and related parties held by the pension trust fund in the custody of the Committee of Pension Trust Funds were summarized as follows:

Unit: Share/Units

Name	Category	December 31 2024	December 31 2023
Shares			
SKFHC	Listed shares	$ 126,798,070	$ 104,495,260
SKFHC	Series A preferred shares	391,000	391,000
SKFHC	Series B preferred shares	21,312,364	21,312,364
Taiwan Shin Kong Security Co., Ltd.	Listed shares	7,720,001	7,720,001
Shinhai Gas Corporation	Listed shares	3,404,636	3,404,636
		$ 159,626,071	$ 137,323,261
Beneficiary certificates			
SKITC	Shin Kong Fu-Kuei Fund	$ -	$ 865,423
SKITC	Shin Kong Innovative Technology Fund	-	908,258
SKITC	Shin Kong Chi-Shin Money Market Fund	-	6,305,011
SKITC	Shin Kong TIP Taiwan Semiconductor 30 ETF	1,400,000	1,900,000
SKITC	Shin Kong's four-year investment in U.S. Equity Fund	3,000,000	3,000,000
SKITC	Shin Kong Global Multi Asset Fund	12,377,130	2,944,959
SKITC	Shin Kong Emerging Wealthy Nations Bond	5,498,735	-
SKITC	Shin Kong Premium Umbrella Fund - Shin Kong ICE 15 Year US Telecommunications Index ETF	3,240,000	-
SKITC	Shin Kong 20+ Year BBB US Investment Grade Corporate Bond ETF	4,000,000	-
		$ 29,515,865	$ 15,923,651
Corporate bonds			
SKLIC	Cumulative subordinate corporate bond of 2012 without maturity date	130 units	130 units
SKLIC	Cumulative subordinate corporate bond of 2016 without maturity date	700 units	700 units
SKLIC	Cumulative subordinate corporate bond of 2018 without maturity date	300 units	300 units

c. Movements in reserve for loan commitments were as follows:

	For the Year Ended December 31	
	2024	2023
Balance, January 1	$ 18,286	$ 14,249
Provision	7,353	15,392
Recovery	(22,898)	(11,355)
Balance, December 31	$ 2,741	$ 18,286

23. OTHER PAYABLES

	December 31	
	2024	2023
Accrued expense - salaries	$ 2,092,153	$ 1,677,147
Accrued expense - others	1,520,781	1,185,346
Accrued interest	426,316	323,878
Dividend payable	4,938	4,938
Collection payable	176,577	90,871
Payable of transactions on securities	1,879,975	222,099
Other payable - franchise	83,646	81,285
Other payable - others	2,011,778	1,447,791
	$ 8,196,164	$ 5,033,355

24. BONDS PAYABLE

	December 31	
	2024	2023
Cumulative subordinate corporate bond without maturity date	$ 24,000,000	$ 24,000,000
10-Year Cumulative Subordinated Corporate Bonds	21,300,000	13,000,000
	$ 45,300,000	$ 37,000,000

a. SKLIC issued its first domestic cumulative subordinate corporate bond without maturity on December 10, 2012 which was approved under Rule No. 10102908010 issued by the Insurance Bureau of the FSC and Rule No. 1010051395 issued by the FSC. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $5,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: Without maturity date.

4) Nominal interest rate: There is a fixed interest rate of 3.35% from the issue date to the tenth year; if not redeemed by the Company, the fixed interest rate will be adjusted to 4.35% on the day following the bond's issue date to the tenth year.

5) The interest is paid annually from the issue date.

6) Early redemption right: Within 10 years from the issue date, at which time the condition of expiry is met, if SKLIC's Capital Adequacy Ratio after redemption is two times more than the minimum Capital Adequacy Ratio required by the authorities' regulation, SKLIC is able to proceed with early redemption of each bond at par value plus accrued interest after the approval by the relevant authorities. SKLIC can redeem such bonds quarterly.

7) Bonds form: Incorporeally issued.

b. SKLIC issued its first domestic cumulative subordinate corporate bond without maturity on October 31, 2016 which was approved under Rule No. 10502911780 issued by the Insurance Bureau of the FSC and Rule No. 10500291131 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $13,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: Without maturity date.

4) Early redemption right: Within 10 years from the issue date, at which time the condition of expiry is met, if SKLIC's Capital Adequacy Ratio after redemption is two times more than the minimum Capital Adequacy Ratio required by the authorities' regulation, SKLIC is able to proceed with early redemption of each bond at par value plus accrued interest after the approval by the relevant authorities.

5) Nominal interest rate: There is a fixed interest rate of 3.80% from the issue date to the tenth year; if not redeemed by the Company, 1% will be added to the fixed interest rate on the day following the bond's issue date to the tenth year.

6) The interest is paid annually from the issue date.

7) Bonds form: Incorporeally issued.

c. SKLIC issued its first domestic cumulative subordinate corporate bond without maturity on June 29, 2018, which was approved under Rule No. 10704276590 issued by the Insurance Bureau of the FSC and Rule No. 10700153821 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $6,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: Without maturity date.

4) Early redemption rights: Within 10 years from the issue date, at which time the conditions of expiry are met, if SKLIC's Capital Adequacy Ratio after redemption is two times more than the minimum Capital Adequacy Ratio required by the authorities, SKLIC can proceed with early redemption of each bond at par value plus accrued interest after approval by the relevant authorities.

5) Nominal interest rate: There is a fixed interest rate of 3.50% from the issue date to the tenth year; if not redeemed by the Company, 1% will be added to the fixed interest rate on the day following the bond's issue date to the tenth year.

6) The interest is paid annually from the issue date.

7) Bond format: Incorporeally issued.

d. SKLIC issued its first domestic unsecured cumulative subordinated corporate bond on October 26, 2023 which was approved under Rule No. 1120435047 issued by the Insurance Bureau of the FSC and Rule No. 11200101411 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $13,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Years to maturity: Ten-year term, from October 26, 2023 to October 26, 2033.

4) Repayment term: The bonds are redeemed at the maturity date.

5) Coupon rate: 4.00%.

6) The interest is paid annually from the issue date.

7) Bonds form: Incorporeally issued.

e. On June 24, 2024, SKLIC issued its first domestic secured cumulative subordinated corporate bonds, which were approved under Rule No. 1130419849 issued by the Insurance Bureau of the FSC and Rule No. 11300044461 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $5,500,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at 100% of par.

3) Period: Ten years, from June 24, 2024 to June 24, 2034.

4) The principal is repayable on maturity from the issue date.

5) Nominal interest rate: 3.50%.

6) Interest is paid annually from the issue date.

7) Bonds form: Issued without entity.

f, On August 28, 2024, SKLIC issued its second domestic secured cumulative subordinated corporate bonds, which were approved under Rule No. 1130426320 issued by the Insurance Bureau of the FSC and Rule No. 11300071751 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $2,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at 100% of par.

3) Period: Ten years, from August 28, 2024 to August 28, 2034.

4) The principal is repayable on maturity from the issue date.

5) Nominal interest rate: 3.50%.

6) Interest is paid annually from the issue date.

7) Bonds form: Issued without entity.

g, On December 9, 2024, SKLIC issued its third domestic secured cumulative subordinated corporate bonds, which were approved under Rule No. 1130434112 issued by the Insurance Bureau of the FSC and Rule No. 11300108861 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $800,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at 100% of par.

3) Period: Ten years, from December 9, 2024 to December 9, 2034.

4) The principal is repayable on maturity from the issue date.

5) Nominal interest rate: 3.50%.

6) Interest is paid annually from the issue date.

7) Bonds form: Issued without entity.

25. INSURANCE LIABILITIES

a. Insurance liabilities for insurance contracts and financial instruments with discretionary participation feature

As of December 31, 2024 and 2023, each category and movements of reserve for insurance contracts and financial instruments with discretionary participation feature of the Group were as follows:

1) Reserve for unearned premiums

	December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 383	$ 6	$ 389	$ 473	$ 8	$ 481
Individual accident insurance	5,442,457	-	5,442,457	4,700,320	-	4,700,320
Individual health insurance	5,025,608	-	5,025,608	4,628,086	-	4,628,086
Group insurance	1,607,597	-	1,607,597	1,594,060	-	1,594,060
Investment type insurance	46,119	-	46,119	40,785	-	40,785
	12,122,164	6	12,122,170	10,963,724	8	10,963,732
Less: Ceded reserve for unearned premiums						
Individual life insurance	61,765	-	61,765	35,715	-	35,715
Individual accident insurance	2,596	-	2,596	2,586	-	2,586
Individual health insurance	175,189	-	175,189	97,258	-	97,258
Group insurance	-	-	-	165	-	165
Investment type insurance	157	-	157	66	-	66
	239,707	-	239,707	135,790	-	135,790
	$ 11,882,457	$ 6	$ 11,882,463	$ 10,827,934	$ 8	$ 10,827,942

Movements in reserve for unearned premiums were as follows:

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 10,963,724	$ 8	$ 10,963,732	$ 9,960,798	$ 3	$ 9,960,801
Provision	13,994,030	14	13,994,044	12,987,727	42	12,987,769
Recovery	(12,835,590)	(16)	(12,835,606)	(11,984,801)	(37)	(11,984,838)
Balance, December 31	12,122,164	6	12,122,170	10,963,724	8	10,963,732
Less: Ceded reserve for unearned premiums						
Balance, January 1, net	135,790	-	135,790	235,824	-	235,824
Increase	794,624	-	794,624	660,846	-	660,846
Decrease	(690,848)	-	(690,848)	(760,918)	-	(760,918)
Net exchange differences	141	-	141	38	-	38
Balance, December 31	239,707	-	239,707	135,790	-	135,790
Balance, December 31, net	$ 11,882,457	$ 6	$ 11,882,463	$ 10,827,934	$ 8	$ 10,827,942

2) Reserve for claim payments

	December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance						
Reported but not paid	$ 155,133	$ -	$ 155,133	$ 239,580	$ -	$ 239,580
Incurred but not reported	6,101	2	6,103	5,254	3	5,257
Individual accident insurance						
Reported but not paid	88,828	-	88,828	111,142	-	111,142
Incurred but not reported	1,194,688	-	1,194,688	1,132,924	-	1,132,924
Individual health insurance						
Reported but not paid	51,003	-	51,003	96,782	-	96,782
Incurred but not reported	1,810,014	-	1,810,014	1,625,844	-	1,625,844
Group insurance						
Reported but not paid	5,168	-	5,168	39,636	-	39,636
Incurred but not reported	852,121	-	852,121	735,837	-	735,837
Investment type insurance						
Reported but not paid	33,342	-	33,342	55,524	-	55,524
	4,196,398	2	4,196,400	4,042,523	3	4,042,526
Less: Ceded reserve for claim payments	-	-	-	-	-	-
	$ 4,196,398	$ 2	$ 4,196,400	$ 4,042,523	$ 3	$ 4,042,526

Movements in reserve for claim payments were as follows:

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 4,042,523	$ 3	$ 4,042,526	$ 3,574,185	$ 1	$ 3,574,186
Provision	4,856,927	32,870	4,889,797	4,939,562	2,930	4,942,492
Recovery	(4,702,965)	(32,871)	(4,735,836)	(4,471,098)	(2,928)	(4,474,026)
Net exchange differences	(87)	-	(87)	(126)	-	(126)
Balance, December 31	4,196,398	2	4,196,400	4,042,523	3	4,042,526
Less: Ceded reserve for claim payments	-	-	-	-	-	-
Balance, December 31, net	$ 4,196,398	$ 2	$ 4,196,400	$ 4,042,523	$ 3	$ 4,042,526

3) Reserve for life insurance liability

	December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 2,899,379,680	$ 4,309,040	$ 2,903,688,720	$ 2,892,689,067	$ 4,518,837	$ 2,897,207,904
Health insurance	349,336,646	-	349,336,646	327,873,705	-	327,873,705
Annuity insurance	298,139	14,143,380	14,441,519	318,199	16,131,255	16,449,454
Investment type insurance	42,836	-	42,836	28,924	-	28,924
	3,249,057,301	18,452,420	3,267,509,721	3,220,909,895	20,650,092	3,241,559,987
Less: Ceded reserve for life insurance liability	-	-	-	-	-	-
	$ 3,249,057,301	$ 18,452,420	$ 3,267,509,721	$ 3,220,909,895	$ 20,650,092	$ 3,241,559,987

Reserve for liability plus "Reserve for life insurance - pending payments to insured" were $3,268,414,896 thousand on December 31, 2024.

Reserve for life insurance liability plus "Reserve for life insurance - pending payments to insured" were $3,254,410,930 thousand for the year ended December 31, 2023.

Movements in reserve for life insurance liability were as follows:

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Balance, January 1	$ 3,220,909,895	$ 20,650,092	$ 3,241,559,987	$ 3,209,513,249	$ 22,973,381	$ 3,232,486,630
Provision	240,121,324	490,583	240,611,907	217,095,111	534,067	217,629,178
Recovery	(251,501,382)	(2,688,255)	(254,189,637)	(207,260,648)	(2,857,356)	(210,118,004)
Reclassification (Note)	(58,034)	-	(58,034)	-	-	-
Net exchange differences	39,585,498	-	39,585,498	1,562,183	-	1,562,183
Balance, December 31	3,249,057,301	18,452,420	3,267,509,721	3,220,909,895	20,650,092	3,241,559,987
Less: Ceded reserve for life insurance liability	-	-	-	-	-	-
Balance, December 31, net	$ 3,249,057,301	$ 18,452,420	$ 3,267,509,721	$ 3,220,909,895	$ 20,650,092	$ 3,241,559,987

Reserve for liability plus "Reserve for life insurance - pending payments to insured" were $3,268,414,896 thousand on December 31, 2024.

Reserve for life insurance liability plus "Reserve for life insurance - pending payments to insured" were $3,254,410,930 thousand for the year ended December 31, 2023.

Note: SKLIC applied to the FSC in accordance with the provisions of Article 3, Item 1, Subsection 7 of the "Matters to be Noted for the Foreign Exchange Price Fluctuation Reserve in Life Insurance" as specified in the FSC's Order No. 11304931482, dated September 6, 2024. On December 23, 2024, SKLIC received approval from the FSC under Letter No. 1130434269, allowing SKLIC to transfer $58,034 thousand from the reserve for major accidents under liability reserves and $12,000,000 thousand from the voluntarily enhanced liability reserves under the FSC's Letter No. 10904917647 to the foreign exchange price fluctuation reserve. An equal amount of $12,000,000 thousand was also transferred to the special surplus reserve. Please refer to Note 27d and 37b.

In order to conform to IFRS 17 and stabilize its financial structure, the Group starts calculating and recognizing the reserve for life insurance liabilities from the end of 2020 based on Article No. 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Rule No. 1090420964 and Rule No. 1090423011 issued by the FSC. According to Rule No. 10904917647 issued by the FSC, the amount measured by the special reserve appropriated following adoption of the fair value model for investment properties is recovered and the retained earnings is increased, and the reserve for life insurance liability is recognized. This accounting treatment does not affect the distribution of surplus and undistributed surplus. The Group estimated that the reserve for life insurance liability at the end of 2020 would be about $12 billion, but will continue to be adjusted in accordance with the regulatory standards of the authorities and the Company's strategic assessment. Subsequent assessment of the amount is based on estimates made based on current information, and its assessment methods involve a number of important assumptions, which may be adjusted due to uncertainties such as the Company's actual experience and the market environment, which may change the assessment results.

4) Special reserve for life insurance

	December 31					
	2024			2023		
	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total
Reserve for participating policy dividends	$ 1,396,979	$ -	$ 1,396,979	$ 1,364,067	$ -	$ 1,364,067
Surplus of fair value measurement of investment properties offset by the negative effect of transition to IFRS Accounting Standards	-	-	-	-	5,495,913	5,495,913
	$ 1,396,979	$ -	$ 1,396,979	$ 1,364,067	$ 5,495,913	$ 6,859,980

Movements in special reserve for life insurance were as follows:

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Surplus of Fair Value Measurement of Investment Properties Offset by the Negative Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Surplus of Fair Value Measurement of Investment Properties Offset by the Negative Effect of Transition to IFRS Accounting Standards	Total
Balance, January 1	$ 1,364,067	$ 5,495,913	$ 6,859,980	$ 1,729,394	$ 5,495,913	$ 7,225,307
Provision of reserve for participating policy dividends	488,092	-	488,092	304,465	-	304,465
Recovery of reserve for participating policy dividends	(443,835)	-	(443,835)	(693,701)	-	(693,701)
Disposal of participating insurance policies through equity instruments measured by fair value in other comprehensive profit and loss	(11,345)	-	(11,345)	23,909	-	23,909
Reclassification	-	151,693	151,693	-	-	-
Transferred to reserve for change in foreign exchange valuation (Note 2)	-	(5,647,606)	(5,647,606)	-	-	-
Balance, December 31	$ 1,396,979	$ -	$ 1,396,979	$ 1,364,067	$ 5,495,913	$ 6,859,980

Note 1: The Group did not provide a special reserve for financial instruments with discretionary participation features.

Note 2: SKLIC, in accordance with the provisions of Article 3, Item 1, Subsection 7 of the "Matters to be Noted for the Foreign Exchange Price Fluctuation Reserve in Life Insurance" as specified in the FSC's Order No. 11304931482, dated September 6, 2024, applied to the Financial Supervisory Commission (FSC) and received approval on December 23, 2024, under FSC Letter No. 1130434269. SKLIC transferred the amount of $5,647,606 thousand, representing the unrealized gain after adjusting for the adverse impact of investment property measured at fair value under IFRS Accounting Standards for the first time, to the foreign exchange price fluctuation reserve. Please refer to Note 37b.

5) Reserve for insufficient premiums

	December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 768,111	$ -	$ 768,111	$ 906,153	$ -	$ 906,153
Individual health insurance	137,607	-	137,607	148,542	-	148,542
	905,718	-	905,718	1,054,695	-	1,054,695
Less: Ceded reserve for insufficient premiums	-	-	-	-	-	-
	$ 905,718	$ -	$ 905,718	$ 1,054,695	$ -	$ 1,054,695

Movements in reserve for insufficient premiums were as follows:

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 1,054,695	$ -	$ 1,054,695	$ 1,415,228	$ -	$ 1,415,228
Provision	51,905	-	51,905	100,748	-	100,748
Recovery	(215,293)	-	(215,293)	(464,163)	-	(464,163)
Net exchange differences	14,411	-	14,411	2,882	-	2,882
Balance, December 31	905,718	-	905,718	1,054,695	-	1,054,695
Less: Ceded reserve for insufficient premiums	-	-	-	-	-	-
Balance, December 31, net	$ 905,718	$ -	$ 905,718	$ 1,054,695	$ -	$ 1,054,695

6) Reserve for liability adequacy

	Insurance Contracts and Financial Instruments with Discretionary Participation Feature	
	December 31	
	2024	2023
Reserve for life insurance	$ 3,268,414,896	$ 3,254,410,930
Reserve for unearned premiums	12,122,170	10,963,732
Reserve for claim payments	4,196,400	4,042,526
Reserve for insufficient premiums	905,718	1,054,695
Special reserve for life insurance	1,396,979	6,859,980
	3,287,036,163	3,277,331,863
Less: Intangible assets	-	-
Book value of insurance obligation	$ 3,287,036,163	$ 3,277,331,863
Current estimates of cash flows	$ 2,955,227,755	$ 2,974,110,546
Balance of reserve for liability adequacy	$ -	$ -

As of December 31, 2024 and 2023, the Group was not required to provide reserve for liability adequacy after evaluation.

Method used in the liability adequacy test is shown as follows:

	December 31, 2024 and 2023
Test method	Total premium measurement method
Test groups	All insurance contracts as a whole
Assumptions	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information

b. Net insurance premium income

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Gross written premiums	$ 182,815,548	$ 52,683	$ 182,868,231	$ 153,842,085	$ 178,205	$ 154,020,290
Reinsurance premiums	-	-	-	-	-	-
Total insurance income	182,815,548	52,683	182,868,231	153,842,085	178,205	154,020,290
Less: Reinsurance expenses	(2,009,609)	-	(2,009,609)	(1,795,941)	-	(1,795,941)
Net changes in reserve for unearned premiums	(1,054,664)	2	(1,054,662)	(1,102,998)	(5)	(1,103,003)
Net insurance premium income	$ 179,751,275	$ 52,685	$ 179,803,960	$ 150,943,146	$ 178,200	$ 151,121,346

c. Net insurance benefits and claims:

	For the Year Ended December 31					
	2024			2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Gross written insurance benefits and claims	$ 290,077,721	$ 2,815,144	$ 292,892,865	$ 243,249,779	$ 3,004,256	$ 246,254,035
Reinsurance claims	-	-	-	-	-	-
Insurance benefits and claims	290,077,721	2,815,144	292,892,865	243,249,779	3,004,256	246,254,035
Less: Claims recovered from reinsurers	(1,227,751)	-	(1,227,751)	(863,013)	-	(863,013)
Net insurance benefits and claims	$ 288,849,970	$ 2,815,144	$ 291,665,114	$ 242,386,766	$ 3,004,256	$ 245,391,022

26. RESERVE FOR INSURANCE CONTRACT WITH THE NATURE OF FINANCIAL PRODUCTS

The Group issued financial instruments with discretionary participation feature and appropriated reserve for insurance contract with the nature of financial products. As of December 31, 2024 and 2023, the balance and movements were as follows:

	December 31	
	2024	2023
Investment-linked product	$ 127,931	$ 70,849

	For the Year Ended December 31	
	2024	2023
Balance, January 1	$ 70,849	$ 20,964
Provision	55,517	50,080
Net exchange differences	1,565	(195)
Balance, December 31	$ 127,931	$ 70,849

27. EQUITY

a. Ordinary share

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	9,000,000	8,000,000
Shares authorized (in thousands of NTD)	$ 90,000,000	$ 80,000,000
Shares issued and fully paid (in thousands of shares)	8,276,890	7,438,745
Shares issued (in thousands of NTD)	$ 82,768,904	$ 74,387,451
Share premium	35,215,253	22,447,447
	$ 117,984,157	$ 96,834,898

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on July 31, 2024, and the transaction was approved by the FSC on August 13, 2024. On subscription base date, August 22, 2024, the Company was fully paid and issued 527,034 thousand ordinary shares with a consideration of $26.30 per share. The capital increase amounted to $13,861,000 thousand, and the share premium of $8,590,658 thousand was recognized. The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on July 27 and December 4, 2023, and February 27, 2024, and the transaction was approved by the FSC on March 27, 2024. On subscription base date, March 28, 2024, the Company was fully paid and issued 311,111 thousand ordinary shares with a consideration of $22.50 per share. The capital increase amounted to $7,000,000 thousand and the share premium of $3,888,889 thousand was recognized. The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on July 27, 2023, and the transaction was approved by the FSC on December 13, 2023. On subscription base date, December 29, 2023, the Company was fully paid and issued 66,667 thousand ordinary shares with a consideration of $22.50 per share. The capital increase amounted to $1,500,000 thousand, and the share premium of $833,333 thousand was recognized. The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

b. Capital surplus

The donations and capital surplus which arises from shares issued in excess of par, conversion of convertible bonds and treasury shares transaction may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). According to Jin Guan Bao Tsai No. 10202501991 issued by the FSC on February 8, 2013, if a life insurance enterprise intends to distribute its legal reserve appropriated based on Article 145-1 of the Insurance Law and capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them in accordance with Article 241 of the Company Act, it should be approved by the FSC before the shareholders' meeting.

According to the Company Act, SKFHC retains 15% of shares as provision for subscription by qualified employees when there is issuance of ordinary shares for cash. On June 17, 2024, qualified employees were granted 140,947 thousand options. Each option entitles the holder with the right to subscribe for one ordinary share of the Company. The options were granted at an exercise price of $2.1152.

The options granted by Shin Kong Financial Holdings Co., Ltd. in 2024 were priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	For the Year Ended December 31, 2024
	Ordinary Shares
Acquisition date share price (NT$)	$10.40
Exercise price (NT$)	$8.3
Expected volatility	36.065%
Option life (in years)	27 days
Dividend yield	-
Risk-free interest rate	1.627%

The fees recognized by the Group for the employee share based payment plan are as follows:

	For the Year Ended December 31	
	2024	2023
Fees recognized for share-based payment transactions (all equity-settled share-based payment transactions)	$ 298,131	$ -

c. Retained earnings and dividend policy

Under the dividends policy of the Company's Article of Incorporation, where the Company made a profit in a fiscal year, the profit shall be utilized for paying taxes, adjusted in accordance with International Financial Reporting Standards and International Accounting Standards approved by the competent authority, and offset losses of previous years. The remaining profit should be set aside as legal reserve and special reserve in accordance with the laws and regulations. The payment of preferred dividends also takes precedence in accordance with the dividends policy of the preferred share, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 30 a.

In order for the Company to continue to expand its scale and increase profitability in line with its long-term financial strategy, future demand for capital and meet the dividend needs of ordinary shareholders, the Company adopted a dividend policy in framing a proposal for the distribution of annual earnings for the purpose of sustainable development, whereby share dividends, if declared, shall not be less than 50% of the total ordinary share dividends declared for the year. However, the Company may adjust dividend policy moderately based on the capital needs of business and investment, the approval of dividend appropriation or major regulation and amendments, etc.

When distributing earnings, the Company must follow relevant regulations such as Rule No. 11004920441 issued by the FSC to deduct the net amount of other equity (such as Exchange differences on translating the financial statements of foreign operations, unrealized gain (loss) on financial assets at FVTOCI, hedging instrument gains and losses, and revaluation increment and set aside as a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

According to Jin Guan Bao Tsai No. 10202501992, a life insurance enterprise that intending to distribute cash dividends from earnings (not including dividends for preference share liabilities) should notify the FSC and then the FSC approves the distribution of earnings based on its financial position.

According to Jin Guan Bao Tsai No. 11204939731 starting from January 1, 2019, a life insurance enterprise should make a special reserve from gains or losses after a tax of 20% on disposals of the following immature debt instruments, which should be amortized and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity periods cannot be determined:

1) Financial assets not measured at fair value.

2) Financial assets measured at FVTOCI.

3) Financial assets measured at FVTPL using overlay approach.

In the calculation of immature debt instruments, beneficiary certificates, short-term notes, preferred shares (classified as equity instrument), and the positions belonging to the segregated assets for participating insurance or interest-sensitive commodities may be excluded. The special reserve mentioned above should be listed after No.9 of the Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprises, and the accumulated balance must not be negative.

The changes in the accumulated balance of gains or losses on disposals of debt instruments of the life insurance industry are as follows:

	Amount
Gains or losses on disposals of debt instruments of the life insurance enterprise	
Accumulated balance at the end of December 31, 2023	$ 33,314,053
Realized capital loss of $2,317,309 thousand, net of income tax of $463,462 thousand	(1,853,847)
Net amortization for the current year	(1,336,166)
Accumulated balance at December 31, 2024	$ 30,124,040

As of December 31, 2024, the Company has set aside special reserve of $33,314,053 thousand in accordance with the regulation; in 2024, the board of directors will resolve to set aside special reserve of $(3,190,013) thousand according to the changes in the current year. The accumulated balance of special reserve will be at $30,124,040 thousand.

According to the regulation, the amortization table at the end of the previous year and the additions in the current year is as follows:

Year	**Net Amortization of the Accumulated Balance of Gains or Losses on Disposal at the End of the Previous Year (1)**	**Gains or Losses on Disposal After Tax in the Current Year (2)**	**Net Amortization of the Accumulated Balance of Gains or Losses on Disposal at the End of the Current Year (3)**
2024	$ 1,464,660	$ (128,494)	$ 1,336,166
2025	1,433,761	(128,494)	1,305,267
2026	1,452,838	(128,553)	1,324,285
2027	1,464,621	(128,714)	1,335,907
2028	1,457,169	(125,453)	1,331,716
2029	1,489,660	(115,691)	1,373,969
2030	1,582,562	(108,758)	1,473,804
2031	1,665,937	(97,333)	1,568,604
2032	1,668,122	(87,300)	1,580,822
2033	1,653,055	(86,557)	1,566,498
2034 to 2043	14,184,170	(563,600)	13,620,570
2044 to 2053	3,479,165	(153,173)	3,325,992
2054 to 2063	313,460	(1,727)	311,733
2064 to 2070	4,873	-	4,873
	$ 33,314,053	$ (1,853,847)	$ 30,124,040

Note: The assessment year is 2024; total (1) + (2) does not include the amortization of the accumulated balance of gains or losses on disposal in 2024.

Legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash. Pursuant to Jin Guan Bao Tsai No. 10202501991, if a life insurance enterprise intends to appropriate legal reserve under Article 145-1 of the Insurance Act and to distribute, in accordance with Article 241 of the Company Act, its legal reserve and capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them, it should be approved by the FSC before shareholders' meeting.

The offsetting of the deficits for 2023 and 2022 had been approved by the board of directors (on behalf of the shareholder) on May 24, 2024 and May 23 2023. The reserves used to offset deficits were as follows:

	For the Year Ended December 31	
	2023	**2022**
Legal reserve	$ -	$ -
Special reserve	(3,315,401)	5,845,815

d. Special reserves

	December 31	
	2024	**2023**
Special reserve for catastrophic events and fluctuation of risks recognized (1)	$ 14,931,825	$ 14,491,792
Special reserve for the foreign exchange valuation (2)	5,773,353	5,773,353
Special reserve for unrealized loss on financial instruments	712,694	712,694
Special reserve appropriated following first-time adoption of IFRS Accounting Standards (3)	3,953,868	3,953,868
Recover special reserve for revaluation increments of property (4)	22,590,424	22,590,424
Special reserve for gains or losses on disposal of immature debt instruments (5)	33,314,053	36,893,914
Special reserve appropriated following adoption of fair value model to measure investment properties (6)	36,338,123	36,346,298
Special reserve for travel insurance (7)	24,103	14,237
Special reserve for special provision (8)	12,000,000	12,000,000
Reclassification of Designated Liability Item to the provision for changes in foreign exchange (9)	12,000,000	-
	$ 141,638,443	$ 132,776,580

1) Special reserve for catastrophic events and fluctuation of risks recognized

Following the revised "Regulations Governing the Calculation of Various Reserves for Operations" dated February 7, 2012, SKLIC transferred the balance of the special reserve for catastrophe and for contingent claim, net of tax, from liability to special reserve.

Under the rules submitted by the Company to the authorities and relevant regulations, the Company has set aside a special reserve for catastrophic events and a special reserve for the fluctuation of risks for retained insurance policies with terms shorter than one year and injury insurance policies with terms longer than one year, as follows:

a) Special reserve for catastrophic events

All types of insurance are subject to the reserve rates for catastrophic events set by the authorities. Upon the occurrence of catastrophic events, an actual claim by a covered business in excess of $30,000 thousand can be withdrawn from the special reserve. If the reserve has been accumulating for over 15 years after the catastrophe, the Company may plan a reserve recovery process through an assessment by certified actuarial professionals and submit the plan to the authorities for reference. The post-tax amount of the recovery determined in accordance with IAS 12 “Income Taxes” can be recorded in the special capital reserve for catastrophic events under equity.

b) Special reserve for fluctuation of risks

When the actual claim payment less a drawdown from the special reserve for catastrophic events is less than the anticipated claim amount, 15% of this difference should be placed in the special reserve for fluctuation of risks.

When the actual claim payment less a drawdown from the special reserve for catastrophic events is greater than the anticipated claim amount, the excess can be used to further draw down the special reserve for fluctuation of risks. If the total amount of special reserves for fluctuation of risks is not enough to cover the actual claim payment, the special reserve for the fluctuation of risks for other types of insurance can be used, and the type of insurance and total amount written down should be reported to the authorities. Under the Ministry of Finance directive Tai Tsai Bao No. 0910074195 dated December 30, 2002, when the accumulated amount of special reserve for fluctuation of risks exceeds 30% of the retained earned premium of the current year, the excess will be recovered. To promote the sustainable development of the insurance industry, the authorities may designate or restrict the use of the recovered amount.

The post-tax amount of write-down or recovery determined in accordance with the IAS 12 “Income Taxes” can be recorded in the special capital reserve for fluctuation of risks under equity.

The annual provision for the above special reserves should be recorded in special reserve under equity, net of tax, in accordance with IAS 12”Income Taxes”.

Under Article 23-2 of the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises,” life insurance enterprises should recognize the amount equal to the initial reserve for foreign exchange valuation transferred from liabilities as special reserve for three years, starting from the setup of the initial reserve. This special reserve includes the reduced recovery amounts of special reserve for catastrophic events and special reserve for fluctuation of risks, which are calculated in accordance with Articles 19 and 20, due to the transfer of the initial amount of reserve for foreign exchange valuation.

According to Jin Guan Bao Tsai No. 09802513192, the revised Regulations Governing the Setting Aside of Various Reserve by Insurance Enterprise, issued on December 28, 2009, the provision for special reserve for catastrophic events and for fluctuation of risks is recognized at the end of the year and should not be distributed as dividends or be used for any other purposes.

Special reserve for catastrophic events and fluctuation of risks recognized comprised:

	December 31, 2024		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 240	$ -	$ 240
Individual accident insurance	1,856,862	-	1,856,862
Individual health insurance	4,192,454	-	4,192,454
Group insurance	2,113,648	-	2,113,648
For contingent claim			
Individual life insurance	286	-	286
Individual accident insurance	1,493,043	-	1,493,043
Individual health insurance	546,578	-	546,578
Group insurance	4,728,714	-	4,728,714
	$ 14,931,825	$ -	$ 14,931,825

	December 31, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 220	$ -	$ 220
Individual accident insurance	1,803,592	-	1,803,592
Individual health insurance	3,951,841	-	3,951,841
Group insurance	1,940,024	-	1,940,024
For contingent claim			
Individual life insurance	218	-	218
Individual accident insurance	1,942,405	-	1,942,405
Individual health insurance	546,578	-	546,578
Group insurance	4,306,914	-	4,306,914
	$ 14,491,792	$ -	$ 14,491,792

2) Special reserve for foreign exchange valuation reserve

According to Jin Guan Bao Tsai No. 10102501551 issued on February 7, 2012 and Article 9 of the Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprise, the Company should appropriate a special reserve at 10% of the profit after tax in order to strengthen the foreign exchange reserve and capital.

According to Jin Guan Bao Tsai No. 10102501551 and Jin Guan Bao Tsai No. 10402026901 issued on May 8, 2015 and Article 8 of the Direction for Reserve for Foreign Exchange Reserve, the Company should set aside special reserve at the amount of hedging expense saved. This special reserve should be set aside in later years if there are no sufficient earnings, and it should only be used for transferring to capital or offsetting deficit.

3) Special reserves appropriated following first-time adoption of IFRS Accounting Standards

For the first-time adoption of IFRS Accounting Standards in 2013, the Company appropriated to special reserve the amounts that were the same as the unrealized revaluation increment, $4,577,526 thousand, cumulative translation differences, $77,017 thousand, and the increment of $20,398 thousand in accordance with Bao Tsai No. 10202508140. Investment properties have been disposed of and the related special reserve had been reversed; thus, balance of special reserve was $721,073 thousand as of December 31, 2024.

Special reserve for unrealized revaluation increment may be reversed when investment properties are disposed of or reclassified. Special reserve for cumulative translation differences may be reversed in proportion to the Company's disposed of foreign operations and may be fully reversed when the Company lost its significant influence on foreign operations.

4) In accordance with Jin Guan Bao Shou No. 10704272230 issued on March 28, 2018, Jin Guan Bao Shou No. 10502915790 issued on February 14, 2017, Jin Guan Bao Tsai No. 10402914880 issued on February 17, 2016 and Jin Guan Bao Tsai No. 10402901500 issued on March 13, 2015, the Company recovered special reserve for revaluation increments of property of $1,590,424 thousand, $7,000,000 thousand, $7,000,000 thousand and $7,000,000 thousand in 2018, 2017, 2016 and 2015, respectively. In accordance with Jin Guan Bao Tsai No. 10102515281 issued on November 30, 2012, revocation of special reserve for revaluation increments of property should be transferred to special reserve under equity. The limitation is $10 billion per year.

5) In accordance with Jin Guan Bao Tsai No. 11204939731 starting from January 1, 2019, the Company should make a special reserve from gains or losses after a tax of 20% on disposals of the following immature debt instruments, which should be amortized and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity periods cannot be determined:

a) Financial assets not measured at fair value.

b) Financial assets measured at FVTOCI.

c) Financial assets measured at FVTPL using overlay approach.

In the calculation of immature debt instruments, beneficiary certificates, short-term notes, preferred shares (classified as equity instrument), and the positions belonging to the segregated assets for participating insurance or interest-sensitive commodities may be excluded. Special reserve for immature debt instruments should be appropriated after appropriate special reserve according to Item 9 of the Guideline Governing Reserves for Change on Foreign Exchange Price by Life Insurance Enterprises and the accumulated balance should not be negative.

6) Special reserve for investment properties at fair value model in subsequent measurement

In accordance with Jin Guan Bao Tsai No. 10402501001, the Company set aside special reserve based on net effect for the first-time adoption of fair value model in subsequent measurement, and accumulated net gain on subsequent fair value measurements.

Special reserve for investment properties at fair value model in subsequent measurement can only be used for compensating deficit of policy reserve of effective contracts, which was measured by IFRS 17 "Insurance Contracts", Fair value evaluation of in force insurance contract liabilities and other method approved by the authorities.

When the Company disposes of investment properties, special reserve for investment properties at fair value model in subsequent measurement could be reversed in the proportion of initial recognition. The earnings appropriation regarding the reversal of special reserve should be arranged in accordance with Jin Guan Bao Tsai No. 10202501992.

7) Under Rule No. 10904939031, for the accidental death and loss of personal travel insurance sold in the year, a reserve is provided at 10% of the total premium income calculated according to the amount insured and the number of days insured, after deducting 20% tax, shall be transferred to the special reserve account under the owner's equity.

8) In accordance with Jin Guan Bao Shou No. 1110468177 issued on January 7, 2023, Jin Guan Bao Shou No. 1100430455 issued on September 27, 2021, the Group appropriated $6,000,000 thousand to special reserve at the end of 2022 and 2021, respectively. According to article 21 of Regulations Governing Calculation of Various Reserve for Operations, a personal insurance enterprise may add special reserves based on special needs for the insurance business with an insurance period of more than one year; the method of adding and deduction and the accumulation limit shall be reported to the competent authority for approval in advance.

9) In accordance with Order No. Jin Guan Bao Shou No. 1130434269 dated December 23, 2024, promulgated by the Financial Supervisory Commission, Shin Kong Life Insurance Co., Ltd. reclassified $12,000,000 thousand of liability reserves in 2020 (in accordance with Order No. Jin Guan Bao Cai No. 10904917647) to voluntarily strengthen its foreign exchange valuation reserve. At the same time, the Company appropriated an equal amount of $12,000,000 thousand as a special surplus reserve.

e. Other equity

1) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2024	**2023**
Balance at January 1	$ 1,611,712	$ (6,991,393)
Recognized for the year		
Unrealized gain (loss) - debt instruments	(236,049)	35,646
Unrealized gain (loss) - equity instruments	6,734,156	12,496,611
Income tax related to financial assets at FVTOCI	(789,641)	(1,507,855)
Net remeasurement of loss allowance	802	(1,437)
Share from joint ventures accounted for using the equity method	243,474	64,608
Reclassification adjustment		
Disposal of investments in debt instruments	(271,599)	(15,532)
Income tax related to disposal of investments in debt instruments	54,320	3,109
Other comprehensive income (loss) recognized for the year	5,735,463	11,075,150
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(2,508,698)	(2,809,142)
Income tax related to disposal of investments in equity instruments	301,044	337,097
Balance at December 31	$ 5,139,521	$ 1,611,712

2) Gain on hedging instruments

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 2,067	$ 3,301
Recognized for the year		
Share from associates and joint ventures accounted for using the equity method	(346)	(1,234)
Other comprehensive income recognized for the period	(346)	(1,234)
Balance at December 31	$ 1,721	$ 2,067

3) Gains on property revaluation

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 4,493,933	$ 3,537,471
Gains on property revaluation	603,445	1,165,042
Income taxes related to gains on property revaluation	(82,285)	(208,580)
Other comprehensive income recognized for the year	521,160	956,462
Balance at December 31	$ 5,015,093	$ 4,493,933

f. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	$ 432,981	$ 408,641
Attributable to non-controlling interests:		
Share of profit for the year	71,567	84,934
Other comprehensive income recognized for the year		
Unrealized gain or loss on financial assets at fair value through other comprehensive income	(532)	20,608
Income tax related to unrealized gain or loss on financial assets at FVTOCI	106	(4,122)
Remeasurement of defined benefit plan	995	(148)
Income tax related to remeasurement of defined benefit plan	(199)	30
Cash dividends of non-controlling interests	(76,962)	(76,962)
Share-based payment of subsidiaries	2,763	-
Balance at December 31	$ 430,719	$ 432,981

g. Equity ratio

The ratios of the Company's equity divided by the total assets excluding special account of investment insurance at December 31, 2024 and 2023 were 5.17% and 4.47%.

28. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2024	**2023**
Basic and diluted earnings (loss) per share from continuing operations	$ 1.29	$ (2.33)

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

Net Profit (Loss) for the Year

	For the Year Ended December 31	
	2024	**2023**
Earnings (loss) used in the computation of basic and diluted earnings (loss) per share	$ 10,157,479	$ (17,192,701)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	7,865,981	7,372,626

29. NET GAIN ON INVESTMENTS

	For the Year Ended December 31	
	2024	**2023**
Interest income		
Cash in bank	$ 1,595,362	$ 1,650,061
Financial instruments at FVTPL	1,080,897	1,078,498
Financial instruments at FVTOCI	510,807	468,824
Financial assets at amortized cost	91,024,263	91,184,771
Loans	6,847,831	6,871,207
	$ 101,059,160	$ 101,253,361
Gain (loss) on financial assets and liabilities at FVTPL		
Gain (loss) on changes in fair value	$ (63,871,852)	$ 77,547,343
Dividend income	8,351,670	7,371,598
Gain (loss) on disposal of investments		
Non-derivative instruments	46,034,226	10,003,847
Derivative instruments	(74,635,600)	(101,913,572)
Distributions from foreign investments	643,659	450,609
	$ (83,477,897)	$ (6,540,175)

(Continued)

	For the Year Ended December 31	
	2024	2023
Realized gain on investments in equity instruments at fair value through other comprehensive income		
Dividend revenue	$ 5,631,966	$ 6,189,136
Loss on investments in debt instruments at fair value through other comprehensive income		
Loss on disposal of investments	$ (271,599)	$ (15,532)
Loss on financial assets at amortized cost		
Loss on disposal of investments	$ (3,291,099)	$ (3,555,020)
Gain (loss) on investment properties		
Gain on disposal	$ 142,218	$ 86,173
Gain (loss) on changes in fair value of assets held for sale	(33,124)	161,196
Revaluation	2,729,172	4,888,636
Rental income (Note 32)	4,949,525	4,725,291
	$ 7,787,791	$ 9,861,296

(Concluded)

For the year ended December 31, 2024, SKLIC sold 17 units of President Jasper Villa, Tianmu Mingyuan, part of the San Chongpu Building, Minde Commercial Building and Shilin Huaxia at the net sales amount of $2,208,671 thousand (total price of $2,294,115 thousand minus other taxes and costs of $85,444 thousand). After deducting the carrying amount of $2,066,453 thousand, the gain on disposal was $142,218 thousand, which was recorded under the gain or loss on investment properties.

For the year ended December 31, 2023, SKLIC sold 11 units of President Jasper Villa, 1 unit of Qiyan Jasper, 1 unit of Minsheng Plaza, part of Muzha Building land and part of Changhua Building land at the net sales amount of $1,244,080 thousand (total price of $1,284,459 thousand minus other taxes and costs of $40,379 thousand). After deducting the carrying amount of $1,157,907 thousand, the gain on disposal was $86,173 thousand, which was recorded under the gain or loss on investment properties.

	For the Year Ended December 31	
	2024	2023
Expected credit impairment losses and gains on reversal from investments		
Investments in debt instruments at fair value through other comprehensive income	$ (802)	$ 1,444
Financial assets at amortized cost	972,442	713,142
Loans	126,956	(70,785)
Reserve for loan commitments	15,545	(4,037)
Interest receivables	(157,186)	(147,775)
	$ 956,955	$ 491,989

30. NET PROFIT FROM CONTINUING OPERATIONS

a. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits		
Salary	$ 11,627,621	$ 9,584,179
Labor and health insurance	786,949	749,268
Termination benefits	283,470	274,215
Share-based payments	298,131	-
Remuneration of directors and supervisors	73,332	60,038
Termination benefits	16,061	21,645
Other employee benefits	410,034	276,134
Total employee benefits expense	$ 13,495,598	$ 10,965,479
An analysis of employee benefits expense by function		
Operating costs	$ 4,399,077	$ 3,148,285
Operating expenses	9,096,521	7,817,194
	$ 13,495,598	$ 10,965,479

According to the Articles of Incorporation of the Company, if there is a profit in the current year, the Company should distribute compensation of employees at the rates of 1% of net profit before income tax. However, the Company has to first cover accumulated loss, if any. There was no distribution required for the years ended December 31, 2024 and 2023.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The compensation of employees for the years 2023 and 2022 was resolved by the Company's board of directors on behalf of the shareholder on May 24, 2024 and May 23, 2023 and the amount of compensation of employees recognized in the consolidated financial report was both $0.

Information on the compensation of employees resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

b. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
Property and equipment	$ 452,203	$ 487,736
Right-of-use assets	198,982	188,985
Intangible assets and other assets	229,074	237,593
	$ 880,259	$ 914,314

(Continued)

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating cost	$ 6,009	$ 8,306
Operating expenses	645,176	668,415
	$ 651,185	$ 676,721
An analysis of amortization by function		
Operating expenses	$ 229,074	$ 237,593

(Concluded)

c. Direct operating expenses from investment properties

	For the Year Ended December 31	
	2024	2023
Direct operating expenses from investment properties generating rental income	$ 1,243,073	$ 1,231,790
Direct operating expenses from investment properties not generating rental income	16,005	16,722
	$ 1,259,078	$ 1,248,512

d) Donation expense

	For the Year Ended December 31	
	2024	2023
Related (Note 32)	$ 10,000	$ 14,000
Other related party		
National Sun Yat-sen University	3,000	3,000
National Chengchi Universit	3,000	3,000
Others	5,196	-
	$ 21,196	$ 20,000

On June 28, 2022, the Company's Board of Directors approved donations of $24,000 thousand each to non-related parties National Sun Yat-sen University and National Chengchi University for the establishment of an International School of Finance. The donations are to be paid to each university at $3,000 thousand annually over eight years from 2022 to 2029.

31. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax benefit were as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	$ 1,748,949	$ 1,494,730
Land value increment tax	(59,280)	(47,790)
Adjustments for prior periods	(99,733)	7,424
Deferred tax		
In respect of the current year	1,706,801	5,057,504
Income tax benefit recognized in profit or loss	$ 3,296,737	$ 6,511,868

The income tax expenses in 2024 and 2023 included $142,781 thousand and $170,006 thousand, respectively, which were the withholding taxes on foreign income paid by the Company. The foreign income had no income tax deduction effect, so it was recorded under income tax expenses in the current period. Income tax expenses for the current period in 2024 and 2023 decreased by $1,938,442 thousand and $1,723,066 thousand, respectively, due to the use of deferred tax assets of SKLIC under the merger-linked tax of Financial Holdings.

A reconciliation of accounting profit and income tax benefit is as follows:

	For the Year Ended December 31	
	2024	2023
Profit (loss) before tax from continuing operations	$ 6,932,309	$ (23,619,635)
Income tax (expense) benefit calculated at the statutory rate (20%)	(1,386,462)	4,723,927
Gain (loss) on disposal of equity instruments at fair value through other comprehensive income	(301,044)	(337,097)
Nondeductible expenses in determining taxable income	720,774	992,770
Tax-exempt income	9,463,926	3,723,725
Unrecognized deductible temporary differences	87,707	113,362
Unrecognized loss carryforwards	(4,986,370)	(2,494,447)
Withholding tax on foreign income without tax deduction	(142,781)	(170,006)
Land value increment tax	(59,280)	(47,790)
Adjustments for prior years' tax	(99,733)	7,424
Income tax benefit recognized in profit or loss	$ 3,296,737	$ 6,511,868

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2024	2023
Current tax		
Disposal of investments in equity instruments designated as at FVTOCI	$ (301,044)	$ (337,097)
Deferred tax		
Disposal of investments in equity instruments designated as at FVTOCI	301,044	(337,097)
Total income tax recognized directly in equity	$ -	$ -

c. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
Deferred tax		
Remeasurement of the defined benefit plan	$ (115,367)	$ (871)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(789,535)	(1,511,977)
Gains on property revaluation	(82,285)	(208,580)
Arising on income and expenses reclassified from equity to profit or loss:		
On disposal of investments in debt instruments at fair value through other comprehensive income	54,320	3,109
Other comprehensive income based on reclassification using the overlay approach	1,574,433	(3,658,307)
Income tax benefit (expense) on total income tax recognized in other comprehensive income	$ 641,566	$ (5,376,626)

d. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Tax refund receivable	$ 11,379,938	$ 9,084,906
Current tax liabilities		
Income tax payable	$ 16,887	$ 29,756

e. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2024

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Differences in depreciation of properties	$ 287,125	$ (1,139)	$ -	$ -	$ 285,986
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	2,009,136	-	839,218	301,044	3,149,398
Others	5,320	(2,245)	-	-	3,075
Tax losses	40,715,888	12,019,266	-	(301,044)	52,434,110
	$ 43,017,469	$ 12,015,882	$ 839,218	$ -	$ 55,872,569
Deferred tax liabilities					
Temporary differences					
Fair value of properties	$ 7,659,524	$ 22,859	$ 82,285	$ 6,856	$ 7,771,524
Defined benefits obligation	790,533	134,832	115,367	-	1,040,732
Unrealized gain on financial assets	5,378,213	10,163,431	-	-	15,541,644
Others	18,812	-	-	-	18,812
Reserve for land value increment tax	2,685,962	(12,041)	-	-	2,673,921
	$ 16,533,044	$ 10,309,081	$ 197,652	$ 6,856	$ 27,046,633

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Differences in depreciation of properties	$ 283,727	$ 3,398	$ -	$ -	$ 287,125
Unrealized gain (loss) on financial assets	4,769,355	(4,769,355)	-	-	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	7,021,071	-	(5,167,174)	155,239	2,009,136
Others	10,235	(187,757)	-	182,842	5,320
Tax losses	25,290,932	15,762,053	-	(337,097)	40,715,888
	$ 37,375,320	$ 10,808,339	$ (5,167,174)	$ 984	$ 43,017,469
Deferred tax liabilities					
Temporary differences					
Fair value of properties	$ 7,113,001	$ 337,943	$ 208,580	$ -	$ 7,659,524
Defined benefits plan	736,171	53,490	872	-	790,533
Unrealized gain on financial assets	-	5,378,213	-	-	5,378,213
Others	18,812	-	-	-	18,812
Reserve for land value increment tax	2,704,773	(18,811)	-	-	2,685,962
	$ 10,572,757	$ 5,750,835	$ 209,452	$ -	$ 16,533,044

Note: Reclassified income tax receivable for linked-tax and deferred tax assets.

f. Deductible temporary differences and unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2024	2023
Loss carryforwards	$ 26,807,916	$ 10,399,370
Deductible temporary differences		
Impairment losses on assets	$ 5,509,809	$ 6,182,316

g. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2024 comprised:

Unused Amount	Expiry Year
$ 15,035,176	2028
121,651,997	2032
77,639,624	2033
74,651,669	2034
$ 288,978,466	

h. Income tax assessments

The tax returns of the Company through 2019 have been assessed by the tax authorities.

32. RELATED-PARTY TRANSACTIONS

a. The related parties and their relationships with the Group are as follows:

Related Party	Relationship
Shin Kong Financial Holdings Co., Ltd.	The parent company
Bao-Shen Wei	Key management personnel
Shih-Chi Hung	Key management personnel
Min-Yi Hung and other directors	Key management personnel
Hsin-Cheng Liu and other management personnel	Key management personnel
Hung-Neng Ho and other audit committee members	Key management personnel
Shin Kong Investment Trust Co., Ltd.	Fellow subsidiary
Taiwan Shin Kong Commercial Bank Co., Ltd.	Fellow subsidiary
Shin Kong Marketing Consultant Co., Ltd.	Fellow subsidiary
Shin Kong Property Insurance Agency Co., Ltd.	Fellow subsidiary
Shin Kong Venture Capital International Co., Ltd.	Fellow subsidiary
MasterLink Securities Co., Ltd.	Fellow subsidiary
MasterLink Futures Co., Ltd.	Fellow subsidiary
MasterLink Securities Investment Advisory Co., Ltd.	Fellow subsidiary
MasterLink Insurance Agency Co., Ltd.	Fellow subsidiary
Shin Kong Chao Feng Co., Ltd.	Other related party
ChiaBan Investment Co., Ltd.	Other related party
Skin Kong Lohas Co., Ltd.	Other related party
Shin Kong Synthetic Fiber Corp.	Other related party
Shin Sheng Co., Ltd.	Other related party
Shin Kong Life Charity Foundation	Other related party
Yung Kwang Co., Ltd.	Other related party
Shumei Hot Spring Bathroom Enterprise Co., Ltd.	Other related party
Shinkong Co., Ltd.	Other related party
Shin Kong Mitsukoshi Department Store Co., Ltd.	Other related party
Wang Tien Woolen Textile Co., Ltd.	Other related party
Aoba restaurant Co., Ltd.	Other related party
Shin Kong Recreation Co., Ltd.	Other related party

(Continued)

Related Party	Relationship
Shin Kong Spinning Co., Ltd.	Related party in substance
Waibel Enterprise, Inc.	Related party in substance
Shin Kong Capital Co., Ltd.	Related party in substance
ShinSoft Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Co., Ltd.	Related party in substance
Shin Kong Communication Co., Ltd.	Related party in substance
The Great Taipei Gas Corp.	Related party in substance
Shin Kong Shien Ya International Co., Ltd.	Related party in substance
Shinhai Gas Corporation	Related party in substance
Yi Kong Security Co., Ltd.	Related party in substance
Yi Kong Building Management Service Co., Ltd.	Related party in substance
Taiwan Security Co., Ltd.	Related party in substance
Shin-Po Leasing Co., Ltd.	Related party in substance
Shin-Po Life Care Co., Ltd.	Related party in substance
Jasper Villa Co., Ltd.	Related party in substance
Shin Kong Fire & Marine Insurance Co., Ltd.	Related party in substance
Taishin International Bank Co., Ltd.	Related party in substance
An Long Enterprise Co., Ltd.	Related party in substance
Hung Shin Enterprise Co., Ltd.	Related party in substance
Hui Feng Investment Co., Ltd.	Related party in substance
Tung Sheng Media Co., Ltd.	Related party in substance
Taishin Securities Investment Trust Co., Ltd.	Related party in substance
Taishin Securities Co., Ltd.	Related party in substance
Taishin Sports Entertainment Co., Ltd.	Related party in substance
Dah-Yu Mee Company	Related party in substance
Hua Nan Commercial Bank Co., Ltd.	Related party in substance
Hua Nan Securities Co., Ltd.	Related party in substance
Hua Nan Investment Trust Co., Ltd.	Related party in substance
Sliver Kitchen Co., Ltd.	Related party in substance
Shin Kong Medical Club	Related party in substance
Shin Kong Bank Cultural and Educational Foundation	Related party in substance
Shin Kong Memorial Hospital (Shin Kong Wu Ho-Su Memorial Hospital)	Related party in substance
Great Taipei Broadband Co., Ltd.	Related party in substance
Chi-Ye Chemical Engineering Co., Ltd.	Related party in substance
Soochow University	Related party in substance
Taiwan Shin Kong Real Estate Development Co., Ltd.	Related party in substance
Shin Kong Investment Co., Ltd.	Related party in substance
Xinxin Healthcare Management Co., Ltd.	Related party in substance
New Xiyue Co., Ltd	Related party in substance
Shin Kong Jasper fitness Co., Ltd.	Related party in substance
Taroko Development Corp.	Related party in substance
Qian Dao Investment Co., Ltd.	Related party in substance
Bai Xun Investment Co., Ltd.	Related party in substance
Taiwan Fuhbic Corp.	Related party in substance
Taiwan Institute for Sustainable Energy	Related party in substance
Other related party in substance	Associate and other related parties not separately disclosed. Independent directors of the Company, spouse and the relative within second degree of kinship of the fellow subsidiaries, director and associate of the Company

(Concluded)

Note: The Company classified the above relationship into five categories: (1) parent company, (2) joint venture, (3) fellow subsidiary, (4) associate, (5) key management personnel, (6) related party in substance, (7) others (those not included in the above (1)-(6)). This classification is a basis for disclosure of transactions with related parties.

b. Except for significant intra-group transactions that have been eliminated on consolidation and are not disclosed in this note, significant transactions with related parties were as follows:

1) Deposits

Deposits (recognized as cash and cash equivalents)

	December 31			
	2024		2023	
	Amount	%	Amount	%
Fellow subsidiary				
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 24,367,011	33	$ 30,735,260	31
Related party in substance				
Taishin International Bank	143,717	-	101,714	-
Hua Nan Bank	174,772	-	77,701	-
	$ 24,685,500	33	$ 30,914,675	31

Time deposits with original maturities exceeding three months (recognized as financial assets measured at amortized cost)

	December 31			
	2024		2023	
	Amount	%	Amount	%
Fellow subsidiary				
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 922,432	20	$ 924,432	27

The deposits mentioned above include pledged fixed deposits deposited with related parties, which were $794,432 thousand and $824,432 thousand on December 31, 2024 and 2023, respectively.

The deposits above referred to the amount of bank deposit adjusted for in-transit deposits and undiscounted checks. The terms and conditions of the above deposits to related parties were not significantly different from that of unrelated parties.

The interest income generated by the deposits in Taiwan's Shin Kong Commercial Bank was $412,434 thousand and $295,587 thousand in 2024 and 2023, respectively.

2) Secured loans

	2024				
	Highest Balance	Period-end Balance	%	Interest Rate (%)	Interest Income
Key management personnel	$ 8,005	$ 1,036	-	2.06-2.19	$ 62
Related party in substance	37,886	21,670	-	2.06-2.63	777
		$ 22,706	-		$ 839

	2023				
	Highest Balance	Period-end Balance	%	Interest Rate (%)	Interest Income
Key management personnel	$ 16,461	$ 14,536	-	1.94-2.06	$ 312
Related party in substance	40,909	36,103	-	1.94-2.60	872
		$ 50,639	-		$ 1,184

There is no significant difference between the approval conditions of the secured loans of related parties mentioned above and that of non-related parties.

3) Lease arrangements

a) Acquisitions of right-of-use assets

	For the Year Ended December 31	
	2024	2023
Related party in substance		
The Great Taipei Gas Corp.	$ 113,173	$ -
HSBC Investment Co., Ltd.	-	7,029
	$ 113,173	$ 7,029

b) Lease liabilities

	December 31	
	2024	2023
Others	$ 2,964	$ 3,521
Related party in substance		
The Great Taipei Gas Corp.	101,437	14,085
HSBC Investment Co., Ltd.	1,191	4,729
Shin Kong Spinning Co., Ltd.	11,448	13,547
Others	825	976
	114,901	33,337
	$ 117,865	$ 36,858

c) Interest expense

	For the Year Ended December 31	
	2024	2023
Others	$ 57	$ 324
Related party in substance	1,747	750
	$ 1,804	$ 1,074

d) Lease expense

	For the Year Ended December 31	
	2024	2023
Others	$ -	$ 64
Related party in substance	747	2,006
	$ 747	$ 2,070

As of December 31, 2024 and 2023, the deposits paid for leasing and building management to related parties were as follow:

	December 31	
	2024	2023
Others	$ 13	$ 13
Related party in substance	16,937	22,195
	$ 16,950	$ 22,208

The above listed refundable deposits are the security deposits paid for the lease of operating premises. The deposits will be refunded without interest at the end of the lease terms when the lease targets are returned.

4) Lease of investment properties to related parties

Operating lease/sublease

a) Rentals receivable from related parties were as follows:

	December 31	
	2024	2023
Others	$ 323	$ 824
Related party in substance	10,616	11,605
	$ 10,939	$ 12,429

b) Future lease payment receivables are as follows:

	December 31	
	2024	2023
The parent company	$ 32,756	$ 65,512
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	689,360	944,398
MasterLink Securities Co., Ltd.	57,634	85,818
Others	88,729	114,655
	835,723	1,144,871
Others		
Shin Kong Mitsukoshi Department Store Co., Ltd.	1,382,857	1,843,810
Others	36,047	46,549
	1,418,904	1,890,359
Related party in substance		
Jasper Villa Co., Ltd.	472,932	512,133
Others	686,116	821,685
	1,159,048	1,333,818
	$ 3,446,431	$ 4,434,560

c) Rentals received for the leasing of investment properties to related parties were as follows:

	For the Year Ended December 31	
	2024	2023
The parent company	$ 32,906	$ 30,851
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	268,977	268,281
MasterLink Securities Co., Ltd.	35,054	34,612
Others	27,964	27,856
	331,995	330,749
Others		
Shin Kong Mitsukoshi Department Store Co., Ltd.	460,952	469,333
Others	15,156	15,006
	476,108	484,339
Related party in substance		
Shin Kong Wu Ho-Su Memorial Hospital	64,158	37,324
Others	204,931	200,111
	269,089	237,435
	$ 1,110,098	$ 1,083,374

d) All the terms of the lease transactions with related parties were not significantly different from that of general transactions. The above rentals received excluded VAT.

e) As of December 31, 2024 and 2023, deposits received for the lease of properties to related parties were as follows:

	December 31	
	2024	2023
The parent company	$ 8,386	$ 8,395
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	68,734	71,191
Others	16,672	16,628
	85,406	87,819
Others	3,261	3,156
Related party in substance	43,298	45,000
	$ 140,351	$ 144,370

5) Commission expense (recognized under operating costs)

	For the Year Ended December 31	
	2024	2023
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 1,544,731	$ 1,106,363
MasterLink Insurance Agency Co., Ltd.	28,454	30,484
Related party in substance		
Taishin International Bank Co., Ltd.	33,448	23,786
Shin Kong Fire & Marine Insurance Co., Ltd.	82	723
Hua Nan Commercial Bank Co., Ltd.	691	10,977
	$ 1,607,406	$ 1,172,333

6) Operating expenses

a) Building management expense and cleaning fee

	For the Year Ended December 31	
	2024	2023
Related party in substance		
Yi Kong Building Management Service Co., Ltd.	$ 2,308	$ 3,352

b) Insurance expense

	For the Year Ended December 31	
	2024	2023
Related party in substance		
Shin Kong Fire & Marine Insurance Co., Ltd.	$ 32,593	$ 30,625

c) Professional service expense

	For the Year Ended December 31	
	2024	2023
Related party in substance		
Shin Kong Investment Trust Co., Ltd.	$ 18,631	$ 13,844
Jasper Villa Co., Ltd.	83,777	72,589
Others	5,726	4,631
	$ 108,134	$ 91,064

d) Postage expense

	For the Year Ended December 31	
	2024	2023
Related party in substance		
Great Taipei Broadband Co., Ltd.	$ 24,239	$ 24,192
Taishin International Bank Co., Ltd.	132	132
Shin-Kong Communication Co., Ltd.	71	24
	$ 24,442	$ 24,348

e) Donation expense

	For the Year Ended December 31	
	2024	2023
Others		
Shin Kong Life Charity Foundation	$ 10,000	$ 14,000

The Group donated $10,000 thousand and $14,000 thousand to Shin Kong Life Charitable Foundation, which was approved by the Group's board of directors on April 24, 2024 and May 23, 2023, respectively.

f) Other expenses

	For the Year Ended December 31	
	2024	2023
Others	$ 6,108	$ 16,628
Related party in substance	9,441	11,603
	$ 15,549	$ 28,231

7) Processing fee income

	For the Year Ended December 31	
	2024	2023
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 6,973	$ 7,482
Shin Kong Property Insurance Agency Co., Ltd.	13,688	13,233
Shin Kong Investment Trust Co., Ltd.	2,154	7,237
MasterLink Securities Co., Ltd.	2,210	1,877
	$ 25,025	$ 29,829

8) Processing fee expense (recognized under processing fee expenses and management expenses)

	For the Year Ended December 31	
	2024	2023
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 323,806	$ 315,785
MasterLink Securities Co., Ltd.	-	13,341
Related party in substance		
Taishin International Bank Co., Ltd.	28,573	33,301
Hua Nan Commercial Bank Co., Ltd.	584	594
	$ 352,963	$ 363,021

9) Beneficiary certificates

	December 31	
	2024	2023
Fellow subsidiary		
Shin Kong Investment Trust Co., Ltd.	$ 2,763,224	$ 2,847,898
Related party in substance		
Taishin Securities Investment Trust Co., Ltd.	844,126	1,428,006
Hua Nan Investment Trust Co., Ltd.	-	761,427
	$ 3,607,350	$ 5,037,331

The Group acquired and disposed of several mutual funds from Shin Kong Investment Trust Co., Ltd., Taishin Securities Investment Trust Co., Ltd. and Hua Nan Investment Trust Co., Ltd. for the years ended December 31, 2024 and 2023; the mutual funds were as follows:

	For the Year Ended December 31			
	2024		2023	
	Buy	Sell	Buy	Sell
Fellow subsidiary				
Shin Kong Investment Trust Co., Ltd.	$ 610,000	$ 674,019	$ 350,000	$ 525,896
Related party in substance				
Taishin Securities Investment Trust Co., Ltd.	-	626,572	40,000	106,430
Hua Nan Investment Trust Co., Ltd.	750,000	1,513,471	2,098,000	1,360,449
	$ 1,360,000	$ 2,814,062	$ 2,488,000	$ 1,992,775

10) Disposal of stock

For the year ended December 31, 2023

	Number of Shares	Underlying Assets	Category	Proceeds	Gain on Disposal
Substantial related party					
Chi-Ye Chemical Engineering Co., Ltd.	1,800,901	Xin Hai	Public traded shares	$ 95,088	$ 31,073
Qian Dao Investment Co., Ltd.	5,305,000	Xin Hai	Public traded shares	280,104	91,533
Bai Xun Investment Co., Ltd.	5,305,000	Xin Hai	Public traded shares	280,104	91,533
Qian Dao Investment Co., Ltd.	2,548,000	Xin Natural	Public traded shares	103,194	25,873
Bai Xun Investment Co., Ltd.	2,548,000	Xin Natural	Public traded shares	103,209	25,876
				$ 861,699	$ 265,888

11) Bonds purchased under resale agreements

	2024				
Related Party	Highest Balance	Month with Highest Balance	Ending Balance	Interest Rate (%)	Interest Income
Fellow subsidiary					
MasterLink Securities Co., Ltd.	$ 1,060,000	January 2024	$ -	1.34	$ 452

	2023				
Related Party	Highest Balance	Month with Highest Balance	Ending Balance	Interest Rate (%)	Interest Income
Fellow subsidiary					
MasterLink Securities Co., Ltd.	$ 1,060,000	December 2023	$ 1,060,000	1.18-1.34	$ 3,581

12) Securities processing fees and other expenses

The amounts of transaction fee paid for the trading of securities by the Group and the related party were as follows:

	For the Year Ended December 31	
	2024	2023
Fellow subsidiary		
MasterLink Securities Co., Ltd.	$ 256,998	$ 84,684
Related party in substance		
Taishin Securities Co., Ltd.	13,297	2,973
Hua Nan Securities Co., Ltd.	5,697	3,771
	$ 275,992	$ 91,428

13) Management and custodian fee on discretionary investment services

The amounts of securities investment manager fees paid for the management of domestic securities investments by the Group and the related party Shin Kong Investment Trust Co., Ltd., MasterLink Securities Investment Advisory Co., Ltd. and Taishin Securities Investment Trust Co., Ltd. and the paid amount were as follows:

	For the Year Ended December 31	
	2024	2023
Fellow subsidiary		
Shin Kong Investment Trust Co., Ltd.	$ 6,994	$ 7,248
MasterLink Securities Investment Advisory Co., Ltd.	10,538	27,675
Related party in substance		
Taishin Securities Investment Trust Co., Ltd.	6,921	-
	$ 24,453	$ 34,923

The funds for operating discretionary investment are under the custody of the fellow subsidiary, Taiwan Shin Kong Commercial Bank Co., Ltd. The custodian fees were $1,638 thousand and $1,264 thousand in 2024 and 2023.

14) Securities lending

The amount of securities lending income and securities borrowing fees generated from the securities lending transactions between the Group and the related parties were as follows:

	For the Year Ended December 31			
	2024		2023	
	Lending	Borrowings	Lending	Borrowings
Fellow subsidiary				
MasterLink Securities Co., Ltd.	$ 227	$ 4	$ -	$ -
Related party in substance				
Hua Nan Securities Co., Ltd.	239	-	-	-
	$ 466	$ 4	$ -	$ -

15) Other operating revenue

	For the Year Ended December 31	
	2024	2023
Parent company	$ 5,846	$ 5,486
Fellow subsidiary	74,439	82,318
Other related parties	80,036	70,402
Related party in substance	112,530	112,541
	$ 272,851	$ 270,747

16) Other operating cost

	For the Year Ended December 31	
	2024	2023
Other related parties	$ -	$ 1,538
Related party in substance	146,858	149,578
	$ 146,858	$ 151,116

17) Other operating income

	For the Year Ended December 31	
	2024	2023
Parent company	$ 502	$ 694
Fellow subsidiary		
Shin Kong Property Insurance Agency Co., Ltd.	1,586	711
Shin Kong Venture Capital International Co., Ltd.	16	-
Related party in substance		
Jasper Villa Co., Ltd.	1,061	1,405
	$ 3,165	$ 2,810

18) Dividends payable on preference shares

The parent company held 4,700,000 thousand series D preference shares with interest rate of 4.25% issued by the Company. The Company had already redeemed them on January 6, 2014. The Company accrued $2,736 thousand for dividend payable for preference shares, which was recorded as dividend payables, both for the years ended December 31, 2024 and 2023.

19) Current tax assets

In accordance with Article 49 of the Financial Holding Company Act, the Company and its parent company jointly filed income tax returns since 2004 under the integrated income tax system with the financial holding company (the parent) as the taxpayer along with its subsidiaries which the parent held for more than 12 months. The Company and its parent company accrued $11,379,938 thousand and $9,084,906 thousand for distribution of cash receipts as current tax asset related to the integrated income tax system for the years ended December 31, 2024 and 2023.

c. Compensation of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	$ 221,595	$ 151,863
Post-employment benefits	1,527	755
Other long-term employee benefits	(3,248)	(2,339)
Share-based payments	4,729	-
	$ 224,603	$ 150,279

The remuneration of directors and key executives was determined based on the performance of individuals and market trends.

33. INSURANCE PRODUCTS - SEPARATE ACCOUNTS

The related account balances are summarized as follows:

	December 31	
	2024	2023
Separate account assets		
Beneficiary certificates	$ 55,169,341	$ 51,770,999
Bonds	1,972,138	78
Accounts receivable	60,881	69,375
Bank deposits	9,855	29,874
	$ 57,212,215	$ 51,870,326
Separate account liabilities		
Reserves	$ 32,707,568	$ 32,727,912
Accounts payable	19,436	36,860
Investment contracts	24,485,211	19,105,554
	$ 57,212,215	$ 51,870,326

	For the Year Ended December 31	
	2024	2023
Income on insurance products - separate accounts		
Premium income	$ 2,921,687	$ 4,035,200
Gain and loss on fair value change of financial assets and liabilities designated as at FVTPL	829,573	3,746,751
Exchange gain and loss	1,472,477	36,236
Interest income and fund distributions	1,163,821	904,273
Other gains	20,321	24,221
	$ 6,407,879	$ 8,746,681

(Continued)

	For the Year Ended December 31	
	2024	2023
Disbursement on insurance products - separate account		
Insurance claims and payment	$ 1,079,297	$ 1,084,935
Cash surrender value	4,195,065	4,048,847
Net change in insurance reserves - insurance contract	(173,547)	2,390,128
Payment of maintenance fee	1,307,064	1,222,771
	$ 6,407,879	$ 8,746,681

(Concluded)

For the years ended December 31, 2024 and 2023, SKLIC managed separate accounts and received sales rebates of $146,387 thousand and $63,725 thousand from dealers, respectively, as processing fee income and commission income.

34. BUSINESS OR TRANSACTION ACTIVITIES, JOINT BUSINESS PROMOTION ACTIVITIES, INTERACTIVE USE OF INFORMATION, OR SHARING OF BUSINESS EQUIPMENT OR PREMISES WITH VARIOUS SUBSIDIARIES OF FINANCIAL HOLDING COMPANIES, AND THE METHOD OF APPORTIONING REVENUE, COSTS, EXPENSES, AND PROFITS AND LOSSES

In order to expand the economic scale and utilize the benefits of the group's resources, SKFHC and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or apportion it to the respective companies by its paid-in capital.

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2024, SKLIC had 12 open purchase contracts and construction contracts signed for investment properties; the contract price payable in the future was as follows:

	Amount
2025-2029	$ 9,757,835

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

a. On January 15, 2025, SKLIC's board of directors approved to participate in the cash capital increase of Xinxin Sustainable Energy Co., Ltd., with the total transaction amount not exceeding $500,000 thousand and an ownership ratio not exceeding 45%.

b. On February 19, 2025, SKLIC's board of directors approved to establish Shin Kong Life Insurance Singapore Special Purpose Foreign Fundraising Private Limited, with a provisional capital of US$20,000 thousand.

37. OTHERS

a. Hedging strategies and exposure situation:

1) Simulation scenario and countermeasures in the event of significant fluctuations in the foreign exchange market

When special or significant events happen to the macroeconomic environment such as the September 11 terrorist attack in the U.S., the September 21 earthquake in Taiwan, the United Kingdom leaving the European Union, COVID-19, Ukrain and Russia war or the exchange rate of the N.T. dollar against the U.S. dollar fluctuates over a pre-determined level, an emergency meeting will be held to discuss corresponding measures.

2) Foreign exchange hedging strategy

The Company mainly uses traditional hedging instruments. The investment department evaluates various factors such as market liquidity, hedging cost, and investing environment, then chooses the hedging instruments with the optimal long-term cost efficiency, and executes foreign exchange hedges according to approved intervals and targets.

3) The Company's control mechanism of foreign exchange risk

a) Control of hedging ratio on foreign exchange

The risk management department periodically monitors whether the hedging ratio on foreign exchange satisfies the standards.

b) Control of value-at-risk of foreign exchange exposure

The risk management department calculates value-at-risk of foreign exchange exposure every week, and evaluates the market risk of foreign exchange exposure to forecast the possible losses from foreign exchange exposure due to changes in foreign exchange rates in certain periods and confidence intervals. When value-at-risk of foreign exchange exposure exceeds the limit, the risk management department will issue warning notice or hold emergency meetings to discuss corresponding measures.

c) Control of foreign exchange gains or losses and reserve for changes in foreign exchange valuation differential

The risk management department monitors foreign exchange gains or losses of the foreign investment position every day. When losses exceed a certain level, the risk management department will issue warning notice or hold emergency meetings to discuss corresponding measures.

SKLIC follows the relevant regulations for maintaining the reserve for changes in foreign exchange valuation and adjusts or allocates the reserve based on foreign exchange gains and losses while implementing risk control measures. The risk management department monitors the daily or monthly variations in the balance of reserves for changes in foreign exchange valuation. When the decrease reaches a certain threshold, the risk management department will issue a warning notice or hold meetings to discuss the required measures.

d) Control of reserves for changes in foreign exchange valuation and making various provisions

SKLIC follows the relevant regulations for maintaining the reserve for changes in foreign exchange valuation and establishes control indicators for this reserve. When the reserve falls below a certain threshold, the risk management department will issue a warning notice or hold meetings to discuss the required measures.

e) Foreign exchange hedging instruments

The Company mainly uses traditional hedging instruments. The investment department evaluates various factors such as market liquidity, hedging cost, and investing environment and chooses the hedging instruments with the optimal long-term cost efficiency.

b. Movements in reserve for changes in foreign exchange valuation:

For the year ended December 31, 2024

	Reserve for Changes in Foreign Exchange Valuation	Special Reserve for Surplus in Fair Value Measurement of Investment Properties (Note 25)	Reserve for Major Accidents under Liability Reserves (Note 25)	Reserve for Life Insurance Liability (Note 25)
Balance at January 1	$ 13,218,699	$ 5,495,913	$ 58,034	$ 12,000,000
Provision				
Compulsory provision	3,539,362	-	-	-
Additional provision	25,536,132	-	-	-
	29,075,494	-	-	-
Reversal	(14,854,006)	-	-	-
Reclassification	-	151,693	-	-
Transfer from various reserves	17,705,640	(5,647,606)	(58,034)	(12,000,000)
Balance at December 31	$ 45,145,827	$ -	$ -	$ -

For the year ended December 31, 2023

	Reserve for Changes in Foreign Exchange Valuation	Special Reserve for Surplus in Fair Value Measurement of Investment Properties (Note 25)	Reserve for Major Accidents under Liability Reserves (Note 25)	Reserve for Life Insurance Liability (Note 25)
Balance at January 1	$ 27,341,617	$ 5,495,913	$ 58,034	$ 12,000,000
Provision				
Compulsory provision	3,337,999	-	-	-
Additional provision	8,090,423	-	-	-
	11,428,422	-	-	-
Reversal	(25,551,340)	-	-	-
Balance at December 31	$ 13,218,699	$ 5,495,913	$ 58,034	$ 12,000,000

SKLIC applied to the FSC in accordance with the provisions of Article 3, Item 1, Subsection 7 of the "Matters to be Noted for the Foreign Exchange Price Fluctuation Reserve in Life Insurance" as specified in the FSC's Order No. 11304931482, dated September 6, 2024. On December 23, 2024, SKLIC received approval from the FSC under Letter No. 1130434269, allowing SKLIC to transfer $58,034 thousand from the reserve for major accidents under liability reserves and $12,000,000 thousand from the voluntarily enhanced liability reserves under the FSC's Letter No. 1090491647, and $5,647,606 thousand representing the unrealized gain after adjusting for the adverse impact of investment properties measured at fair value under IFRS Accounting Standards for the first time to the foreign exchange price fluctuation reserve. An equal amount of NT$12,000,000 thousand was also transferred to the special surplus reserve.

c. Effect of reserve for changes in foreign exchange valuation:

For the year ended December 31, 2024

Affected Accounts	Amounts If Not Applied	Amounts If Applied	Effects
Profit attributable to owner of the Company	$ 21,534,669	$ 10,157,479	$ (11,377,190)
Earnings per share	2.74	1.29	(1.45)
Reserve for changes in foreign exchange valuation	-	45,145,827	45,145,827
Equity attributable to owner of the Company	207,261,983	188,201,831	(19,060,152)

For the year ended December 31, 2023

Affected Accounts	Amounts If Not Applied	Amounts If Applied	Effects
Loss attributable to owner of the Company	$ (28,491,035)	$ (17,192,701)	$ 11,298,334
Loss per share	(3.86)	(2.33)	1.53
Reserve for changes in foreign exchange valuation	-	13,218,699	13,218,699
Equity attributable to owner of the Company	165,720,000	158,037,038	(7,682,962)

Profit if not applied with reserve for change in foreign exchange valuation: Profit if applied with reserve for changes in foreign exchange valuation ± (Net changes in reserve for changes in foreign exchange valuation) × 80%, for the years ended December 31, 2024 and 2023.

38. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not measured at fair value

December 31, 2024

		Fair Values			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,607,519,729	$ 301,794,952	$ 937,192,558	$ 711,937,765	$ 1,950,925,275
Refundable deposits	21,482,773	-	18,690,914	-	18,690,914
Financial liabilities					
Deposits received	1,828,615	-	1,783,414	-	1,783,414

December 31, 2023

	Carrying Amount	Fair Values			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,495,474,760	$ 285,004,050	$ 1,005,493,777	$ 679,827,805	$ 1,970,325,632
Refundable deposits	12,250,025	-	11,556,864	-	11,556,864
Financial liabilities					
Deposits received	15,363,542	-	15,321,481	-	15,321,481

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined using discounted cash flow analysis, market quotes from providers such as TPEX, Bloomberg or other recognized markets, or the theoretical price calculated by the Yield Book system or Bloomberg, with the most significant unobservable input being the discount rate that reflects the credit risk of counterparties.

b. Fair value of financial instruments that are measured at fair value.

1) Fair value hierarchy

Item	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 103,952,396	$ 103,790,696	$ -	$ 161,700
Debt investments	26,397,584	283,302	10,067,408	16,046,874
Others	167,404,308	163,384,696	3,936,850	82,762
Financial assets at FVTOCI				
Share investments	103,388,140	99,817,250	-	3,570,890
Debt investments	26,501,263	768,710	25,732,553	-
Derivatives				
Assets				
Financial assets at FVTPL	-	-	-	-
Liabilities				
Financial liabilities at FVTPL	26,885,868	-	26,885,868	-

Item	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 87,666,543	$ 87,498,543	$ -	$ 168,000
Debt investments	27,113,766	15	13,851,680	13,262,071
Others	155,716,402	137,017,771	18,635,284	63,347
Financial assets at FVTOCI				
Share investments	111,008,342	107,447,814	-	3,560,528
Debt investments	21,682,877	-	21,682,877	-
Derivatives				
Assets				
Financial assets at FVTPL	28,884,855	-	28,884,855	-
Liabilities				
Financial liabilities at FVTPL	1,312,272	-	1,312,272	-

As of December 31, 2024 and 2023, the non-derivative financial instruments held in open quotations with no active market and self-assessed fair value using an evaluation model, classified as Level 2 and Level 3 amounted to $40,530,066 thousand and $41,675,202 thousand, respectively.

There were no transfers between Level 1 and Level 2 in 2024 and 2023.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2024

Item	January 1, 2023	Evaluation Profit or Loss		Increase in Current Year		Decrease in Current Year		December 31, 2023
		Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Purchase or Issuance	Transferred to Level 3	Sale, Disposal or Settlement	Transferred from Level 3	
Financial assets at fair value through profit or loss	$ 13,493,418	$ (649,106)	$ -	$ 620,753	$ 3,626,271	$ (800,000)	$ -	$ 16,291,336
Financial assets at fair value through other comprehensive income	3,560,528	-	33,393	-	-	(23,031)	-	3,570,890

For the year ended December 31, 2023

Item	January 1, 2023	Evaluation Profit or Loss		Increase in Current Year		Decrease in Current Year		December 31, 2023
		Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Purchase or Issuance	Transferred to Level 3	Sale, Disposal or Settlement	Transferred from Level 3	
Financial assets at fair value through profit or loss	$ 9,607,700	$ (118,457)	$ -	$ 214,223	$ 4,436,276	$ (646,324)	$ -	$ 13,493,418
Financial assets at fair value through other comprehensive income	3,123,317	-	416,681	-	82,221	(61,691)	-	3,560,528

For the year ended December 31, 2024, the Group changed the valuation method used in calculating the fair values of domestic financial debentures at fair value through profit and loss (FVTPL) to the Yield Book system. Therefore, debentures amounting to $3,636,271 thousand were transferred from Level 2 to Level 3.

For the year ended December 31, 2023, the Group changed the valuation method used in calculating the fair values of domestic financial debentures at FVTPL to the Yield Book system. Therefore, debentures amounting to $4,436,276 thousand were transferred from Level 2 to Level 3.

For the year ended December 31, 2023, the market multiplier method was applied to some financial assets measured at fair value through other comprehensive income (FVTOCI) because these assets no longer had an active market. To ensure the valuation technique can accurately reflect current market conditions, FVTOCI assets amounting to $82,221 thousand were transferred from Level 1 to Level 3.

The total gains for the year ended December 31, 2024 included unrealized (loss) gains on financial assets at FVTPL of $(649,106) thousand and on financial assets at FVTOCI of $33,393 thousand, based on the Level 3 fair value measurement applied at the end of the reporting period.

The total gains for the year ended December 31, 2023 included unrealized (loss) gains on financial assets at FVTPL of $(118,457) thousand and on financial assets at FVTOCI of $416,681 thousand, based on the Level 3 fair value measurement at the end of the reporting period.

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic and foreign bond investments	Discounted cash flow. Discount on bond credit spreads and market interest rates. Market quotes from providers such as TPEX, Bloomberg or other recognized markets.
Foreign listed shares	Market quotes from providers such as Bloomberg.
Domestic and foreign beneficiary certificates	Quoted price in non-active market.
Derivatives	Evaluation of forward exchange at market price: Forward exchange is evaluated and calculated in accordance with notional amounts, contract forward rate and market forward rate.

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares	Discounted cash flow approach: The company's free cash flow model is used as the evaluation method, and the significant unobservable input values are net income growth rate, cost of equity capital and discount for lack of marketability. Net asset method: The company's net value is used as the fair value, and the significant unobservable input value is the discount for lack of marketability. Equity adjustment approach: The fair value is adjusted according to the company's net value, and the significant unobservable input values are discount for lack of marketability and discount for minority interest. Market multiple approach: Evaluate the fair value of the target according to the transaction price of the shares of comparable peers in the active market, the corresponding market multiplier and the discount rate. Significant unobservable input values are price-book ratio, price-sales revenue ratio, price-EBIT ratio, price-EBITDA ratio, price-earnings ratio, and discount for lack of marketability.
Mortgage Backed Securities (MBS), Callable Financial Debentures and International Callable Financial Debentures	The theoretical price calculated by the Yield Book system is used in a prepayment model and/or interest rate model to calculate and discount the cash flow. The significant unobservable input value is the option-adjusted spread.
Domestic financial debentures	The theoretical price is calculated by the Bloomberg OAS1 model. The significant unobservable input value is the option-adjusted spread.

(Continued)

Financial Instruments	Valuation Techniques and Inputs
	The theoretical price is calculated by the Yield Book method. Cash flows are calculated and discounted to their present value using advance repayment models and/or interest rate models for investment valuation. The significant unobservable input is the option-adjusted spread.
Domestic beneficiary certificates	Equity adjustment approach: The fair value is adjusted according to the company's net asset value, and the significant unobservable inputs are the discount for lack of marketability and the minority interest discount.

(Concluded)

The valuation data for assets measured at fair value based on Level 3 of the Group comes from an independent system or the financial statements of the subject, and is updated and re-evaluated on each reporting date based on the data source to ensure that the valuation is reasonable. Depending on the method used, the significant unobservable inputs for Level 3 valuation are shown in the following table.

	December 31	
	2024	**2023**
Net income growth rate	2.61%-3.31%	2.88%-3.15%
Cost of equity capital	4.57%	4.37%
Price-book ratio	0.30-3.11	0.44-3.08
Discount for lack of marketability	0%-30%	0%-30%
Discount for minority interest	20%-35%	20%-35%
Price-sales revenue ratio	0.82-3.99	0.94-4.33
Price-EBIT ratio	20.00	17.43
Price-EBITDA ratio	4.55-20.00	5.56-17.43
Price-earnings ratio	14.64-16.88	11.04-15.47
Option adjusted spread	0-50bps	0-76bps

In order to reflect the influence of significant unobservable inputs, assuming all other variables were held constant, the market value would increase (decrease) as follows:

December 31, 2024

Risk Factors	Difference (+/-)	Effective Value
Net income growth rate	-10%	$ (81,302)
Cost of equity capital	+10%	(144,705)
Price-book ratio	-10%	(17,565)
Discount for lack of marketability	+10%	(159,196)
Discount for minority interest	+10%	(10,580)
Price-sales revenue ratio	-10%	(20,758)
Price-EBIT ratio	-10%	(2,601)
Price-EBITDA ratio	-10%	(6,597)
Price-earnings ratio	-10%	(7,260)
Option adjusted spread	+50bps	(763,940)

December 31, 2023

Risk Factors	Difference (+/-)	Effective Value
Net income growth rate	-10%	$ (95,184)
Cost of equity capital	+10%	(151,858)
Price-book ratio	-10%	(17,174)
Discount for lack of marketability	+10%	(157,329)
Discount for minority interest	+10%	(10,660)
Price-sales revenue ratio	-10%	(21,679)
Price-EBIT ratio	-10%	(3,203)
Price-EBITDA ratio	-10%	(7,034)
Price-earnings ratio	-10%	(7,188)
Option adjusted spread	+50bps	(654,782)

c. Categories of financial instruments

	December 31	
	2024	2023
Financial assets		
Fair value through profit or loss	$ 297,754,288	$ 299,381,566
Financial assets at amortized cost (Note 1)	2,893,415,050	2,804,038,551
Financial assets at fair value through other comprehensive income		
Equity instruments	103,388,140	111,008,342
Debt instruments	26,501,263	21,682,877
Financial liabilities		
Fair value through profit or loss	26,885,868	1,312,272
Amortized cost (Note 2)	57,449,373	59,120,693

Note 1: Amount of financial assets at amortized cost includes cash and cash equivalents, investment in debt instruments, loans, accounts receivable and refundable deposits and also includes related amount of portfolios that classified as assets for sale.

Note 2: Amount of financial liabilities at amortized cost includes accounts payable, bonds payable, reserve for loan commitments and deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, derivatives, accounts receivable, accounts payable and bonds payable. SKLIC's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of SKLIC through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by SKLIC's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk and the use of financial derivatives.

The corporate treasury function reports quarterly to SKLIC's risk management committee which reports to the board of directors, the risk management committee is an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (iii) below), interest rates (see (iv) below) and price fluctuations (see (v) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and risk of price fluctuation, including:

- Forward foreign exchange contracts and interest rate swap to hedge the exchange rate risk arising on foreign currency assets and liabilities; and

- Index futures and options to mitigate the price fluctuation of equity securities.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

Market risk exposures were measured using value-at-risk (VaR) and stress test and were supplemented by sensitivity analysis.

a) Value at Risk (VaR) analysis

The VaR measures estimate the potential loss that would result from market risks on investment portfolio in over a given holding period for a specified confidence level. The Group adopts two-week 99% VaR number as measures indicators.

b) Stress test

Besides the module of VaR, the Group adopted stress test periodically to measure potential risk of an extremely extraordinary event.

The investment positions were measured using stress test by simple sensitivity analysis and scenario analysis. This test covered position losses caused by changes in risk factors in various historical scenarios.

Simple sensitivity

Simple sensitivity is a method to measure the changes in value of investment portfolio that would resulted from changes in specific risk factors.

Scenario analysis

Scenario analysis is a method to measure the changes in value of an investment portfolio in a stressful event, of which two methods are as follows:

- Historical scenario

  Historical scenario involves selection of a prior period historical event, taking of the fluctuations of risk factors into consideration, and calculation of loss of the investment portfolio that would occur for an event.

- Hypothetical scenario

  Hypothetical scenario involves setting of assumptions for possible extreme market variations in the future based on reasonable expectation, taking of the fluctuations in risk factors into consideration, and calculation of losses of the investment portfolio that would occurred for an event.

  The corporate treasury function regularly reports historical scenario and hypothetical scenario to SKLIC's risk management committee as the basis of risk analysis, risk early-warning system and operation management.

Stress Test Table
For the Year Ended December 31, 2024

(In Thousands)

Risk Factors	Exchange Difference (+/-)	Effective Value
Equity risk (share index)	-10%	$ (17,393,404)
Interest risk (yield curve)	+20bps	(556,908)
Foreign currency risk (foreign exchange)	N.T. dollar devalued $1 against U.S. dollar	(19,409,469)
Commodity risk (commodity price)	-10%	-

Note: Equity risk is tested using shares and funds (excluding currency and bond funds)

Stress Test Table
For the Year Ended December 31, 2023

(In Thousands)

Risk Factors	Exchange Difference (+/-)	Effective Value
Equity risk (share index)	-10%	$ (20,101,157)
Interest risk (yield curve)	+20bps	(508,513)
Foreign currency risk (foreign exchange)	N.T. dollar devalued $1 against U.S. dollar	(16,823,421)
Commodity risk (commodity price)	-10%	-

Note: Equity risk is tested using stocks and funds (excluding currency and bond funds)

c) Foreign currency risk

The Group managed exchange rate exposures according to the policy for managing forward foreign exchange contracts and foreign exchange swap contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as well as non-monetary assets and liabilities at the end of the reporting period were as follows:

December 31, 2024

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 72,184,273	32.7810	$ 2,366,272,660
AUD	4,448,552	20.3963	90,734,164
RMB	1,514,339	4.4909	6,800,771
CNH	228,600	4.4778	1,023,622
IDR	154,953,664	0.0020	315,597
GBP	2,847	41.1795	117,246
Non-monetary items			
USD	985,389	32.7810	32,302,034
EUR	822	34.1316	28,066
CNH	667	4.4778	2,985
AUD	133	20.3963	2,708
JPY	11,382	0.2098	2,388
HKD	64	4.2223	271
Equity investments			
RMB	1,148	4.4909	5,157
Financial liabilities			
Monetary items			
USD	9,695	32.7810	317,822
Non-monetary items			
USD	820,166	32.7810	26,885,868

December 31, 2023

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 72,727,472	30.7350	$ 2,235,278,859
AUD	4,379,338	21.0012	91,971,470
CNH	2,459,257	4.3309	10,650,761
RMB	50,586	4.3318	219,126
GBP	3,025	39.1779	118,516
NZD	260	19.4952	5,076
Non-monetary items			
USD	2,001,769	30.7350	61,524,364
EUR	156,483	34.0114	5,322,202
AUD	3,936	21.0012	82,654

(Continued)

	Foreign Currency	Exchange Rate	N.T. Dollars
JPY	$ 51,238	0.2173	$ 11,136
CNH	2,077	4.3309	8,995
HKD	52	3.9339	206
Financial liabilities			
Non-monetary items			
USD	42,696	30.7350	1,312,272

(Concluded)

As of December 31, 2024 and 2023, the Group used foreign exchange forward contracts and foreign exchange swap contracts to mitigate exchange rate exposure, whose total nominal principal amounted to $1,119,012,216 thousand and $1,369,090,575 thousand, respectively. The Group negotiated the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details SKLIC's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the USD. The rate of 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in post-tax profit/loss be associated with the New Taiwan dollar strengthening 1% against the USD. For a 1% appreciation of the New Taiwan dollar against the USD, the impact on pre-tax profit/loss will be the same amount but negative.

	USD Impact	
	For the Year Ended December 31	
	2024	2023
Pre-tax profit/loss	$ 6,362,618	$ 5,170,679

The impacts in the table above were net effects of exchange fluctuation risk by considering the foreign currency monetary assets and related hedging financial derivative instruments.

SKLIC and its subsidiaries have set up a foreign exchange (forex) price fluctuation reserve. Forex-related stress test scenarios help determine the amount of forex price fluctuation reserve to be allocated, as calculated in accordance with the regulations set by the authorities.

d) Interest rate risk

The Group is exposed to interest rate risk because of investments in both fixed-rate financial assets and floating rate financial assets. The Group managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Group financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	$ 2,643,678,361	$ 2,514,976,239
Cash flow interest rate risk		
Financial assets	36,876,921	43,972,387

Sensitivity analysis

The sensitivity analyses below were determined based on SKLIC's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A positive number below indicates an increase in income before tax and pre-tax other comprehensive income associated with 1 basis point decrease in interest rate. If interest rates had been 1 basis point higher, there would be an equal and opposite impact on income before tax and pre-tax other comprehensive income and the balance below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2024	2023
Income before tax	$ 11,705	$ 11,181
Pre-tax other comprehensive profit or loss	16,141	14,244

The changes in the fair value of debt instruments at fair value through profit or loss and at fair value through other comprehensive income were the main reasons for the changes in pre-tax profit or loss and pre-tax other comprehensive profit or loss.

e) Other price risk

The Group is exposed to equity price risk through investments in listed equity securities. Equity investments are held for strategic purposes associated with the assets and liability management rather than trading purposes. The Group's equity price risk was mainly concentrated on equity instruments operating in the electronics industry (including telecommunication) sector quoted on the Taiwan Stock Exchange. In addition, the Group had appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

A positive number below indicated an increase in income before tax, pre-tax other comprehensive income due to the changes in the fair value of held-for-trading investments and the changes in fair value of available-for-sale shares associated with 1% increase in equity securities and beneficiary certificate prices. If equity securities and beneficiary certificate prices had been 1% lower, there would be an equal and opposite impact on income before tax, pre-tax other comprehensive income due to the changes in the fair value of held-for-trading investments and changes in fair value of available-for-sale shares.

	Effects	
	For the Year Ended December 31	
	2024	2023
Income before tax	$ 54,931	$ 59,251
Pre-tax other comprehensive income	3,559,356	3,404,833

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could equal the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's investment objects are spread in various industry sectors and geographical locations. Ongoing credit evaluation is performed on financial condition of investment object and credit risk exposure is controlled under risk management strategy.

Apart from the largest customers, Citibank, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Citibank did not exceed 3% of capital employed at any time, for the years ended December 31, 2024 and 2023. Concentration of credit risk to any other counterparty did not exceed 3% of capital employed at any time for the years ended December 31, 2024 and 2023.

The Group's concentration of credit risk by geographical locations was mainly in US, which accounted for 33.22% and 32.60% of the total foreign investments as of December 31, 2024 and 2023, respectively.

The Group's concentration of credit risk of 11.05% and 10.23% in total transaction amounts as of December 31, 2024 and 2023, respectively, was related to the Group's five largest customers.

The credit risks of the Group resulted from financial instrument transactions in operating activities, including debt investment and loan. The possibility of large losses to investment portfolio caused by a single event of credit risk due to significant concentration was lowered by regular statistics and monitoring of concentrations as follows:

a) The amount of exposure to credit risk - industry sector

December 31, 2024

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ 18	$ 26,121,823	$ -	$ -	$ 275,743	$ -	$ -	$ -	$ -	$ -	$ 26,397,584
Financial assets at fair value through other comprehensive income	10,461,788	11,119,261	-	-	-	650,680	249,883	602,153	-	3,417,498	26,501,263
Financial assets at amortized cost	640,296,740	1,206,634,179	133,561,363	72,532,683	28,406,473	31,445,151	125,702,269	70,651,685	201,320,043	117,105,849	2,627,656,435
Total	650,758,546	1,243,875,263	133,561,363	72,532,683	28,682,216	32,095,831	125,952,152	71,253,838	201,320,043	120,523,347	2,680,555,282
% of total	24.27%	46.39%	4.98%	2.71%	1.07%	1.20%	4.71%	2.66%	7.51%	4.50%	100.00%

December 31, 2023

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ 15	$ 27,113,751	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,113,766
Financial assets at fair value through other comprehensive income	7,006,205	11,270,353	-	-	-	-	-	-	-	3,406,319	21,682,877
Financial assets at amortized cost	618,397,255	1,139,751,136	127,208,685	69,412,540	31,852,456	29,745,148	119,505,074	69,359,404	190,446,297	114,473,988	2,510,151,983
Total	625,403,475	1,178,135,240	127,208,685	69,412,540	31,852,456	29,745,148	119,505,074	69,359,404	190,446,297	117,880,307	2,558,948,626
% of total	24.44%	46.04%	4.97%	2.71%	1.24%	1.16%	4.67%	2.71%	7.44%	4.62%	100.00%

b) The amount of exposure to credit risk - geographical location

December 31, 2024

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 26,322,915	$ 67,127	$ 7,542	$ -	$ -	$ -	$ -	$ -	$ 26,397,584
Financial assets at fair value through other comprehensive income	22,048,375	3,934,060	-	518,828	-	-	-	-	26,501,263
Financial assets at amortized cost	245,425,830	1,159,957,824	239,698,360	324,315,492	242,764,051	132,886,103	282,608,775	-	2,627,656,435
Total	293,797,120	1,163,959,011	239,705,902	324,834,320	242,764,051	132,886,103	282,608,775	-	2,680,555,282
% of total	10.96%	43.42%	8.94%	12.12%	9.06%	4.96%	10.54%	-	100.00%

December 31, 2023

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 27,036,481	$ 77,285	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,113,766
Financial assets at fair value through other comprehensive income	21,682,877	-	-	-	-	-	-	-	21,682,877
Financial assets at amortized cost	245,664,895	1,095,673,719	231,285,621	315,280,983	233,100,178	126,766,377	262,380,210	-	2,510,151,983
Total	294,384,253	1,095,751,004	231,285,621	315,280,983	233,100,178	126,766,377	262,380,210	-	2,558,948,626
% of total	11.50%	42.82%	9.04%	12.32%	9.11%	4.96%	10.25%	-	100.00%

Regarding credit quality, the Group regularly tracked credit ratings by each credit rating agency for normal assets that were neither past due nor impaired, which were classified into low credit risk, medium credit risk and high credit risk according to their credit ratings. The definition of each level of risk is as follows:

Low credit risk

Refers to a company which has a robust ability to fulfill its contract commitments, even when there are negative news or unfavorable economic terms, the company is still in a good financial position to manage these adverse situations.

Medium credit risk

Refers to a company which has a lower ability to fulfill its contract commitments, and various negative news or unfavorable economic terms may weaken its financial position, which in turn would raise doubts about its impairment of assets or cause a loss to the Group.

High credit risk

Refers to a company with a weak ability to fulfill its contract commitments and which is dependent on the business environment, and various negative news or unfavorable economic conditions would lower its ability and willingness to fulfill its obligations.

Impaired

Refers to a company which has failed to fulfill its obligations in accordance with the contract, and SKLIC estimated the standard of impairment based on the potential loss.

SKLIC recognized impairment losses regarding each financial asset in accordance with IFRS Accounting Standards, and under the principle of conservative estimates, the amount after impairment losses have been recognized can appropriately reflect the current value. Information on credit quality is disclosed as follows:

Credit Quality of Financial Asset Analysis

December 31, 2024

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 26,501,263	$ -	$ -	$ 26,501,263	$ -	$ -	$	$	$ -	$ -	$ -	$ -	$ 26,501,263
Financial assets at amortized cost	2,524,932,343	25,602,604	35,761,133	2,586,296,080	-	-	6,502,823	6,502,823	34,857,532	-	34,857,532	(5,287,849)	2,622,368,586
Total	2,524,932,343	25,602,604	35,761,133	2,612,797,343	-	-	6,502,823	6,502,823	34,857,532	-	34,857,532	(5,287,849)	2,648,869,849
% of total	96.32%	0.97%	1.35%	98.64%	-	-	0.25%	0.25%	1.31%	-	1.31%	(0.20%)	100.00%

December 31, 2023

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 21,682,877	$ -	$ -	$ 21,682,877	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,682,877
Financial assets at amortized cost	2,419,271,243	9,737,379	32,913,651	2,461,922,273	-	-	15,338,085	15,338,085	32,891,625	-	32,891,625	(6,082,226)	2,504,069,757
Total	2,440,954,120	9,737,379	32,913,651	2,483,605,150	-	-	15,338,085	15,338,085	32,891,625	-	32,891,625	(6,082,226)	2,525,752,634
% of total	96.64%	0.39%	1.30%	98.33%	-	-	0.61%	0.61%	1.30%	-	1.30%	(0.24%)	100.00%

Note 1: Normal assets and impaired items included debt instruments but excluded funds and shares. The amounts of impaired items were the gross amounts of impaired assets (before net of accumulated impairment).

Note 2: The credit rating for normal assets was simultaneously considered all the ratings declared by S&P, Moody's, Fitch and Taiwan Rating, and chosen by the middle of the first three ratings or the lower of two ratings.

Note 3: Lower credit risk means that the credit rating is BBB or above.

Note 4: Medium credit risk means that credit rating is between BBB- or below and BB+ or above.

Note 5: High credit risk means that credit rating is below BB or no credit rating.

Loan Arrangements by Geographical Location
(Excluding Policy Loans and Premium Loans)

December 31, 2024

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 22,499,909	$ 7,970,916	$ 14,792,519	$ 214,199	$ 45,477,543
Overdue loans	2,372	112	309	-	2,793
Total	22,502,281	7,971,028	14,792,828	214,199	45,480,336
% of total	49.48%	17.53%	32.52%	0.47%	100.00%

December 31, 2023

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 30,130,209	$ 10,579,266	$ 17,010,629	$ 202,332	$ 57,922,436
Overdue loans	3,076	150	391	-	3,617
Total	30,133,285	10,579,416	17,011,020	202,332	57,926,053
% of total	52.02%	18.26%	29.37%	0.35%	100.00%

c) Liquidity risk

The Group had sufficient working capital to meet financial commitment; therefore, there was no liquidity risk due to the shortage of capital in response to performing contract obligations.

Majority of debt investments and shares of the Group have active market and, therefore, are expected to be easily disposed in markets rapidly at the price near fair values. The foreign exchange forward contracts and currency swap contracts the Group entered into were fixed and for hedging, and these contracts were to be settled in net or gross and did not require huge cash position, resulting in no material cash flow risk.

Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

December 31, 2024

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 9,330,403	$ 119,082	$ 615,909	$ 166,612
Fixed interest rate liabilities	-	1,732,000	28,583,500	24,832,500
Reserve for outstanding loss	111,833	57,045	107,132	58,612
Lease liabilities	171,551	1,204,780	2,027,552	9,911,156

December 31, 2023

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 5,263,480	$ 628,238	$ 570,325	$ 168,724
Fixed interest rate liabilities	-	1,441,500	28,343,000	15,600,000
Reserve for outstanding loss	279,416	82,047	109,746	75,183
Lease liabilities	168,720	901,238	2,866,222	9,807,775

The following table details the Group's expected maturity for some of non-derivative financial assets. The tables below had been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

December 31, 2024

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 760,153	$ 15,273,039	$ 126,719,864	$ 141,854,226
Foreign	16,838,613	47,895,690	279,903,620	5,056,574,657

December 31, 2023

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 1,371,933	$ 2,626,844	$ 129,869,104	$ 156,774,437
Foreign	15,549,193	50,920,035	295,061,525	4,978,010,307

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The following table detailed the Group's liquidity analysis for derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ (2,791,132)	$ (2,735,679)	$ (290,818)	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ -	$ -	$ -	$ -	$ -
Outflows	(12,776,111)	(6,115,267)	(2,176,861)	-	-
	$(12,776,111)	$ (6,115,267)	$ (2,176,861)	$ -	$ -

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ 5,048,794	$ 5,176,585	$ 2,102,621	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ 4,273,240	$ 9,350,229	$ 1,695,721	$ -	$ -
Outflows	(406,086)	(668,528)	(19,971)	-	-
Foreign exchange forward contracts					
Inflows	1,030,266	-	-	-	-
Outflows	(10,288)	-	-	-	-
	$ 4,887,132	$ 8,681,701	$ 1,675,750	$ -	$ -

e. Total amount of assets and liabilities expected to recover or settle within and over 12 months

Items	December 31, 2024		
	Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 74,115,504	$ -	$ 74,115,504
Receivables	41,866,781	-	41,866,781
Current tax assets	-	11,379,938	11,379,938
Assets held for sale	6,789,434	-	6,789,434
Investments			
Financial assets at FVTPL	271,356,705	26,397,583	297,754,288
Financial assets at FVTOCI	67,419,401	62,470,002	129,889,403
Financial assets measured at amortized cost	113,327,039	2,494,192,690	2,607,519,729
Investments accounted for using the equity method	-	2,877,156	2,877,156
Investment property	-	207,864,898	207,864,898
Loans	-	148,430,263	148,430,263
Total investments	452,103,145	2,942,232,592	3,394,335,737
Reinsurance assets	1,357,863	-	1,357,863
Property and equipment	-	25,614,721	25,614,721
Right-of-use assets	-	1,974,970	1,974,970
Intangible assets	-	742,567	742,567
Deferred tax assets	-	55,872,569	55,872,569
Other assets	6,449,060	22,076,852	28,525,912
Separate account insurance product assets	2,006,812	55,205,403	57,212,215
Total assets	$ 584,688,599	$ 3,115,099,612	$ 3,699,788,211
Payables			
Notes payable	$ 60	$ -	$ 60
Payable for insurance claims and payments	177,613	-	177,613
Commissions payable	316,907	606,515	923,422
Due to reinsurers and ceding companies	1,020,758	-	1,020,758
Other payables	8,107,580	88,584	8,196,164
Total payables	9,622,918	695,099	10,318,017
Current tax liabilities	16,887	-	16,887
Financial liabilities at FVTPL	26,885,868	-	26,885,868
Bonds payable	-	45,300,000	45,300,000
Lease liabilities	1,316,381	7,295,743	8,612,124
Insurance liabilities			
Reserve for unearned premiums	12,122,170	-	12,122,170
Reserve for claim payments	168,878	4,027,522	4,196,400
Reserve for life insurance liability	44,613,522	3,223,801,374	3,268,414,896
Special reserve for life insurance	-	1,396,979	1,396,979
Reserve for insufficient premiums	-	905,718	905,718
Total insurance liabilities	56,904,570	3,230,131,593	3,287,036,163

(Continued)

Items	December 31, 2024		
	Recovery within 12 Months	Recovery over 12 Months	Total
Reserve for insurance contract with the nature of financial products	$ -	$ 127,931	$ 127,931
Reserve for foreign exchange valuation	-	45,145,827	45,145,827
Provisions	-	18,114	18,114
Deferred tax liabilities	-	27,046,633	27,046,633
Other liabilities			
Advance receipts	1,606,906	-	1,606,906
Guarantee deposits received	-	1,828,615	1,828,615
Others	-	361	361
Total other liabilities	1,606,906	1,828,976	3,435,882
Separate account insurance product liabilities	27,284,635	29,927,580	57,212,215
Total liabilities	$ 123,638,165	$ 3,387,517,496	$ 3,511,155,661

(Concluded)

Items	December 31, 2023		
	Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 99,581,548	$ -	$ 99,581,548
Receivables	34,270,013	-	34,270,013
Current tax assets	-	9,084,906	9,084,906
Assets held for sale	8,468,595	-	8,468,595
Investments			
Financial assets at FVTPL	272,267,800	27,113,766	299,381,566
Financial assets at FVTOCI	75,610,312	57,080,907	132,691,219
Financial assets measured at amortized cost	5,580,184	2,489,894,576	2,495,474,760
Investments accounted for using the equity method	-	2,752,157	2,752,157
Investment property	-	198,644,722	198,644,722
Loans	5,553	162,456,652	162,462,205
Total investments	353,463,849	2,937,942,780	3,291,406,629
Reinsurance assets	980,845	-	980,845
Property and equipment	-	28,944,690	28,944,690
Right-of-use assets	-	1,947,183	1,947,183
Intangible assets	-	603,908	603,908
Deferred tax assets	-	43,017,469	43,017,469
Other assets	5,191,125	12,816,318	18,007,443
Separate account insurance product assets	99,249	51,771,077	51,870,326
Total assets	$ 502,055,224	$ 3,086,128,331	$ 3,588,183,555

(Continued)

Items	December 31, 2023		
	Recovery within 12 Months	Recovery over 12 Months	Total
Payables			
Notes payable	$ 29	$ -	$ 29
Payable for insurance claims and payments	195,240	-	195,240
Commissions payable	64,826	532,757	597,583
Due to reinsurers and ceding companies	912,658	-	912,658
Other payables	4,947,130	86,225	5,033,355
Total payables	6,119,883	618,982	6,738,865
Current tax liabilities	29,756	-	29,756
Financial liabilities at FVTPL	1,312,272	-	1,312,272
Bonds payable	-	37,000,000	37,000,000
Lease liabilities	1,000,763	7,940,332	8,941,095
Insurance liabilities			
Reserve for unearned premiums	10,963,732	-	10,963,732
Reserve for claim payments	361,462	3,681,064	4,042,526
Reserve for life insurance liability	47,064,260	3,207,346,670	3,254,410,930
Special reserve for life insurance	-	6,859,980	6,859,980
Reserve for insufficient premiums	-	1,054,695	1,054,695
Total insurance liabilities	58,389,454	3,218,942,409	3,277,331,863
Reserve for insurance contract with the nature of financial products	-	70,849	70,849
Reserve for foreign exchange valuation	-	13,218,699	13,218,699
Provisions	-	44,888	44,888
Deferred tax liabilities	-	16,533,044	16,533,044
Other liabilities			
Advance receipts	1,257,976	-	1,257,976
Guarantee deposits received	-	15,363,542	15,363,542
Others	-	361	361
Total other liabilities	1,257,976	15,363,903	16,621,879
Separate account insurance product liabilities	21,610,313	30,260,013	51,870,326
Total liabilities	$ 89,720,417	$ 3,339,993,119	$ 3,429,713,536

(Concluded)

f. Transfer of financial assets

The transferred financial assets of the Group are mainly securities under repurchase agreements or equity securities under lending agreements. The Group cannot sell or pledge these transferred financial assets during the valid transaction period. Therefore, the Group does not completely derecognize the transferred assets. The table below discloses the information of financial assets that are not completely derecognized and the associated financial liabilities.

December 31, 2024

Type of Financial Assets	Carrying Amount of the Transferred Financial Assets	Carrying Amount of Relevant Financial Liabilities	Fair Value of the Transferred Financial Assets	Fair Value of Relevant Financial Liabilities	Fair Value Net Position
Security lending agreements - financial assets at FVTPL	$ 57,400	$ -	$ 57,400	$ -	$ 57,400
Security lending agreements - financial assets at FVTOCI	694,503	-	694,503	-	694,503

g. Offsetting financial assets and financial liabilities

The derivatives held by the Group did not meet the offsetting criteria pursuant to IFRS, but was covered by enforceable master netting arrangements or similar agreements signed with counterparties. Derivatives under enforceable master netting arrangements or similar agreements can be settled on a net basis of financial assets and financial liabilities if two parties decide to settle on net basis, or if not, settle on gross basis. If one party defaults, the other party can choose to settle on net basis.

The tables below present the information on financial assets and financial liabilities that have been offset.

December 31, 2024

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ -	$ -	$ -	$ -	$ -	$ -

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 26,885,868	$ -	$ 26,885,868	$ 6,071,457	$ 1,961,615	$ 18,852,796

Note: Included master netting arrangements and non-cash financial collateral.

December 31, 2023

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 28,884,855	$ -	$ 28,884,855	$ -	$ 13,576,857	$ 15,307,998

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 1,312,272	$ -	$ 1,312,272	$ 144,597	$ 14,138	$ 1,153,537

Note: Included master netting arrangements and non-cash financial collateral.

h. Structured entities

1) Merged companies held the equity of the following non-controlling structured entities. Merged companies did not provide financial or other support to these structured entities, and the maximum risk amount for these entities is the book value of assets held by the Group:

The Type of Structured Units	Nature and Purpose	Equity Held by SKLIC
Private equity investment	Invest in private funds issued by external third-party fund companies in order to obtain investment benefits.	Invest in units or limited partnership interests issued by the fund.
Asset securitization commodity	Invest in asset securitization commodities in order to obtain investment benefits.	Invest in asset-based securities issued by these entities.

2) As of December 31, 2024 and 2023, the book value of assets related to the equity of non-controlling structured entities is as follows:

	December 31, 2024	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 1,398,811	$ 1,008,007
Financial assets at amortized cost	-	5,280,351
	$ 1,398,811	$ 6,288,358

	December 31, 2023	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 16,394,948	$ 904,928
Financial assets at amortized cost	-	6,373,488
	$ 16,394,948	$ 7,278,416

i. Reclassifications

Due to the drastic changes in the global economy and the financial turmoil worldwide since 2022, especially from late August to the end of September of that year, the stock, bond, and foreign exchange markets experienced rare and drastic changes across the board, along with the sharp rise in interest rates—an increase considered extreme as defined by international insurance capital standards. With these changes in the external financial environment, SKLIC decided to adjust its investment strategy, performance evaluation, and risk management before September 30, 2022, and decided to change its business model for managing some debt instruments measured at fair value through other comprehensive income (FVTOCI) in accordance with paragraph 4.4.1 of IFRS 9 - Financial Instruments on September 30, 2022. As a result of this change, the debt instruments at FVTOCI were reclassified to debt instruments measured at amortized cost. However, the reclassification was deferred from the date of reclassification in accordance with paragraph 5.6.1 of IFRS 9, to the first day of the next reporting period (October 1, 2022). This reclassification resulted in an increase of $38,579,946 thousand in other equity, and financial assets measured at amortized cost amounted to $137,068,479 thousand as of October 1, 2022. Other results of the reclassification were decreases of $88,814,557 thousand in financial assets at FVTOCI and of $9,673,976 thousand in deferred income tax assets.

As of December 31, 2022, the fair value of the reclassified financial assets that had not been derecognized was $86,586,942 thousand, and if they had not been reclassified as of October 1, 2022, the other equity would have amounted to $(36,571,793) thousand as of December 31, 2022.

As of December 31, 2024 and 2023, the fair values of the reclassified financial assets that had not been derecognized were $86,347,215 and $88,839,080 thousand, respectively.

j. The property and coverage of risk of insurance contract:

1) Risk management

a) The policies of risk management

According to related laws and business needs, SKLIC's board of directors passed a resolution of "SKLIC's risk management policies", which clearly regulated the objectives and strategies of risk management, risk appetite and limit, the organization and responsibility of risk management, and the category and management of business management risk.

b) The objectives of risk management

The objectives of SKLIC's risk management are to protect assets, ensure the adequacy of risk-based capital (RBC), increase shareholder's value and conform with related laws, and under the premise of the balance between risk and return, to promote the sound operation and development.

c) The principles of risk management

SKLIC manages risks strategically. When making decisions, SKLIC takes risks into consideration, and through qualitative and quantitative management, carries out risk identification, evaluation, response, monitoring and controlling, keeping every risk it might encounter in operating activities endurable, in order to pursue stable operating policies and persist in the spirit of thorough implementation.

d) Organization and responsibility

In order to effectively plan, supervise and implement risk management, SKLIC established "Risk Management Committee" under the board of directors and related units independent to business units. The risk management levels and responsibilities are as follows:

i. The board of directors approves risk management policies.
ii. Audit committee controls the existing or potential risk.
iii. Risk Management Committee regularly evaluates risk tolerance.
iv. Risk management related units analyze and evaluate the change of risks.
v. Business units implement risk management activities within the scope of jurisdiction.

e) The category and management of business operating risk

SKLIC's business operating risks include insurance risk, market risk, credit risk, liquidity risk, concentration risk, operation risk, information security risk, asset-liability matching risk and other risks which are included in the resolutions of the parent company's Risk Management Committee or SKLIC's board of directors. In consideration of abovementioned business management risk, SKLIC complies with laws and regulations, builds adequate management system, and strictly implements policies.

2) Insurance risk information

a) Sensitivity of insurance risk

SKLIC's sensitivity analysis of insurance risk is based on the effect of individual changes in current year's financial revenue, operating expenses, insurance payments related to death or morbidity and termination fees (assuming other assumptions unchanged) on net income before tax and shareholder's equity. The assumptions are illustrated as follows:

i. Financial revenues include gains from lease of real estate, dividends and bonuses from financial assets and interest from fund application.

ii. Operating expenses include selling and administrative expenses and staff training expenses.

iii. Insurance payments related to death or morbidity are payments occurring due to insurance business and the insured's death or morbidity.

iv. Termination fees are refunds due to termination or invalidity of insurance contracts.

The Effects of Changes in Sensitivity Factors on Income Before Tax and Shareholders' Equity

	For the Year Ended December 31, 2024		
	Changes in Assumptions	**Changes in Income Before Tax**	**Changes in Shareholders' Equity**
Financial revenue	Decrease 5%	$ (6,027,525)	$ (4,822,020)
Operating expenses	Increase 5%	(1,287,374)	(1,029,899)
Insurance payments related to death or morbidity	Increase 5%	(1,692,380)	(1,353,904)
Termination fees	Increase 5%	108,027	86,422

Note: The abovementioned assumption factors and analysis are based on the Group's financial information for the year ended December 31, 2024.

Supplemental:

v. The result is not linear; therefore, it is unable to estimate the extent of influence by interpolation method or extrapolation method.

vi. Assumption factors may not change and there may be correlation between different changes.

vii. Sensitivity analysis will not take into consideration the factors and effects that market changes have on business, such as buying or selling positions, changing asset allocation and adjustment to declared interest of insurance contracts.

viii. The calculation of changes in shareholders' equity is based on the amount net of income tax.

b) The illustration of insurance risk concentration

SKLIC's main insurance products are life insurance, annuity insurance, accident insurance and health insurance, and the business is mainly in the Republic of China. Also, there is no significant difference in insurance contracts between different regions.

SKLIC's premium income is mainly from individual life insurance, individual health insurance and individual accident insurance in that order. The insurance payments are mainly for endowment payments, refund benefit payments, termination fees and health benefits.

According to Regulations Governing Calculation of Various Reserve for Operations, due to heavy reparations when there are catastrophes and in order to deal with unusual changes in loss rate of different insurance and insurance payments, SKLIC provides special reserve for catastrophe and for contingent claim. The aforementioned catastrophe is one the government declared as a severe disaster, and the cumulative net indemnities of all the insurance products for an individual company are up to $30 million and the cumulative indemnities for all the life insurance companies are up to $1 billion.

The provision above for special reserve for catastrophe and for contingent claim is recognized, net of tax as special reserve under shareholder's equity.

c) Claims development

SKLIC provided reserve for claims, whether or not it is reported, for projected future payments and related costs. The provision for reserves is highly complicated since there are many uncertain causes, estimation and judgment. Some claim reports may be delayed to SKLIC, and the estimation is related to past claim experiences and subjective judgment when estimating possible payments for the claims not yet reported. The claim reserve per book is estimated on the basis of available information at present. Therefore, it is unable to make sure the claim reserve on the date of balance sheet is equal to the actual payments, which will deviate from original estimation as the claim goes on.

The following tables show the claims development. Every accident year means the year the accident happens, the horizontal axis is the year of development, and every amount is the cumulative payment incurring for every accident year at the end of the year. The cumulative payments include the claims whether or not it is sure to happen, and illustrate how SKLIC estimates payments for every accident year as time passes. The conditions and trends that influence SKLIC's reserve provision may not be the same when claims develop. Therefore, the projected payments may not actually happen.

i. Claims development of direct business

Accident Year	Development Trend of Direct Business Indemnities					Claim Reserve
	1	2	3	4	5	
2020	11,783,116	14,161,292	14,359,482	14,399,860	14,410,218	
2021	11,459,775	13,865,668	14,065,816	14,095,288		
2022	12,414,515	15,337,966	15,571,133			
2023	13,751,413	16,972,094				
2024	14,316,700					

Claim reserve for unreported and unpaid claims	$ 3,856,823
Add: Claim reserve for unreported which provided by other regulation	6,103
Add: Reported but unpaid claims	333,474
Claim reserve, balance	$ 4,196,400

ii. Claims development of retained business

Accident Year	Development Trend of Direct Business Indemnities					Claim Reserve
	1	2	3	4	5	
2020	$ 11,719,369	$ 14,096,901	$ 14,294,754	$ 14,335,131	$ 14,345,490	
2021	11,407,026	13,810,687	14,005,796	14,035,268		
2022	12,330,498	15,253,580	15,486,025			
2023	13,668,794	16,887,493				
2024	14,201,459					

Claim reserve for unreported and unpaid claims	$ 3,838,581
Add: Claim reserve for unreported which provided by other regulation	6,103
Add: Reported but unpaid claims	333,474
Claim reserve, balance	$ 4,178,158

3) The credit risk, liquidity risk and market risk of insurance contracts

a) Credit risk

SKLIC enacted its Credit Risk Management Policies and established risk limit and required regular credit examination to control credit risks of investment objectives and counterparties. Undertaking large insurance risks is the core business of the insurance industry, and SKLIC's business scale is large enough to undertake considerable insurance risks. However, if certain risks are over-concentrated or significantly uncertain, reinsurance will be used to decentralize risks and reinsurance companies' credit ratings should meet the related regulations. Therefore, compared to retained risk, SKLIC's reinsurance risk is not significant.

b) Liquidity risk

SKLIC enacted its Liquidity Risk Control and Management Policies as the basis of controlling and managing fund liquidity risk and market liquidity risk. Also, SKLIC makes use of asset and liability matching model to project future assets and liabilities' cash flows, to ensure there are enough cash flows to satisfy project liability obligations, as the basis of a long-term controlling and managing measures of liquidity risk. Besides, based on the regulation of reserve provision, the book value of all contracts is higher than surrender value. Therefore, the liquidity risk from contract termination is not significant. In consideration of materiality principle, there will be no cash flow analysis disclosure on maturity date when policyholders execute options to lapse.

c) Market risk

According to the Regulations Governing Calculation of Various Reserves for Operations and other rulings promulgated by regulators, SKLIC calculates and provides various reserves for life insurance liabilities of insurance products based on projected interest rate and undertaking rate regulated by regulatory authorities. Since projected interest rate is determined when selling insurance products, it will not fluctuate as market interest rate does. Regulatory authorities considered a long-term level when it regulated the interest rate, which will not change with present market risk variables in the same time, same way or at the same amount. If the result of liability adequacy test is inadequate, the insufficient amount should be provided as liability adequacy reserve. Otherwise, reasonably possible changes in market risks would not influence SKLIC's amount of liabilities of insurance products.

In addition, for the calculation of reserve for life insurance liability, it is not likely that regulatory authorities will change the projected interest rate from fixed interest rate to floating rate fluctuating with market interest rate. Therefore, it is unlikely that market risk will, through liabilities of insurance products, have a significant effect on net income.

39. FINANCIAL INFORMATION ON OPERATING SEGMENTS

a. General information on operating segments:

Business segments of the Group were identified by the type of insurance products and are divided into three reportable segments, including standard insurance segment, interest-sensitive insurance segment and investment type insurance segment.

Premium income and investment income represent the main source of income for the Group. Comparable insurance products which are identical with or similar to subject products and delivering of those products are closely related to segment's capital employed. When preparing financial statements, based on insurance industry practice and business operation, standard insurance segment, interest-sensitive insurance segment and investment type insurance segment are considered as a single operating segment.

The accounting policies are the same as the summary of material accounting policies in Note 4. The Group's segment profits are evaluated on the basis of operating profits before tax, excluding extraordinary gain or loss.

b. The Group's reportable profit by segment for the years ended December 31, 2024 and 2023 is as follows:

	For the Year Ended December 31, 2024			
	Standard Insurance Segment	Interest - Sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total operating revenue of reportable segments	$ 181,656,073	$ 130,058,729	$ 6,407,879	$ 318,122,681
Reportable segment profit	$ 27,546,654	$ (20,617,421)	$ -	$ 6,929,233

	For the Year Ended December 31, 2023			
	Standard Insurance Segment	Interest - Sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total operating revenue of reportable segments	$ 123,488,384	$ 127,009,207	$ 8,746,681	$ 259,244,272
Reportable segment profit	$ (28,986,830)	$ 5,544,603	$ -	$ (23,442,227)

c. The reconciliation of segment revenues, profits, assets and liabilities:

	For the Year Ended December 31	
	2024	2023
Total operating revenue of reportable segments	$ 318,122,681	$ 259,244,272
Share of loss of associates accounted for using the equity method	(141,291)	(184,186)
Other operating revenue	1,277,154	929,076
Total revenue	$ 319,258,544	$ 259,989,162
Total reportable segment profit before tax	$ 6,929,233	$ (23,442,227)
Other gain (loss)	(62,703)	(527,670)
Non-allocable item:		
Other revenue	65,779	350,262
Total net profit (loss) before tax	$ 6,932,309	$ (23,619,635)

	December 31, 2024			
	Standard Insurance Segment	Interest-sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total reportable segment assets	$ 2,381,098,258	$ 1,204,619,568	$ 57,212,215	$ 3,642,930,041
Non-allocable items				
Property and equipment				25,614,721
Right-of use assets				1,974,970
Intangible assets				742,567
Other assets				28,525,912
Total assets	$ 2,381,098,258	$ 1,204,619,568	$ 57,212,215	$ 3,699,788,211
Total reportable segment liabilities	$ 2,214,817,789	$ 1,185,213,533	$ 57,212,215	$ 3,457,243,537
Non-allocable items				
Bonds payable				45,300,000
Lease liabilities				8,612,124
Total liabilities	$ 2,214,817,789	$ 1,185,213,533	$ 57,212,215	$ 3,511,155,661

	December 31, 2023			
	Standard Insurance Segment	Interest-sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total reportable segment assets	$ 2,256,956,266	$ 1,229,853,739	$ 51,870,326	$ 3,538,680,331
Non-allocable items				
Property and equipment				28,944,690
Right-of use assets				1,947,183
Intangible assets				603,908
Other assets				18,007,443
Total assets	$ 2,256,956,266	$ 1,229,853,739	$ 51,870,326	$ 3,588,183,555
Total reportable segment liabilities	$ 2,177,820,185	$ 1,154,081,930	$ 51,870,326	$ 3,383,772,441
Non-allocable items				
Bonds payable				37,000,000
Lease liabilities				8,941,095
Total liabilities	$ 2,177,820,185	$ 1,154,081,930	$ 51,870,326	$ 3,429,713,536

40. CAPITAL MANAGEMENT

a. Management objectives

In order to ensure sound operation and development, the Company manages its capital adequacy and risk management in accordance with Regulations Governing Capital Adequacy of Insurance Companies.

The Company manages owned capital to meet the requirements of regulations and achieve the minimum required capital adequacy ratio as the basis for objective capital management. Owned capital is calculated according to requirements regulated by authorities.

To ensure the Company owns sufficient capital to assume risks, the Company evaluates the risks according to the portfolio amount and characteristics. Risk on capital is calculated according to requirements regulated by authorities.

The Company manages total equity to meet the requirements of regulations and achieve the minimum required equity ratio as the basis for objective capital management. Equity ratio is calculated according to requirements regulated by authorities.

b. Capital management procedures

Capital adequacy ratio and equity ratio are inspected and calculated periodically by the Company in compliance with requirements of authorities, and delivered to the authority every six months.

In order to ensure sufficiency of capital and solvency, the Company analyzes its capital adequacy ratio for any changes of business strategy and potential effect on solvency.

In accordance with Regulations Governing Capital Adequacy of Insurance Companies, rating of capital adequacy ratio should take into consideration both capital adequacy ratio and equity ratio. Capital adequacy ratio is calculated by owned capital divided by risk-based capital. The components of owned capital and risk-based capital are as follows:

1) Owned capital

Owned capital is the insurance company's total amount of capital as admitted by the authorities, which includes:

a) Tier 1 unlimited capital.
b) Tier 1 limited capital.
c) Tier 2 capital.

Calculation of owned capital should comply with requirements regulated by the authorities.

2) Risk-based capital

Risk-based capital is calculated according to the risks occurring in the business of an insurance enterprise, including:

a) Asset risk
b) Insurance risk
c) Interest rate risk
d) Other risk
e) Catastrophe Risk

Calculation of risk-based capital should comply with requirements regulated by the authorities.

The equity ratio is the Company's equity audited by the auditors divided by the total assets excluding the total assets recorded in separate accounts for investment type insurance policies.

c. Capital adequacy ratio

Based on the capital adequacy ratio and net worth ratio calculated under the "Regulations Governing Capital Adequacy of Insurance Companies", SKLIC classifies the insurance industry's capital as adequate, undercapitalized, significantly undercapitalized, and severely undercapitalized. If an insurance of the Company's capital is classified as undercapitalized, significantly undercapitalized, or severely undercapitalized, the insurance company cannot distribute its earnings, buy back its shares, or return its shares by means other than stock dividends or transfer the shares to the members for subscription. In such a case, the competent authority shall take relevant measures in accordance with the provisions of Article 143-6 of the Insurance Act.

The Company's capital adequacy ratio and equity ratio calculated in accordance with the Regulations Governing Capital Adequacy of Insurance Companies, were above 200% during the past three years and above 3%, respectively, for the years ended 2021 and 2022. Both ratios were therefore in compliance with the Regulations. In the past two years, the impact of the lift rates, Russo-Ukrainian war and inflationary factors adversely affected after-tax income and retained earnings, and the widening of the Taiwan-U.S. interest rate spread increased the cost of foreign exchange hedging, resulting in a decline in the amount of capital owned by SKLIC. In addition, the revision of the interest rate risk accrual method by the competent authority resulted in an increase in risk capital so that SKLIC's capital adequacy ratio as of the six months ended and year end of 2023 did not reach the capital adequacy level stipulated by the law, respectively, but the net worth ratio still reaches more than 3%, and the capital level is undercapitalized.

However, due to the economic recovery in the financial markets during in 2024, the continuous record highs in the Taiwan stock market, realized capital gains from stocks, and the positive impact of the reserve for changes in foreign exchange valuation system approved as of the year end of 2024, Shin Kong Life Insurance Co., Ltd.'s capital adequacy ratio reached over 200% by the six months and year end of 2024, and its net worth ratio exceeded 3%, meeting the legal requirements.

SKLIC continues to plan capital adequacy improvement strategies to increase its own capital, based on long-term stable operation and protection of policyholders' interests. These include capital increase plans for cash capital increase of the parent company and issuance of capitalized bonds, as well as financial and business improvement plans to increase recurring revenues, increase capital gains, reduce hedging costs, increase real estate income and austere expenses in order to achieve the goal of increasing the capital adequacy ratio to the level of capital adequacy required by the law. The goal is to increase the capital adequacy ratio to the capital adequacy level required by law.

On October 26, 2023, SKLIC issued the 2023 first issue of domestic unsecured cumulative subordinated common bonds amounting to $13,000,000 thousand. On June 24, August 28 and December 9, 2024, the first, second and third tranches of secured cumulative subordinated common corporate bonds for 2024 were issued domestically, amounting to $5,500,000 thousand, $2,000,000 thousand and $800,000 thousand. On December 29, 2023, March 28, 2024 and August 22, 2024, SKLIC completed a private placement for a cash capital increase of $1,500,000 thousand, $7,000,000 thousand and 13,861,000 thousand, respectively.

41. SUPPLEMENTAL DISCLOSURES

a. Information about significant transactions

Code	Description	Explanation
1	Acquisition of individual real estate at prices over $100 million or 20% of the paid-in capital	None
2	Disposal of individual real estate at prices over $100 million or 20% of the paid-in capital	Table 1
3	Engage in core business transactions with related parties amounting over $100 million or 20% of the paid-in capital.	Note 32
4	Receivables from related parties over $100 million or 20% of the paid-in capital	Note 32
5	Derivative transactions	Notes 9 and 38

b. Information of investees

Code	Description	Explanation
1	Information on investee, including name, location and etc., excluding investee in the mainland China area.	Table 2
2	Financing provided to others.	Table 3
3	Endorsements/guarantees provided.	Table 4
4	Marketable securities held.	Table 5
5	Marketable securities acquired or disposed of at accumulated amounts over $100 million or 20% of the paid-in capital.	None
6	Acquisition of individual real estate at price over $100 million or 20% of the paid-in capital.	None
7	Disposal of individual real estate at price over $100 million or 20% of the paid-in capital.	None
8	Engage in core business transactions with related parties and transaction amounting over $100 million or 20% of the paid-in capital	None
9	Receivables from related parties amounting over $100 million or 20% of the paid-in capital.	None
10	Trading in derivative instruments.	None

c. Investments in mainland China

Code	Description	Explanation
1	Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of the investment, repatriation of investment income, and limit of investment in mainland China. If the investee belongs to the insurance industry, the location, status of capital funds and related income, provision methodology and balances of insurance policy reserves, percentage of insurance income and percentage of insurance benefits and claims should also be disclosed.	Table 6
2	Significant transaction elements like price, disbursement condition and unrealizable income generated directly or indirectly through a third area, by investee in mainland China.	None
3	Notes, endorsements and collateral provided directly or indirectly through an investee in a third area in mainland China.	None
4	Capital financing directly or indirectly through an investee in a third area in mainland China.	None
5	Other significant transactions which may affect the decisions of users of the financial statements	None

d. The important intercompany transactions of the Group are disclosed in Table 7 following the Notes to Consolidated Financial Statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST $100 MILLION OR 20% OF ISSUED SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain on Disposal (Note)	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
SKLIC	President Jessburg A1 9F, A1 10F, A1 11F, A1 14F, A1 15F, A2 2F, A2 9F, A2 11F, A2 20F, A2 21F, A3 3F, A3 5F, A3 17F, B1 2F, B1 8F, B1 14F, B1 16F, B2 2F, B3 2F, B3 8F, B3 14F, B3 16F, No. 35, 37, 39, 41, 43, 45, Sec. 3, Chongqing S. Rd., Zhongzheng Dist., Taipei City	2024.1.2-2024.11.22	2009.10.1-2014.8.29	$ 2,096,546	$ 2,189,740	Collected $1,646,880	$ 5,492	Ming-shih Publishing Co., Ltd. and natural persons (total of 22 persons including Mr. Jhuo)	None	Investment	Appraisers' report and actual selling price login	
	No. 60-6, Zhengyi S. Rd., Sanchong Dist., New Taipei City, Taiwan Sanchongpu Building	2024.6.25	1979.12.29	91,909	155,000	Collected	61,338	Qiyuan Construction Co., Ltd.	None	Investment	Appraisers' report and actual selling price login	
	Tianmu Garden, No. 25, 27, 29, 31, 33, 35, Lane 50, Tianmu E. Rd, Shilin Dist., Taipei City	2024.6.25	1992.8.18	276,517	412,680	Collected	132,990	Yu-shang Construction Co., Ltd. and natural persons (total of 2 persons including Mr. Gan)	None	Investment	Appraisers' report and actual selling price login	
	6th and 9th Floors, No. 106, Minquan W. Rd., Datong Dist., Taipei City, Taiwan Minde Commercial Building	2024.9.13, 2024.11.25	1983.9.2	70,439	125,080	Collected	52,699	Daye Xin Construction Co., Ltd. and Individual (Mr. Zhong)	None	Investment	Appraisers' report and actual selling price login	

Note: Gain on disposal is net of necessary transaction costs, including 2 units on the 20th and 21th floor of A1 for which contracts were been sold in 2023 and transfer completed in the 1st quarter of 2024. As of December 31, 2024, 9 units of the President Jasper villa had been sold but transfer had not been completed.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEE, INCLUDING NAME, LOCATION AND ETC., EXCLUDING INVESTEE IN THE MAINLAND CHINA AREA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars/In Thousands of Ordinary Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	Shareholding Ratio (%)	Carrying Amount			
SKLIC	Controlled entity										
	Shin Kong Life Real Estate Service Company (SKLRESC)	18th Floor, No. 66, Section 1, Zhongxiao West Road, Taipei City, Taiwan	Management services	$ 352,641	$ 352,641	36,007	72.01	$ 1,138,771	$ 255,766	$ 174,495	Subsidiary
	Significant influence over the entity										
	Century Biotech Development Corporation	2nd Floor, Suite 3, No. 508, Section 7, Zhongxiao East Road, Taipei City, Taiwan	Investment and development	600,000	600,000	60,000	24.00	619,903	139,303	33,433	Associate
	Jih-yao Energy Co., Ltd.	9th Floor, No. 295, Section 2, Diding Road, Taipei City, Taiwan	Energy services	100,000	100,000	10,000	33.33	101,752	2,896	965	Associate
	LeadsunFox Greenergy Investment Co., Ltd.	10th Floor, Suite 1, No. 1, Songgao Road, Taipei City, Taiwan	Energy services	496,400	496,400	53,134	28.33	575,101	124,291	35,216	Associate
	Xinhe Energy Development Co., Ltd.	10th Floor, Suite 1, No. 57, Fuxing North Road, Taipei City, Taiwan	Energy services	500,000	421,250	50,000	25.00	491,925	68,408	17,102	Associate
	Xinding No. 1 Energy Co., Ltd.	8th Floor, No. 99, Section 1, Xinsheng South Road, Taipei City, Taiwan	Energy services	250,000	250,000	25,000	25.00	251,324	6,898	1,724	Associate
	Taipan Solar Co., Ltd.	Room 1, 19th Floor, No. 8, Ziqiang South Road, Zhubei City, Hsinchu County	Energy services	421,200	421,200	42,120	30.00	435,188	36,659	10,998	Associate
	Juxin Energy Co., Ltd.	Room 1, 11th Floor, No. 52, Section 2, Zhongshan North Road, Taipei City, Taiwan	Energy services	180,000	180,000	18,000	25.00	180,897	(28,928)	(7,232)	Associate
	Wholes Max Green Power Co., Ltd.	No. 3, Industrial 1st Road, Hukou Township, Hsinchu County, Taiwan	Energy services	195,000	195,000	19,500	12.26	215,909	40,208	4,262	Associate

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	LeadsunFox Greenergy Investment Co., Ltd.	Changyuan Wind Power Ltd.	Other receivables - related party	Yes	$ 45,000	$ 30,000	$ 30,000	1.75-2.00	2	$ -	Operating turnover	$ -	None	$ -	$ -	$ -	
		Beiyuan Wind Power Ltd.	Other receivables - related party	Yes	30,000	30,000	27,000	2.00	2	-	Operating turnover	-	None	-	-	-	
		Xingwei Electric Power Co., Ltd.	Other receivables - related party	Yes	100,000	-	-	2.00-2.50	2	-	Operating turnover	-	None	-	-	-	
		Lisheng Wufu Co., Ltd.	Other receivables - related party	Yes	200,000	200,000	100,000	2.50	2	-	Operating turnover	-	None	-	-	-	
		Lisheng Sifang Co., Ltd.	Other receivables - related party	Yes	50,000	50,000	-	2.00	2	-	Operating turnover	-	None	-	-	-	
2	Taipan Solar Co., Ltd.	Kunsheng Solar Power Co., Ltd.	Long-term receivables - related parties	Yes	226,394	-	-	2.07-2.19	2	-	Operating turnover	-	None	-	580,052	580,052	
3	Wholes Max Green Power Co., Ltd.	Jiahe Energy Co., Ltd.	Other receivables - related party	Yes	2,000	-	-	-	2	-	Operating turnover	-	None	-	-	-	
		Heyu Energy Co., Ltd.	Other receivables - related party	Yes	5,000	-	-	-	2	-	Operating turnover	-	None	-	-	-	
		Yuan Deng Solar Energy Co., Ltd.	Other receivables - related party	Yes	40,000	-	-	-	2	-	Operating turnover	-	None	-	-	-	
		Mingxiang Energy Co., Ltd.	Other receivables - related party	Yes	40,000	40,000	40,000	-	2	-	Operating turnover	-	None	-	-	-	

Note 1: Issuer is number 0; investees are sequentially numbered starting from 1.

Note 2: 1 for those who have business contacts; 2 if there is a need for short-term financing.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	LeadsunFox Greenergy Investment Co., Ltd.	Xingwei Electric Power Co., Ltd.	Subsidiary	None	$ 4,000,000	$ 4,000,000	$ 3,589,550	None	197.07	None	Yes	No	No
		Lisheng Wufu Co., Ltd.	Subsidiary	None	998,574	998,574	628,524	None	49.20	None	Yes	No	No
2	Jih-yao Energy Co., Ltd.	Zhaoyang Solar Technology Co., Ltd.	Subsidiary	$ 1,526,290	892,254	892,254	405,189	None	292.30	$ 1,526,290	Yes	No	No
3	Wholes Max Green Power Co., Ltd.	Yuan Deng Solar Energy Co., Ltd.	Subsidiary	None	253,300	253,300	197,537	None	15.29	None	Yes	No	No
		Tai Ling Energy Technology Co., Ltd.	Subsidiary	None	109,930	109,930	65,940	None	6.64	None	Yes	No	No
		Jin Ya Xing Optoelectronics Co., Ltd.	Subsidiary	None	600,000	600,000	554,911	None	36.21	None	Yes	No	No
		Mingxiang Energy Co., Ltd.	Subsidiary	None	312,860	312,860	93,077	None	18.88	None	Yes	No	No

Note 1: Issuer is number 0; investees are sequentially numbered starting from 1.

Note 2: The limit for endorsements and guarantees for a single enterprise and external endorsements and guarantees: Shall not exceed five times the net worth of Jih-yao Energy Co., Ltd. as of December 31, 2024: 305,258 × 5 = 1,526,290.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Except Number of Shares)

Holding Company	Type and Name of Marketable Security	Issuer's Relationship to the Holding Company	Financial Statement Account	End of December 31, 2024				Note
				Units/Shares ('000)	Carrying Value	Ownership Interest (%)	Market Price	
SKLRESC	Listed shares							
	The Great Taipei Gas Corp.	Affiliate	Financial assets at fair value through other comprehensive income	11,699	$ 352,735	2.27	$ 352,735	
	Taiwan Shin Kong Security Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	3,450	141,635	0.89	141,635	
	Shin Kong Spinning Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	643	28,421	0.21	28,421	
	Shin Kong Insurance Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	778	82,857	0.25	82,857	
	Unlisted shares							
	Yi Kong Security Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	5,607	241,200	15.50	241,200	
	Lian-An Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	5	110	0.20	110	
	Great Taipei Broadband Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	10,000	47,966	6.67	47,966	
	Yu Chi Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income	165	1,533	2.20	1,533	
	Beneficial certificates							
	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	10,101	132,022	0.73	132,022	
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	9,541	152,339	0.26	152,339	
	Jih-Sun Money Market Fund	None	Financial assets at fair value through profit or loss	6,566	101,585	0.22	101,585	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	None	Financial assets at fair value through profit or loss	1,000	32,350	0.23	32,350	
	CAPITAL ICE ESG 20+ Year BBB US Corporate ETF	None	Financial assets at fair value through profit or loss	1,900	30,001	0.01	30,001	
	CTBC Enhanced Yield 15+ Year Investment Grade Senior US Developed Markets Corporate ESG Screened Bond ETF	None	Financial assets at fair value through profit or loss	3,000	30,030	0.09	30,030	
	KGI Global 10+Year USD Single A Corporate Bond ETF	None	Financial assets at fair value through profit or loss	1,000	14,980	0.08	14,980	
	Bonds							
	Mercuries Life Insurance Co., Ltd.	None	Financial assets at amortized cost	-	39,929	-	39,929	

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Business and Product	Total Amount of Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Investee Company's Earnings (Loss)	Percentage of Ownership (%)	Equity in the Earnings (Loss)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
DingCheng Life Insurance Co.	Insurance	$ 5,544,400 (RMB 1,250,000)	Invest China directly	$ 1,386,100	$ -	$ -	$ 1,386,100	$ (924,970)	25	$ (237,759)	$ 5,157	$ 1,688,029

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$1,386,100	$337,721 (US$12,642 thousand)	$112,921,099

Note 1: SKLIC was approved by the Ministry of Finance and Ministry of Economic Affairs Investment Commission to establish an insurance company in mainland China in its letter in 2003. SKLIC obtained the approval of the China Insurance Regulatory Commission (Ref. No. (96) Bao-Jian-Guo-Ji No. 1254), and SKLIC and HNA Group prepared to establish the Chinese and foreign joint venture life insurance company. SKLIC remitted the investment fund amount of RMB250,000 thousand, or the equivalent of US$36,150 thousand, on June 6, 2008. SKHLIC started operation on April 27, 2009. SKLIC applied to increase its investment in mainland China by RMB187,500 thousand, or the equivalent of US$28,310 thousand. This investment was approved by the Investment Commission, MOEA on September 25, 2018. The application for repatriation of RMB350,000 thousand (US$51,818 thousand) which was raised by SKLIC from selling partial shares of SKHLIC had been reported to Investment Commission, MOEA on February 18, 2019. SKLIC applied to increase its investment in mainland China by RMB187,500 thousand, or the equivalent of US$26,865 thousand. This investment was approved by the Investment Commission, MOEA on August 24, 2020. The aforementioned capital increase account was remitted on August 16, 2021. This investment was approved by the Investment Commission, MOEA on September 10, 2021.

Note 2: Accumulated outflow of investment from Taiwan and current investment inflow were the original investment amount.

Note 3: SKLIC obtained approval from the China Insurance Regulatory Commission to increase and transfer the capital of SKHLIC on September 29, 2018. SKLIC transferred $838,125 thousand (RMB187,500 thousand) to the capital account held by SKHLIC as well as recognized a gain on disposal of investments of $1,688,029 thousand as other gain or loss on investments in 2018. SKLIC reclassified 25% of their ownership for sale to assets classified as held for sale in the amount of $6,130 thousand. After the capital of SKHLIC had been transferred, SKLIC derecognized assets classified as held for sale and equity related to assets classified as held for sale.

Note 4: On April 3, 2019, SKHLIC obtained the approval from the China Banking and Insurance Regulatory Commission to change its name to DingCheng Life Insurance Company.

Note 5: SKLIC remitted a capital increase of $807,188 thousand (RMB187,500 thousand) to DingCheng Life Insurance Company's (DLIC) capital increase account and waited for the China Banking and Insurance Regulatory Commission's approval. This capital increase was recorded as advance investment. In January 2021, the supervisory authority over DLIC's capital increase case was changed from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau ("Beijing Regulatory Bureau") of the China Banking and Insurance Regulatory Commission. The capital increase was both approved and terminated by DLIC's board of directors on June 30, 2021, and the capital increase was remitted on August 16, 2021. SKLIC's board of directors approved the withdrawal of the capital increase and the sale of all of DLIC's shares on June 29, 2021; an agreement on this sale was signed with Hongdou Group Co., Ltd. on June 30, 2021. The price of the shares sold was RMB462,500 thousand, and a condition of the sale was that SLKIC would no longer participate in DLIC's capital increase plan. The transfer of the equity interest has been under the approval process of the Beijing Regulatory Bureau since May 2023.

Note 6: Shenzhen Bolin Asset Management Co., Ltd. and Shenzhen Guo Zhan Investment Development Co., Ltd., shareholders of DingCheng Life Insurance Company, donated CNY450,000 thousand and CNY50,000 thousand to Dingcheng Life Insurance Company on March 16, 2021, respectively. The total donation is CNY500,000 thousand and gratuitously. Dingcheng Life Insurance Company has no obligation to repay the funds, and has no effect on the shareholding ratio of SKLIC and all other shareholders. It is used to improve the company's solvency ratio to support the company business development. The donation is recorded under capital surplus of Dingcheng Life Insurance Company, and SKLIC recognized the total amount $543,285 thousand as capital surplus - others according to the shareholding ratio.

Note 7: As of December 31, 2024, SKLIC's share of its associates' loss exceeded the investment balance plus any advances, Therefore, in 2024, SKLIC's shares of the associates' profit or loss for the current year, as well as the unrecognized share of loss for 2023, was recognized based on SKLIC's ownership percentages.

Note 8: Location: Beijing, China.

Note 9: Status of capital funds and related income: As of December 31, 2024, DingCheng Life Insurance Company's capital funds, which were deposited in banks or were invested in securities and policy loans, totaled $39,108,793 thousand, and the investment income for the year ended December 31, 2024 was $1,444,567 thousand.

(Continued)

Note 10: Provision methodology and balances of insurance liability reserves:

	December 31, 2024
Reserve for unearned premiums	$ 817
Reserve for claim payments	316
Reserve for life insurance liability	38,770,859
	$ 38,771,992

a. Reserve for unearned premiums for short-term insurance universal insurance and for risk premiums with individual terms of less than one year is provided by policy type in accordance with the risk for the remaining policy period.

b. Reserve for claim payments is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, and reserve for claim payments reported but not yet paid is provided by case based on actual data.

c. Reserve for life insurance liability is provided according to modified standards stated by the Regulations Governing Calculation of Various Reserves for Operations. The calculation uses mortality table and projected interest rate of reserve regulations in China.

Note 11: Percentage of insurance income: 7.91%.

Note 12: Percentage of insurance benefits and claims: 0.13%.

(Concluded)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Ref. No. (Note 1)	Name of Company	Name of Counterparty	Flow of Transaction (Note 2)	Transaction			
				Account	Amount	Terms	% to Total Consolidated Operating Income or Total Consolidated Assets (Note 3)
0	SKLIC (parent company)	SKLRESC	a	Rental income	$ 17,303	Note 4	-
		SKLRESC	a	Guarantee deposits received	2,173	Note 4	-
		SKLRESC	a	Management expenses	423,622	Note 4	-
		SKLRESC	a	Refundable deposits	10,403	Note 4	-
		SKLRESC	a	Accrued expenses	51,989	Note 4	-
		SKLRESC	a	Interest expenses	33	Note 4	-
		SKLRESC	a	Earned revenue receivables	4,035	Note 4	-

Note 1: Parent company is number 0; subsidiaries are sequentially numbered starting from 1.

Note 2: Flow of transaction:

a. From parent company to subsidiary.
b. From subsidiary to parent company
c. Between subsidiaries.

Note 3: Percentage of transaction amount to total consolidated operating revenue and assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets
For income statement accounts: Accumulated transaction amount ÷ Total consolidated revenue from operations.

Note 4: Terms and conditions of related party transactions are made on arm's length basis.

Shin Kong Life Insurance Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Shin Kong Life Insurance Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Shin Kong Life Insurance Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Valuation of Reserve for Life Insurance Liability and Liability Adequacy Test

The description of the key audit matter:

As described in Note 25a-3 to the accompanying consolidated financial statements, the reserve for life insurance liability amounted to $3,254,410,930 thousand, 95% of total consolidated liabilities. Note 25a-6 also describes the exemption from a reserve for liability adequacy after testing and evaluation by management.

Shin Kong Life Insurance Co., Ltd.'s management adopts actuarial models and several significant assumptions for estimating the reserve for life insurance liability and the reserve for liability adequacy. Judging the reserve for life insurance liability involves significant assumptions, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The setup of assumptions is based on legislation, regulations, knowledge of the Group's actual experience and industry-specific experience. The tests performed in respect of the reserve for liability adequacy on insurance contracts are in accordance with regulations enacted by the Actuarial Institute of the Republic of China, and the setup of future test discount rates accounts for the Group's best estimate scenario as well as the rate of the portfolio return under the current information.

Refer to Notes 4n-3, 4n-6, 4o, 5a and 25 to the accompanying consolidated financial statements for the details on the related information, accounting policies, accounting estimations and assumption uncertainty for the reserve for life insurance liability and the reserve for liability adequacy test.

Since any changes in the actuarial models and important assumptions may lead to significant impacts on the results of the reserves for life insurance liability and for the liability adequacy test estimations, the reserves for life insurance liability and for liability adequacy test were identified as a key audit matter.

Corresponding audit procedures:

1. We understand the internal controls related to management's estimations of the reserves for life insurance liability and for liability adequacy test as well as evaluate the operating effectiveness of these internal controls.

2. We obtain actuarial reports regarding management's estimations of the reserves for life insurance liability and for liability adequacy test as well as evaluate the Group's contracted actuarial specialist's professional ability and competence.

3. Our actuarial specialist performs the following procedures, and we compare the results with the actuarial report published by the Group's contracted actuary in order to evaluate the rationality of the actuarial models and significant assumptions regarding the recognition of the reserve for life insurance liability applied by management. The main audit procedures are described as follows:

    a. Our actuarial specialist randomly samples the insurance products of Shin Kong Life Insurance Co., Ltd. to examine whether the calculations of the reserve for life insurance liability were in accordance with the regulations.

    b. Our actuarial specialist focuses on the actuarial models and important assumptions of selected insurance policies and verifies the recognized amount of the reserve for life insurance liability.

c. Our actuarial specialist performs profiling tests focused on long term insurance policies to identify any abnormal situations with recognized amounts of reserve of life insurance liability on single insurance policies as of December 31, 2023.

d. Our actuarial specialist uses the previously recognized amounts of the reserve for life insurance liability in consideration with the business development for this year and performs a ratio analysis of the reasonableness of the reserve for life insurance liability to estimate the overall recognized amount of reserve for life insurance liability.

4. Our actuarial specialist performs the following procedures, and we compare the results with the actuarial report published by the Group's contracted actuary in order to evaluate the rationality of the actuarial models and significant assumptions regarding the recognition of the reserve for liability adequacy test applied by management. The main audit procedures are described as follows:

   a. Our actuarial specialist focuses on the samples selected from insurance policies for our audit in order to examine whether the assumptions provided by Shin Kong Life Insurance Co., Ltd. were consistent with regulations and the important built-in assumptions with the actuarial tools.

   b. Our actuarial specialist focuses on the samples selected from insurance policies in order to evaluate the future test discount rates applied by Shin Kong Life Insurance Co., Ltd. for the reserve for liability adequacy test, and our actuarial specialist performs individual recalculations.

   c. Our actuarial specialist performs a comparative analysis of the prior period's results in consideration with the impact of the current business development in order to evaluate the rationality of the calculation of the reserve for liability adequacy test.

Valuation of Non-derivative Financial Instruments at Fair Value Through Profit or Loss or Other Comprehensive Income by Valuation Models with Quoted Price in Non-active Markets

The description of the key audit matter:

On December 31, 2023, Shin Kong Life Insurance Co., Ltd. held non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets. The financial instruments that were classified as Level 2 and Level 3 financial assets, amounted to $41,382,189 thousand, 10% of the total financial assets at fair value through profit or loss or other comprehensive income. The non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets were mainly stocks and bond investments. For the financial instruments, the management of Shin Kong Life Insurance Co., Ltd. applied valuation models to determine the fair values.

Refer to Notes 4l, 5b, 9, 10, and 38b to the accompanying consolidated financial statements for details on the relevant information, accounting policies, accounting estimation, and assumption uncertainty for the valuation of non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets.

The valuation models of the non-derivative financial instruments at fair value through profit or loss or other comprehensive income were selected based on the rules and practical experience of IFRS 13 "Fair Value Measurement" and Evaluation Standards 12 "Evaluation of Financial Instruments" by Accounting Research and Development Foundation, included the adjusted observable and unobservable inputs. The selection of the valuation models, as mentioned, and the inputs were involved in the critical judgments and estimations from management. Therefore, the valuation of the above-mentioned financial instruments was considered to be a key audit matter.

Corresponding audit procedures:

1. We understand the internal controls related to management's valuation of the non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models with quoted price in non-active markets as well as evaluate the design of the internal controls.

2. With sampling the investment targets of the Level 2 and Level 3 non-derivative financial instruments at fair value through profit or loss or other comprehensive income by valuation models, we evaluate whether the valuation models and inputs adopted by management were reasonable, and recalculate the results to evaluate whether the carrying amounts are reasonable.

Assessment of Fair Values of Investment Properties

The description of the key audit matter:

The investment properties of Shin Kong Life Insurance Co., Ltd. are measured at their fair values. To support the management in making reasonable estimates, Shin Kong Life Insurance Co., Ltd. used the fair values assessed by external independent appraisers. As the appraisal method and parameters used in the assessment of fair values involve significant judgments and estimates, we deemed the assessment of the fair values of investment properties as a key audit matter. Refer to Notes 4h, 5b and 17 to the accompanying consolidated financial statements for details on the accounting policies, accounting estimation, assumption uncertainty, and relevant disclosure information on the assessment of fair values of investment properties.

Corresponding audit procedures:

1. We evaluate the professional capability, competence and objectivity of the external independent appraisers, and verified the qualification of the appraisers.

2. We appointed an internal valuation specialist to evaluate the reasonableness of the appraisal reports adopted by its management, including the appraisal methods, main parameters and discount rate of the appraisal reports.

Other Matters

We have also audited the parent company only financial statements of Shin Kong Life Insurance Co., Ltd. as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified audit opinion.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Wang-Seng Lin and Su-Huan You.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS	$ 99,581,548	3	$ 72,536,822	2
RECEIVABLES	34,270,013	1	27,764,332	1
CURRENT TAX ASSETS	9,084,906	-	6,848,517	-
ASSETS CLASSIFIED AS HELD FOR SALE	8,468,595	-	9,588,103	-
INVESTMENTS				
Financial assets at fair value through profit or loss	299,381,566	8	261,977,385	7
Financial assets at fair value through other comprehensive income	132,691,219	4	161,033,605	5
Financial assets at amortized cost	2,495,474,760	70	2,534,437,841	71
Investments accounted for using equity method, net	2,752,157	-	2,597,025	-
Investment property	198,644,722	6	190,938,419	5
Loans	162,462,205	4	159,247,126	5
Total investments	3,291,406,629	92	3,310,231,401	93
REINSURANCE ASSETS	980,845	-	843,259	-
PROPERTY AND EQUIPMENT	28,944,690	1	29,116,440	1
RIGHT-OF-USE ASSETS	1,947,183	-	2,033,447	-
INTANGIBLE ASSETS	603,908	-	589,522	-
DEFERRED TAX ASSETS	43,017,469	1	37,375,320	1
OTHER ASSETS	18,007,443	-	30,293,113	1
ASSETS ON INSURANCE PRODUCT, SEPARATED ACCOUNT	51,870,326	2	38,541,123	1
TOTAL	$ 3,588,183,555	100	$ 3,565,761,399	100
LIABILITIES AND EQUITY				
ACCOUNTS PAYABLE				
Notes payable	$ 29	-	$ 428	-
Claims payable	195,240	-	216,928	-
Commission payable	597,583	-	529,193	-
Due to reinsurers and ceding companies	912,658	-	499,910	-
Other payables	5,033,355	-	5,463,384	-
Total accounts payable	6,738,865	-	6,709,843	-
CURRENT TAX LIABILITIES	29,756	-	29,806	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1,312,272	-	34,487,017	1
BONDS PAYABLE	37,000,000	1	24,000,000	1
LEASE LIABILITIES	8,941,095	-	9,742,266	-
INSURANCE LIABILITIES				
Unearned premium reserve	10,963,732	-	9,960,801	1
Claim reserve	4,042,526	-	3,574,186	-
Liability reserve	3,254,410,930	91	3,245,279,730	91
Special claim reserve	6,859,980	-	7,225,307	-
Premium insufficient reserve	1,054,695	-	1,415,228	-
Total insurance liabilities	3,277,331,863	91	3,267,455,252	92
RESERVE FOR INSURANCE WITH NATURE OF FINANCIAL INSTRUMENT	70,849	-	20,964	-
RESERVE FOR FOREIGN EXCHANGE VALUATION	13,218,699	-	27,341,617	1
PROVISIONS	44,888	-	65,426	-
DEFERRED TAX LIABILITIES	16,533,044	1	10,572,757	-
OTHER LIABILITIES				
Advance receipts	1,257,976	-	917,933	-
Guarantee deposits and margins received	15,363,542	1	6,445,296	-
Other liabilities, others	361	-	361	-
Total other liabilities	16,621,879	1	7,363,590	-
LIABILITIES ON INSURANCE PRODUCT, SEPARATED ACCOUNT	51,870,326	2	38,541,123	1
Total liabilities	3,429,713,536	96	3,426,329,661	96
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY				
Share capital				
Ordinary share	74,387,451	2	73,720,784	2
Capital surplus				
Additional paid-in capital	22,447,447	1	21,614,114	1
Others	659,347	-	659,347	-
Total capital surplus	23,106,794	1	22,273,461	1
Retained earnings				
Special reserve	132,776,580	4	133,088,524	3
Accumulated deficit	(57,948,565)	(2)	(43,519,549)	(1)
Total retained earnings	74,828,015	2	89,568,975	2
Other equity				
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	2,271,019	-	(6,249,712)	-
Losses from investments in debt instruments measured at fair value through other comprehensive income	(659,307)	-	(741,681)	-
Exchange differences on translation of foreign financial statements	11,643	-	11,766	-
Gains on hedging instruments	2,067	-	3,301	-
Revaluation surplus	4,493,933	-	3,537,471	-
Reserve of overlay approach	(20,404,577)	(1)	(43,101,268)	(1)
Total other equity	(14,285,222)	(1)	(46,540,123)	(1)
Total equity attributable to owner of the Company	158,037,038	4	139,023,097	4
NON-CONTROLLING INTERESTS	432,981	-	408,641	-
Total equity	158,470,019	4	139,431,738	4
TOTAL	$ 3,588,183,555	100	$ 3,565,761,399	100

The accompanying notes are an integral part of the consolidated financial statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING REVENUE					
Retained earned premium					
Written premium	$ 154,020,290	59	$ 180,233,752	62	(15)
Reinsurance premium	-	-	-	-	-
Total premium	154,020,290	59	180,233,752	62	(15)
Less: Reinsurance expense	(1,795,941)	(1)	(1,736,069)	(1)	3
Net changes in unearned premiums reserve	(1,103,003)	-	(239,548)	-	360
Retained earned premium	151,121,346	58	178,258,135	61	(15)
Reinsurance commission received	360,461	-	384,784	-	(6)
Fee income	910,090	-	632,155	-	44
Net income from investments					
Interest income	101,253,361	39	98,374,919	34	3
Losses on financial assets or liabilities at fair value through profit or loss	(6,540,175)	(2)	(181,709,835)	(63)	(96)
(Losses) gains arising from derecognition of financial assets measured at amortized cost	(3,555,020)	(1)	6,759,503	2	(153)
Realized gains on financial assets at fair value through other comprehensive income	6,173,604	2	5,556,442	2	11
Share of loss of associates and joint ventures accounted for using equity method	(184,186)	-	(283,970)	-	(35)
Foreign exchange gains, investments	2,962,528	1	161,454,678	56	(98)
Net changes in reserve for foreign exchange valuation	14,122,918	5	(24,642,188)	(8)	157
Gains (losses) on investment property	9,861,296	4	(1,210,036)	-	915
Expected credit losses or reversal of expected credit losses of investments	491,989	-	(5,915,589)	(2)	108
Other net loss from investments	(309,809)	-	(309,120)	-	-
(Losses) gains on reclassification under the overlay approach	(26,354,998)	(10)	50,580,033	17	(152)
Other operating income	929,076	-	1,133,019	-	(18)
Income on insurance products, separated account	8,746,681	4	1,301,286	1	572
Total operating revenue	259,989,162	100	290,364,216	100	(10)

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
OPERATING COSTS					
Retained claim payments					
Insurance claim payment	$ 246,254,035	95	$ 204,787,676	70	20
Less: Claims recovered from reinsurers	(863,013)	(1)	(811,008)	-	6
Total retained claim payments	245,391,022	94	203,976,668	70	20
Net changes in insurance liabilities					
Net changes in claim reserve	468,466	-	262,356	-	79
Net changes in liability reserve	7,511,174	3	67,876,603	23	(89)
Net changes in special claim reserve	(389,236)	-	119,918	-	(425)
Net changes in premium deficiency reserve	(363,415)	-	(386,666)	-	(6)
Total net changes in insurance liabilities	7,226,989	3	67,872,211	23	(89)
Net changes in reserve for insurance with nature of financial instrument	50,080	-	13,745	-	264
Acquisition expenses	7,219	-	6,328	-	14
Commission expenses	6,103,614	2	6,210,032	2	(2)
Fee expenses	71,548	-	43,872	-	63
Financial costs	1,258,332	-	1,194,007	-	5
Other operating costs	1,272,560	1	1,217,288	1	5
Disbursements on insurance product, separated account	8,746,681	4	1,301,286	1	572
Total operating costs	270,128,045	104	281,835,437	97	(4)
OPERATING EXPENSES					
General expenses	7,998,115	3	6,663,095	3	20
Administrative expenses	5,639,423	2	6,184,143	2	(9)
Staff training expenses	193,778	-	166,876	-	16
Expected credit losses or reversal of expected credit losses of non-investments	(302)	-	1,690	-	(118)
Total operating expenses	13,831,014	5	13,015,804	5	6
OPERATING LOSS	(23,969,897)	(9)	(4,487,025)	(2)	434

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
NON-OPERATING INCOME AND EXPENSES					
Impairment loss on non-financial assets	$ -	-	$ (22,582)	-	100
Recovered bad debts and overdue accounts	25,873	-	3,388	-	664
Other non-operating income and expenses	324,389	-	366,860	-	(12)
Total non-operating income and expenses	350,262	-	347,666	-	1
LOSS FROM CONTINUING OPERATIONS BEFORE TAX	(23,619,635)	(9)	(4,139,359)	(2)	471
TAX INCOME (EXPENSE)	6,511,868	3	(650,703)	-	1,101
CONSOLIDATED NET LOSS	(17,107,767)	(6)	(4,790,062)	(2)	257
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX					
Components of other comprehensive income that will not be reclassified to profit or loss:					
Gains on remeasurements of defined benefit plans	4,358	-	110,137	-	(96)
Gains on revaluation	1,165,042	-	1,132,199	1	3
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,717,409)	(1)	1,091,171	-	(257)
Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	12,517,219	5	(10,725,225)	(4)	217

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
Components of other comprehensive income that will be reclassified to profit or loss:					
Exchange differences on translation	$ (123)	-	$ 14,351	-	(101)
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	63,374	-	(10,343)	-	713
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(3,659,217)	(1)	4,571,199	1	(180)
Gains from investments in debt instruments measured at fair value through other comprehensive income	18,677	-	8,102,803	3	(100)
Other comprehensive income (loss) on reclassification under the overlay approach	26,354,998	10	(50,580,033)	(17)	152
Total other comprehensive income (loss), net of income tax	34,746,919	13	(46,293,741)	(16)	175
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 17,639,152	7	$ (51,083,803)	(18)	135
NET LOSS ATTRIBUTABLE TO:					
Owner of the company	$ (17,192,701)	(6)	$ (4,872,114)	(2)	253
Non-controlling interest	84,934	-	82,052	-	4
	$ (17,107,767)	(6)	$ (4,790,062)	(2)	257
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:					
Owner of the company	$ 17,537,850	7	$ (51,149,926)	(18)	134
Non-controlling interest	101,302	-	66,123	-	53
	$ 17,639,152	7	$ (51,083,803)	(18)	135

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2023		2022		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
LOSS PER SHARE					
Basic	$(2.33)		$(0.68)		

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owner of the Company												
						Other Equity							
	Share Capital	Capital Surplus		Retained Earnings		Unrealized (Losses) Gains on Financial Assets Measured at Fair Value Through Other Comprehensive Income	Exchange Differences on Translation of Foreign Financial Statements	Gains on Hedging Investments	Revaluation Surplus	Reserve of Overlay Approach	Total	Non-controlling Interests	Total
	Ordinary Share	Additional Paid-in Capital	Others	Special Reserve	Accumulated Deficit								
BALANCE, JANUARY 1, 2022	$ 69,979,017	$ 15,964,262	$ 659,167	$ 114,860,189	$ (20,684,961)	$ (3,753,379)	$ (2,585)	$ -	$ 2,582,578	$ 1,176,936	$ 180,781,224	$ 412,413	$ 181,193,637
Appropriation of 2021 earnings													
Special reserve - reserve for changes in foreign exchange valuation	-	-	-	1,375,326	(1,375,326)	-	-	-	-	-	-	-	-
Special reserve for gains arising from derecognition of the investments in debt instruments	-	-	-	9,400,401	(9,400,401)	-	-	-	-	-	-	-	-
Special reserve - net amount of the adjustments on investment properties that subsequently measures at fair value model	-	-	-	1,567,264	(1,567,264)	-	-	-	-	-	-	-	-
Provision of reserve for catastrophe and contingent claim	-	-	-	(117,711)	117,711	-	-	-	-	-	-	-	-
Special reserve for travel insurance	-	-	-	3,055	(3,055)	-	-	-	-	-	-	-	-
Special reserve for special provision	-	-	-	6,000,000	(6,000,000)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(69,965)	(69,965)
Net (loss) income for the year ended December 31, 2022	-	-	-	-	(4,872,114)	-	-	-	-	-	(4,872,114)	82,052	(4,790,062)
Other comprehensive income (loss), net of tax for the year ended December 31, 2022	-	-	-	-	85,928	(3,066,910)	14,351	3,301	963,722	(44,278,204)	(46,277,812)	(15,929)	(46,293,741)
Total comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(4,786,186)	(3,066,910)	14,351	3,301	963,722	(44,278,204)	(51,149,926)	66,123	(51,083,803)
Issue of shares	3,741,767	5,631,360	-	-	-	-	-	-	-	-	9,373,127	-	9,373,127
Share-based payments	-	18,492	180	-	-	-	-	-	-	-	18,672	70	18,742
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	171,104	(171,104)	-	-	-	-	-	-	-
Disposal of investment properties	-	-	-	-	8,829	-	-	-	(8,829)	-	-	-	-
BALANCE, DECEMBER 31, 2022	73,720,784	21,614,114	659,347	133,088,524	(43,519,549)	(6,991,393)	11,766	3,301	3,537,471	(43,101,268)	139,023,097	408,641	139,431,738
Appropriation of 2022 earnings													
Special reserve for gains arising from derecognition of the investments in debt instruments	-	-	-	(51,467)	51,467	-	-	-	-	-	-	-	-
Special reserve - net amount of the adjustments on investment properties that subsequently measures at fair value model	-	-	-	11,937	(11,937)	-	-	-	-	-	-	-	-
Provision of reserve for catastrophe and contingent claim	-	-	-	268,213	(268,213)	-	-	-	-	-	-	-	-
Special reserve for travel insurance	-	-	-	9,473	(9,473)	-	-	-	-	-	-	-	-
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(76,962)	(76,962)
Special reserve reversed under Rule No. 1090150022 issued by the Financial Supervisory Commission	-	-	-	(532,380)	532,380	-	-	-	-	-	-	-	-
Special reserve reversed under Rule No. 10904917647 issued by the Financial Supervisory Commission	-	-	-	(17,720)	17,720	-	-	-	-	-	-	-	-
Net (loss) income for the year ended December 31, 2023	-	-	-	-	(17,192,701)	-	-	-	-	-	(17,192,701)	84,934	(17,107,767)
Other comprehensive income (loss), net of tax for the year ended December 31, 2023	-	-	-	-	3,605	11,075,150	(123)	(1,234)	956,462	22,696,691	34,730,551	16,368	34,746,919
Total comprehensive (loss) income for the year ended December 31, 2023	-	-	-	-	(17,189,096)	11,075,150	(123)	(1,234)	956,462	22,696,691	17,537,850	101,302	17,639,152
Issue of shares	666,667	833,333	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	2,472,045	(2,472,045)	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated as at fair value through other comprehensive income from participating policy transfer in special reserve	-	-	-	-	(23,909)	-	-	-	-	-	(23,909)	-	(23,909)
BALANCE, DECEMBER 31, 2023	$ 74,387,451	$ 22,447,447	$ 659,347	$ 132,776,580	$ (57,948,565)	$ 1,611,712	$ 11,643	$ 2,067	$ 4,493,933	$ (20,404,577)	$ 158,037,038	$ 432,981	$ 158,470,019

The accompanying notes are an integral part of the consolidated financial statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss before tax	$ (23,619,635)	$ (4,139,359)
Adjustments for:		
Depreciation expense	676,721	668,143
Amortization expense	237,593	270,618
Net loss on financial assets or liabilities at fair value through profit or loss	6,540,175	181,709,835
Net gain on financial assets at fair value through other comprehensive income	(6,173,604)	(5,556,442)
Financial costs	1,258,332	1,194,007
Net loss (gain) arising from derecognition of financial assets measured at amortised cost	3,555,020	(6,759,503)
Interest income	(101,253,361)	(98,374,919)
Net changes in insurance liabilities	9,781,961	132,267,620
Net change in reserve for insurance with nature of financial instrument	49,885	13,978
Net changes in reserve for foreign exchange valuation	(14,122,918)	24,642,188
Expected credit losses or reversal of expected credit losses of investments	(491,989)	5,915,589
Expected credit losses or reversal of expected credit losses of non-investments	(302)	1,690
Share-based payments	-	18,742
Share of loss of associates and joint ventures accounted for using equity method	184,186	283,970
Loss (gain) on reclassified by applying overlay approach	26,354,998	(50,580,033)
Gain on disposal of property and equipment	(148,819)	(109,763)
(Gain) loss on disposal of investment properties	(40,548)	306,015
Gain on disposal of assets classified as held for sale	(45,625)	(80,999)
Impairment losses on non-financial assets	-	22,582
(Gain) loss on fair value adjustment of investment property	(4,888,636)	6,358,084
Gain on fair value adjustment of assets classified as held for sale	(161,196)	(869,479)
Gain recognized in bargain purchase transaction	(16,818)	-
Net changes in operating assets and liabilities		
Increase in receivables	(6,351,338)	(258,236)
Decrease in financial assets at fair value through profit or loss	42,644,358	71,031,319
Decrease (increase) in financial assets at fair value through other comprehensive income	40,846,639	(27,676,975)
Decrease (increase) in financial assets at amortized cost	66,815,638	(202,607,956)
Increase in other assets	(371,056)	(962,293)
Decrease in notes payable	(399)	(726)
Increase (decrease) in claims payable	1,605	(165,181)
Increase in commissions payable	68,390	11,297
Increase in due to reinsurers and ceding companies	412,748	165,369
Decrease in other payables	(27,575)	(3,245,927)
Decrease in financial liabilities at fair value through profit or loss	(127,569,559)	(125,508,497)

(Continued)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
(Decrease) increase in provisions	$ (20,217)	$ 46,457
Increase (decrease) in advance receipts	387,491	(430,112)
Cash outflow generated from operations	(85,487,855)	(102,398,897)
Interests received	76,287,205	72,439,008
Dividends received	13,989,698	14,589,108
Interests paid	(1,257,966)	(1,189,810)
Income tax paid	(782,075)	(1,563,536)
Net cash flows from (used in) operating activities	2,749,007	(18,124,127)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(320,000)	(271,200)
Proceeds from capital reduction of investments accounted for using equity method	50,100	-
Proceeds from disposal of assets classified as held for sale	1,132,096	660,408
Acquisition of property and equipment	(508,242)	(742,044)
Proceeds from disposal of property and equipment	232,689	173,015
Decrease (increase) in refundable deposits	6,523,191	(6,560,629)
Acquisition of intangible assets	(121,082)	(131,316)
Increase in loans	(3,285,864)	(5,964,898)
Acquisition of use-of-right assets	-	(881,670)
Acquisition of investment properties	(1,512,572)	(542,266)
Proceeds from disposal of investment properties	111,984	320,693
(Increase) decrease in other assets	(129,294)	672,350
Net cash flows from (used in) investing activities	2,173,006	(13,267,557)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuing bonds	13,000,000	-
Increase in guarantee deposits received	8,918,246	1,739,655
Repayments of lease liabilities	(1,218,625)	(1,218,497)
Proceeds from issuing shares	1,500,000	9,373,127
Cash dividends paid to non-controlling interests	(76,962)	(69,965)
Net cash flows from financing activities	22,122,659	9,824,320
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	54	6,036
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	27,044,726	(21,561,328)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	72,536,822	94,098,150
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 99,581,548	$ 72,536,822

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

1. GENERAL INFORMATION

Shin Kong Life Insurance Co., Ltd. (the "Company" or SKLIC) was established in July 1963 and its shares were listed on the Taiwan Stock Exchange (TWSE) in December 1993. SKLIC is mainly engaged in the life insurance business, including individual and group life, accident, health, and so on. SKLIC has headquarters are located in Taipei City and 23 branch offices throughout Taiwan.

On its establishment, the Company's paid-in-capital was $10,000 thousand; after a capital increase and decrease, the Company's paid-in-capital was $74,308,700 thousand as of December 31, 2023.

Through a share swap, SKLIC became a subsidiary of Shin Kong Financial Holding Co., Ltd. (SKFHCL) under Article 26 of the Financial Holding Company Act. SHFHCL, whose shares have been listed on the TWSE since February 19, 2002, engaged in managing its subsidiaries and investing in businesses approved by the relevant authorities.

Shin Kong Life Insurance Co., Ltd. (SKLIC) stopped listing its shares on February 19, 2002 and became a wholly owned subsidiary of SKFHCL.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

Shin Kong Life Real Estate Service Company (SKLRESC) was established on July 12, 1988 and obtained operating permit on August 17, 1988. SKLRESC is mainly engages in management services, sanitary services, repair and maintenance of utilities equipment, sale and installation of waterproof, burglar-proof, and fire alarm equipment, and car parking equipment, operation of parking lots, housing brokerage, and real estate business management.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on February 17, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Following are the IFRS Accounting Standards endorsed and issued into effect by the FSC for application starting from 2023.

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendment to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023
Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"	January 1, 2023

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group's interest as an unrelated investor in the associate or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) IFRS 17 "Insurance Contracts"

IFRS 17 sets out the accounting standards for insurance contracts that will supersede IFRS 4. The main standards and relevant amendments of IFRS 17 are as follows:

Level of aggregation

IFRS 17 requires the Group to identify portfolios of insurance contracts, which comprise contracts that are subject to similar risks and managed together. Contracts within a product line would be expected to have similar risks and hence would be expected to be in the same portfolio if they are managed together. Each portfolio of insurance contracts issued shall be divided into a minimum of:

a) A group of contracts that are onerous at initial recognition;

b) A group of contracts that at initial recognition that has no significant possibility of becoming onerous;

c) A group of the remaining contracts in the portfolio.

The Group is not permitted to include contracts issued more than one year apart in the same group.

Recognition

The Group shall recognize a group of insurance contracts arising from the earliest of the following:

a) The beginning of the coverage period of the group of contracts;

b) The date when the first payment from a policyholder in the group becomes due; and

c) For a group of onerous contracts, when the group becomes onerous.

Measurement

The Group shall include all the future cash flows within the boundary of each contract in the Group. The fulfilment cash flows comprise the estimates of future cash flows, an adjustment to reflect the time value of money, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit of a group of insurance contracts that the Group will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

a) The initial recognition of an amount for the fulfilment cash flows;

b) Any cash flows arising from the contracts in the group at that date.

c) The derecognition at the initial recognition date of the following:

   i. Any assets or liabilities recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequent measurement

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the fulfilment cash flows related to future services and the contractual service margin of the group at that date. On subsequent measurement, if a group of insurance contracts becomes onerous or more onerous, that excess shall be recognized in profit or loss.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the fulfilment cash flows allocated, any previously recognized acquisition cash flows and any cash flows arising from the contract at that date are a net outflow. The Group shall recognize a loss in profit or loss for the net outflow in profit and loss, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the contractual service margin of the group being zero. The contractual service margin cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium allocation approach

The Group may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the Premium Allocation Approach (PAA) on one of the conditions that, at the inception of the group:

a) The Group reasonably expects that this will be a reasonable approximation of the general model, or

b) The coverage period of each contract in the group is one year or less.

At the inception of the group, if the Group expects significant variances in the fulfilment cash flows during the period before a claim is incurred, such contracts are not eligible for the application of the PAA.

When using the PAA, the liability for remaining coverage shall be initially recognized as the premiums:

a) Received at initial recognition;

b) Minus any insurance acquisition cash flows at that date;

c) The derecognition at the initial recognition date of the following:

   i. Any assets or liabilities recognized for acquisition of cash flows from insurance; and

   ii. All other assets or liabilities previously recognized for cash flows related to the group of contracts.

Subsequently the carrying amount of the liability is the carrying amount at the start of the reporting period plus the premiums received in the period, minus insurance acquisition cash flows, plus amortization of acquisition cash flows, minus the amount recognized as insurance revenue for service provided in that period, and minus all investment components paid or transferred to the liability for incurred claims.

Investment contracts with discretionary participation features

An investment contract with discretionary participation features is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of the standard only if the issuer also issues insurance contracts. The requirements of the standard are modified for such investment contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Group shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

The Group shall derecognize an insurance contract when it is extinguished, or if any of the conditions of a substantive modification of an insurance contract are met.

Transition

The Group shall apply the standard retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach, but only needs to use available information without undue cost or effort. The Group shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Group determines the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity which applied IFRS 9 may redesignate and reclassify financial assets that comply with paragraph C29 of IFRS 17. The entity does not have to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount and their carrying amount at the date of initial application of these financial assets is recognized in the retained earnings (or other equity, if appropriately) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of these affected financial assets under IFRS 9.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17, for financial assets that have been derecognized during the comparative period of the date of initial application of IFRS 17, the enterprise can choose to apply the classification overlay on the basis of individual financial assets, as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

3) Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Insurance Companies and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair value, investment properties, and net defined benefit liabilities that are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

The assets and liabilities in the consolidated financial statements are classified according to the nature of each account and stated in the order of their liquidity rather than divided into current or noncurrent accounts.

d. Basis of consolidation

Principles for preparing consolidated financial statements

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13 to consolidated financial statements and Table 2; following these notes for the detailed information of subsidiaries, including the percentage of ownership and main business.

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the foreign operations (including of the subsidiaries, associates, joint ventures, branches or operations in other countries that use or currencies used different with the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a jointly controlled entity that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owner of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Investment in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor associate in a joint venture.

The Group uses the equity method to account for its investments in associate.

Under the equity method, an investment in an associate and joint venture is initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate and a joint venture equals or exceeds its interest in that associate and joint venture (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any assets, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate or a joint venture. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or joint venture. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method or does not remeasure the retained interest.

When an entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of the Group's interests as unrelated party of the associated

g. Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment loss.

Properties and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees. Such assets are depreciated and classified to the appropriate categories of property and equipment when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation (investment properties include right-of-use assets and properties under construction if the definition of investment properties is met). Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Investment properties acquired through leases are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Investment properties under construction, of which the fair value is not reliably measurable, are measured at cost less accumulated impairment loss until such time as either the fair value becomes reliably measurable or construction is completed (whichever comes earlier).

For a transfer of classification from investment properties to property and equipment, the deemed cost of an item of property for subsequent accounting is its fair value.

For a transfer of classification from property, equipment and right-of-use assets to investment properties, any difference between the fair value of an item of property at the transfer date and its previous carrying amount is recognized in other comprehensive income and accumulated in gain on property revaluation under other equity that will be transferred directly to retained earnings when the asset is derecognized.

The sale of land or houses is not part of the normal business activities of the Group. The houses acquired in exchange for land in accordance with the joint construction contract are classified as investment properties, and the exchange gains and losses are not recognized at the time of exchange, and when they meet the conditions for classification as held for sale under IFRS 5, they are classified as assets for sale.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life. Any changes in estimates are accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

When the Group has a right to charge for the usage of concession infrastructure (as a consideration for providing construction services in a service concession arrangement), it recognizes this as an intangible asset. The intangible asset is subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of investment properties (measured at cost less accumulated depreciation and accumulated impairment loss), property, equipment, right-of-use assets, tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its investment properties (measured at cost less accumulated depreciation and accumulated impairment loss) property, equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The corporate assets allocated on a reasonable and consistent basis; to the smallest group of cash-generating units.

Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Assets held for sale

Assets are classified as held for sale if their carrying amount is expected to be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. To meet the criteria for the sale being highly probable, the appropriate level of management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Recognition of depreciation of those assets would cease.

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments measured at fair value through other comprehensive income, and investments in equity instruments measured at fair value through other comprehensive income.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or loss. Fair value is determined in the manner described in Note 38.

Overlay approach

For designated financial assets, the Group can choose to adopt the overlay approach.

The qualified financial assets that are allowed to adopt the overlay approach are limited to financial assets measured at fair value through profit or loss under IFRS 9, but not under IAS 39 and without any relationship to IFRS 4 “Insurance Contracts”.

If the company chooses to use the overlay approach, it should designate the qualified financial assets upon initial application of IFRS 9 and designate the new assets acquired after initial recording. The changes in fair value of qualified financial assets should be divided into two parts, recorded as profit or loss under IAS 39 and the difference between application of IFRS 9 and IAS 39 recorded as other comprehensive income.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and loans, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits and notes and bonds purchased under resale agreements with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and expected credit losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including receivables), investments in debt instruments that are measured at FVTOCI, lease receivables, as well as contract assets.

The Group recorded part of the allowance for impairment loss of accounts receivable by the simplified approach under IFRS 9. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

To measure the expected credit losses, the Group considers the Probability of default ("PD") of the financial asset or issuer or counterparty in the next 12 months or over its lifetime, which is included in the Loss given default ("LGD") which is then multiplied by the Exposure at default ("EAD"), taking into consideration the impact of the time value of the currency when calculating the 12 months and lifetime expected credit loss. In addition, for debt instruments and loans that needed to amortize cash flow of every period, cash flow method is used to assess the lifetime expected credit losses.

PD is the rate that a default occurs on issuers or counterparties. LGD is the loss rate that resulted from a default of issuers or counterparties.

Loss given default used by the Company in impairment assessment is based on information regularly issued by Moody's and JCIC or internal historical information (for example, historical experience of credit loss) and determined based upon current observable information and macroeconomic information (for example, gross domestic product and economic growth rate) with adjustments of historical data.

The Group uses the total carrying amount of financial assets measured at amortized cost (including receivables and loans), investments in debt instruments at FVTOCI, and commitment off financial statements to measures the amount of exposure at default (EAD).

For internal credit risk management purposes, the Group considers the situations in which internal or external information shows that the debtor will not be able to pay its creditors as an indication that a financial asset is in default (without taking into account any collateral held by the Group):

The impairment loss on all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, but for investments in debt instruments that are measured at FVTOCI, the loss allowance is recognized in other comprehensive income and the carrying amounts of these financial assets are not reduced.

SKLIC evaluates the collectability of credit assets based on the financial conditions of the borrowers and the payments of principal or interests as well as the values of specific loan collateral assessed by the Company according to the conditions of the collaterals and the length of time overdue, in accordance with Regulation Governing the Procedures for Insurance Companies to Evaluates Assets and Deal with Nonperforming/Non-accrual Loans.

Based on the regulation mentioned above, unsound credit assets are classified into four categories as those that require special mention (category 2), substandard (category 3), doubtful (category 4), and losses (category 5) with the minimum loan loss provision and guarantee reserve at the sum of 2%, 10%, 50% and 100% of categories 2 to 5 of unsound credit assets, respectively. Besides, additional allowance for doubtful accounts should be provided at 0.5% of normal credit assets excluding policy loans, premium loans and loans to government institutions. Credit assets deemed uncollectible are written off after the approval of the board of directors.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by an entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized in and deducted directly from equity. The carrying amount of equity instruments is calculated based on a weighted average method by type of stock. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except financial liabilities at FVTPL, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any interest or dividend paid on the financial liability.

Fair value is determined in the manner described in Note 38.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of derivative financial instruments is positive, the derivative is recognized as a financial asset; when the fair value of derivative financial instruments is negative, the derivative is recognized as a financial liability.

Derivatives embedded in hybrid contracts that contain financial asset host that is within the scope of IFRS 9 are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; their risks and characteristics are not closely related to those of the host contracts; and the host contracts are not measured at FVTPL.

5) Modification of financial instruments

When a financial instrument is modified, the Group assesses whether the modification will result in derecognition. If modification of a financial instrument results in derecognition, it is accounted for as derecognition of financial assets or liabilities. If the modification does not result in derecognition, the Group recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liability based on the modified cash flows discounted at the original effective interest rate with any modification gain or loss recognized in profit or loss. The cost incurred is adjusted to the carrying amount of the modified financial asset or financial liability and amortized over the modified remaining period.

m. Separate accounts

The Group sells investment type insurance policies. The insurance premiums paid by policyholders, net of several expenses of the insurance companies, according to agreed terms are invested in separate accounts at allocation agreed with or directed by the policyholders. The value of the separate-account assets on the valuation date is measured in fair value and calculated value of net asset in accordance with the related regulations and accounting standards generally accepted in the ROC.

The assets and liabilities of separate accounts, which are generated either from insurance contracts or from insurance contracts with features of financial instrument, are recorded in assets on insurance products - separate accounts and liabilities on insurance products - separate accounts. The revenues and expenses of separate accounts, which represent income and expenses, pursuant to IFRS 4 “Insurance Contracts”, are recorded in income on insurance products - separate accounts and disbursements on insurance products - separate accounts.

n. Insurance liability reserves

SKLIC provides reserve for insurance products and financial instruments with discretionary participation features pursuant to the Regulations Governing Calculation of Various Reserves for Operations, which are attested by actuaries accredited by the FSC. Except that the provision for short-term group insurance should be based on premium income received according to Tai-Tsai-Bao No. 852367814, other provision methodology is stated as follows:

1) Reserve for unearned premiums

Reserve for unearned premiums of effective policies with a term less than one year and of accident insurance with a term exceeding one year is provided by policy type according to the risk for the remaining policy period.

2) Reserve for claim payments

Reserve for claim payments is for claims which are reported but not yet paid and incurred but not yet reported. Reserve for claim payments reported but not yet paid is provided by case based on actual data. Reserve for claim payments incurred but not yet reported is provided as follows:

a) Health insurance and life insurance with a term less than one year is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, such as loss triangle; and

b) Accident insurance is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, such as loss triangle.

3) Reserve for life insurance liability

Reserve for life insurance liability is provided according to modified standards stated by Article 12 of the Regulations Governing Calculation of Various Reserves for Operations and other calculation descriptions of insurance product reported to and approved by authorities, based on the mortality table and projected interest rate in effect at the time when each insurance product is reported to and approved by the authorities.

For the effective policies whose policy dividends are applicable to the dividends formula of Tai-Tsai-Bao No. 800484251, the amount of decrease in dividends due to the netting-off of gain and loss from mortality margin and from interest margin in the current period should be provided in the reserve for life insurance liability of long-term effective policies.

4) Special reserve for life insurance

SKLIC sells participating life insurance. According to related regulations, at annual closing, special reserve for participating policy dividends should be provided according to income before tax of participating life insurance business each year, which is calculated based on Expenses and Revenues Allocation Principles of Participating and Nonparticipating Life Insurance reported to authorities, and should be reversed on declaration date. If the balance of special reserve for participating policy dividends is negative, special reserve for dividend risks should be provided in equal amount.

SKLIC measured investment properties at fair value according to Article 32 of Regulations Governing the Preparation of Financial Statements by Insurance Companies, and the surplus should be first offset by the negative effect of other accounts due to first-time adoption of IFRS Accounting Standards and then provided as a special reserve for insurance liabilities as of the date of transition to IFRS Accounting Standards. Please refer to Note 25.

5) Reserve for insufficient premiums

New life insurance, health insurance and annuity policies written since 2001, with terms exceeding one year and with premiums lower than the corresponding liability reserve required by regulations, are subject to reserve for insufficient premiums, and the amount by which the premium falls short of the liability reserve is provided as reserve for insufficient premiums.

6) Liability adequacy reserve

Liability adequacy reserve is based on the result of liability adequacy test according to IFRS 4.

o. Liability adequacy test

Liability adequacy test is performed in accordance with IFRS 4. The adequacy test of insurance liabilities is applied to recognize insurance liabilities based on current estimates of future cash flows from insurance policies. If the insurance liabilities are insufficient, the deficiency should be recognized as liability adequacy reserve.

p. Reserve for insurance contract with the nature of financial products

For non-separate account insurance products classified as financial instruments without discretionary participation features, the reserve should be recognized in accordance with the Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises and depository accounting.

q. Reserve for changes in foreign exchange valuation

The reserve for changes in foreign exchange valuation is provided for by life insurance companies to manage the foreign exchange risk, lower cost and strengthen solvency. SKLIC provides this reserve according to Article 23-1 of Regulations Governing Calculation of Various Reserves for Operations for its foreign investment assets.

r. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied. For contracts where the difference in timing between the service rendered and receipt of payment is within a year, the transaction price will not be adjusted.

s. Classification of insurance products

An insurance contract is a contract under which one party (the insurer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. The Group identifies significant insurance risk as significant extra payments incurred only if there is an insured event, and excluding the circumstances without commercial substance (that is, the economic effect is small).

Insurance contract with the nature of financial instruments is a contract that makes the contract issuer exposed to financial risk and without significant insurance risk. Financial risk is the risk that one or multiple interest rates, the price of financial instruments, commodity price, exchange rate, price index, insurance premium index, credit ratings, credit index or other variables (if it is a non-financial variable, it has to be non-specific to both parties) will change in the future.

The policy that initially met the definition of insurance contract remains an insurance contract until all of the rights and obligations expire, even though the insurance risk has been significantly reduced through the duration of insurance. However, if significant insurance risk of the insurance contract with the nature of financial instruments is transferred to the Group afterwards, it shall be reclassified into insurance contract.

Insurance contracts whether or not with the nature of financial instruments can also be classified as whether or not with discretionary participation feature. Discretionary participation feature is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits:

1) That is likely to be a significant portion of the total contractual benefits;

2) Whose amount or timing is contractually at the discretion of the issuer; and

3) That is contractually based on:

   a) The performance of a specified pool of contracts or a specified type of contract;
   b) Realized and/or unrealized investment returns on a specified assets held by the Group; or
   c) The profit or loss of the Group, fund or other entity that issues the contract.

An embedded derivative shall be separated from its host contract and accounted for as a derivative when (1) the economic risks and characteristics of the embedded derivative are not closely related to those of the host contract; (2) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and (3) the entire instrument is not measured at fair value with changes in fair value recognized in the income statement.

t. Reinsurance

In order to limit potential losses from certain risk events, the Group enters into reinsurance agreements with the reinsurers according to its business needs and related insurance regulations. The Group cannot refuse to perform the obligations to the insured on the ground the reinsurers has failed to fulfill their obligations.

The Group’s rights to the reinsurers, including reinsurance assets, claims recovered from reinsurers, and net due from reinsurers and ceding companies, are required to be tested for impairment on a regular basis. An impairment loss is recognized when there is objective evidence that an event happens after initial recognition causing the Group to be unable to collect receivables as stated in contract and the irrecoverable amount can be reliably measured. The difference between the recoverable amount and the book value of the underlying right is recognized as an impairment loss.

The reinsurance contract is classified by whether or not the Group transfers significant insurance risk to the reinsurers. If significant insurance risk is not transferred, the contract should apply deposit accounting.

For the reinsurance contract with significant insurance risk transferred, if the Group can evaluate the deposit component individually, the insurance component and the deposit component are unbundled separately. That is, the difference between the contract consideration the Group receives or pays and the amount of the insurance component is recognized as financial liabilities or assets instead of revenues or expenses. The financial assets or liabilities are recognized and measured at fair value, which is based on the discounted value of future cash flows.

u. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Under finance leases, the lease payments comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives payable. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Group's net investment outstanding in respect of leases.

For a lease modification that is not accounted for as a separate lease, if the lease would have been classified as an operating lease had the modification been in effect at the inception date, the Group accounts for the lease modification as a new lease and measures the carrying amount of the underlying asset as the finance lease receivables immediately before the effective date of the lease modification. Other lease modifications are accounted for by adjusting the finance lease receivables in accordance with IFRS 9.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. Lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of modification.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

When a lease includes both land and building elements, the Group assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of a contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note 4 (investment properties) for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

v. Employee benefits

1) Employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur, or when the plan curtailment occurs or when the settlement occurs. Remeasurement, comprising actuarial gains and losses and the return on plan assets, is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plan or reductions in future contributions to the plan.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for the defined benefit plan except that remeasurement is recognized in profit or loss.

w. Share-based payment arrangements

Equity-settled share-based payment arrangements granted to employees and others providing similar services

The fair value at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

x. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

The Group adopted the accounting treatment of the consolidated income tax return of the parent company (Shin Kong Financial Holding Co., Ltd.) and its subsidiaries. The difference in current income tax and deferred income tax between the consolidated income tax return and the sum of income tax of the subsidiaries included in the consolidated tax returns is considered as the parent's income tax adjustment. Any distribution of cash payments and receipts among the consolidated group members is recorded as a receivable or payable.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry-forwards and unused tax credits for purchases of machinery, equipment and technology, research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current taxes or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the economic implications of the economic environment implications of the military conflict between Russia and Ukraine and related international sanctions, inflation and interest rate fluctuations when making its critical accounting estimates on cash flows, growth rates, discount rates, profitability etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation Uncertainty

a. Valuation of reserve for life insurance liability and liability adequacy test

Management adopts actuarial models and several significant assumptions for estimating the reserve for life insurance liability and the reserve for liability adequacy. Judging the reserve for life insurance liability involves significant assumptions, which include the mortality rate, discount rate, lapse rate, morbidity rate, etc. The setup of assumptions is based on legislation, regulations, knowledge of the Group's actual experience and industry-specific experience. The tests performed in respect of the reserve for liability adequacy on insurance contracts are in accordance with regulations enacted by the Actuarial Institute of the Republic of China, and the setup of future test discount rates accounts for the Group's best estimate scenario as well as the rate of portfolio return under the current information.

The management examines these estimates continuously and made adjustments when necessary, but actual results may differ from these estimates.

b. Valuation of investment properties and financial instruments at fair value through profit or loss or other comprehensive income by valuation models with no quoted price in active markets

Where some of the Group's assets measured at fair value have no quoted prices in active markets, the Group determines the appropriate valuation techniques for the fair value measurements and whether to engage third-party qualified valuers according to relevant regulations or judgments.

Where Level 1 inputs are not available, the Group and real estate appraiser will engage valuers to determine the appropriate inputs by referring to the analyses of the financial status and operating results of the investee, the latest transaction price, the quotation of the same equity instrument in the inactive market, the quotation of similar instruments in the active market, the evaluation multiplier of comparable companies, the interest rate of the bond market, the existing lease contracts and neighboring rent prices. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly.

Due to the uncertainty arising from the military conflict between Russia and Ukraine, related international sanctions, inflation, and fluctuations in market interest rates, there has been significant volatility in the financial markets, leading to uncertainty in the fair value measurement of financial instruments. The real estate market has also experienced significant fluctuations due to inflation and market interest rate volatility, resulting in uncertainty in the fair value measurement of investment properties.

The Group and real estate appraiser updates inputs every quarter to confirm the appropriateness of the fair value measurement. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities is disclosed in Notes 17 and 38.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 30,233	$ 29,181
Checking accounts and demand deposits	22,094,347	44,858,264
Time deposits with original maturities not exceeding three months	61,489,365	22,349,000
Bonds purchased under resale agreement (Note 32)	15,967,603	4,950,774
Notes purchased under resale agreement	-	349,603
	$ 99,581,548	$ 72,536,822

The interest rate intervals of time deposits with original maturities not exceeding three months and notes and bonds purchased under resale agreements at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Time deposits with original maturities not exceeding three months (domestic and foreign)	1.30%-5.94%	0.32%-1.38%
Bonds purchased under resale agreements	1.00%-1.34%	0.70%-1.30%
Notes purchased under resale agreements	-	1.17%-1.18%

7. ACCOUNTS RECEIVABLE

	December 31	
	2023	**2022**
Notes receivable	$ 46,482	$ 65,311
Interest receivable	25,781,572	25,511,999
Receivables of transactions on securities	6,739,524	253,766
Receivables of investment goods	502,633	576,691
Earned revenue receivable	1,500,729	1,507,393
Overdue receivable	45,974	59,558
Others	69,895	74,030
	34,686,809	28,048,748
Less: Allowance for impairment loss (Note 15)	(416,796)	(284,416)
	$ 34,270,013	$ 27,764,332

The Group recorded part of the allowance for impairment loss of accounts receivable by the simplified approach under IFRS 9, which considered the historical experience of credit loss in the past three years, current financial position and industrial economic situation. The Group evaluated the past information and concluded that there was no significant difference between the economic situation of the past, the current and the future. As result of the evaluation, the Group used the historical average rate of expected credit loss to calculate the expected credit loss.

If there is evidence showing that a counterparty suffered a huge financial crisis and the Group is not able to predict the recoverable amount, the Group should write-off the related accounts receivable, take recourse and record the related recovered amount in profit or loss.

The following table details the loss allowance of part of trade receivables, part of earned revenue receivable and others based on the Group's provision matrix.

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-0.31%	0.00%-10.00%	100.00%	
Gross carrying amount	$ 716,123	$ 15,760	$ 431	$ 732,314
Loss allowance (Lifetime ECLs)	(1,181)	(689)	(431)	(2,301)
Amortized cost	$ 714,942	$ 15,071	$ -	$ 730,013

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.00%-12.50%	0.00%-10.00%	100.00%	
Gross carrying amount	$ 755,303	$ 14,717	$ 721	$ 770,741
Loss allowance (Lifetime ECLs)	(945)	(399)	(721)	(2,065)
Amortized cost	$ 754,358	$ 14,318	$ -	$ 768,676

Except for part of note receivable, part of earned revenue receivable and others that recorded part of the allowance for impairment loss of accounts receivable by the simplified approach, please refer to Notes 12 and 15 for information relating to the credit risk management and impairment of other receivables.

8. ASSETS CLASSIFIED AS HELD FOR SALE

	Land and Buildings	
	December 31	
	2023	2022
Cost	$ 7,596,863	$ 8,773,480
Add: Fair value adjustment	871,732	814,623
	$ 8,468,595	$ 9,588,103

SKLIC sold 11 units and 7 units of President Jasper Villa, Taipei City in the years ended December 31, 2023 and 2022, respectively. Refer to Note 29.

9. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets mandatorily measured at FVTPL		
Domestic listed shares	$ 84,066,757	$ 71,025,123
Domestic unlisted shares	168,000	166,500
Domestic beneficiary certificates	121,095,558	103,447,663
Domestic bank debentures	19,059,170	19,150,199
Foreign listed shares	3,431,786	3,489,663
Foreign beneficiary certificates	34,620,844	44,418,009
Foreign bonds	8,054,596	8,870,546
Currency swap contracts	15,319,190	808,716
Foreign exchange forward contracts	13,565,665	10,600,966
	$ 299,381,566	$ 261,977,385
Financial liabilities measured at FVTPL		
Currency swap contracts	$ 1,094,585	$ 30,993,052
Foreign exchange forward contracts	217,687	3,493,965
	$ 1,312,272	$ 34,487,017

a. As of December 31, 2023, SKLIC had committed amounts of private equity fund and infrastructure fund of $12,089,785 thousand and $3,538,428 thousand, respectively. The amounts transferred out were $10,604,570 thousand and $3,387,220 thousand, respectively, and were recorded as domestic beneficiary certificates and foreign beneficiary certificates, respectively.

b. At the end of the reporting period, SKLIC's outstanding derivative instruments contracts (notional amount) were as follows:

	December 31	
	2023	2022
Currency swap contracts	US$ 21,355,000	US$ 21,973,000
Foreign exchange forward contracts	US$ 23,190,000	US$ 22,670,000

SKLIC entered into derivative instruments during the years ended December 31, 2023 and 2022 to manage exposure to exchange rate fluctuations. The financial risk management objective of SKLIC is to minimize risks due to changes in fair value or cash flows. SKLIC did not adopt hedge accounting for derivative instruments.

c. SKLIC entered into trust agreements with Mega International Commercial Bank to invest in foreign securities in a prescribed manner. Furthermore, SKLIC reached a discretionary investment agreement with Asset Management One Hong Kong Ltd. ("AMO"), JP Morgan Asset Management Co., Ltd., BlackRock Assets Management Co., Ltd., Shin Kong Investment Trust Co., Ltd., Fuh Hwa Securities Investment Trust Co., Ltd., and MasterLink Securities Investment Advisory Co., Ltd. consigning these companies to invest in foreign securities.

As of December 31, 2023, the summary of the above-mentioned transactions was as follows:

	Consigning Amount	Advanced to Consignee (Note 1)
Mega International Commercial Bank	US$2.0 billion	NT$ 548,148 thousand
AMO		NT$ 1,300 thousand (Note 3)
JP Morgan Asset Management Co., Ltd.		NT$ 27,597 thousand (Note 2)
BlackRock Assets Management Co., Ltd.	US$0.1 billion	NT$ 2,287,636 thousand
Shin Kong Investment Trust Co., Ltd.	NT$1.2 billion	NT$ 1,400,271 thousand
Fuh Hwa Securities Investment Trust Co., Ltd.	NT$1.5 billion	NT$ 1,997,684 thousand
MasterLink Securities Investment Advisory Co., Ltd.	NT$1.7 billion	NT$ 2,007,514 thousand

Note 1: The entrusted transactions include financial assets designated at FVTPL, and financial assets measured at amortized cost.

Note 2: The Group terminated the discretionary investment agreement with JP Morgan Asset Management Co., Ltd. on March 16, 2016. As of December 31, 2023, the discretionary assets had not been settled.

Note 3: The Group terminated the AMO discretionary investment agreement on May 21, 2020, and the amount listed is the unsettled balance of the discretionary investment agreement as of December 31, 2023.

d. The Group's settled loss, revaluation gain (loss), foreign currency assets exchange gain, and net changes of reserve for changes in foreign exchange valuation in relation to currency derivatives were as follows:

	For the Year Ended December 31	
	2023	2022
Currency derivatives		
Settled loss	$(101,913,572)	$(114,414,623)
Revaluation gain (loss)	50,649,918	(28,785,183)
Foreign currency assets exchange gain	2,962,528	161,454,678
Net changes of reserve for changes in foreign exchange valuation	14,122,918	(24,642,188)
	$ (34,178,208)	$ (6,387,316)

e. Upon the application of IFRS 9 starting from January 1, 2018, the Group adopted at the same time the overlay approach of IFRS 4 "Insurance Contracts" for the presentation of profit or loss of designated financial assets.

The financial assets related to investment activities of issued insurance contracts that adopted the overlay approach were as follows:

	December 31	
	2023	2022
Financial assets at fair value through profit or loss		
Domestic listed shares	$ 80,967,140	$ 69,402,753
Domestic unlisted shares	168,000	166,500
Foreign shares	3,431,786	3,489,663
Domestic beneficiary certificates	113,023,348	101,525,552
Foreign beneficiary certificates	31,884,901	41,828,045
Domestic bank debentures	19,059,170	19,150,199
Foreign bank debentures	7,977,311	8,067,852

For the years ended December 31, 2023 and 2022, the amounts due to reclassification of profit or loss of financial assets (that adopted the overlay approach) reclassified to other comprehensive income were as follows:

	For the Year Ended December 31	
	2023	2022
Gain under IAS 39	$ 17,873,194	$ 14,266,499
(Gain) loss under IFRS 9	(44,228,192)	36,313,534
(Loss) gain on reclassified based on the overlay approach	$ (26,354,998)	$ 50,580,033

For the years ended December 31, 2023 and 2022, adjustments based on the overlay approach were reduction of gain on assets at FVTPL from $6,540,175 thousand and $181,709,835 thousand to $32,895,173 thousand and $131,129,802 thousand, respectively.

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Investments in equity instruments at FVTOCI	$ 111,008,342	$ 136,135,609
Investments in debt instruments at FVTOCI	21,682,877	24,897,996
	$ 132,691,219	$ 161,033,605

a. Investments in equity instruments at FVTOCI

	December 31	
	2023	2022
Domestic investments		
Listed shares and emerging market shares	$ 75,696,064	$ 102,726,692
Unlisted shares	3,503,701	3,102,482
Preference shares	31,808,577	30,306,435
	$ 111,008,342	$ 136,135,609

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

For the years ended December 31, 2023 and 2022, the Group sold its shares on the basis of managing credit concentration risk and capital reduction of investments. The sold shares had a fair value of $51,087,583 thousand and $29,164,287 thousand and the Group transferred a gain of $2,472,045 thousand and $171,104 thousand from other equity to retained earnings, respectively.

Dividend income recognized relating to investments in equity instruments at FVTOCI for the years ended December 31, 2023 and 2022 was $6,189,136 thousand and $6,496,157 thousand, respectively. Those related to investments derecognized for the years ended December 31, 2023 and 2022 were $1,860,031 thousand and $800,520 thousand, respectively, and those related to investments held for the years ended December 31, 2023 and 2022 were $4,329,105 thousand and $5,695,637 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	December 31	
	2023	**2022**
Domestic investments		
Corporate bonds	$ 14,676,672	$ 15,212,906
Government bonds	7,006,205	6,979,721
	21,682,877	22,192,627
Foreign investments		
Corporate bonds	-	2,705,369
Government bonds	-	-
	-	2,705,369
	$ 21,682,877	$ 24,897,996

1) Refer to Note 12 for information relating to their credit risk management and impairment.

2) On September 30, 2022, the Company decided to change its business model for managing some debt instruments measured at fair value through other comprehensive income, resulting in the reclassification of these debt instruments to financial assets at amortized cost on October 1, 2022; refer to Note 38.

11. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Domestic investments		
Government bonds	$ 46,898,465	$ 46,123,903
Corporate bonds	150,519,419	147,542,401
Structured instrument	34,000,000	34,000,000
Time deposits with original maturities of more than 3 months	3,484,032	930,960
Less: Security deposits paid	(11,934,432)	(11,925,000)
	222,967,484	216,672,264
Foreign investments		
Bonds	1,425,867,234	1,499,051,842
Mortgage-backed bonds	6,373,488	6,386,784
Callable bonds	846,493,377	825,272,361
Less: Security deposits paid	(144,597)	(6,151,986)
	2,278,589,502	2,324,559,001
Less: Allowance for impairment loss	(6,082,226)	(6,793,424)
	$ 2,495,474,760	$ 2,534,437,841

a. For the years ended December 31, 2023 and 2022, the Group sold part of its debt instruments which were not significant individually or as a whole. The bonds sold had a fair value of $87,292,809 thousand and $101,301,802 thousand and the Group recognized (loss) gain on disposal of $(3,556,213) thousand and $6,464,056 thousand, respectively. The callable debt instruments for the years ended December 31, 2023 and 2022 had a fair value of $8,631,363 thousand and $56,185,406 thousand, respectively, and the Group recognized a gain of $1,193 thousand and $295,447 thousand, respectively.

b. The interest rate ranges for time deposits with original maturities of more than 3 months were approximately 0.75%-1.58% and 0.22%-1.44% per annum as of December 31, 2023 and 2022, respectively.

c. Refer to Note 12 for information relating to their credit risk management and impairment.

d. Refer to Note 21 for information relating to investments in financial assets at amortized cost pledged as security.

e. On September 30, 2022, The Company decided to change its business model for managing some debt instruments measured at fair value through other comprehensive income, resulting in the reclassification of these debt instruments on October 1, 2022; refer to Note 38.

12. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

The breakdown below shows the investment in debt instruments and structured instrument classified as FVTOCI and financial assets at amortized cost.

December 31, 2023

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 22,466,653	$ 2,510,151,983	Note	$ 2,532,618,636
Less: Allowance for impairment loss	(4,153)	(6,082,226)		(6,086,379)
Amortized cost	22,462,500	$ 2,504,069,757		2,526,532,257
Adjustment to fair value	(779,623)			(779,623)
	$ 21,682,877			$ 2,525,752,634

Note: The amount of debt instruments at amortized cost included security deposits paid of $11,254,597 thousand; excluding time deposits with original maturities of more than 3 months of $2,659,600 thousand which includes security deposits paid of $824,432 thousand.

December 31, 2022

	At FVTOCI	At Amortized Cost		Total
Gross carrying amount	$ 25,701,886	$ 2,558,377,291	Note	$ 2,584,079,177
Less: Allowance for impairment loss	(5,590)	(6,793,424)		(6,799,014)
Amortized cost	25,696,296	$ 2,551,583,867		2,577,280,163
Adjustment to fair value	(798,300)			(798,300)
	$ 24,897,996			$ 2,576,481,863

Note: The amount of debt instruments at amortized cost included security deposits paid of $17,251,986 thousand; excluding time deposits with original maturities of more than 3 months of $105,960 thousand which includes security deposits paid of $825,000 thousand.

The Group only invests in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings of debt investment are continuously monitored. The Group also reviews information of debt issuer, debtor and other public information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

The Group considers the historical default rates of each credit rating supplied by external rating agencies, the current financial condition of debtors, and industry forecast to estimate 12-month or lifetime expected credit losses. The Group's current credit risk grading framework comprises the following categories:

Category	Gross Carrying Amount at December 31, 2023 Description	Basis for Recognizing Expected Credit Losses
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs
Doubtful	There has been a significant increase in credit risk since initial recognition	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments, structured instrument and accounts receivable classified by credit category and the corresponding expected loss rates were shown below:

December 31, 2023

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-1.52%	$ 2,510,606,551
Doubtful	7.25%-19.00%	15,583,637
In default	10.50%-100%	35,764,208
Write-off	-	-

December 31, 2022

Category	Expected Loss Rate	Gross Carrying Amount
Performing	0.00%-1.51%	$ 2,541,142,902
Doubtful	3.36%-18.19%	31,200,081
In default	10.50%-100%	34,421,710
Write-off	-	-

The gross carrying amount listed above excluded the allowance for notes receivable, earned revenue receivables upon the application of the simplified approach of $732,314 thousand and $770,741 thousand; interest receivables, notes receivable and premium receivables of $4,618,735 thousand and $4,592,491 thousand derived from insurance contracts pursuant to IFRS 4 "Insurance Contracts".

a. The movements of the allowance for impairment loss of investments in debt instruments at fair value through other comprehensive income were as follows:

	Credit Rating		
Allowance for Impairment Loss	**Performing (12-month ECLs)**	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2023	$ 5,590	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	187	-	-
Derecognition	(1,505)	-	-
Change in model or risk parameters	(126)	-	-
Change in exchange rates or others	7	-	-
Balance at December 31, 2023	$ 4,153	$ -	$ -
Balance at January 1, 2022	$ 20,809	$ -	$ -
Transfers			
From performing to in default	-	-	92,839
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	6,850	-	-
Derecognition	(135)	-	-
Change in model or risk parameters	(36,900)	-	(92,839)
Change in exchange rates or others	14,966	-	-
Balance at December 31, 2022	$ 5,590	$ -	$ -

1) During 2023 and 2022, new investments in bonds at FVTOCI increased by $4,218,511 thousand and $24,325,277 thousand, respectively, and correspondingly the loss allowance for investments rated as performing increased by $187 thousand and $6,850 thousand, respectively.

2) Investments in bonds at FVTOCI of $6,880,728 thousand and $7,617,674 thousand were sold and bonds at FVTOCI of $543,000 thousand and $100,000 thousand were redeemed during 2023 and 2022, respectively, with a consequential reduction in the loss allowance for investments rated as performing of $1,505 thousand and $135 thousand, respectively.

b. The movements of the allowance for impairment loss of investments in debt instruments at amortized cost were as follows:

	Credit Rating		
	Performing (12-month ECLs)	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2023	$ 856,248	$ 2,452,474	$ 3,471,803
Transfers			
From doubtful to performing	34,391	(949,822)	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	13,738	-	-
Derecognition	(66,969)	-	-
Change in model or risk parameters	103,552	152,371	-
Change in exchange rates or others	117,576	(97,450)	(18,182)
Balance at December 31, 2023	$ 1,058,536	$ 1,557,573	$ 3,453,621
Balance at January 1, 2022	$ 727,297	$ 202,715	$ -
Transfers			
From performing to doubtful	(70,567)	1,929,270	-
From performing to in default	(208)	-	3,378,964
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	57,792	-	-
Derecognition	(47,184)	-	-
Change in model or risk parameters	70,101	200,783	92,839
Change in exchange rates or others	119,017	119,706	-
Balance at December 31, 2022	$ 856,248	$ 2,452,474	$ 3,471,803

1) During 2023 and 2022, new investments in bonds at amortized cost increased by $18,897,829 thousand and $159,552,738 thousand, respectively, and correspondingly, the loss allowance for investments rated as performing increased by $13,738 thousand and $57,792 thousand, respectively.

2) Investments in bonds at amortized cost of $87,292,809 thousand and $101,301,802 thousand were sold and bonds at amortized cost of $8,631,363 thousand and $56,185,406 thousand were redeemed during 2023 and 2022, respectively, with a consequential reduction in the loss allowance for investments rated as performing of $66,969 thousand and $47,184 thousand, respectively.

c. The movements of the allowance for impairment loss of structured instrument were as follows:

	Credit Rating		
	Performing (12-month ECLs)	**Doubtful (Lifetime ECLs - Not Credit-impaired)**	**In Default (Lifetime ECLs - Credit-impaired)**
Balance at January 1, 2023	$ 12,899	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	-	-	-
Derecognition	-	-	-
Change in model or risk parameters	(403)	-	-
Change in exchange rates or others	-	-	-
Balance at December 31, 2023	$ 12,496	$ -	$ -
Balance at January 1, 2022	$ 11,333	$ -	$ -
Transfers			
From performing to doubtful	-	-	-
From doubtful to in default	-	-	-
From in default to write-off	-	-	-
New financial assets purchased	2,449	-	-
Derecognition	(374)	-	-
Change in model or risk parameters	(509)	-	-
Change in exchange rates or others	-	-	-
Balance at December 31, 2022	$ 12,899	$ -	$ -

1) During 2022, the Group recognized $7,000,000 thousand of structured instrument at amortized cost, and correspondingly increased the allowance for normal credit rating loss by $2,449 thousand.

2) During 2022, the Group redeemed $1,000,000 thousand of structured instrument at amortized cost, and correspondingly write-off the allowance for normal credit rating loss by $374 thousand.

d. The movements of the allowance for impairment loss of notes receivable, interest receivables and accounts receivable were as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit-impaired)	In Default (Lifetime ECLs - Credit-impaired)
Balance at January 1, 2023	$ 42,217	$ 43,653	$ 196,481
Transfers			
From doubtful to performing	626	(18,246)	-
From doubtful to in default	-	-	(474)
From in default to write-off	-	-	(13,892)
New financial assets purchased	140	-	-
Derecognition	(1,211)	-	-
Change in model or risk parameters	1,903	3,966	160,533
Change in exchange rates or others	1,665	(2,986)	120
Balance at December 31, 2023	$ 45,340	$ 26,387	$ 342,768
Balance at January 1, 2022	$ 41,637	$ 4,363	$ 58,185
Transfers			
From performing to doubtful	(1,122)	32,361	-
From performing to in default	(5)	-	136,141
From doubtful to in default	-	-	2,478
From in default to write-off	-	-	(323)
New financial assets purchased	502	-	-
Derecognition	(759)	-	-
Change in model or risk parameters	373	7,036	-
Change in exchange rates or others	1,591	(107)	-
Balance at December 31, 2022	$ 42,217	$ 43,653	$ 196,481

The balance of allowance for impairment loss at December 31, 2023 and 2022 included allowance for impairment of notes receivable of $32,321 thousand and $32,296 thousand, allowance for impairment of interest receivables of $336,290 thousand and $189,715 thousand and allowance for impairment of other receivables of $45,974 thousand and $60,340 thousand, excluding notes receivables and earned revenue receivables that recorded part of the allowance for impairment loss of accounts receivable by the simplified approach of $2,301 thousand and $2,065 thousand, respectively.

13. SUBSIDIARIES

a. Subsidiaries and joint ventures included in the consolidated financial statements

			% of Ownership December 31	
Investor	Investee	Main Business	2023	2022
SKLIC	SKLRESC	Building management	72.01	72.01

b. The subsidiary is included in the consolidated financial statements.

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31			
	2023		2022	
	Carrying Value	% of Ownership and Voting Rights	Carrying Value	% of Ownership and Voting Rights
Associates that are not individually material				
DingCheng Life Insurance Co.	$ -	25.00	$ 157,398	25.00
Century Biotech Development Corporation	586,470	24.00	596,437	24.00
Jih-yao Energy Co., Ltd.	103,730	33.33	102,824	33.33
LeadsunFox Greenergy Investment Co., Ltd.	581,860	28.33	537,531	28.33
Xinhe Energy Development Co., Ltd.	396,073	25.00	414,114	25.00
Xinding No. 1 Energy Co., Ltd.	249,600	25.00	124,810	25.00
Taipan Solar Co., Ltd.	428,724	30.00	481,300	30.00
Juxin Energy Co., Ltd.	188,129	25.00	182,611	25.00
Wholex Max Green Power Co., Ltd.	217,571	12.26	-	-
	$ 2,752,157		$ 2,597,025	

Refer to Table 2 “Information on investee, including name, location and etc., excluding investee in the mainland China area.” and Table 6 “Investments in mainland China” following the notes to consolidated financial statements for information on nature of activities, principal place of business and country of incorporation of the associates.

On June 13, 2023, SKLIC bought 19,500 thousand ordinary shares of Wholex Max Green Power Co., Ltd. (“Wholex”) for $195,000 thousand. After this share subscription, SKLIC’s shareholding ratio became 12.26%, and SKLIC could assign one of the five members of the board of directors of Wholex. Therefore, SKLIC gained significant influence on the investee. The gain of $16,818 thousand on SKLIC’s bargain purchase of Wholex’s shares, which was the difference between the consideration transferred and the fair value of the identifiable net assets acquired, was recorded in 2023.

On February 24, 2023, SKLIC bought 12,500 thousand ordinary shares of Xinding No.1 Energy Co., Ltd. for $125,000 thousand. After this share subscription, SKLIC’s shareholding ratio became 25%.

On November 3, 2022, SKLIC bought 1,980 thousand ordinary shares of Taipan Solar Co., Ltd. for $19,800 thousand. After this share subscription, SKLIC’s shareholding ratio became 30%.

On August 3, 2022, SKLIC bought 7,140 thousand ordinary shares of LeadsunFox Greenergy Investment Co., Ltd. for $71,400 thousand. After this share subscription, SKLIC’s shareholding ratio became 28.33%.

On March 30, 2022, SKLIC bought 18,000 thousand ordinary shares of Juxin Energy Co., Ltd. for $180,000 thousand. After this share subscription, SKLIC’s shareholding ratio became 26.32%. Therefore, SKLIC gained significant influence on the investee. On April 13, 2022, SKLIC did not participate in the capital subscription of Juxin Energy Co., Ltd. in proportion to its existing shareholding; thus, SKLIC’s ownership interest decreased to 25%.

On May 22, 2020, SKLIC's board of directors resolved to participate in DingCheng Life Insurance Company's cash capital increase project through the issuance of shares, with a total amount of RMB187,500 thousand, and signed the share transfer agreement with a China company to sell all of DingCheng Life Insurance Company's shares. SKLIC collected a deposit in the amount of RMB187,500 thousand which was recorded as deposits received. On September 2, 2020, SKLIC remitted capital increase of NT$807,188 thousand (RMB187,500 thousand) to DingCheng Life Insurance Company's capital increase account and waiting for China Banking and Insurance Regulatory Commission's approval. The capital increase account was recorded as advance investment. In January 2021, the supervisory authority of DingCheng Life Insurance Company's capital increase case was changed from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission. The withdrawal of the capital increase was approved by the board of directors of Dingcheng Life Insurance Company on June 30, 2021, and the capital was remitted on August 16, 2021. SKLIC's board of directors approved the withdrawal of the capital increase and the sale of all the shares of Dingcheng Life Insurance Company on June 29, 2021 and signed a sales agreement and its supplementary agreement with Hongdou Group Co., Ltd. on June 30, 2021. The price of the sales agreement is RMB462,500 thousand, and it was also agreed that SLKIC will no longer participate in the capital increase plan of Dingcheng Life Insurance Company. The share transfer is also subject to approval by the Beijing Regulatory Bureau of the China Banking and Insurance Regulatory Commission in May 2023.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRS Accounting Standards adjusted by the Group for equity accounting purposes.

DingCheng Life Insurance Co.

	For the Year Ended December 31	
	2023	**2022**
The Group's share of:		
Loss from continuing operations	$ (221,829)	$ (325,108)
Other comprehensive income (loss)	64,431	(5,329)
Total comprehensive loss for the year	$ (157,398)	$ (330,437)

Century Biotech Development Corporation

	For the Year Ended December 31	
	2023	**2022**
The Group's share of:		
Loss from continuing operations	$ (9,967)	$ (2,784)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (9,967)	$ (2,784)

Jih-yao Energy Co., Ltd.

	For the Year Ended December 31	
	2023	**2022**
The Group's share of:		
Profit from continuing operations	$ 3,270	$ 2,626
Other comprehensive income	-	-
Total comprehensive income for the year	$ 3,270	$ 2,626

LeadsunFox Greenergy Investment Co., Ltd.

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Profit from continuing operations	$ 44,329	$ 37,865
Other comprehensive income	-	-
Total comprehensive income for the year	$ 44,329	$ 37,865

Xinhe Energy Development Co., Ltd.

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Loss from continuing operations	$ (18,041)	$ (5,901)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (18,041)	$ (5,901)

Xinding No.1 Energy Co., Ltd.

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Loss from continuing operations	$ (210)	$ (234)
Other comprehensive income	-	-
Total comprehensive loss for the year	$ (210)	$ (234)

Taipan Solar Co., Ltd.

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Profit from continuing operations	$ 4,652	$ 6,955
Other comprehensive (loss) income	(1,234)	3,301
Total comprehensive income for the year	$ 3,418	$ 10,256

Juxin Energy Co., Ltd.

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Profit from continuing operations	$ 7,857	$ 2,611
Other comprehensive income	-	-
Total comprehensive income for the year	$ 7,857	$ 2,611

Wholex Max Green Power Co., Ltd.

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Profit from continuing operations	$ 5,753	$ -
Other comprehensive income	-	-
Total comprehensive income for the year	$ 5,753	$ -

The Group stopped recognizing further share of losses on its equity-method associate, DingCheng Life Insurance Co. Thus, the Group considered only the carrying amount of investments accounted for using the equity method when recognizing losses. The total unrecognized losses for the period excerpted from the associate's report is as follows:

	For the Year Ended December 31	
	2023	2022
Current amount	$ (26,816)	$ -

As of December 31, 2022, the share of associate's financial losses not recognized was $26,816 thousand.

15. LOANS

	December 31	
	2023	2022
Policy loans	$ 95,580,698	$ 96,675,668
Premium loans	9,765,592	9,846,910
Secured loans	57,922,436	53,434,843
Overdue loans	3,617	29,058
	163,272,343	159,986,479
Allowance for impairment loss	(810,138)	(739,353)
	$ 162,462,205	$ 159,247,126

As of December 31, 2023 and 2022, the floating-rate loans were $56,980,231 thousand and $52,301,458 thousand, respectively, mainly based on the life insurance policy dividend rate as the benchmark interest rate, and the loan interest rate was adjusted every 6 months in principle.

The main effective interest rate intervals for loans are as follows:

	December 31	
	2023	2022
Effective interest rate		
Fixed-rate loans	2.32%-2.72%	1.95%-2.47%
Floating-rate loans	2.06%-2.93%	1.69%-2.77%

Movements in the allowance for impairment loss recognized were as follows:

	For the Year Ended December 31, 2023		
	Secured Loans	Non-accrual Loans	Accounts Receivable
Balance, January 1, 2023	$ 710,295	$ 29,058	$ 284,416
Add: Impairment loss recognized	70,785	-	147,473
Less: Written off	-	-	(13,892)
Add (less): Reclassifications	25,441	(25,441)	-
Change in exchange rates or others	-	-	(1,201)
Balance at December 31, 2023	$ 806,521	$ 3,617	$ 416,796

	For the Year Ended December 31, 2022		
	Secured Loans	Non-accrual Loans	Accounts Receivable
Balance, January 1, 2022	$ 588,328	$ 6,835	$ 105,814
Add: Impairment loss recognized	144,190	-	177,441
Less: Written off	-	-	(323)
Add (less): Reclassifications	(22,223)	22,223	-
Change in exchange rates or others	-	-	1,484
Balance at December 31, 2022	$ 710,295	$ 29,058	$ 284,416

Reconciliation for allowance for impairment loss:

For the year ended December 31, 2023

Allowance for Discounts and Loans, Net	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Individual)	Lifetime ECLs (Credit-impaired Financial Assets)	Lifetime ECLs (Credit-impaired Financial Assets Purchased)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	Total
Balance at January 1, 2023	$ 149,776	$ 11,095	$ -	$ 9,268	$ -	$ 170,139	$ 569,214	$ 739,353
Transfers								
To lifetime ECLs	(25)	2,801	-	(493)	-	2,283	-	2,283
To credit-impaired financial assets	(3)	(652)	-	3,108	-	2,453	-	2,453
To 12-month ECLs	39	(3,795)	-	(1,027)	-	(4,783)	-	(4,783)
Derecognition of financial assets	(8,173)	(2,985)	-	(5,500)	-	(16,658)	-	(16,658)
New financial assets purchased	47,556	-	-	-	-	47,556	-	47,556
Purchased or originated credit-impaired financial assets	-	-	-	-	-	-	-	-
Difference between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	-	-	-		-	-	40,135	40,135
Other changes	189	(28)	-	(362)	-	(201)	-	(201)
Balance at December 31, 2023	$ 189,359	$ 6,436	$ -	$ 4,994	$ -	$ 200,789	$ 609,349	$ 810,138

For the year ended December 31, 2022

Allowance for Discounts and Loans, Net	12-month ECLs	Lifetime ECLs	Lifetime ECLs (Individual)	Lifetime ECLs (Credit-impaired Financial Assets)	Lifetime ECLs (Credit-impaired Financial Assets Purchased)	Accumulated Amount under IFRS 9	Difference Between IFRS 9 and Deal with Non-performing/ Non-accrual Loans	Total
Balance at January 1, 2022	$ 23,322	$ 4,919	$ -	$ 4,799	$ -	$ 33,040	$ 562,123	$ 595,163
Transfers								
To lifetime ECLs	(7)	5,636	-	(182)	-	5,447	-	5,447
To credit-impaired financial assets	(1)	(559)	-	7,623	-	7,063	-	7,063
To 12-month ECLs	26	(1,790)	-	(256)	-	(2,020)	-	(2,020)
Derecognition of financial assets	(8,556)	(824)	-	(2,576)	-	(11,956)	-	(11,956)
New financial assets purchased	84,651	-	-	-	-	84,651	-	84,651
Purchased or originated credit-impaired financial assets	-	-	-	-	-	-	-	-
Difference between IFRS 9 and Deal with Non-performing/Non-accrual Loans	-	-	-	-	-	-	7,091	7,091
Other changes	50,341	3,713	-	(140)	-	53,914	-	53,914
Balance at December 31, 2022	$ 149,776	$ 11,095	$ -	$ 9,268	$ -	$ 170,139	$ 569,214	$ 739,353

16. REINSURANCE ASSETS

	December 31	
	2023	2022
Net claims recovered from reinsurers	$ 845,055	$ 607,435
Net reinsurance assets		
Ceded reserve for unearned premiums	135,790	235,824
	$ 980,845	$ 843,259

17. INVESTMENT PROPERTIES

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
December 31, 2023					
Measured at fair value	$ 122,036,728	$ 53,286,221	$ 28,231	$ 11,956,856	$ 187,308,036
Measured at cost	-	-	2,932,238	8,404,448	11,336,686
	$ 122,036,728	$ 53,286,221	$ 2,960,469	$ 20,361,304	$ 198,644,722
December 31, 2022					
Measured at fair value	$ 116,592,964	$ 52,429,959	$ 17,828	$ 12,131,407	$ 181,172,158
Measured at cost	-	-	1,196,499	8,569,762	9,766,261
	$ 116,592,964	$ 52,429,959	$ 1,214,327	$ 20,701,169	$ 190,938,419

The right-of-use assets in investment properties refer to part of the superficies rights and buildings obtained by the Group for sublease under operating leases. Refer to Note 19(c) for the related items.

SKLIC sold 1 unit of Qiyan Jasper, 1 unit of Minsheng Plaza, part of the Muzha Building land and part of the Changhua Building land for the year ended December 31, 2023, refer to Note 29.

SKLIC sold Yingge Building, Baiyun Villa, part of Changhua Building Land, Yangde condominium, Rueian Jasper Villa and demolished Nandong Building during the year ended December 31, 2022. Refer to Note 29.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2023 and 2022 was as follows:

	December 31	
	2023	2022
Year 1	$ 4,304,177	$ 4,198,809
Year 2	3,653,671	3,503,654
Year 3	3,177,827	3,090,806
Year 4	2,547,972	2,641,747
Year 5	1,405,524	2,078,354
Year 6 onwards	4,239,725	4,871,015
	$ 19,328,896	$ 20,384,385

a. Investment properties measured at fair value

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Balance at January 1, 2023	$ 116,592,964	$ 52,429,959	$ 17,828	$ 12,131,407	$ 181,172,158
Additions	-	13,059	17,457	-	30,516
Decrease	-	(10,343)	-	(377)	(10,720)
Disposals	(66,415)	(5,021)	-	-	(71,436)
Transferred from property and equipment	1,609,595	403,439	-	-	2,013,034
Transferred to property and equipment	(520,723)	(216,922)	(255)	-	(737,900)
Transferred from right-of-use assets	-	-	-	23,748	23,748
Gain or (loss) on changes in fair value of investment properties	4,421,307	665,251	-	(197,922)	4,888,636
Other reclassifications	-	6,799	(6,799)	-	-
Balance at December 31, 2023	$ 122,036,728	$ 53,286,221	$ 28,231	$ 11,956,856	$ 187,308,036
Balance at January 1, 2022	$ 117,541,417	$ 55,881,854	$ 30,513	$ 13,178,659	$ 186,632,443
Additions	-	292,901	1,756	58,395	353,052
Decrease	-	-	-	(11,379)	(11,379)
Disposals	(53,559)	(534,298)	-	-	(587,857)
Transferred from property and equipment	2,031,633	779,580	223	-	2,811,436
Transferred to property and equipment	(998,725)	(672,384)	-	-	(1,671,109)
Transferred from right-of-use assets	-	-	-	107,584	107,584
Transferred to right-of-use assets	-	-	-	(91,016)	(91,016)
Loss on changes in fair value of investment properties	(1,927,802)	(3,319,446)	-	(1,110,836)	(6,358,084)
Other reclassifications	-	1,752	(14,664)	-	(12,912)
Balance at December 31, 2022	$ 116,592,964	$ 52,429,959	$ 17,828	$ 12,131,407	$ 181,172,158

Valuation of the investment properties of SKLIC had been performed by the following appraisers of the joint appraisal firms meeting the requirements of Article No. 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises for real estate appraisers, with valuation dates on December 31, 2023 and 2022.

Name of Appraisal Firm	December 31 2023	December 31 2022
DTZ Real Estate Appraiser Firm	Chun-chun Hu; Jia-he Tsai; Chang-da Yang; Gen-yuan Li; John Bareham	Chun-chun Hu; Jia-he Tsai; Chang-da Yang; Gen-yuan Li; John Bareham
Savills plc Real Estate Appraiser Firm	Hong-kai Zhang; Yu-fen Ye; Yi-zhi Zhang; Shi-yu Ye	Hong-kai Zhang; Yu-fen Ye; Yi-zhi Zhang; Shi-yu Ye
REPro Knight Frank Real Estate Appraiser Firm	Yu-hsiang Tsai; Shang-yi Shin	Yu-hsiang Tsai; Hong-xu Wu; Shang-yi Shin
Great Eastern Real Estate Joint Appraisers Firm	Zhi-ming Zhang; Shu-yuan Jian; Han-sheng Yuan	Zhi-ming Zhang; Shu-yuan Jian; Han-sheng Yuan

(Continued)

Name of Appraisal Firm	December 31 2023	December 31 2022
Shang-shang Real Estate Joint Appraisers Firm	Hong-yuan Wang; Jian-hao Huang; Wei-zhi Wang	Hong-yuan Wang; Jian-hao Huang
CCIS Real Estate Joint Appraisers Firm	Zhi-hao Wu; Wei-ru Li	Zhi-hao Wu; Wei-ru Li
Elite Real Estate Joint Appraisers Firm	Yu-lin Chen; Yi-hui Luo; Xiu-ying Zhan	Yu-lin Chen; Yi-hui Luo
Euro-Asia Real Estate Joint Appraiser Firm	Zong-ting Xie; Shih-yuan Jhou; Xiu-fen Zeng	Zong-ting Xie; Shih-yuan Jhou
Sinyi Real Estate Joint Appraiser Firm	Wei-xin Chi; Wen-zhe Tsai; Liang-an Ji; Shi-ming Wang	Wei-xin Chi; Wen-zhe Tsai; Liang-an Ji; Shi-ming Wang
CBRE	Jonathan White; Gemma Waston; Fux-ue Shi; Zhi-jia Zhang	Jonathan White; Stuart Rushworth; Fux-ue Shi; Zhi-wei Li

(Concluded)

The fair value is determined by the lower of fair value evaluation method stipulated by the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and the normal market value. The fair value evaluation methods stipulated in the Regulations Governing the Preparation of Financial Statements by Insurance Companies are the discounted cash flow analysis method of the income approach and the cost approach. The normal market value is supported by observable evidence in the market. The main appraisal approaches applied include the sales comparison approach, income approach - direct capitalization method, income approach - discounted cash flow analysis method, cost approach and the method of land development analysis. Commercial office buildings and residences are mainly valued by the sales comparison approach and income approach because of the market liquidity and comparable sales and rental cases in the neighboring areas. Hotels, department stores and marketplaces are mainly valued by the income approach - direct capitalization method and income approach - discounted cash flow analysis method because of the stable rental income in the long term. The second type of residential area, the third type of residential area and buildings have exceeded the residential areas that can be developed on land, and because the buildings have exceeded the economic and durable years, and the market has fewer homogeneous products, the buildings on the ground are not the most effective. Therefore, their fair values are determined by the method of land development analysis and comparison approach.

The main inputs used in the valuation are listed below. As the direct capitalization rates, the discount rates and overall capital interest rates (the method of land development analysis approach) decrease, the fair value will increase.

Name of Appraisal Firm	December 31 2023	December 31 2022
Direct capitalization rates, net	0.28%-5.11%	0.60%-6.60%
Discount rates	2.44%-6.43%	2.35%-5.60%
Overall capital interest rates (the method of land development analysis)	1.79%-7.94%	1.38%-6.70%

For the targets measured using the discounted cash flow analysis method of the income approach, their cash flow shall be valued on the basis of the existing lease. The expected future cash outflows from investment properties included land value tax, property tax, insurance premium and maintenance costs. These expenditures were based on the actual payments, taking into account the future adjustments to the government-announced land value, the tax rate promulgated under the Housing Tax Act, building and construction expense and estimation of price change. If there is an end-of-period value, the present value of the end-of-period value may be added. Their discount rate shall be determined using the risk premium approach only, with the calculation based on a certain interest rate, plus an estimate based on the individual characteristics of the investment property. The term "based on a certain interest rate" means the interest rate may not be lower than the floating interest rate offered by the Chunghwa Post Co., Ltd. For two-year small postal time deposit, plus 1.25 percentage points.

External appraisers use the market extraction method, search several comparable properties which are identical with or similar to the target property, and consider the liquidity risk and risk premium when disposed of in the future when deciding the direct capitalization rate and the discount rate.

The fair value of right-of-use assets is determined by adding back the amount of lease liabilities already recognized to the valuation result that reflects the expected lease income after deduction of expected payments.

The Group measured investment properties subsequently using the fair value model. The movements in the fair value of investment properties within Level 3 of the hierarchy were as follows:

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 181,172,158	$ 186,632,443
Recognized in profit or loss gain arising from the change in fair value of investment properties	4,888,636	(6,358,084)
Acquisitions	30,516	294,657
Decrease	(10,343)	-
Sales	(71,436)	(587,857)
Transferred from property and equipment	2,013,034	2,811,436
Transferred to property and equipment	(737,900)	(1,671,109)
Transferred from right-of-use assets	23,748	107,584
Transferred to right-of-use assets	-	(91,016)
Modification of lease agreement of right-of-use assets	(377)	47,016
Other reclassifications	-	(12,912)
Balance at December 31	$ 187,308,036	$ 181,172,158

b. Investment properties measured at cost

	Land	Buildings and Building Facilities	Prepayments for Buildings and Constructions in Progress	Right-of-use Assets	Total
Cost					
Balance, January 1, 2023	$ -	$ -	$ 1,196,499	$ 8,832,921	$ 10,029,420
Additions	-	-	1,737,454	-	1,737,454
Transferred to property and equipment	-	-	(1,715)	-	(1,715)
Balance, December 31, 2023	-	-	2,932,238	8,832,921	11,765,159
Accumulated depreciation					
Balance, January 1, 2023	-	-	-	263,159	263,159
Depreciation expense	-	-	-	165,314	165,314
Balance, December 31, 2023	-	-	-	428,473	428,473
Accumulated impairment					
Balance, January 1, 2023	-	-	-	-	-
Additions	-	-	-	-	-
Balance, December 31, 2023	-	-	-	-	-
Carrying amount at December 31, 2023	$ -	$ -	$ 2,932,238	$ 8,404,448	$ 11,336,686
Cost					
Balance, January 1, 2022 (restated)	$ 64,512	$ -	$ 780,744	$ 2,968,728	$ 3,813,984
Additions	238	-	402,843	5,864,798	6,267,879
Decrease	-	-	-	(605)	(605)
Disposals	(64,750)	-	-	-	(64,750)
Other reclassifications	-	-	12,912	-	12,912
Balance, December 31, 2022	-	-	1,196,499	8,832,921	10,029,420
Accumulated depreciation					
Balance, January 1, 2022	-	-	-	107,687	107,687
Depreciation expense	-	-	-	155,472	155,472
Balance, December 31, 2022	-	-	-	263,159	263,159
Accumulated impairment					
Balance, January 1, 2022	25,899	-	-	-	25,899
Additions	-	-	-	-	-
Disposals	(25,899)	-	-	-	(25,899)
Balance, December 31, 2022	-	-	-	-	-
Carrying amount at December 31, 2022	$ -	$ -	$ 1,196,499	$ 8,569,762	$ 9,766,261

1) The Group's investment properties measured at cost were not available for use during construction, or the target could not be valued using the cost model in accordance with the financial reporting preparation standards of the insurance industry, so the fair value could not be determined reliably. Investment properties measured at cost will be measured at fair value at the earlier of when their fair values can be determined reliably or when construction has been completed.

2) The depreciation expense of the investment properties - right-of-use assets for the years ended December 31, 2023 and 2022 amounted to $165,314 thousand and $155,472 thousand, were respectively capitalized into investment properties - prepaid building and construction costs.

3) All of the Group's investment properties are held under freehold interests. The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	45-62 years
Building facilities	
Elevators	20-25 years
Exterior walls	25-30 years
Air conditioning units	18-25 years
Extinguishing equipment	20-25 years
Others	3-25 years
Right-of-use assets	35-139 years

4) As of December 31, 2023, the ownership of the foreign investment properties, held in name of the Group, was unrestricted.

18. PROPERTY AND EQUIPMENT

	Land	Buildings and Facilities	Transportation Equipment	Other Equipment	Prepayments for Buildings and Constructions in Progress	Total
Cost						
Balance, January 1, 2023	$ 19,769,927	$ 12,628,808	$ 46,875	$ 2,913,308	$ 195,795	$ 35,554,713
Additions	-	149,249	12,316	140,814	211,798	514,177
Disposals	(81,890)	-	(5,468)	(111,951)	-	(199,309)
Transferred from investment properties	520,723	216,922	-	-	1,970	739,615
Transferred to investment properties	(579,544)	(478,402)	-	-	-	(1,057,946)
Other reclassifications	1,261	104,352	-	-	(105,613)	-
Balance, December 31, 2023	19,630,477	12,620,929	53,723	2,942,171	303,950	35,551,250
Accumulated depreciation						
Balance, January 1, 2023	-	3,932,495	21,890	2,073,654	-	6,028,039
Depreciation expense	-	305,166	6,388	176,182	-	487,736
Disposals	-	-	(4,431)	(111,008)	-	(115,439)
Transferred to investment properties	-	(204,010)	-	-	-	(204,010)
Balance, December 31, 2023	-	4,033,651	23,847	2,138,828	-	6,196,326
Accumulated impairment						
Balance, January 1, 2023	394,664	15,570	-	-	-	410,234
Additions	-	-	-	-	-	-
Balance, December 31, 2023	394,664	15,570	-	-	-	410,234
Carrying amount, at December 31, 2023	$ 19,235,813	$ 8,571,708	$ 29,876	$ 803,343	$ 303,950	$ 28,944,690
Cost						
Balance, January 1, 2022	$ 20,078,487	$ 12,299,399	$ 49,533	$ 2,808,861	$ 73,097	$ 35,309,377
Additions	-	452,106	4,893	166,571	123,386	746,956
Disposals	(29,692)	(103,692)	(7,551)	(62,124)	-	(203,059)
Transferred from investment properties	998,725	672,384	-	-	-	1,671,109
Transferred to investment properties	(1,277,593)	(691,854)	-	-	(223)	(1,969,670)
Other reclassifications	-	465	-	-	(465)	-
Balance, December 31, 2022	19,769,927	12,628,808	46,875	2,913,308	195,795	35,554,713
Accumulated depreciation						
Balance, January 1, 2022	-	3,945,947	20,009	1,965,663	-	5,931,619
Depreciation expense	-	299,119	6,585	169,492	-	475,196
Disposals	-	(73,602)	(4,704)	(61,501)	-	(139,807)
Transferred to investment properties	-	(238,969)	-	-	-	(238,969)
Balance, December 31, 2022	-	3,932,495	21,890	2,073,654	-	6,028,039
Accumulated impairment						
Balance, January 1, 2022	394,664	15,570	-	-	-	410,234
Additions	22,582	-	-	-	-	22,582
Transferred to investment properties	(22,582)	-	-	-	-	(22,582)
Balance, December 31, 2022	394,664	15,570	-	-	-	410,234
Carrying amount, at December 31, 2022	$ 19,375,263	$ 8,680,743	$ 24,985	$ 839,654	$ 195,795	$ 29,116,440

Property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	45-62 years
Building facilities	
Elevators	20-25 years
Exterior walls	25-30 years
Air conditioning units	18-25 years
Extinguishing equipment	20-25 years
Others	3-25 years
Transportation equipment	5-7 years
Other equipment	
Dynamos	18-20 years
Air conditioning units	10-20 years
Others	3-10 years

19. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Superficies rights	$ 1,687,384	$ 1,744,723
Buildings	221,989	236,540
Other equipment	37,810	52,184
	$ 1,947,183	$ 2,033,447

	For the Year Ended December 31	
	2023	**2022**
Additions to right-of-use assets	$ 126,168	$ 121,074
Disposals right-of-use assets	$ 729	$ 82
Investment properties reclassified to right-of-use assets	$ -	$ 91,016
Right-of-use assets reclassified to investment properties	$ 17,804	$ 78,702
Depreciation charge for right-of-use assets		
Superficies rights	$ 39,471	$ 38,253
Buildings	128,386	133,502
Other equipment	26,042	26,104
	$ 193,899	$ 197,859
Income from the subleasing of right-of-use assets (presented in other income)	$ 1,345,006	$ 1,217,792

The depreciation expense of the right-of-use assets for land and buildings for the year ended December 31, 2023 and 2022 were $39,471 thousand and $38,523 thousand, of which $4,914 thousand and $4,912 thousand were capitalized into property and equipment - construction-in-progress and prepayment for building.

The Group subleased part of its leasehold superficies and buildings under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 17). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amount	$ 8,941,095	$ 9,742,266

Movements of lease liabilities:

For the year ended December 31, 2023

	January 1, 2023	**Cash Flows (Note)**	**Non-cash Movements Addition**	**December 31, 2023**
Lease liabilities	$ 9,742,266	$ (926,233)	$ 125,062	$ 8,941,095

Note: Include payments of lease liabilities of $1,218,625 thousand and interest expense of $292,392 thousand.

For the year ended December 31, 2022

	January 1, 2022	**Cash Flows (Note)**	**Non-cash Movements Addition**	**December 31, 2022**
Lease liabilities	$ 5,506,213	$ (914,478)	$ 5,150,531	$ 9,742,266

Note: Include payments of lease liabilities of $1,218,497 thousand and interest expense of $304,019 thousand.

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	**2022**
Superficies	2.30%-4.58%	2.30%-4.58%
Land and buildings	1.75%-3.14%	1.75%-3.04%
Others	3.50%-4.35%	1.50%-3.50%

The interest expense for the lease liabilities for the year ended December 31, 2023 was $292,392 thousand, of which $90,084 thousand and $1,021 thousand were capitalized into investment property - prepayments for buildings and property and equipment - construction-in-progress, respectively.

c. Material lease-in activities and terms

1) The Group applied the amendment to IFRS 16 "Covid-19-Related Rent Concessions" to lease contracts subsidized by the government and with respect to rent concessions negotiated with the lessor as a direct consequence of the COVID-19. For the year ended December 31, 2022, the amount of rent decreased by 76,752 thousand, recorded other operating revenues and expenses.

2) The superficies leased by the Group include the following items:

1) The Group purchased the superficies right of A12 in Xinyi Dist. by tender from Taipei City Government in November 2003; the right is for 50 years to December 2053.

2) The Group purchased the superficies right of Xinban Section in Banqiao Dist. from Taiwan Tobacco & Liquor Corporation in June 2013; the right is for 50 years to June 2063.

3) The Group purchased the superficies right of Dalong Section in Datong Dist. from CPC Corporation, Taiwan in October 2013; the right is for 50 years to October 2063.

4) The Group purchased the superficies right of Nangang Business Section by tender from Taipei City Government in March 2014; the right is for 60 years to March 2074.

5) The Group purchased the superficies right of Wenhua Section in Banqiao Dist. from CPC Corporation, Taiwan in October 2014; the right is for 50 years to October 2064.

6) The Group purchased the superficies right of London City in United Kingdom from Gracechurch Street No. 1 Limited, the right is for 141 years and ten months to October 2157.

7) The Group purchased the superficies right of Chenggong section in Zongzheng Dist. from Northern Region Branch, National Property Administration, MOF in June 2018; the right is for 70 years to June 2088.

8) The Group purchased the superficies right of Nangang bus station from Taipei city government in December 2020; the right is for 50 years to December 2070.

9) The Group purchased the superficies right of Qianjin District from Kaohsiung city government in March 2021; the right is for 70 years to April 2091.

10) The Group purchased the superficies right of Beitou District from the Taipei city government in February 2022; the right is for 50 years to February 2072.

d. Subleases

Refer to Note 17 for the details on subleases.

e. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 11,032	$ 11,731
Expenses relating to low-value asset leases	1,536	1,619
Expenses relating to variable lease payments not included in the measurement of lease liabilities	13,809	-
Total cash outflow for leases	$ 26,377	$ 13,350

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

20. INTANGIBLE ASSETS

	For the Year Ended December 31, 2023			
	Computer Software	Prepaid Computer Software	Franchise	Total
Balance, January 1	$ 354,740	$ 116,971	$ 117,811	$ 589,522
Additions	23,334	55,284	45,507	124,125
Amortization	(109,739)	-	-	(109,739)
Reclassification	25,612	(25,612)	-	-
Balance, December 31	$ 293,947	$ 146,643	$ 163,318	$ 603,908

	For the Year Ended December 31, 2022			
	Computer Software	Prepaid Computer Software	Franchise	Total
Balance, January 1	$ 382,304	$ 68,194	$ 110,684	$ 561,182
Additions	36,089	92,308	7,127	135,524
Amortization	(107,184)	-	-	(107,184)
Reclassification	43,531	(43,531)	-	-
Balance, December 31	$ 354,740	$ 116,971	$ 117,811	$ 589,522

The Group signed a Build-Operate-Transfer (BOT) investment contract with Taipei city government for Taipei Nangang Bus Station. The contract enabled the Group to obtain aboveground right of Nangang Bus Station, malls and office buildings, as well as the franchise for construction and operation, and an investment execution plan has been submitted to Taipei city government in January 2021. Franchise of Nangang Bus Station (main business part) is recorded as franchise under intangible assets; Franchise of malls and office buildings (subsidiary business part) is recorded as right-of-use under investment properties.

As of December 31, 2023, the Group has paid development royalties and processing fees in accordance with the investment contract for a total of $307,990 thousand.

The interest expense from amortization was $3,043 thousand and $2,925 thousand for the years ended December 31, 2023 and 2022, which was capitalized into intangible assets - franchise.

Intangible assets are amortized on a straight-line basis over 3 to 45 years.

21. OTHER ASSETS

	December 31	
	2023	2022
Insurance Industry Stability Fund	$ 7,369,249	$ 7,025,197
Less: Reserve for Insurance Industry Stability Fund	(7,369,249)	(7,025,197)
Guarantee deposits paid	12,250,025	24,770,605
Deferred expenses	581,655	579,044
Prepayment for investments	35,915	38,042
Net defined benefit assets (Note 22)	4,928,091	4,656,283
Others	211,757	249,139
	$ 18,007,443	$ 30,293,113

a. Under Tai-Tsai-Bao No. 811769212 issued by the Ministry of Finance on December 31, 1992, one thousandth (1/1000) of premiums should be contributed to the Insurance Industry Stability Fund starting from January 1, 1993. According to "the standard of Life and Property Insurance Stabilization Fund", starting from July 1, 2014, the contribution to the Insurance Industry Stability Fund of Life Insurance Enterprises should be based on the premium income and contribution rate calculated using the difference between capital adequacy ratio and management performance rating indicator. The credit account, reserve for Insurance Industry Stability Fund, is a contra account of the Insurance Industry Stability Fund.

b. Guarantee deposits paid comprised:

	December 31	
	2023	2022
Insurance operation guarantee deposit	$ 11,110,000	$ 11,100,000
Guarantee deposits for office rental (Note 32)	12,547	12,470
Derivative margin deposits	158,735	12,694,940
Other guarantee deposits	968,743	963,195
	$ 12,250,025	$ 24,770,605

c. Based on Article 141 of the Insurance Law, insurance operation guarantee deposit should be deposited in the Central Bank equal to 15% of an insurance company' paid-in capital. Article 142 of the same law further stipulates that this deposit can only be refunded if the insurance company ceases its business operations and completes the required liquidation process. As of December 31, 2023 and 2022, SKLIC deposited government bonds to the special treasury account as operating guarantee deposit.

d. To meet the deposit requirements issued by the Basel Committee on Banking Supervision and the International Organization of Securities Commissions for non-centrally cleared derivatives, which are subject to liquidation risk, SKLIC provided bank deposits and government bonds amounting to $158,735 thousand, and bank deposits and corporate bonds amounting to $12,694,940 thousand as of December 31, 2023 and 2022, respectively, as deposits for currency derivatives trading.

e. Movements in deferred expenses were as follows:

	December 31	
	2023	2022
Balance, January 1	$ 579,044	$ 523,822
Additions	130,465	218,656
Amortization	(127,854)	(163,434)
Balance, December 31	$ 581,655	$ 579,044

22. PROVISIONS

	December 31	
	2023	2022
Other employee benefit liabilities	$ 26,602	$ 51,177
Reserve for loan commitments	18,286	14,249
	$ 44,888	$ 65,426

a. Defined contribution plans

SKLIC and SKLRESC, consolidated entities, adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by SKLIC and SKLRESC, consolidated entities, in accordance with the Labor Standards Law is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. SKLIC and SKLRESC contribute 8% and 2%, respectively, of total monthly salaries and wages to a pension administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Group has no right to influence the investment policy and strategy. Also, SKLIC contributes another account for pension fund, and established the Committee of Pension Trust Fund to manage it.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 3,216,562	$ 3,501,915
Fair value of plan assets	(8,144,653)	(8,158,198)
Net defined benefit assets	$ (4,928,091)	$ (4,656,283)

Movements in net defined benefit (assets) liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2022	$ 4,334,566	$ (8,333,170)	$ (3,998,604)
Service cost			
Current service cost	28,833	-	28,833
Net interest expense (income)	37,039	(72,157)	(35,118)
Recognized in profit or loss	65,872	(72,157)	(6,285)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	189,343	189,343
Actuarial loss - changes in demographic assumptions	32,342	-	32,342
Actuarial profit - changes in financial assumptions	(268,658)	-	(268,658)
Actuarial profit - experience adjustments	(63,164)	-	(63,164)
Recognized in other comprehensive income	(299,480)	189,343	(110,137)
Contributions from the employer	-	(534,419)	(534,419)
Benefits paid	(592,205)	592,205	-
Others	(6,838)	-	(6,838)
Balance at December 31, 2022	3,501,915	(8,158,198)	(4,656,283)
Service cost			
Current service cost	25,834	-	25,834
Past service cost and loss on settlements	907	-	907
Net interest expense (income)	66,616	(153,455)	(86,839)
Recognized in profit or loss	93,357	(153,455)	(60,098)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(96,416)	(96,416)
Actuarial profit - changes in demographic assumptions	(333)	-	(333)
Actuarial loss - changes in financial assumptions	33,489	-	33,489
Actuarial loss - experience adjustments	58,902	-	58,902
Recognized in other comprehensive income	92,058	(96,416)	(4,358)
Contributions from the employer	-	(206,068)	(206,068)
Benefits paid	(469,484)	469,484	-
Others	(1,284)	-	(1,284)
Balance at December 31, 2023	$ 3,216,562	$ (8,144,653)	$ (4,928,091)

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bonds/corporate bonds interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

4) Changes in demographic assumptions risk: The present value of the defined benefit obligation is calculated by reference to the turnover rate of plan participants. As such, a decrease in the turnover rate of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2023	**2022**
SKLIC		
Discount rates	1.84%	1.91%
Expected rate of salary increase	1.39%-3.18%	0.40%-3.20%
Turnover rate	0.00%-8.00%	0.00%-7.00%
SKLRESC		
Discount rates	1.250%	1.375%
Expected rate of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rate(s)		
0.5% increase	$ (87,627)	$ (97,052)
0.5% decrease	$ 92,040	$ 101,983
Expected rate(s) of salary increase		
0.5% increase	$ 99,265	$ 110,042
0.5% decrease	$ (95,347)	$ (105,650)
Turnover rate		
0.5% increase	$ (3,914)	$ (6,207)
0.5% decrease	$ 3,957	$ 6,291

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2022
The expected contributions to the plan for the next year	$ 106,228	$ 117,155
The average duration of the defined benefit obligation	6.68-8.8 years	6.85-9.3 years

Shares and bonds of the consolidated entities, affiliates, and related parties held by the pension trust fund in the custody of the Committee of Pension Trust Funds were summarized as follows:

Unit: Share/Units

Name	Category	December 31 2023	December 31 2022
Shares			
SKFHC	Listed shares	104,495,260	104,495,260
SKFHC	Preference Shares A	391,000	391,000
SKFHC	Preference Shares B	21,312,364	21,312,364
Taiwan Shin Kong Security Co., Ltd.	Listed shares	7,720,001	7,720,001
Shinhai Gas Corporation	Listed shares	3,404,636	3,404,636
		137,323,261	137,323,261
Beneficiary certificates			
SKITC	Shin Kong Fu-Kuei Fund	865,423	865,423
SKITC	Shin Kong Innovative Technology Fund	908,258	1,816,515
SKITC	Shin Kong Chi-Shin Money Market Fund	6,305,011	15,994,165
SKITC	Shin Kong TIP Taiwan Semiconductor 30 ETF	1,900,000	3,400,000
SKITC	Shin Kong's four-year investment in U.S. Equity Fund	3,000,000	-
SKITC	Shin Kong Global Multi Asset Fund	2,944,959	-
		15,923,651	22,076,103
Corporate bonds			
SKLIC	Cumulative subordinate corporate bond of 2012 without maturity date	130 units	130 units
SKLIC	Cumulative subordinate corporate bond of 2016 without maturity date	700 units	700 units
SKLIC	Cumulative subordinate corporate bond of 2018 without maturity date	300 units	300 units

c. Movements in reserve for loan commitments were as follows:

	For the Year Ended December 31	
	2023	2022
Balance, January 1	$ 14,249	$ 1,772
Provision	15,392	32,601
Recovery	(11,355)	(20,124)
Balance, December 31	$ 18,286	$ 14,249

23. OTHER PAYABLES

	December 31	
	2023	2022
Accrued expense - salaries	$ 1,677,147	$ 1,363,102
Accrued expense - others	1,185,346	1,084,638
Accrued interest	323,878	241,119
Dividend payable	4,938	4,938
Collection payable	90,871	73,846
Payable of transactions on securities	222,099	311,389
Other payable - franchise	81,285	78,853
Other payable - others	1,447,791	2,305,499
	$ 5,033,355	$ 5,463,384

24. BONDS PAYABLE

	December 31	
	2023	2022
Cumulative subordinate corporate bond without maturity date	$ 37,000,000	$ 24,000,000

a. SKLIC issued its first domestic cumulative subordinate corporate bond without maturity on December 10, 2012 which was approved under Rule No. 10102908010 issued by the Insurance Bureau of the FSC and Rule No. 1010051395 issued by the FSC. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $5,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: Without maturity date.

4) Nominal interest rate: There is a fixed interest rate of 3.35% from the issue date to the tenth year; if not redeemed by the Company, the fixed interest rate will be adjusted to 4.35% on the day following the bond's issue date to the tenth year.

5) The interest is paid annually from the issue date.

6) Early redemption right: Within 10 years from the issue date, at which time the condition of expiry is met, if SKLIC's Capital Adequacy Ratio after redemption is two times more than the minimum Capital Adequacy Ratio required by the authorities' regulation, SKLIC is able to proceed with early redemption of each bond at par value plus accrued interest after the approval by the relevant authorities. SKLIC can redeem such bonds quarterly.

7) Bonds form: Incorporeally issued.

b. SKLIC issued its first domestic cumulative subordinate corporate bond without maturity on October 31, 2016 which was approved under Rule No. 10502911780 issued by the Insurance Bureau of the FSC and Rule No. 10500291131 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $13,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: Without maturity date.

4) Early redemption right: Within 10 years from the issue date, at which time the condition of expiry is met, if SKLIC's Capital Adequacy Ratio after redemption is two times more than the minimum Capital Adequacy Ratio required by the authorities' regulation, SKLIC is able to proceed with early redemption of each bond at par value plus accrued interest after the approval by the relevant authorities.

5) Nominal interest rate: There is a fixed interest rate of 3.80% from the issue date to the tenth year; if not redeemed by the Company, 1% will be added to the fixed interest rate on the day following the bond's issue date to the tenth year.

6) The interest is paid annually from the issue date.

7) Bonds form: Incorporeally issued.

c. SKLIC issued its first domestic cumulative subordinate corporate bond without maturity on June 29, 2018, which was approved under Rule No. 10704276590 issued by the Insurance Bureau of the FSC and Rule No. 10700153821 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $6,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: Without maturity date.

4) Early redemption rights: Within 10 years from the issue date, at which time the conditions of expiry are met, if SKLIC's Capital Adequacy Ratio after redemption is two times more than the minimum Capital Adequacy Ratio required by the authorities, SKLIC can proceed with early redemption of each bond at par value plus accrued interest after approval by the relevant authorities.

5) Nominal interest rate: There is a fixed interest rate of 3.50% from the issue date to the tenth year; if not redeemed by the Company, 1% will be added to the fixed interest rate on the day following the bond's issue date to the tenth year.

6) The interest is paid annually from the issue date.

7) Bond format: Incorporeally issued.

d. SKLIC issued its first domestic unsecured cumulative subordinate corporate bond without maturity on October 26, 2023, which was approved under Rule No. 1120435047 issued by the Insurance Bureau of the FSC and Rule No. 11200101411 issued by the Taipei Exchange. Details of the bond payable issuance are summarized as follows:

1) Principal issued: $13,000,000 thousand.

2) Denomination and issue price: $1,000 thousand each, issued at par.

3) Period: 10 years, from October 26, 2023 to October 26, 2033.

4) Principal will be repaid in full at maturity.

5) Nominal interest rate: Fixed annual interest rate of 4.00%.

6) The interest is paid annually from the issue date.

7) Bond format: Incorporeally issued.

25. INSURANCE LIABILITIES

a. Insurance liabilities for insurance contracts and financial instruments with discretionary participation feature

As of December 31, 2023 and 2022, each category and movements of reserve for insurance contracts and financial instruments with discretionary participation feature of the Group were as follows:

1) Reserve for unearned premiums

	December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 473	$ 8	$ 481	$ 626	$ 3	$ 629
Individual accident insurance	4,700,320	-	4,700,320	4,093,830	-	4,093,830
Individual health insurance	4,628,086	-	4,628,086	4,458,615	-	4,458,615
Group insurance	1,594,060	-	1,594,060	1,365,165	-	1,365,165
Investment type insurance	40,785	-	40,785	42,562	-	42,562
	10,963,724	8	10,963,732	9,960,798	3	9,960,801
Less: Ceded reserve for unearned premiums						
Individual life insurance	35,715	-	35,715	52,485	-	52,485
Individual accident insurance	2,586	-	2,586	2,958	-	2,958
Individual health insurance	97,258	-	97,258	180,304	-	180,304
Group insurance	165	-	165	-	-	-
Investment type insurance	66	-	66	77	-	77
	135,790	-	135,790	235,824	-	235,824
	$ 10,827,934	$ 8	$ 10,827,942	$ 9,724,974	$ 3	$ 9,724,977

Movements in reserve for unearned premiums were as follows:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 9,960,798	$ 3	$ 9,960,801	$ 9,662,471	$ 5	$ 9,662,476
Provision	12,987,727	42	12,987,769	11,561,453	13	11,561,466
Recovery	(11,984,801)	(37)	(11,984,838)	(11,263,126)	(15)	(11,263,141)
Balance, December 31	10,963,724	8	10,963,732	9,960,798	3	9,960,801
Less: Ceded reserve for unearned premiums						
Balance, January 1, net	235,824	-	235,824	176,684	-	176,684
Increase	660,846	-	660,846	729,521	-	729,521
Decrease	(760,918)	-	(760,918)	(670,744)	-	(670,744)
Net exchange differences	38	-	38	363	-	363
Balance, December 31	135,790	-	135,790	235,824	-	235,824
Balance, December 31, net	$ 10,827,934	$ 8	$ 10,827,942	$ 9,724,974	$ 3	$ 9,724,977

2) Reserve for claim payments

	December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance						
Reported but not paid	$ 239,580	$ -	$ 239,580	$ 326,853	$ -	$ 326,853
Incurred but not reported	5,254	3	5,257	5,372	1	5,373
Individual accident insurance						
Reported but not paid	111,142	-	111,142	99,732	-	99,732
Incurred but not reported	1,132,924	-	1,132,924	1,041,746	-	1,041,746
Individual health insurance						
Reported but not paid	96,782	-	96,782	69,075	-	69,075
Incurred but not reported	1,625,844	-	1,625,844	1,396,232	-	1,396,232
Group insurance						
Reported but not paid	39,636	-	39,636	13,752	-	13,752
Incurred but not reported	735,837	-	735,837	569,912	-	569,912
Investment type insurance						
Reported but not paid	55,524	-	55,524	51,511	-	51,511
	4,042,523	3	4,042,526	3,574,185	1	3,574,186
Less: Ceded reserve for claim payments	-	-	-	-	-	-
	$ 4,042,523	$ 3	$ 4,042,526	$ 3,574,185	$ 1	$ 3,574,186

Movements in reserve for claim payments were as follows:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 3,574,185	$ 1	$ 3,574,186	$ 3,305,802	$ 2	$ 3,305,804
Provision	4,939,562	2,930	4,942,492	4,270,237	2,936	4,273,173
Recovery	(4,471,098)	(2,928)	(4,474,026)	(4,007,880)	(2,937)	(4,010,817)
Net exchange differences	(126)	-	(126)	6,026	-	6,026
Balance, December 31	4,042,523	3	4,042,526	3,574,185	1	3,574,186
Less: Ceded reserve for claim payments	-	-	-	-	-	-
Balance, December 31, net	$ 4,042,523	$ 3	$ 4,042,526	$ 3,574,185	$ 1	$ 3,574,186

3) Reserve for life insurance liability

	December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 2,892,689,067	$ 4,518,837	$ 2,897,207,904	$ 2,903,160,833	$ 4,654,503	$ 2,907,815,336
Health insurance	327,873,705	-	327,873,705	305,988,091	-	305,988,091
Annuity insurance	318,199	16,131,255	16,449,454	339,156	18,318,878	18,658,034
Investment type insurance	28,924	-	28,924	25,169	-	25,169
	3,220,909,895	20,650,092	3,241,559,987	3,209,513,249	22,973,381	3,232,486,630
Less: Ceded reserve for life insurance liability	-	-	-	-	-	-
	$ 3,220,909,895	$ 20,650,092	$ 3,241,559,987	$ 3,209,513,249	$ 22,973,381	$ 3,232,486,630

Reserve for life insurance liability plus “Reserve for life insurance - pending payments to insured” were $3,254,410,930 thousand and $3,245,279,730 thousand on December 31, 2023 and 2022, respectively.

Movements in reserve for life insurance liability were as follows:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Balance, January 1	$ 3,209,513,249	$ 22,973,381	$ 3,232,486,630	$ 3,073,988,043	$ 26,572,602	$ 3,100,560,645
Provision	217,095,111	534,067	217,629,178	238,949,878	614,354	239,564,232
Recovery	(207,260,648)	(2,857,356)	(210,118,004)	(167,474,054)	(4,213,575)	(171,687,629)
Net exchange differences	1,562,183	-	1,562,183	64,049,382	-	64,049,382
Balance, December 31	3,220,909,895	20,650,092	3,241,559,987	3,209,513,249	22,973,381	3,232,486,630
Less: Ceded reserve for life insurance liability	-	-	-	-	-	-
Balance, December 31, net	$ 3,220,909,895	$ 20,650,092	$ 3,241,559,987	$ 3,209,513,249	$ 22,973,381	$ 3,232,486,630

Reserve for life insurance liability plus “Reserve for life insurance - pending payments to insured” were $3,254,410,930 thousand and $3,245,279,730 thousand for the years ended December 31, 2023 and 2022, respectively.

In order to conform to IFRS 17 and stabilize its financial structure, the Group starts calculating and recognizing the reserve for life insurance liabilities from the end of 2020 based on Article No. 9 of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, Rule No. 1090420964 and Rule No. 1090423011 issued by the FSC. According to Rule No. 10904917647 issued by the FSC, the amount measured by the special reserve appropriated following adoption of the fair value model for investment properties is recovered and the retained earnings is increased, and the reserve for life insurance liability is recognized. This accounting treatment does not affect the distribution of surplus and undistributed surplus. The Group estimated that the reserve for life insurance liability at the end of 2020 would be about $12 billion, but will continue to be adjusted in accordance with the regulatory standards of the authorities and the Company’s strategic assessment. Subsequent assessment of the amount is based on estimates made based on current information, and its assessment methods involve a number of important assumptions, which may be adjusted due to uncertainties such as the Company’s actual experience and the market environment, which may change the assessment results.

4) Special reserve for life insurance

	December 31					
	2023			2022		
	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Effect of Transition to IFRS Accounting Standards	Total
Reserve for participating policy dividends	$ 1,364,067	$ -	$ 1,364,067	$ 1,729,394	$ -	$ 1,729,394
Surplus of fair value measurement of investment properties offset by the negative effect of transition to IFRS Accounting Standards	-	5,495,913	5,495,913	-	5,495,913	5,495,913
	$ 1,364,067	$ 5,495,913	$ 6,859,980	$ 1,729,394	$ 5,495,913	$ 7,225,307

Movements in special reserve for life insurance were as follows:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Surplus of Fair Value Measurement of Investment Properties Offset by the Negative Effect of Transition to IFRS Accounting Standards	Total	Insurance Contracts	Surplus of Fair Value Measurement of Investment Properties Offset by the Negative Effect of Transition to IFRS Accounting Standards	Total
Balance, January 1	$ 1,729,394	$ 5,495,913	$ 7,225,307	$ 1,609,476	$ 5,495,913	$ 7,105,389
Provision of reserve for participating policy dividends	304,465	-	304,465	680,011	-	680,011
Recovery of reserve for participating policy dividends	(693,701)	-	(693,701)	(560,093)	-	(560,093)
Disposal of participating insurance policies through equity instruments measured by fair value in other comprehensive profit and loss	23,909	-	23,909	-	-	-
Balance, December 31	$ 1,364,067	$ 5,495,913	$ 6,859,980	$ 1,729,394	$ 5,495,913	$ 7,225,307

Note: The Group did not provide a special reserve for financial instruments with discretionary participation features.

5) Reserve for insufficient premiums

	December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 906,153	$ -	$ 906,153	$ 1,279,738	$ -	$ 1,279,738
Individual health insurance	148,542	-	148,542	135,490	-	135,490
	1,054,695	-	1,054,695	1,415,228	-	1,415,228
Less: Ceded reserve for insufficient premiums	-	-	-	-	-	-
	$ 1,054,695	$ -	$ 1,054,695	$ 1,415,228	$ -	$ 1,415,228

Movements in reserve for insufficient premiums were as follows:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Balance, January 1	$ 1,415,228	$ -	$ 1,415,228	$ 1,742,571	$ -	$ 1,742,571
Provision	100,748	-	100,748	131,329	-	131,329
Recovery	(464,163)	-	(464,163)	(517,995)	-	(517,995)
Net exchange differences	2,882	-	2,882	59,323	-	59,323
Balance, December 31	1,054,695	-	1,054,695	1,415,228	-	1,415,228
Less: Ceded reserve for insufficient premiums	-	-	-	-	-	-
Balance, December 31, net	$ 1,054,695	$ -	$ 1,054,695	$ 1,415,228	$ -	$ 1,415,228

6) Reserve for liability adequacy

	Insurance Contracts and Financial Instruments with Discretionary Participation Feature	
	December 31	
	2023	2022
Reserve for life insurance	$ 3,254,410,930	$ 3,245,279,730
Reserve for unearned premiums	10,963,732	9,960,801
Reserve for claim payments	4,042,526	3,574,186
Reserve for insufficient premiums	1,054,695	1,415,228
Special reserve for life insurance	6,859,980	7,225,307
	3,277,331,863	3,267,455,252
Less: Intangible assets	-	-
Book value of insurance obligation	$ 3,277,331,863	$ 3,267,455,252
Current estimates of cash flows	$ 2,974,110,546	$ 3,014,348,733
Balance of reserve for liability adequacy	$ -	$ -

As of December 31, 2023 and 2022, the Group was not required to provide reserve for liability adequacy after evaluation.

Method used in the liability adequacy test is shown as follows:

	December 31, 2023 and 2022
Test method	Total premium measurement method
Test groups	All insurance contracts as a whole
Assumptions	The assumption of discount rate of every year was based on the best estimate scenario as well as the rate of return on investment with current information

b. Net insurance premium income

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
Gross written premiums	$ 153,842,085	$ 178,205	$ 154,020,290	$ 180,027,911	$ 205,841	$ 180,233,752
Reinsurance premiums	-	-	-	-	-	-
Total insurance income	153,842,085	178,205	154,020,290	180,027,911	205,841	180,233,752
Less: Reinsurance expenses	(1,795,941)	-	(1,795,941)	(1,736,069)	-	(1,736,069)
Net changes in reserve for unearned premiums	(1,102,998)	(5)	(1,103,003)	(239,550)	2	(239,548)
Net insurance premium income	$ 150,943,146	$ 178,200	$ 151,121,346	$ 178,052,292	$ 205,843	$ 178,258,135

c. Net insurance benefits and claims:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total	Insurance Contracts	Financial Instruments with Discretionary Participation Features	Total
Gross written insurance benefits and claims	$ 243,249,779	$ 3,004,256	$ 246,254,035	$ 200,547,456	$ 4,240,220	$ 204,787,676
Reinsurance claims	-	-	-	-	-	-
Insurance benefits and claims	243,249,779	3,004,256	246,254,035	200,547,456	4,240,220	204,787,676
Less: Claims recovered from reinsurers	(863,013)	-	(863,013)	(811,008)	-	(811,008)
Net insurance benefits and claims	$ 242,386,766	$ 3,004,256	$ 245,391,022	$ 199,736,448	$ 4,240,220	$ 203,976,668

26. RESERVE FOR INSURANCE CONTRACT WITH THE NATURE OF FINANCIAL PRODUCTS

The Group issued financial instruments with discretionary participation feature and appropriated reserve for insurance contract with the nature of financial products. As of December 31, 2023 and 2022, the balance and movements were as follows:

	December 31	
	2023	2022
Investment-linked product	$ 70,849	$ 20,964

	For the Year Ended December 31	
	2023	2022
Balance, January 1	$ 20,964	$ 6,986
Provision	50,080	13,745
Net exchange differences	(195)	233
Balance, December 31	$ 70,849	$ 20,964

27. EQUITY

a. Ordinary share

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	8,000,000	8,000,000
Shares authorized (in thousands of NTD)	$ 80,000,000	$ 80,000,000
Shares issued and fully paid (in thousands of shares)	7,438,745	7,372,078
Shares issued (in thousands of NTD)	$ 74,387,451	$ 73,720,784
Share premium	22,447,447	21,614,114
	$ 96,834,898	$ 95,334,898

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on July 27, 2023, and the transaction was approved by the FSC on December 13, 2023. On subscription base date, December 29, 2023, the Company was fully paid and issued 66,667 thousand ordinary shares with a consideration of $22.5 per share. The capital increase amounted to $1,500,000 thousand. The share premium of $833,333 thousand was recognized as capital surplus The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

Shin Kong Life Insurance Co., Ltd.'s board of directors on behalf of the shareholder resolved to increase the share capital on May 20, 2022, and the transaction was approved by the FSC on May 31, 2022. On subscription base date, June 27, 2022, the Company was fully paid and issued 374,177 thousand ordinary shares with a consideration of $25.05 per share. The capital increase amounted to $9,373,127 thousand, and the share premium of $5,631,360 thousand was recognized. The target of private placement was Shin Kong Financial Holdings Co., Ltd., the parent company of Shin Kong Life Insurance Co., Ltd.

b. Capital surplus

The donations and capital surplus which arises from shares issued in excess of par, conversion of convertible bonds and treasury shares transaction may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus). According to Jin Guan Bao Tsai No. 10202501991 issued by the FSC on February 8, 2013, if a life insurance enterprise intends to distribute its legal reserve appropriated based on Article 145-1 of the Insurance Law and capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them in accordance with Article 241 of the Company Act, it should be approved by the FSC before the shareholders' meeting.

According to the Company Act, SKFHC retains 10% of shares as provision for subscription by qualified employees when there is issuance of ordinary shares for cash. On April 19, 2022, qualified employees were granted 22,581 thousand options. Each option entitles the holder with the right to subscribe for one ordinary share of the Company. The options were granted at market price of $10.35 on the grant dates. The options were granted at an exercise price of $9.52. The options were granted at a fair value of $0.83.

The fees recognized by the Group for the employee share based payment plan are as follows:

	For the Year Ended December 31, 2022
	Ordinary Shares
Fees recognized for share-based payment transactions (all equity-settled share-based payment transactions)	$ 18,742

c. Retained earnings and dividend policy

Under the dividends policy of the Company's Article of Incorporation, where the Company made a profit in a fiscal year, the profit shall be utilized for paying taxes, adjusted in accordance with International Financial Reporting Standards and International Accounting Standards approved by the competent authority, and offset losses of previous years. The remaining profit should be set aside as legal reserve and special reserve in accordance with the laws and regulations. The payment of preferred dividends also takes precedence in accordance with the dividends policy of the preferred share, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors after the amendment, refer to compensation of employees and remuneration of directors and supervisors in Note 30 a.

In order for the Company to continue to expand its scale and increase profitability in line with its long-term financial strategy, future demand for capital and meet the dividend needs of ordinary shareholders, the Company adopted a dividend policy in framing a proposal for the distribution of annual earnings for the purpose of sustainable development, whereby share dividends, if declared, shall not be less than 50% of the total ordinary share dividends declared for the year. However, the Company may adjust dividend policy moderately based on the capital needs of business and investment, the approval of dividend appropriation or major regulation and amendments, etc.

When distributing earnings, the Company must follow relevant regulations such as Rule No. 1090150022 issued by the FSC to deduct the net amount of other equity (such as Exchange differences on translating the financial statements of foreign operations, unrealized gain (loss) on financial assets at FVTOCI, hedging instrument gains and losses, and revaluation increment and set aside as a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

According to Jin Guan Bao Tsai No. 10202501992, a life insurance enterprise that intending to distribute cash dividends from earnings (not including dividends for preference share liabilities) should notify the FSC and then the FSC approves the distribution of earnings based on its financial position.

According to Jin Guan Bao Tsai No. 10804501381 starting from January 1, 2019, a life insurance enterprise should make a special reserve from gains or losses after a tax of 20% on disposals of the following immature debt instruments, which should be amortized and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity periods cannot be determined:

1) Financial assets not measured at fair value.

2) Financial assets measured at FVTOCI.

3) Financial assets measured at FVTPL using overlay approach.

In the calculation of immature debt instruments, beneficiary certificates, short-term notes, preferred shares (classified as equity instrument), and the positions belonging to the segregated assets for participating insurance or interest-sensitive commodities may be excluded. The special reserve mentioned above should be listed after No.9 of the Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprises, and the accumulated balance must not be negative.

The changes in the accumulated balance of gains or losses on disposals of debt instruments of the life insurance industry are as follows:

	Amount
Gains or losses on disposals of debt instruments of the life insurance enterprise	
Accumulated balance at the end of December 31, 2022	$ 36,893,914
Realized capital loss of $2,584,290 thousand, net of income tax of $516,858 thousand	(2,067,432)
Net amortization for the current year	(1,512,429)
Accumulated balance at December 31, 2023	$ 33,314,053

As of December 31, 2023, the Company has set aside special reserve of $36,893,914 thousand in accordance with the regulation; in 2023, the board of directors will resolve to set aside special reserve of $(3,579,861) thousand according to the changes in the current year. The accumulated balance of special reserve will be at $33,314,053 thousand.

According to the regulation, the amortization table at the end of the previous year and the additions in the current year is as follows:

Year	Net Amortization of the Accumulated Balance of Gains or Losses on Disposal at the End of the Previous Year (1)	Gains or Losses on Disposal After Tax in the Current Year (2)	Net Amortization of the Accumulated Balance of Gains or Losses on Disposal at the End of the Current Year (3)
2023	$ 1,745,689	$ (233,260)	$ 1,512,429
2024	1,697,920	(233,260)	1,464,660
2025	1,667,035	(233,274)	1,433,761
2026	1,659,641	(206,803)	1,452,838
2027	1,655,809	(191,188)	1,464,621
2028	1,647,068	(189,899)	1,457,169
2029	1,617,615	(127,955)	1,489,660
2030	1,703,790	(121,228)	1,582,562
2031	1,758,435	(92,498)	1,665,937
2032	1,757,920	(89,798)	1,668,122
2033 to 2042	15,307,487	(306,274)	15,001,213
2043 to 2052	4,258,780	(42,665)	4,216,115
2053 to 2062	411,156	583	411,739
2063 to 2070	5,569	87	5,656
	$ 36,893,914	$ (2,067,432)	$ 33,314,053

Note: The assessment year is 2023; total (1) + (2) does not include the amortization of the accumulated balance of gains or losses on disposal in 2023.

Legal reserve should be appropriated from earnings until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash. Pursuant to Jin Guan Bao Tsai No. 10202501991, if a life insurance enterprise intends to appropriate legal reserve under Article 145-1 of the Insurance Act and to distribute, in accordance with Article 241 of the Company Act, its legal reserve and capital surplus by cash to its shareholders in proportion to the number of shares being held by each of them, it should be approved by the FSC before shareholders' meeting.

The offsetting of the deficits for 2022 and 2021 had been approved by the board of directors (on behalf of the shareholder) on May 23, 2023 and May 20, 2022. The reserves used to offset deficits were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	$ -	$ -
Special reserve	5,845,815	18,678,689

d. Special reserves

	December 31	
	2023	2022
Special reserve for catastrophic events and fluctuation of risks recognized (1)	$ 14,491,792	$ 14,223,579
Special reserve for the foreign exchange valuation (2)	5,773,353	5,773,353
Special reserve for unrealized loss on financial instruments	712,694	712,694
Special reserve appropriated following first-time adoption of IFRS Accounting Standards (3)	3,953,868	4,486,248
Recover special reserve for revaluation increments of property (4)	22,590,424	22,590,424
Special reserve for gains or losses on disposal of immature debt instruments (5)	36,893,914	36,945,381
Special reserve appropriated following adoption of fair value model to measure investment properties (6)	36,346,298	36,352,081
Special reserve for travel insurance (7)	14,237	4,764
Special reserve for special provision (8)	12,000,000	12,000,000
	$ 132,776,580	$ 133,088,524

1) Special reserve for catastrophic events and fluctuation of risks recognized

Following the revised "Regulations Governing the Calculation of Various Reserves for Operations" dated February 7, 2012, SKLIC transferred the balance of the special reserve for catastrophe and for contingent claim, net of tax, from liability to special reserve.

Under the rules submitted by the Company to the authorities and relevant regulations, the Company has set aside a special reserve for catastrophic events and a special reserve for the fluctuation of risks for retained insurance policies with terms shorter than one year and injury insurance policies with terms longer than one year, as follows:

a) Special reserve for catastrophic events

All types of insurance are subject to the reserve rates for catastrophic events set by the authorities. Upon the occurrence of catastrophic events, an actual claim by a covered business in excess of $30,000 thousand can be withdrawn from the special reserve. If the reserve has been accumulating for over 15 years after the catastrophe, the Company may plan a reserve recovery process through an assessment by certified actuarial professionals and submit the plan to the authorities for reference. The post-tax amount of the recovery determined in accordance with IAS 12 "Income Taxes" can be recorded in the special capital reserve for catastrophic events under equity.

b) Special reserve for fluctuation of risks

When the actual claim payment less a drawdown from the special reserve for catastrophic events is less than the anticipated claim amount, 15% of this difference should be placed in the special reserve for fluctuation of risks.

When the actual claim payment less a drawdown from the special reserve for catastrophic events is greater than the anticipated claim amount, the excess can be used to further draw down the special reserve for fluctuation of risks. If the total amount of special reserves for fluctuation of risks is not enough to cover the actual claim payment, the special reserve for the fluctuation of risks for other types of insurance can be used, and the type of insurance and total amount written down should be reported to the authorities. Under the Ministry of Finance directive Tai

Tsai Bao No. 0910074195 dated December 30, 2002, when the accumulated amount of special reserve for fluctuation of risks exceeds 30% of the retained earned premium of the current year, the excess will be recovered. To promote the sustainable development of the insurance industry, the authorities may designate or restrict the use of the recovered amount.

The post-tax amount of write-down or recovery determined in accordance with the IAS 12 "Income Taxes" can be recorded in the special capital reserve for fluctuation of risks under equity.

The annual provision for the above special reserves should be recorded in special reserve under equity, net of tax, in accordance with IAS 12"Income Taxes".

Under Article 23-2 of the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises," life insurance enterprises should recognize the amount equal to the initial reserve for foreign exchange valuation transferred from liabilities as special reserve for three years, starting from the setup of the initial reserve. This special reserve includes the reduced recovery amounts of special reserve for catastrophic events and special reserve for fluctuation of risks, which are calculated in accordance with Articles 19 and 20, due to the transfer of the initial amount of reserve for foreign exchange valuation.

According to Jin Guan Bao Tsai No. 09802513192, the revised Regulations Governing the Setting Aside of Various Reserve by Insurance Enterprise, issued on December 28, 2009, the provision for special reserve for catastrophic events and for fluctuation of risks is recognized at the end of the year and should not be distributed as dividends or be used for any other purposes.

Special reserve for catastrophic events and fluctuation of risks recognized comprised:

	December 31, 2023		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 220	$ -	$ 220
Individual accident insurance	1,803,592	-	1,803,592
Individual health insurance	3,951,841	-	3,951,841
Group insurance	1,940,024	-	1,940,024
For contingent claim			
Individual life insurance	218	-	218
Individual accident insurance	1,942,405	-	1,942,405
Individual health insurance	546,578	-	546,578
Group insurance	4,306,914	-	4,306,914
	$ 14,491,792	$ -	$ 14,491,792

	December 31, 2022		
	Insurance Contracts	Financial Instruments with Discretionary Participation Feature	Total
For catastrophe			
Individual life insurance	$ 191	$ -	$ 191
Individual accident insurance	1,751,845	-	1,751,845
Individual health insurance	3,717,965	-	3,717,965
Group insurance	1,770,060	-	1,770,060
For contingent claim			
Individual life insurance	123	-	123
Individual accident insurance	2,431,792	-	2,431,792
Individual health insurance	673,081	-	673,081
Group insurance	3,878,522	-	3,878,522
	$ 14,223,579	$ -	$ 14,223,579

2) Special reserve for foreign exchange valuation reserve

According to Jin Guan Bao Tsai No. 10102501551 issued on February 7, 2012 and Article 9 of the Direction for Reserve for Foreign Exchange Valuation by Life Insurance Enterprise, the Company should appropriate a special reserve at 10% of the profit after tax in order to strengthen the foreign exchange reserve and capital.

According to Jin Guan Bao Tsai No. 10102501551 and Jin Guan Bao Tsai No. 10402026901 issued on May 8, 2015 and Article 8 of the Direction for Reserve for Foreign Exchange Reserve, the Company should set aside special reserve at the amount of hedging expense saved. This special reserve should be set aside in later years if there are no sufficient earnings, and it should only be used for transferring to capital or offsetting deficit.

3) Special reserves appropriated following first-time adoption of IFRS Accounting Standards

For the first-time adoption of IFRS Accounting Standards in 2013, the Company appropriated to special reserve the amounts that were the same as the unrealized revaluation increment, $4,577,526 thousand, cumulative translation differences, $77,017 thousand, and the increment of $20,398 thousand in accordance with Bao Tsai No. 10202508140. Investment properties have been disposed of and the related special reserve had been reversed; thus, balance of special reserve was $721,073 thousand as of December 31, 2024.

Special reserve for unrealized revaluation increment may be reversed when investment properties are disposed of or reclassified. Special reserve for cumulative translation differences may be reversed in proportion to the Company's disposed of foreign operations and may be fully reversed when the Company lost its significant influence on foreign operations.

4) In accordance with Jin Guan Bao Shou No. 10704272230 issued on March 28, 2018, Jin Guan Bao Shou No. 10502915790 issued on February 14, 2017, Jin Guan Bao Tsai No. 10402914880 issued on February 17, 2016 and Jin Guan Bao Tsai No. 10402901500 issued on March 13, 2015, the Company recovered special reserve for revaluation increments of property of $1,590,424 thousand, $7,000,000 thousand, $7,000,000 thousand and $7,000,000 thousand in 2018, 2017, 2016 and 2015, respectively. In accordance with Jin Guan Bao Tsai No. 10102515281 issued on November 30, 2012, revocation of special reserve for revaluation increments of property should be transferred to special reserve under equity. The limitation is $10 billion per year.

5) In accordance with Jin Guan Bao Tsai No. 10804501381 starting from January 1, 2019, the Company should make a special reserve from gains or losses after a tax of 20% on disposals of the following immature debt instruments, which should be amortized and released to distributable earnings in the remaining maturity periods of the disposed debt instruments or in 10 years for those whose remaining maturity periods cannot be determined:

   a) Financial assets not measured at fair value.

   b) Financial assets measured at FVTOCI.

   c) Financial assets measured at FVTPL using overlay approach.

   In the calculation of immature debt instruments, beneficiary certificates, short-term notes, preferred shares (classified as equity instrument), and the positions belonging to the segregated assets for participating insurance or interest-sensitive commodities may be excluded. Special reserve for immature debt instruments should be appropriated after appropriate special reserve according to Item 9 of the Guideline Governing Reserves for Change on Foreign Exchange Price by Life Insurance Enterprises and the accumulated balance should not be negative.

6) Special reserve for investment properties at fair value model in subsequent measurement

   In accordance with Jin Guan Bao Tsai No. 10402501001, the Company set aside special reserve based on net effect for the first-time adoption of fair value model in subsequent measurement, and accumulated net gain on subsequent fair value measurements.

   Special reserve for investment properties at fair value model in subsequent measurement can only be used for compensating deficit of policy reserve of effective contracts, which was measured by IFRS 17 “Insurance Contracts”, Fair value evaluation of in force insurance contract liabilities and other method approved by the authorities.

   When the Company disposes of investment properties, special reserve for investment properties at fair value model in subsequent measurement could be reversed in the proportion of initial recognition. The earnings appropriation regarding the reversal of special reserve should be arranged in accordance with Jin Guan Bao Tsai No. 10202501992.

7) Under Rule No. 10904939031, for the accidental death and loss of personal travel insurance sold in the year, a reserve is provided at 10% of the total premium income calculated according to the amount insured and the number of days insured, after deducting 20% tax, shall be transferred to the special reserve account under the owner’s equity.

8) In accordance with Jin Guan Bao Shou No. 1110468177 issued on January 7, 2023, Jin Guan Bao Shou No. 1100430455 issued on September 27, 2021, the Group appropriated $6,000,000 thousand to special reserve at the end of 2022 and 2021, respectively. According to article 21 of Regulations Governing Calculation of Various Reserve for Operations, a personal insurance enterprise may add special reserves based on special needs for the insurance business with an insurance period of more than one year; the method of adding and deduction and the accumulation limit shall be reported to the competent authority for approval in advance.

e. Other equity

1) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (6,991,393)	$ (3,753,379)
Recognized for the year		
Unrealized gain (loss) - debt instruments	35,646	7,178,307
Unrealized gain (loss) - equity instruments	12,496,611	(10,702,319)
Income tax related to financial assets at FVTOCI	(1,507,855)	(267,777)
Net remeasurement of loss allowance	(1,437)	(15,219)
Share from joint ventures accounted for using the equity method	64,608	(13,644)
Reclassification adjustment		
Disposal of investments in debt instruments	(15,532)	939,715
Income tax related to disposal of investments in debt instruments	3,109	(185,973)
Other comprehensive income (loss) recognized for the year	11,075,150	(3,066,910)
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(2,809,142)	(204,123)
Income tax related to disposal of investments in equity instruments	337,097	33,019
Balance at December 31	$ 1,611,712	$ (6,991,393)

2) Gain on hedging instruments

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 3,301	$ -
Recognized for the year		
Share from associates and joint ventures accounted for using the equity method	(1,234)	3,301
Other comprehensive income (loss) recognized for the year	(1,234)	3,301
Balance at December 31	$ 2,067	$ 3,301

3) Gains on property revaluation

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 3,537,471	$ 2,582,578
Gains on property revaluation	1,165,042	1,132,199
Income taxes related to gains on property revaluation	(208,580)	(168,477)
Other comprehensive income recognized for the year	956,462	963,722
Transferred to retained earnings	-	(8,829)
Balance at December 31	$ 4,493,933	$ 3,537,471

In 2022, The Company demolished the Nandong Building. Accordingly, an amount of $8,829 thousand previously recorded under other equity - Revaluation Surplus of Property was transferred to retained earnings.

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 408,641	$ 412,413
Attributable to non-controlling interests:		
Share of profit for the year	84,934	82,052
Other comprehensive income recognized for the year		
Unrealized gain or loss on financial assets at fair value through other comprehensive income	20,608	(22,906)
Income tax related to unrealized gain or loss on financial assets at FVTOCI	(4,122)	4,795
Remeasurement of defined benefit plan	(148)	2,727
Income tax related to remeasurement of defined benefit plan	30	(545)
Cash dividends of non-controlling interests	(76,962)	(69,965)
Share-based payment of subsidiaries	-	70
Balance at December 31	$ 432,981	$ 408,641

g. Equity ratio

The ratios of the Company's equity divided by the total assets excluding special account of investment insurance at December 31, 2023 and 2022 were 4.47% and 3.94%.

28. LOSS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic and diluted loss per share from continuing operations	$ (2.33)	$ (0.68)

The loss and weighted average number of ordinary shares outstanding used in the computation of loss per share were as follows:

Net Loss for the Year

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic and diluted loss per share	$ (17,192,701)	$ (4,872,114)

Weighted Average Number of Ordinary Shares Outstanding (In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	7,372,626	7,190,628

29. NET GAIN ON INVESTMENTS

	For the Year Ended December 31	
	2023	2022
Interest income		
Cash in bank	$ 1,650,061	$ 979,042
Financial instruments at FVTPL	1,078,498	1,127,333
Financial instruments at FVTOCI	468,824	2,421,387
Financial assets at amortized cost	91,184,771	87,320,896
Loans	6,871,207	6,526,261
	$ 101,253,361	$ 98,374,919
Gain (loss) on financial assets and liabilities at FVTPL		
Gain (loss) on changes in fair value	$ 77,547,343	$ (79,517,724)
Dividend income	7,371,598	7,718,559
Gain (loss) on disposal of investments		
Non-derivative instruments	10,003,847	3,932,242
Derivative instruments	(101,913,572)	(114,414,623)
Distributions from foreign investments	450,609	571,711
	$ (6,540,175)	$(181,709,835)
Realized gain on investments in equity instruments at fair value through other comprehensive income		
Dividend revenue	$ 6,189,136	$ 6,496,157
Loss on investments in debt instruments at fair value through other comprehensive income		
Loss on disposal of investments	$ (15,532)	$ (939,715)
(Loss) gain on financial assets at amortized cost		
(Loss) gain on disposal of investments	$ (3,555,020)	$ 6,759,503
Gain (loss) on investment properties		
Gain (loss) on disposal	$ 86,173	$ (225,016)
Gain on changes in fair value of assets held for sale	161,196	869,479
Revaluation	4,888,636	(6,358,084)
Rental income (Note 32)	4,725,291	4,503,585
	$ 9,861,296	$ (1,210,036)

For the year ended December 31, 2023, SKLIC sold 11 units of President Jasper Villa, 1 unit of Qiyan Jasper, 1 unit of Minsheng Plaza, part of Muzha Building land and part of Changhua Building land at the net sales amount of $1,244,080 thousand (total price of $1,284,459 thousand minus other taxes and costs of $40,379 thousand). After deducting the carrying amount of $1,157,907 thousand, the gain on disposal was $86,173 thousand, which was recorded under the gain or loss on investment properties.

For the year ended December 31, 2022, SKLIC sold 7 units of President Jasper Villa, Yingge Building, Baiyun Villa, Nandong Building, part of Changhua Building land, Yangde condominium and Rueian Jasper Villa at the net sales amount of $981,101 thousand (total price of $1,011,056 thousand minus other taxes and costs of $29,955 thousand). After deducting the carrying amount of $1,206,117 thousand, the loss on disposal was $225,016 thousand, which was recorded under the gain or loss on investment properties.

	For the Year Ended December 31	
	2023	2022
Expected credit impairment losses and gains on reversal from investments		
Investments in debt instruments at fair value through other comprehensive income	$ 1,444	$ 30,185
Financial assets at amortized cost	713,142	(5,613,356)
Loans	(70,785)	(144,190)
Reserve for loan commitments	(4,037)	(12,477)
Interest receivables	(147,775)	(175,751)
	$ 491,989	$ (5,915,589)

30. NET PROFIT FROM CONTINUING OPERATIONS

a. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits		
Salary	$ 9,584,179	$ 8,867,803
Labor and health insurance	749,268	782,737
Termination benefits	274,215	339,992
Share-based payments	-	18,742
Remuneration of directors and supervisors	60,038	51,018
Termination benefits	21,645	19,027
Other employee benefits	276,134	244,889
Total employee benefits expense	$ 10,965,479	$ 10,324,208
An analysis of employee benefits expense by function		
Operating costs	$ 3,148,285	$ 2,969,971
Operating expenses	7,817,194	7,354,237
	$ 10,965,479	$ 10,324,208

According to the Articles of Incorporation of the Company, if there is a profit in the current year, the Company should distribute compensation of employees at the rates of 1% of net profit before income tax. However, the Company has to first cover accumulated loss, if any. There was no distribution required for the years ended December 31, 2023 and 2022.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate.

The compensation of employees for the years 2022 and 2021 was resolved by the Company's board of directors on behalf of the shareholder on May 23, 2023 and May 20, 2022 and the amount of compensation of employees recognized in the consolidated financial report was both $0.

Information on the compensation of employees resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

b. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property and equipment	$ 487,736	$ 475,196
Right-of-use assets	188,985	192,947
Intangible assets and other assets	237,593	270,618
	$ 914,314	$ 938,761
An analysis of depreciation by function		
Operating costs	$ 8,306	$ -
Operating expenses	668,415	668,143
	$ 676,721	$ 668,143
An analysis of amortization by function		
Operating expenses	$ 237,593	$ 270,618

c. Direct operating expenses from investment properties

	For the Year Ended December 31	
	2023	2022
Direct operating expenses from investment properties generating rental income	$ 1,231,790	$ 1,325,257
Direct operating expenses from investment properties not generating rental income	16,722	28,883
	$ 1,248,512	$ 1,354,140

d. Donation expenses

	For the Year Ended December 31	
	2023	2022
Related party (Note 32)	$ 14,000	$ 7,000
Non-related party		
National Sun Yat-sen University	3,000	3,000
National Chengchi University	3,000	3,000
Other	-	479
	$ 20,000	$ 13,479

On June 28, 2022, the Company's Board of Directors approved donations of $24,000 thousand each to non-related parties National Sun Yat-sen University and National Chengchi University for the establishment of an "International School of Finance". The donations are to be paid to each university at $3,000 thousand annually over eight years from 2022 to 2029.

31. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax benefit (expense) were as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 1,494,730	$ 1,479,140
Income tax on unappropriated earnings	-	(79)
Land value increment tax	(47,790)	(35,124)
Adjustments for prior periods	7,424	(67,689)
Deferred tax		
In respect of the current year	5,057,504	(2,026,951)
Income tax benefit (expense) recognized in profit or loss	$ 6,511,868	$ (650,703)

The income tax expenses in 2023 and 2022 included $170,006 thousand and $249,829 thousand, respectively, which were the withholding taxes on foreign income paid by the Company. The foreign income had no income tax deduction effect, so it was recorded under income tax expenses in the current period. Income tax expenses for the current period in 2023 and 2022 decreased by $1,723,066 thousand and $1,784,432 thousand, respectively, due to the use of deferred tax assets of SKLIC under the merger-linked tax of Financial Holdings.

A reconciliation of accounting profit and income tax benefit is as follows:

	For the Year Ended December 31	
	2023	2022
Loss before tax from continuing operations	$ (23,619,635)	$ (4,139,359)
Income tax benefit calculated at the statutory rate (20%)	$ 4,723,927	$ 827,872
Gain (loss) on disposal of equity instruments at fair value through other comprehensive income	(337,097)	(33,019)
Nondeductible expenses in determining taxable income	992,770	(305,311)
Tax-exempt income	3,723,725	2,517,871
Unrecognized	113,362	(1,151,785)
Unrecognized loss carryforwards	(2,494,447)	(2,153,610)
Withholding tax on foreign income without tax deduction	(170,006)	(249,829)
Income tax on unappropriated earnings	-	(79)
Land value increment tax	(47,790)	(35,124)
Adjustments for prior years' tax	7,424	(67,689)
Income tax benefit (expense) recognized in profit or loss	$ 6,511,868	$ (650,703)

b. Income tax recognized directly in equity

	For the Year Ended December 31	
	2023	2022
Current tax		
Disposal of investments in equity instruments designated as at FVTOCI	$ (337,097)	$ (33,019)
Deferred tax		
Disposal of investments in equity instruments designated as at FVTOCI	337,097	33,019
Total income tax recognized directly in equity	$ -	$ -

c. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
Remeasurement of the defined benefit plan	$ (871)	$ (22,027)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(1,511,977)	(262,982)
Gains on property revaluation	(208,580)	(168,477)
Arising on income and expenses reclassified from equity to profit or loss:		
On disposal of investments in debt instruments at fair value through other comprehensive income	3,109	(185,973)
Other comprehensive income based on reclassification using the overlay approach	(3,658,307)	6,301,829
Income tax (expense) benefit on total income tax recognized in other comprehensive income	$ (5,376,626)	$ 5,662,370

d. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 9,084,906	$ 6,848,517
Current tax liabilities		
Income tax payable	$ 29,756	$ 29,806

e. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Differences in depreciation of properties	$ 283,727	$ 3,398	$ -	$ -	$ 287,125
Unrealized gain (loss) on financial assets	4,769,355	(4,769,355)	-	-	-
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	7,021,071	-	(5,167,174)	155,239	2,009,136
Others	10,235	(187,757)	-	182,842	5,320
Tax losses	25,290,932	15,762,053	-	(337,097)	40,715,888
	$ 37,375,320	$ 10,808,339	$ (5,167,174)	$ 984	$ 43,017,469
Deferred tax liabilities					
Temporary differences					
Fair value of properties	$ 7,113,001	$ 337,943	$ 208,580	$ -	$ 7,659,524
Defined benefits obligation	736,171	53,490	872	-	790,533
Unrealized gain on financial assets	-	5,378,213	-	-	5,378,213
Others	18,812	-	-	-	18,812
Reserve for land value increment tax	2,704,773	(18,811)	-	-	2,685,962
	$ 10,572,757	$ 5,750,835	$ 209,452	$ -	$ 16,533,044

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Others	Closing Balance
Deferred tax assets					
Temporary differences					
Differences in depreciation of properties	$ 280,394	$ 3,333	$ -	$ -	$ 283,727
Unrealized gain (loss) on financial assets	31,452,321	(26,682,966)	-	-	4,769,355
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,133,120	-	5,852,874	35,077	7,021,071
Others	22,971	(12,736)	-		10,235
Tax losses	1,246,361	24,077,590	-	(33,019)	25,290,932
	$ 34,135,167	$ (2,614,779)	$ 5,852,874	$ 2,058	$ 37,375,320
Deferred tax liabilities					
Temporary differences					
Fair value of properties	$ 7,629,442	$ (684,918)	$ 168,477	$ -	$ 7,113,001
Defined benefits plan	604,636	109,508	22,027	-	736,171
Others	18,812	-	-	-	18,812
Reserve for land value increment tax	2,717,191	(12,418)	-	-	2,704,773
	$ 10,970,081	$ (587,828)	$ 190,504	$ -	$ 10,572,757

Note: Reclassified income tax payable for linked-tax and deferred tax assets.

f. Deductible temporary differences and unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	For the Year Ended December 31	
	2023	2022
Loss carryforwards	$ 10,399,370	$ 10,266,720
Deductible temporary differences		
Impairment losses on assets	$ 6,182,316	$ 6,749,127

g. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 15,035,176	2028
121,651,997	2032
77,291,631	2033
$ 213,978,804	

h. Income tax assessments

The tax returns of the Company through 2018 have been assessed by the tax authorities. The main assessment difference in 2018 was recorded in 2023.

32. RELATED-PARTY TRANSACTIONS

a. The related parties and their relationships with the Group are as follows:

Related Party	Relationship
Shin Kong Financial Holdings Co., Ltd.	The parent company
DingCheng Life Insurance Co.	Associate
Century Biotech Development Corporation	Associate
Jih-yao Energy Co., Ltd.	Associate
LeadsunFox Greenergy Investment Co., Ltd.	Associate
Xinhe Energy Development Co., Ltd.	Associate
Xinding No.1 Energy Co., Ltd.	Associate
Taipan Solar Co., Ltd.	Associate
Juxin Energy Co., Ltd.	Associate
Wholex Max Green Power Co., Ltd.	Associate
Bao-Shen Wei	Key management personnel
Shih-Chi Hung	Key management personnel
Min-Yi Hung and other directors	Key management personnel
Hsin-Cheng Liu and other management personnel	Key management personnel
Hung-Neng Ho and other audit committee members	Key management personnel

(Continued)

Related Party	Relationship
Shin Kong Investment Trust Co., Ltd.	Fellow subsidiary
Taiwan Shin Kong Commercial Bank Co., Ltd.	Fellow subsidiary
Shin Kong Marketing Consultant Co., Ltd.	Fellow subsidiary
Shin Kong Property Insurance Agency Co., Ltd.	Fellow subsidiary
Shin Kong Venture Capital International Co., Ltd.	Fellow subsidiary
MasterLink Securities Co., Ltd.	Fellow subsidiary
MasterLink Futures Co., Ltd.	Fellow subsidiary
MasterLink Securities Investment Advisory Co., Ltd.	Fellow subsidiary
MasterLink Insurance Agency Co., Ltd.	Fellow subsidiary
MasterLink Venture Capital Corp., Ltd.	Fellow subsidiary
MasterLink Venture Management Corp., Ltd.	Fellow subsidiary
MasterLink Securities (B.V. I.) Corporation	Fellow subsidiary
MasterLink Venture Capital Corporation (Tianjin)	Fellow subsidiary
MasterLink Venture Management Corporation (Tianjin)	Fellow subsidiary
Gentle Development Company	Other related party
Hua Yang Motor Co., Ltd.	Other related party
Fu Yu Bu Co., Ltd.	Other related party
Fu Yu Tian Co., Ltd.	Other related party
Newrise Investment Co., Ltd.	Other related party
Chong Wei Guan Li Gu Wen Company	Other related party
De Sure Co., Ltd.	Other related party
Teh Liang Co., Ltd.	Other related party
Tay Jay Enterprise Co., Ltd.	Other related party
Tay Way Enterprise Co., Ltd.	Other related party
Hungjie Investment Corporation Ltd.	Other related party
Hsin Hua Film Co., Ltd.	Other related party
Inspire Prosperity Industrial Co., Limited	Other related party
HAN SHAN CONSTRUCTION CO., LTD.	Other related party
Han Lin Construction Co., Ltd.	Other related party
Han Lin Yu Le Company	Other related party
Lian Hua Ying Ye Company	Other related party
Da Sheng Wen Chung Yi Shu Company	Other related party
Jiu Bing Shi Ye Company	Other related party
Su Tian Tang Company	Other related party
Wan Fu Zi Xun Company	Other related party
Shin Kong Chuang Xin Jian Zhu Jing Li Company	Other related party
Rui Hong Cai Wu Gu Wen Company	Other related party
Rui Hong Tou Zi Company	Other related party
Bo Ke Ke Ji Company	Other related party
Qi Jian Shi Ye Company	Other related party
Locus Cell Co., Ltd.	Other related party
Shin Kong Spinning Co., Ltd.	Other related party
Pei-Tou Hotel Co., Ltd.	Other related party
Shinkong Mitsukoshi Development Co., Ltd.	Other related party
Shin Kong Chao Feng	Other related party
ChiaBan Investment Co., Ltd.	Other related party
Cui Yuan Co., Ltd.	Other related party
YENWIN INVESTMENTS LIMITED	Other related party

(Continued)

Related Party	Relationship
Hao Ting Investment Co., Ltd.	Other related party
ACTION & CO., CAPS	Other related party
UNITRAVEL SERVICES CO., LTD.	Other related party
ASCENDOBIO TECHNOLOGY, INC	Other related party
Ruey - Fang Farm Company	Other related party
Aoba restaurant Co., Ltd.	Other related party
Qiang Sheng Ran Zheng Company	Other related party
Wei Sheng Shi Ye Company	Other related party
Ci Qing Company	Other related party
Ji ZhEN Company	Other related party
Sun - der Motous Ltd.	Other related party
One Full Co., Ltd.	Other related party
Hung En Co., Ltd.	Other related party
T and M Capital Company	Other related party
Kim Kwangfu Cultural and Educational Foundation	Other related party
Taishin Leasing & Financing Co., Ltd.	Other related party
Gui Lan Culture Art Foundation	Other related party
Shih Yuan Investment Co., Ltd.	Other related party
Yue Yanghing Yip Company	Other related party
Hong Yue International Co	Other related party
Xinghong Industrial Company	Other related party
Hongda Management Consultants	Other related party
HERALD HOLDINGS LIMITED	Other related party
Yun Shan Technology Crop.	Other related party
Yuanxing Biotechnology Company	Other related party
Skin Kong Lohas Co., Ltd.	Other related party
Shin Kong Synthetic Fiber Corp.	Other related party
Shin Sheng Co., Ltd.	Other related party
Mega Green Energy Corporation	Other related party
Shin Kong Construction and Development Co., Ltd.	Other related party
Shin Kong Farm Co., Ltd.	Other related party
Shin Kong Life Charity Foundation	Other related party
Yung Kwang Co., Ltd.	Other related party
Shumei Hot Spring Bathroom Enterprise Co., Ltd.	Other related party
Shinkong Company Ltd.	Other related party
Shin Kong Mitsukoshi Department Store Co., Ltd.	Other related party
Wang Tien Woolen Textile Co., Ltd.	Other related party
Fayaque Co.	Other related party
Shin Kong Asset Management Company	Other related party
Shin Kong Recreation Co., Ltd.	Other related party
Si Si Company	Other related party
Liu Fu Shi Ye Company	Other related party
Waibel Enterpris, Inc.	Other related party
Mega Solar Energy Co., Ltd.	Other related party
Li Lun Ke Ji Company	Related party in substance
Li Lun Qi Ye Company	Related party in substance
Li Yuan Ke Ji Company	Related party in substance

(Continued)

Related Party	Relationship
Mao Yi Qi Ye Company	Related party in substance
Li Long Qi Ye Company	Related party in substance
Hua Cai Company	Related party in substance
You Jian Company	Related party in substance
Yu Tian Tou Zi Company	Related party in substance
Taishin Life Insurance Co., Ltd.	Related party in substance
Taishin Securities Investment Advisory Co., Ltd.	Related party in substance
Taishin Venture Capital Investment Co., Ltd.	Related party in substance
Chen Sheng Industrial Co.	Related party in substance
Shin Kong Capital Co., Ltd.	Related party in substance
TOYOZAWA INTERNATIONAL CO., LTD.	Related party in substance
Seed Studio Co., Ltd.	Related party in substance
ShinSoft Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Co., Ltd.	Related party in substance
Hsin-Pao Technology Co., Ltd.	Related party in substance
Lian-an Service Co., Ltd.	Related party in substance
Shin Kong Communication Co., Ltd.	Related party in substance
New Group Electronics Co., Ltd.	Related party in substance
Taiwan Shin Kong Security Foundation for Arts and Culture	Related party in substance
The Great Taipei Gas Corp.	Related party in substance
Shin Kong Shien Ya International Co., Ltd.	Related party in substance
Shin Cheng Investment Co., Ltd.	Related party in substance
Rue-Ying Enterprise Co., Ltd.	Related party in substance
Shin Kong Hae Yang Co., Ltd.	Related party in substance
Pon Jin Corp.	Related party in substance
Pon Da Corp.	Related party in substance
Shian-Da Co., Ltd.	Related party in substance
Shinhai Gas Corporation	Related party in substance
Yi Kong Security Co., Ltd.	Related party in substance
Yi Kong Building Management Service Co., Ltd.	Related party in substance
Taiwan Security Co., Ltd.	Related party in substance
New Light International Co., Ltd.	Related party in substance
Shin-Po Leasing Co., Ltd.	Related party in substance
Shin Natural Gas Co., Ltd.	Related party in substance
Hsin-Pao Investment Co., Ltd.	Related party in substance
Shin-Po Life Care Co., Ltd.	Related party in substance
Shin Investment Co., Ltd.	Related party in substance
Maochen Co.	Related party in substance
Shin Kong Life Scholarship Foundation	Related party in substance
Shin Kong the Wu's Foundation	Related party in substance
Shin Kong Ton Shin Yuan Health Sciences Foundation	Related party in substance
Hong Tai Electric Industrial Co., Ltd.	Related party in substance
Shin Kong Security Social Welfare Foundation	Related party in substance
Tai-Po Service Technology Co., Ltd.	Related party in substance
Shin Kong Optical Networking Co., Ltd.	Related party in substance
T. S. Y. Foundation	Related party in substance
Kun Sheng Solar Power Co., Ltd.	Related party in substance
Top Taiwan Financial Consulting Co., Ltd.	Related party in substance

(Continued)

Related Party	Relationship
Top Taiwan Venture Capital Co., Ltd.	Related party in substance
Jaspervilla Co., Ltd.	Related party in substance
Shin Kong International Leasing Corp.	Related party in substance
Shin Kong Fire & Marine Insurance Co., Ltd.	Related party in substance
Ruey-Shin Enterprise Co., Ltd.	Related party in substance
Ubright Optronics Co., Ltd.	Related party in substance
TacBright Optronics Co., Ltd.	Related party in substance
Shin Kong Materials Technology Co., Ltd.	Related party in substance
Taishin International Bank Co., Ltd.	Related party in substance
Taishin Financial Holding Co., Ltd.	Related party in substance
The Foundation for Excellent Journalism Award	Related party in substance
An Long Enterprise Co., Ltd.	Related party in substance
Hung Shin Enterprise Co., Ltd.	Related party in substance
Hsin Hsen Construction Co., Ltd.	Related party in substance
Hui Feng Investment Co., Ltd.	Related party in substance
PQ INTERNATIONAL Ltd.	Related party in substance
Wen Shih Consulting Company Co., Ltd.	Related party in substance
Chia-Yin Enterprise Co., Ltd.	Related party in substance
Tsui Yuan Investment Co., Ltd.	Related party in substance
Hsin Hsien Industrial Co.	Related party in substance
Tung Sheng Media Co., Ltd.	Related party in substance
Taishin Investment Trust Co., Ltd.	Related party in substance
Taishin Securities Co., Ltd.	Related party in substance
Taishin Asset Management Co., Ltd.	Related party in substance
Dah-Yu Mee Company	Related party in substance
Hong-Qi Co.	Related party in substance
Hua Nan Commercial Bank Co., Ltd.	Related party in substance
Hua Nan Financial Holding Co., Ltd.	Related party in substance
Hua Nan Securities Co., Ltd.	Related party in substance
Hua Nan Investment Trust Co., Ltd.	Related party in substance
Sliver Kitchen Co., Ltd.	Related party in substance
Shin Kong Medical Club	Related party in substance
Pan Asian Plastics Co.	Related party in substance
Shin Kong Lease Co., Ltd.	Related party in substance
Tong Shan Investment Co., Ltd.	Related party in substance
Gui Yuan Investment Co., Ltd.	Related party in substance
Shin Kong Bank Cultural and Educational Foundation	Related party in substance
Shin Kong Wu Ho-Su Cultural Foundation	Related party in substance
Shin Kong Wu Ho-Su First Aid Foundation	Related party in substance
Shin Kong Memorial Hospital (Shin Kong Wu Ho-Su Memorial Hospital)	Related party in substance
Wu Tung-Chin Charity Foundation	Related party in substance
Great Taipei Broadband Co., Ltd.	Related party in substance
Chi-Ye Chemical Engineering Co., Ltd.	Related party in substance
Sian Shun Enterprise Co.	Related party in substance
Chin Shan Investment Co., Ltd.	Related party in substance
Soochow University	Related party in substance
Shin Lung Natural Gas Co.	Related party in substance
Tong Yin Investment Co.	Related party in substance
Ruey-Chin Enterprise Co., Ltd.	Related party in substance

(Continued)

Related Party	Relationship
Ying Investment Co., Ltd.	Related party in substance
Dong Tian Investment Corp.	Related party in substance
Chenmao Co.	Related party in substance
NEXT COMMERCIAL BANKING CO., LTD.	Related party in substance
Shin Kong Real Estate Development Co., Ltd.	Related party in substance
Shin Kong Investment Co., Ltd.	Related party in substance
Xinxin Healthcare Management Co., Ltd.	Related party in substance
New Xiyue Co., Ltd	Related party in substance
Shin Kong Jasper fitness Co., Ltd.	Related party in substance
Taroko Development Corp.	Related party in substance
Qian Dao Investment Co., Ltd.	Related party in substance
Bai Xun Investment Co., Ltd.	Related party in substance
Taiwan Fuhbic Corp.	Related party in substance
Taiwan Institute for Sustainable Energy	Related party in substance
Other related party in substance	Associate and other related parties not separately disclosed. Independent directors of the Company, spouse and the relative within second degree of kinship of the fellow subsidiaries, director and associate of the Company

(Concluded)

Note: The Company classified the above relationship into five categories: (1) parent company, (2) joint venture, (3) fellow subsidiary, (4) associate, (5) key management personnel, (6) related party in substance, (7) others (those not included in the above (1)-(6)). This classification is a basis for disclosure of transactions with related parties.

b. Except for significant intra-group transactions that have been eliminated on consolidation and are not disclosed in this note, significant transactions with related parties were as follows (except as disclosed in other notes):

1) Deposits

Deposits (recognized as cash and cash equivalents)

	December 31			
	2023		2022	
	Amount	%	Amount	%
Fellow subsidiary				
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 30,735,260	31	$ 20,867,531	29
Related party in substance				
Taishin International Bank	101,714	-	97,554	-
Hua Nan Bank	77,701	-	86,913	-
	$ 30,914,675	31	$ 21,051,998	29

Time deposits with original maturities exceeding three months (recognized as financial assets measured at amortized cost)

	December 31			
	2023		2022	
	Amount	%	Amount	%
Fellow subsidiary				
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 924,432	27	$ 925,000	99
Related party in substance				
Taishin International Bank Co., Ltd.	-	-	5,960	1
	$ 924,432	27	$ 930,960	100

The deposits mentioned above include pledged fixed deposits deposited with related parties, which were $824,432 thousand and $825,000 thousand on December 31, 2023 and 2022, respectively.

The deposits above referred to the amount of bank deposit adjusted for in-transit deposits and undiscounted checks. The terms and conditions of the above deposits to related parties were not significantly different from that of unrelated parties.

The interest income generated by the deposits in Taiwan's Shin Kong Commercial Bank was $295,587 thousand and $263,417 thousand in 2023 and 2022, respectively.

2) Secured loans

	2023				
	Highest Balance	Period-end Balance	%	Interest Rate (%)	Interest Income
Key management personnel	$ 16,461	$ 14,536	-	1.94-2.06	$ 312
Related party in substance	40,909	36,103	-	1.94-2.60	872
		$ 50,639	-		$ 1,184

	2022				
	Highest Balance	Period-end Balance	%	Interest Rate (%)	Interest Income
Key management personnel	$ 17,828	$ 16,574	-	1.31-1.70	$ 256
Related party in substance	54,376	46,470	-	1.31-2.26	861
		$ 63,044	-		$ 1,117

There is no significant difference between the approval conditions of the secured loans of related parties mentioned above and that of non-related parties.

3) Lease arrangements

a) Acquisitions of right-of-use assets

	For the Year Ended December 31	
	2023	2022
Related party in substance		
HSBC Investment Co., Ltd.	$ 7,029	$ -

b) Lease liabilities

	December 31	
	2023	2022
Others		
Shin Kong Spinning Co., Ltd.	$ 13,547	$ 15,609
Others	3,521	4,458
	17,068	20,067
Related party in substance		
The Great Taipei Gas Corp.	14,085	55,218
HSBC Investment Co., Ltd.	4,729	-
Others	976	1,125
	19,790	56,343
	$ 36,858	$ 76,410

c) Interest expense

	For the Year Ended December 31	
	2023	2022
Others	$ 324	$ 1,794
Related party in substance	750	32
	$ 1,074	$ 1,826

d) Lease expense

	For the Year Ended December 31	
	2023	2022
Others	$ 64	$ 701
Related party in substance	2,006	1,327
	$ 2,070	$ 2,028

As of December 31, 2023 and 2022, the deposits paid for leasing and building management to related parties were as follow:

	December 31	
	2023	2022
Others	$ 13	$ 15,458
Related party in substance	22,195	7,000
	$ 22,208	$ 22,458

The above listed refundable deposits are the security deposits paid for the lease of operating premises. The deposits will be refunded without interest at the end of the lease terms when the lease targets are returned.

4) Lease of investment properties to related parties

Operating lease/sublease

a) Rentals receivable from related parties were as follows:

	December 31	
	2023	2022
Fellow subsidiary	$ -	$ 11
Others	824	2,432
Related party in substance	11,605	1,757
	$ 12,429	$ 4,200

b) Future lease payment receivables are as follows:

	December 31	
	2023	2022
The parent company	$ 65,512	$ 90,202
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	944,398	1,124,908
MasterLink Securities Co., Ltd.	85,818	120,302
Others	114,655	142,297
	1,144,871	1,387,507
Others		
Shin Kong Mitsukoshi Department Store Co., Ltd.	1,843,810	2,765,714
Others	46,549	330,409
	1,890,359	3,096,123
Related party in substance		
Jasper Villa Co., Ltd.	512,133	544,216
Others	821,685	595,405
	1,333,818	1,139,621
	$ 4,434,560	$ 5,713,453

c) Rentals received for the leasing of investment properties to related parties were as follows:

	For the Year Ended December 31	
	2023	2022
The parent company	$ 30,851	$ 27,989
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	268,281	266,519
MasterLink Securities Co., Ltd.	34,612	33,928
Others	27,856	25,240
	330,749	325,687
Others		
Shin Kong Mitsukoshi Department Store Co., Ltd.	469,333	502,857
Others	15,006	100,975
	484,339	603,832
Related party in substance		
Shin Kong Wu Ho-Su Memorial Hospital	37,324	52,917
Others	200,111	114,810
	237,435	167,727
	$ 1,083,374	$ 1,125,235

d) All the terms of the lease transactions with related parties were not significantly different from that of general transactions. The above rentals received excluded VAT.

e) As of December 31, 2023 and 2022, deposits received for the lease of properties to related parties were as follows:

	December 31	
	2023	2022
The parent company	$ 8,395	$ 7,693
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	71,191	71,369
Others	16,628	16,675
	87,819	88,044
Others	3,156	25,699
Related party in substance	45,000	14,833
	$ 144,370	$ 136,269

5) Commission expense (recognized under operating costs)

	For the Year Ended December 31	
	2023	2022
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 1,106,363	$ 950,859
MasterLink Insurance Agency Co., Ltd.	30,484	25,741
Related party in substance		
Taishin International Bank Co., Ltd.	23,786	56,914
Shin Kong Fire & Marine Insurance Co., Ltd.	723	478
Hua Nan Commercial Bank Co., Ltd.	10,977	80,493
	$ 1,172,333	$ 1,114,485

6) Operating expenses

a) Building management expense and cleaning fee

	For the Year Ended December 31	
	2023	2022
Others		
Yi Kong Building Management Service Co., Ltd.	$ 3,352	$ 3,300

b) Insurance expense

	For the Year Ended December 31	
	2023	2022
Related party in substance		
Shin Kong Fire & Marine Insurance Co., Ltd.	$ 30,625	$ 32,960

c) Professional service expense

	For the Year Ended December 31	
	2023	2022
Parent company		
Shin Kong Financial Holdings Co., Ltd.	$ -	$ 5,774
Related party in substance		
Taiwan Shin Kong Security Co., Ltd.	13,844	13,669
Jasper Villa Co., Ltd.	72,589	67,863
Others	4,631	3,435
	$ 91,064	$ 90,741

d) Postage expense

	For the Year Ended December 31	
	2023	2022
Related party in substance		
Great Taipei Broadband Co., Ltd.	$ 24,192	$ 23,389
Taishin International Bank Co., Ltd.	132	132
Shin-Kong Communication Co., Ltd.	24	-
	$ 24,348	$ 23,521

e) Donation expense

	For the Year Ended December 31	
	2023	2022
Others		
Shin Kong Life Charity Foundation	$ 14,000	$ 7,000

On May 23, 2023 and May 20, 2022, the Board of Directors of the Group approved donations to a related party, Shin Kong Life Charity Foundation, in the amounts of $14,000 thousand and $7,000 thousand, respectively.

f) Other expenses

	For the Year Ended December 31	
	2023	2022
Others	$ 16,628	$ 20,117
Related party in substance	11,603	10,940
	$ 28,231	$ 31,057

7) Processing fee income

	For the Year Ended December 31	
	2023	2022
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 7,482	$ 7,394
Shin Kong Property Insurance Agency Co., Ltd.	13,944	12,981
Shin Kong Investment Trust Co., Ltd.	7,237	7,665
MasterLink Securities Co., Ltd.	1,877	1,864
	$ 30,540	$ 29,904

8) Processing fee expense (recognized under processing fee expenses and management expenses)

	For the Year Ended December 31	
	2023	2022
Fellow subsidiary		
Taiwan Shin Kong Commercial Bank Co., Ltd.	$ 315,785	$ 252,540
MasterLink Securities Co., Ltd.	13,341	-
Related party in substance		
Taishin International Bank Co., Ltd.	33,301	42,051
Hua Nan Commercial Bank Co., Ltd.	594	626
	$ 363,021	$ 295,217

9) Beneficiary certificates

	For the Year Ended December 31	
	2023	2022
Fellow subsidiary		
Shin Kong Investment Trust Co., Ltd.	$ 2,847,898	$ 2,843,812
Related party in substance		
Taishin Investment Trust Co., Ltd.	1,428,006	1,443,498
Hua Nan Investment Trust Co., Ltd.	761,427	15,075
	$ 5,037,331	$ 4,302,385

The Group acquired and disposed of several mutual funds from Shin Kong Investment Trust Co., Ltd., Taishin Investment Trust Co., Ltd. and Hua Nan Investment Trust Co., Ltd. for the years ended December 31, 2023 and 2022; the mutual funds were as follows:

	For the Year Ended December 31			
	2023		2022	
	Buy	Sell	Buy	Sell
Fellow subsidiary				
Shin Kong Investment Trust Co., Ltd.	$ 350,000	$ 525,896	$ 147,500	$ 5,545,569
Related party in substance				
Taishin Investment Trust Co., Ltd.	40,000	106,430	558,240	1,590,632
Hua Nan Investment Trust Co., Ltd.	2,098,000	1,360,449	1,115,000	1,332,861
	$ 2,488,000	$ 1,992,775	$ 1,820,740	$ 8,469,062

10) Bonds purchased under resale agreements

	2023				
Related Party	Highest Balance	Month with Highest Balance	Ending Balance	Interest Rate (%)	Interest Income
Fellow subsidiary					
MasterLink Securities Co., Ltd.	$ 1,060,000	December 2023	$ 1,060,000	1.18-1.34	$ 3,581

	2022				
Related Party	Highest Balance	Month with Highest Balance	Ending Balance	Interest Rate (%)	Interest Income
Fellow subsidiary					
MasterLink Securities Co., Ltd.	$ 1,000,000	April 2022	$ -	0.28-1.16	$ 1,856

11) Outright purchase and sale

Outright sale

	For the Year Ended December 31			
	2023		2022	
	Par Value	Trading Value	Par Value	Trading Value
Fellow subsidiary				
MasterLink Securities Co., Ltd.	$ -	$ -	$ 600,000	$ 651,300

12) Derivative instruments

The amount (nominal amounts) of derivative instruments contracts with related parties are summarized as follows (in thousands of USD):

Transactions	Related Party	December 31 2023	December 31 2022
Currency swap contract	Fellow subsidiary Taiwan Shin Kong Commercial Bank Co., Ltd.	US$ -	US$ 276,000

13) Securities processing fees and other expenses

The amounts of transaction fee paid for the trading of securities by the Group and the related party were as follows:

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Fellow subsidiary		
MasterLink Securities Co., Ltd.	$ 84,684	$ 49,802
Related party in substance		
Taishin Securities Co., Ltd.	2,973	1,456
Hua Nan Securities Co., Ltd.	3,771	3,242
	$ 91,428	$ 54,500

14) Management and custodian fee on discretionary investment services

The amounts of securities investment manager fees paid for the management of domestic securities investments by the Group and the related party Shin Kong Investment Trust Co., Ltd. and MasterLink Securities Investment Advisory Co., Ltd. and the paid amount were as follows:

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Fellow subsidiary		
Shin Kong Investment Trust Co., Ltd.	$ 7,248	$ 7,634
MasterLink Securities Investment Advisory Co., Ltd.	27,675	9,506
	$ 34,923	$ 17,140

The funds for operating discretionary investment are under the custody of the fellow subsidiary, Taiwan Shin Kong Commercial Bank Co., Ltd. The custodian fees were $1,264 thousand and $1,248 thousand in 2023 and 2022.

15) Securities lending

The amount of securities lending income and securities borrowing fees generated from the securities lending transactions between the Group and the related parties were as follows:

	For the Year Ended December 31			
	2023		2022	
	Lending	Borrowings	Lending	Borrowings
Fellow subsidiary				
MasterLink Securities Co., Ltd.	$ -	$ -	$ 1,919	$ 14
Related party in substance				
Taishin International Bank Co., Ltd.	-	-	783	-
Hua Nan Securities Co., Ltd.	-	-	1,289	-
	$ -	$ -	$ 3,991	$ 14

16) Other operating revenue

	For the Year Ended December 31	
	2023	2022
Parent company	$ 5,486	$ 4,520
Fellow subsidiary	82,318	93,231
Other related parties	70,402	85,383
Related party in substance	112,541	98,328
	$ 270,747	$ 281,462

17) Other operating cost

	For the Year Ended December 31	
	2023	2022
Other related parties	$ 1,538	$ 147,818
Related party in substance	149,578	7,212
	$ 151,116	$ 155,030

18) Other non-operating revenue

	For the Year Ended December 31	
	2023	2022
Parent company	$ 694	$ -
Fellow subsidiary		
Shin Kong Property Insurance Agency Co., Ltd.	711	-
Related party in substance		
Jasper Villa Co., Ltd.	1,405	9,089
	$ 2,810	$ 9,089

19) Dividends payable on preference shares

The parent company held 4,700,000 thousand series D preference shares with interest rate of 4.25% issued by the Company. The Company had already redeemed them on January 6, 2014. The Company accrued $2,736 thousand for dividend payable for preference shares, which was recorded as other payables, both for the years ended December 31, 2023 and 2022.

20) Current tax assets

In accordance with Article 49 of the Financial Holding Company Act, the Company and its parent company jointly filed income tax returns since 2004 under the integrated income tax system with the financial holding company (the parent) as the taxpayer along with its subsidiaries which the parent held for more than 12 months. The Company and its parent company accrued $9,084,906 thousand and $6,848,517 thousand for distribution of cash receipts as current tax asset related to the integrated income tax system for the years ended December 31, 2023 and 2022.

c. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 151,863	$ 144,248
Post-employment benefits	755	1,303
Other long-term employee benefits	(2,339)	(26,021)
Share-based payments	-	785
	$ 150,279	$ 120,315

The remuneration of directors and key executives was determined based on the performance of individuals and market trends.

33. INSURANCE PRODUCTS - SEPARATE ACCOUNTS

The related account balances are summarized as follows:

	December 31	
	2023	2022
Separate account assets		
Beneficiary certificates	$ 51,770,999	$ 36,872,642
Bonds	78	1,446,122
Accounts receivable	69,375	184,375
Bank deposits	29,874	37,984
	$ 51,870,326	$ 38,541,123
Separate account liabilities		
Reserves	$ 32,727,912	$ 30,331,081
Accounts payable	36,860	55,000
Investment contracts	19,105,554	8,155,042
	$ 51,870,326	$ 38,541,123

	For the Year Ended December 31	
	2023	2022
Income on insurance products - separate accounts		
Premium income	$ 4,035,200	$ 4,888,377
Gain and loss on fair value change of financial assets and liabilities designated as at FVTPL	3,746,751	(6,925,118)
Exchange gain and loss	36,236	2,402,561
Interest income and fund distributions	904,273	927,397
Other gains	24,221	8,069
	$ 8,746,681	$ 1,301,286
Disbursement on insurance products - separate account		
Insurance claims and payment	$ 1,084,935	$ 1,285,227
Cash surrender value	4,048,847	5,720,478
Net change in insurance reserves - insurance contract	2,390,128	(6,934,183)
Payment of maintenance fee	1,222,771	1,229,764
	$ 8,746,681	$ 1,301,286

For the years ended December 31, 2023 and 2022, SKLIC managed separate accounts and received sales rebates of $63,725 thousand and $66,327 thousand from dealers, respectively, as processing fee income and commission income.

34. BUSINESS OR TRANSACTION ACTIVITIES, JOINT BUSINESS PROMOTION ACTIVITIES, INTERACTIVE USE OF INFORMATION, OR SHARING OF BUSINESS EQUIPMENT OR PREMISES WITH VARIOUS SUBSIDIARIES OF FINANCIAL HOLDING COMPANIES, AND THE METHOD OF APPORTIONING REVENUE, COSTS, EXPENSES, AND PROFITS AND LOSSES

In order to expand the economic scale and utilize the benefits of the group's resources, SKFHC and its subsidiaries will jointly promote the business or share part of the business equipment and premises. Their expense allocation methods are directly attributable to the subsidiaries according to the nature of the business, or apportion it to the respective companies by its paid-in capital.

35. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

As of December 31, 2023, SKLIC had 13 open purchase contracts and construction contracts signed for investment properties; the contract price payable in the future was as follows:

	Amount
2024-2028	$ 12,916,532

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On February 17, 2024, SKLIC's Board of Directors approved the Capital Adequacy Enhancement Plan, which was submitted to the Financial Supervisory Commission on February 22, 2024. Please refer to Note 40(c) - Capital Adequacy for further details.

On February 17, 2024, SKLIC's board of directors approved the issuance of 10-year cumulative subordinated common bonds of up to $8,000,000 thousand and the issuance of common shares of up to $1,500,000 thousand, both by private placement, for a cash capital increase. Earlier, on July 27, 2023, the board of directors approved the issuance of common shares amounting to $5,500,000 thousand by private placement, for a cash capital increase of $7,000,000 thousand.

37. OTHERS

a. Hedging strategies and exposure situation:

1) Simulation scenario and countermeasures in the event of significant fluctuations in the foreign exchange market

When special or significant events happen to the macroeconomic environment such as the September 11 terrorist attack in the U.S., the September 21 earthquake in Taiwan, the United Kingdom leaving the European Union, COVID-19, Ukrain and Russia war or the exchange rate of the N.T. dollar against the U.S. dollar fluctuates over a pre-determined level, an emergency meeting will be held to discuss corresponding measures.

2) Foreign exchange hedging strategy

The Company mainly uses traditional hedging instruments. The investment department evaluates various factors such as market liquidity, hedging cost, and investing environment, then chooses the hedging instruments with the optimal long-term cost efficiency, and executes foreign exchange hedges according to approved intervals and targets.

3) The Company's control mechanism of foreign exchange risk

a) Control of hedging ratio on foreign exchange

The risk management department periodically monitors whether the hedging ratio on foreign exchange satisfies the standards.

b) Control of value-at-risk of foreign exchange exposure

The risk management department calculates value-at-risk of foreign exchange exposure every week, and evaluates the market risk of foreign exchange exposure to forecast the possible losses from foreign exchange exposure due to changes in foreign exchange rates in certain periods and confidence intervals. When value-at-risk of foreign exchange exposure exceeds the limit, the risk management department will issue warning notice or hold emergency meetings to discuss corresponding measures.

c) Control of foreign exchange gains or losses

The risk management department monitors foreign exchange gains or losses of the foreign investment position every day. When losses exceed a certain level, the risk management department will issue warning notice or hold emergency meetings to discuss corresponding measures.

d) Control of reserve for changes in foreign exchange valuation

The Company takes the ratio of the monthly ending balance of reserve for changes in foreign exchange valuation to the cumulative balance at the end of the previous year or the ratio of the monthly ending balance of reserve for changes in foreign exchange valuation to the average year-end balance from 2012 to the current preceding year as the warning criteria, whichever is higher. When the warning criteria fall below a certain ratio, the risk management department will issue a warning notice or hold emergency meetings to discuss the corresponding measures.

e) Foreign exchange hedging instruments

The Company mainly uses traditional hedging instruments. The investment department evaluates various factors such as market liquidity, hedging cost, and investing environment and chooses the hedging instruments with the optimal long-term cost efficiency.

b. Movements in reserve for changes in foreign exchange valuation:

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 27,341,617	$ 2,699,429
Provision		
Compulsory provision	3,337,999	2,450,052
Additional provision	8,090,423	36,225,253
	11,428,422	38,675,305
Reversal	(25,551,340)	(14,033,117)
Balance at December 31	$ 13,218,699	$ 27,341,617

c. Effect of reserve for changes in foreign exchange valuation:

For the year ended December 31, 2023

Affected Accounts	Amounts If Not Applied	Amounts If Applied	Effects
(Loss) profit attributable to owner of the Company	$ (28,491,035)	$ (17,192,701)	$ 11,298,334
(Loss) earnings per share	(3.86)	(2.33)	1.53
Reserve for changes in foreign exchange valuation	-	13,218,699	13,218,699
Equity attributable to owner of the Company	165,720,000	158,037,038	(7,682,962)

For the year ended December 31, 2022

Affected Accounts	Amounts If Not Applied	Amounts If Applied	Effects
Profit (loss) attributable to owner of the Company	$ 14,841,636	$ (4,872,114)	$ (19,713,750)
Earnings (loss) per share	2.06	(0.68)	(2.74)
Reserve for changes in foreign exchange valuation	-	27,341,617	27,341,617
Equity attributable to owner of the Company	158,004,393	139,023,097	(18,981,296)

Profit if not applied with reserve for change in foreign exchange valuation: Profit if applied with reserve for changes in foreign exchange valuation ± (Net changes in reserve for changes in foreign exchange valuation) × 80%, for the years ended December 31, 2023 and 2022.

38. FINANCIAL INSTRUMENTS

Fair Value of Financial Instruments

a. Fair value of financial instruments not measured at fair value

December 31, 2023

		Fair Values			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,495,474,760	$ 285,004,050	$ 1,005,493,777	$ 679,827,805	$ 1,970,325,632
Refundable deposits	12,250,025	-	11,556,864	-	11,556,864
Financial liabilities					
Deposits received	15,363,542	-	15,321,481	-	15,321,481

December 31, 2022

		Fair Values			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at amortized cost	$ 2,534,437,841	$ 333,772,944	$ 961,566,210	$ 661,961,066	$ 1,957,300,220
Refundable deposits	24,770,605	-	22,104,805	-	22,104,805
Financial liabilities					
Deposits received	6,445,296	-	6,407,818	-	6,407,818

The fair values of the financial assets and financial liabilities included in the Level 2 and Level 3 categories above have been determined using discounted cash flow analysis, market quotes from providers such as TPEX, Bloomberg or other recognized markets, or the theoretical price calculated by the Yield book system or Bloomberg, with the most significant unobservable input being the discount rate that reflects the credit risk of counterparties.

b. Fair value of financial instruments that are measured at fair value.

1) Fair value hierarchy

	December 31, 2023			
Item	Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 87,666,543	$ 87,498,543	$ -	$ 168,000
Debt investments	27,113,766	15	13,851,680	13,262,071
Others	155,716,402	137,017,771	18,635,284	63,347
Financial assets at FVTOCI				
Share investments	111,008,342	107,447,814	-	3,560,528
Debt investments	21,682,877	-	21,682,877	-

(Continued)

Item	December 31, 2023 Total	Level 1	Level 2	Level 3
Derivatives				
Assets				
Financial assets at FVTPL	$ 28,884,855	$ -	$ 28,884,855	$ -
Liabilities				
Financial liabilities at FVTPL	1,312,272	-	1,312,272	-

(Concluded)

Item	December 31, 2022 Total	Level 1	Level 2	Level 3
Non-derivatives				
Assets				
Financial assets at FVTPL				
Share investments	$ 74,681,286	$ 74,514,786	$ -	$ 166,500
Debt investments	28,020,745	229,683	18,349,862	9,441,200
Others	147,865,672	129,861,709	18,003,963	-
Financial assets at FVTOCI				
Share investments	136,135,609	133,012,292	-	3,123,317
Debt investments	24,897,996	-	24,897,996	-
Derivatives				
Assets				
Financial assets at FVTPL	11,409,682	-	11,409,682	-
Liabilities				
Financial liabilities at FVTPL	34,487,017	-	34,487,017	-

As of December 31, 2023 and 2022, the non-derivative financial instruments held in open quotations with no active market and self-assessed fair value using an evaluation model, classified as Level 2 and Level 3 amounted to $41,675,202 thousand and $41,939,848 thousand, respectively.

There were no transfers between Level 1 and Level 2 in 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

For the year ended December 31, 2023

Item	January 1, 2023	Evaluation Profit or Loss		Increase in Current Year		Decrease in Current Year		December 31, 2023
		Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Purchase or Issuance	Transferred to Level 3	Sale, Disposal or Settlement	Transferred from Level 3	
Financial assets at fair value through profit or loss	$ 9,607,700	$ (118,457)	$ -	$ 214,223	$ 4,436,276	$ (646,324)	$ -	$ 13,493,418
Financial assets at fair value through other comprehensive income	3,123,317	-	416,681	-	82,221	(61,691)	-	3,560,528

For the year ended December 31, 2022

Item	January 1, 2022	Evaluation Profit or Loss		Increase in Current Year		Decrease in Current Year		December 31, 2022
		Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Purchase or Issuance	Transferred to Level 3	Sale, Disposal or Settlement	Transferred from Level 3	
Financial assets at fair value through profit or loss	$ 9,922,960	$ (2,275,394)	$ -	$ 1,159,110	$ 801,024	$ -	$ -	$ 9,607,700
Financial assets at fair value through other comprehensive income	3,699,246	-	(470,508)	-	100,133	(205,554)	-	3,123,317

In 2023, certain domestic financial bonds measured at fair value through profit or loss were transferred from Level 2 to Level 3 of the fair value hierarchy because observable inputs required for the discounted cash flow method were no longer available. As a result, the Company adopted the Yield Book valuation model to ensure that the valuation techniques used appropriately reflected current market conditions. The amount transferred to Level 3 was $4,436,276 thousand.

In 2023, certain Emerging Stock Market equity securities measured at fair value through other comprehensive income were transferred from Level 1 to Level 3 of the fair value hierarchy because these securities were no longer considered to be actively traded. The valuation methodology was changed to a market multiples approach to ensure that the valuation techniques used appropriately reflected current market conditions. The amount transferred to Level 3 was $82,221 thousand.

In 2022, certain domestic financial bonds measured at fair value through profit or loss were transferred from Level 2 to Level 3 of the fair value hierarchy because observable inputs required for the discounted cash flow method were no longer available. Accordingly, the Company used the Yield Book model to ensure that the valuation techniques reflected current market conditions. The amount transferred to Level 3 was $801,024 thousand.

Also in 2022, certain domestic financial bonds measured at fair value through other comprehensive income were transferred from Level 2 to Level 3 of the fair value hierarchy due to the unavailability of quoted market prices. These securities were valued using a Bloomberg-based model to ensure the valuation reflected current market conditions. The amount transferred to Level 3 was $100,133 thousand.

In 2023, unrealized valuation (loss) gain on financial assets measured at fair value through profit or loss and at fair value through other comprehensive income, which were calculated at the end of the reporting period and classified under Level 3 of the fair value hierarchy, amounted to $(118,457) thousand and $416,681 thousand, respectively, and were included in total profit or loss and other comprehensive income.

In 2022, unrealized valuation losses on financial assets measured at fair value through profit or loss and at fair value through other comprehensive income, which were calculated at the end of the reporting period and classified under Level 3, amounted to $2,275,394 thousand and $470,508 thousand, respectively.

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic and foreign bond investments	Discounted cash flow. Discount on bond credit spreads and market interest rates. Market quotes from providers such as TPEX, Bloomberg or other recognized markets.
Foreign listed shares	Market quotes from providers such as Bloomberg.
Domestic and foreign beneficiary certificates	Quoted price in non-active market.
Derivatives	Evaluation of forward exchange at market price: Forward exchange is evaluated and calculated in accordance with notional amounts, contract forward rate and market forward rate.

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares	Discounted cash flow approach: The company's free cash flow model is used as the evaluation method, and the significant unobservable input values are net income growth rate, cost of equity capital and discount for lack of marketability. Net asset method: The company's net value is used as the fair value, and the significant unobservable input value is the discount for lack of marketability. Equity adjustment approach: The fair value is adjusted according to the company's net value, and the significant unobservable input values are discount for lack of marketability and discount for minority interest. Market multiple approach: Evaluate the fair value of the target according to the transaction price of the shares of comparable peers in the active market, the corresponding market multiplier and the discount rate. Significant unobservable input values are price-book ratio, price-sales revenue ratio, price-EBIT ratio, price-EBITDA ratio, price-earnings ratio, and discount for lack of marketability.
Mortgage Backed Securities (MBS), Callable Financial Debentures and International Callable Financial Debentures	The theoretical price calculated by the Yield book system is used in a prepayment model and/or interest rate model to calculate and discount the cash flow. The significant unobservable input value is the option-adjusted spread.
Domestic financial debentures	The theoretical price is calculated by the Bloomberg OAS1 model. The significant unobservable input is the option-adjusted spread. The theoretical price is calculated by the Yield Book method. Cash flows are calculated and discounted to their present value using advance repayment models and/or interest rate models for investment valuation. The significant unobservable input is the option-adjusted spread.
Domestic beneficiary certificates	Equity adjustment approach: The fair value is adjusted according to the company's net asset value, and the significant unobservable inputs are the discount for lack of marketability and the minority interest discount.

The valuation data for assets measured at fair value based on Level 3 of the Group comes from an independent system or the financial statements of the subject, and is updated and re-evaluated on each reporting date based on the data source to ensure that the valuation is reasonable. Depending on the method used, the significant unobservable inputs for Level 3 valuation are shown in the following table.

	December 31	
	2023	**2022**
Net income growth rate	2.88%-3.15%	1.48%-13.02%
Cost of equity capital	4.37%	4.93%
Price-book ratio	0.44-3.08	0.94-3.06
Discount for lack of marketability	0%-30%	20%-30%
Discount for minority interest	20%-35%	20%-35%
Price-sales revenue ratio	0.94-4.33	0.99-4.45
Price-EBIT ratio	17.43	15.19
Price-EBITDA ratio	5.56-17.43	6.77-15.19
Price-earnings ratio	11.04-15.47	8.84-12.08
Option adjusted spread	0-76bps	0-61bps

In order to reflect the influence of significant unobservable inputs, assuming all other variables were held constant, the market value would increase (decrease) as follows:

December 31, 2023

Risk Factors	**Difference (+/-)**	**Effective Value**
Net income growth rate	-10%	$ (95,184)
Cost of equity capital	+10%	(151,858)
Price-book ratio	-10%	(17,174)
Discount for lack of marketability	+10%	(157,329)
Discount for minority interest	+10%	(10,660)
Price-sales revenue ratio	-10%	(21,679)
Price-EBIT ratio	-10%	(3,203)
Price-EBITDA ratio	-10%	(7,034)
Price-earnings ratio	-10%	(7,188)
Option adjusted spread	+50bps	(654,782)

December 31, 2022

Risk Factors	**Difference (+/-)**	**Effective Value**
Net income growth rate	-10%	$ (87,177)
Cost of equity capital	+10%	(127,382)
Price-book ratio	-10%	(19,286)
Discount for lack of marketability	+10%	(138,119)
Discount for minority interest	+10%	(9,058)
Price-sales revenue ratio	-10%	(17,841)
Price-EBIT ratio	-10%	(2,691)
Price-EBITDA ratio	-10%	(6,632)
Price-earnings ratio	-10%	(5,259)
Option adjusted spread	+50bps	(450,138)

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
Fair value through profit or loss	$ 299,381,566	$ 261,977,385
Financial assets at amortized cost (Note 1)	2,804,038,551	2,818,756,726
Financial assets at fair value through other comprehensive income		
Equity instruments	111,008,342	136,135,609
Debt instruments	21,682,877	24,897,996
Financial liabilities		
Fair value through profit or loss	1,312,272	34,487,017
Amortized cost (Note 2)	59,120,693	37,169,388

Note 1: Amount of financial assets at amortized cost includes cash and cash equivalents, investment in debt instruments, loans, accounts receivable and refundable deposits and also includes related amount of portfolios that classified as assets for sale.

Note 2: Amount of financial liabilities at amortized cost includes accounts payable, bonds payable, reserve for loan commitments and deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, derivatives, accounts receivable, accounts payable and bonds payable. SKLIC's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of SKLIC through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by SKLIC's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk and the use of financial derivatives.

The corporate treasury function reports quarterly to SKLIC's risk management committee which reports to the board of directors, the risk management committee is an independent body that monitors risks and policies implemented to mitigate risk exposures.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (iii) below), interest rates (see (iv) below) and price fluctuations (see (v) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and risk of price fluctuation, including:

- Forward foreign exchange contracts and interest rate swap to hedge the exchange rate risk arising on foreign currency assets and liabilities; and

- Index futures and options to mitigate the price fluctuation of equity securities.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

Market risk exposures were measured using value-at-risk (VaR) and stress test and were supplemented by sensitivity analysis.

a) Value at Risk (VaR) analysis

The VaR measures estimate the potential loss that would result from market risks on investment portfolio in over a given holding period for a specified confidence level. The Group adopts two-week 99% VaR number as measures indicators.

b) Stress test

Besides the module of VaR, the Group adopted stress test periodically to measure potential risk of an extremely extraordinary event.

The investment positions were measured using stress test by simple sensitivity analysis and scenario analysis. This test covered position losses caused by changes in risk factors in various historical scenarios.

Simple sensitivity

Simple sensitivity is a method to measure the changes in value of investment portfolio that would resulted from changes in specific risk factors.

Scenario analysis

Scenario analysis is a method to measure the changes in value of an investment portfolio in a stressful event, of which two methods are as follows:

- Historical scenario

  Historical scenario involves selection of a prior period historical event, taking of the fluctuations of risk factors into consideration, and calculation of loss of the investment portfolio that would occur for an event.

- Hypothetical scenario

  Hypothetical scenario involves setting of assumptions for possible extreme market variations in the future based on reasonable expectation, taking of the fluctuations in risk factors into consideration, and calculation of losses of the investment portfolio that would occurred for an event.

  The corporate treasury function regularly reports historical scenario and hypothetical scenario to SKLIC's risk management committee as the basis of risk analysis, risk early-warning system and operation management.

Stress Test Table
For the Year Ended December 31, 2023

(In Thousands)

Risk Factors	Exchange Difference (+/-)	Effective Value
Equity risk (share index)	-10%	$ (20,101,157)
Interest risk (yield curve)	+20bps	(508,513)
Foreign currency risk (foreign exchange)	N.T. dollar devalued $1 against U.S. dollar	(16,823,421)
Commodity risk (commodity price)	-10%	-

Note: Equity risk is tested using stocks and funds (excluding currency and bond funds)

Stress Test Table
For the Year Ended December 31, 2022

(In Thousands)

Risk Factors	Exchange Difference (+/-)	Effective Value
Equity risk (share index)	-10%	$ (15,967,421)
Interest risk (yield curve)	+20bps	(541,090)
Foreign currency risk (foreign exchange)	N.T. dollar devalued $1 against U.S. dollar	(13,716,488)
Commodity risk (commodity price)	-10%	-

Note: Equity risk is tested using shares and funds (excluding currency and bond funds)

c) Foreign currency risk

The Group managed exchange rate exposures according to the policy for managing forward foreign exchange contracts and foreign exchange swap contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities as well as non-monetary assets and liabilities at the end of the reporting period were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 72,727,472	30.7350	$ 2,235,278,859
AUD	4,379,338	21.0012	91,971,470
CNH	2,459,257	4.3309	10,650,761
RMB	50,586	4.3318	219,126
GBP	3,025	39.1779	118,516
NZD	260	19.4952	5,076

(Continued)

	Foreign Currency	Exchange Rate	N.T. Dollars
Non-monetary items			
USD	$ 2,001,769	30.7350	$ 61,524,364
EUR	156,483	34.0114	5,322,202
AUD	3,936	21.0012	82,654
JPY	51,238	0.2173	11,136
CNH	2,077	4.3309	8,995
HKD	52	3.9339	206
Financial liabilities			
Non-monetary items			
USD	42,696	30.7350	1,312,272

(Concluded)

December 31, 2022

	Foreign Currency	Exchange Rate	N.T. Dollars
Financial assets			
Monetary items			
USD	$ 73,406,009	30.7080	$ 2,254,151,716
AUD	4,886,904	20.8262	101,775,479
CNH	8,987,582	4.4078	39,615,694
RMB	984,475	4.4164	4,347,819
KRW	19,688,633	0.0244	479,503
NZD	22,216	19.4320	431,708
Non-monetary items			
USD	1,972,526	30.7080	60,572,334
EUR	165,478	32.7102	5,412,822
AUD	65,455	20.8262	1,363,174
JPY	129,303	0.2324	30,052
CNH	1,552	4.4078	6,841
HKD	166	3.9383	652
Equity investments			
RMB	35,640	4.4164	157,398
Financial liabilities			
Monetary items			
USD	7,029	30.7080	215,854
EUR	598	32.7102	19,554
Non-monetary items			
USD	1,123,063	30.7080	34,487,017

As of December 31, 2023 and 2022, the Group used foreign exchange forward contracts and foreign exchange swap contracts to mitigate exchange rate exposure, whose total nominal principal amounted to $1,369,090,575 thousand and $1,370,897,244 thousand, respectively. The Group negotiated the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details SKLIC's sensitivity to a 1% increase and decrease in the New Taiwan dollar (the functional currency) against the USD. The rate of 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign currency forward contracts designated as cash flow hedges, and their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in post-tax profit/loss be associated with the New Taiwan dollar strengthening 1% against the USD. For a 1% appreciation of the New Taiwan dollar against the USD, the impact on pre-tax profit/loss will be the same amount but negative.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Pre-tax profit/loss	$ 5,170,679	$ 4,212,059

The impacts in the table above were net effects of exchange fluctuation risk by considering the foreign currency monetary assets and related hedging financial derivative instruments.

d) Interest rate risk

The Group is exposed to interest rate risk because of investments in both fixed-rate financial assets and floating rate financial assets. The Group managed the risk by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

The carrying amount of the Group financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 2,514,976,239	$ 2,552,941,956
Cash flow interest rate risk		
Financial assets	43,972,387	58,354,076

Sensitivity analysis

The sensitivity analyses below were determined based on SKLIC's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

A positive number below indicates an increase in income before tax and pre-tax other comprehensive income associated with 1 basis point decrease in interest rate. If interest rates had been 1 basis point higher, there would be an equal and opposite impact on income before tax and pre-tax other comprehensive income and the balance below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Income before tax	$ 11,181	$ 9,912
Pre-tax other comprehensive profit or loss	14,244	17,142

The changes in the fair value of debt instruments at fair value through profit or loss and at fair value through other comprehensive income were the main reasons for the changes in pre-tax profit or loss and pre-tax other comprehensive profit or loss.

e) Other price risk

The Group is exposed to equity price risk through investments in listed equity securities. Equity investments are held for strategic purposes associated with the assets and liability management rather than trading purposes. The Group's equity price risk was mainly concentrated on equity instruments operating in the electronics industry (including telecommunication) sector quoted on the Taiwan Stock Exchange. In addition, the Group had appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

A positive number below indicated an increase in income before tax, pre-tax other comprehensive income due to the changes in the fair value of held-for-trading investments and the changes in fair value of available-for-sale shares associated with 1% increase in equity securities and beneficiary certificate prices. If equity securities and beneficiary certificate prices had been 1% lower, there would be an equal and opposite impact on income before tax, pre-tax other comprehensive income due to the changes in the fair value of held-for-trading investments and changes in fair value of available-for-sale shares.

	Effects	
	For the Year Ended December 31	
	2023	2022
Income before tax	$ 59,251	$ 42,900
Pre-tax other comprehensive income	3,404,833	3,525,481

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of the end of the reporting period, the maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation could equal the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's investment objects are spread in various industry sectors and geographical locations. Ongoing credit evaluation is performed on financial condition of investment object and credit risk exposure is controlled under risk management strategy.

Apart from the largest customers, Citibank, the Group did not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk related to Citibank did not exceed 3% of capital employed at any time, for the years ended December 31, 2023 and 2022. Concentration of credit risk to any other counterparty did not exceed 3% of capital employed at any time for the years ended December 31, 2023 and 2022.

The Group's concentration of credit risk by geographical locations was mainly in the US, which accounted for 32.60% and 31.70% of the total foreign investments as of December 31, 2023 and 2022, respectively.

The Group's concentration of credit risk of 10.23% and 10.18% in total transaction amounts as of December 31, 2023 and 2022, respectively, was related to the Group's five largest customers.

The credit risks of the Group resulted from financial instrument transactions in operating activities, including debt investment and loan. The possibility of large losses to investment portfolio caused by a single event of credit risk due to significant concentration was lowered by regular statistics and monitoring of concentrations as follows:

a) The amount of exposure to credit risk - industry sector

December 31, 2023

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ 15	$ 27,113,751	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,113,766
Financial assets at fair value through other comprehensive income	7,006,205	11,270,353	-	-	-	-	-	-	-	3,406,319	21,682,877
Financial assets at amortized cost	618,397,255	1,139,751,136	127,208,685	69,412,540	31,852,456	29,745,148	119,505,074	69,359,404	190,446,297	114,473,988	2,510,151,983
Total	625,403,475	1,178,135,240	127,208,685	69,412,540	31,852,456	29,745,148	119,505,074	69,359,404	190,446,297	117,880,307	2,558,948,626
% of total	24.44%	46.04%	4.97%	2.71%	1.24%	1.16%	4.67%	2.71%	7.44%	4.62%	100.00%

December 31, 2022

	Government	Finance	Energy	Commodity	Industry	MSCI	CPI	Technology	Telecommunication	Public Utility	Total
Financial assets at fair value through profit or loss	$ -	$ 28,020,745	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 28,020,745
Financial assets at fair value through other comprehensive income	6,979,722	11,861,395	1,180,959	-	-	-	-	-	-	4,875,920	24,897,996
Financial assets at amortized cost	634,218,950	1,169,364,324	129,378,014	69,159,445	32,072,409	29,348,370	120,092,417	65,199,283	191,532,843	118,011,236	2,558,377,291
Total	641,198,672	1,209,246,464	130,558,973	69,159,445	32,072,409	29,348,370	120,092,417	65,199,283	191,532,843	122,887,156	2,611,296,032
% of total	24.55%	46.31%	5.00%	2.65%	1.23%	1.12%	4.60%	2.50%	7.33%	4.71%	100.00%

b) The amount of exposure to credit risk - geographical location

December 31, 2023

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 27,036,481	$ 77,285	$ -	$ -	$ -	$ -	$ -	$ -	$ 27,113,766
Financial assets at fair value through other comprehensive income	21,682,877	-	-	-	-	-	-	-	21,682,877
Financial assets at amortized cost	245,664,895	1,095,673,719	231,285,621	315,280,983	233,100,178	126,766,377	262,380,210	-	2,510,151,983
Total	294,384,253	1,095,751,004	231,285,621	315,280,983	233,100,178	126,766,377	262,380,210	-	2,558,948,626
% of total	11.50%	42.82%	9.04%	12.32%	9.11%	4.96%	10.25%	-	100.00%

December 31, 2022

Financial Assets	Taiwan	North America	Eurozone	Non-EU Europe	Asia	Latin America	Middle East/Africa	Global	Total
Financial assets at fair value through profit or loss	$ 27,218,050	$ 573,012	$ -	$ -	$ 229,683	$ -	$ -	$ -	$ 28,020,745
Financial assets at fair value through other comprehensive income	22,192,627	-	-	-	2,705,369	-	-	-	24,897,996
Financial assets at amortized cost	246,264,405	1,061,552,258	249,088,145	329,002,054	238,614,002	157,922,854	275,933,573	-	2,558,377,291
Total	295,675,082	1,062,125,270	249,088,145	329,002,054	241,549,054	157,922,854	275,933,573	-	2,611,296,032
% of total	11.32%	40.67%	9.54%	12.60%	9.25%	6.05%	10.57%	-	100.00%

Regarding credit quality, the Group regularly tracked credit ratings by each credit rating agency for normal assets that were neither past due nor impaired, which were classified into low credit risk, medium credit risk and high credit risk according to their credit ratings. The definition of each level of risk is as follows:

Low credit risk

Refers to a company which has a robust ability to fulfill its contract commitments, even when there are negative news or unfavorable economic terms, the company is still in a good financial position to manage these adverse situations.

Medium credit risk

Refers to a company which has a lower ability to fulfill its contract commitments, and various negative news or unfavorable economic terms may weaken its financial position, which in turn would raise doubts about its impairment of assets or cause a loss to the Group.

High credit risk

Refers to a company with a weak ability to fulfill its contract commitments and which is dependent on the business environment, and various negative news or unfavorable economic conditions would lower its ability and willingness to fulfill its obligations.

Impaired

Refers to a company which has failed to fulfill its obligations in accordance with the contract, and SKLIC estimated the standard of impairment based on the potential loss.

SKLIC recognized impairment losses regarding each financial asset in accordance with IFRS Accounting Standards, and under the principle of conservative estimates, the amount after impairment losses have been recognized can appropriately reflect the current value. Information on credit quality is disclosed as follows:

Credit Quality of Financial Asset Analysis

December 31, 2023

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 21,682,877	$ -	$ -	$ 21,682,877	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 21,682,877
Financial assets at amortized cost	2,419,271,243	9,737,379	32,913,651	2,461,922,273	-	-	15,338,085	15,338,085	32,891,625	-	32,891,625	(6,082,226)	2,504,069,757
Total	2,440,954,120	9,737,379	32,913,651	2,483,605,150	-	-	15,338,085	15,338,085	32,891,625	-	32,891,625	(6,082,226)	2,525,752,634
% of total	96.64%	0.39%	1.30%	98.33%	-	-	0.61%	0.61%	1.30%	-	1.30%	(0.24%)	100.00%

December 31, 2022

	Stage 1				Stage 2				Stage 3			Allowance for Losses	Total
	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Low Credit Risk	Medium Credit Risk	High Credit Risk	Total	Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	Total		
Financial assets at fair value through other comprehensive income	$ 24,897,996	$ -	$ -	$ 24,897,996	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,897,996
Financial assets at amortized cost	2,458,118,072	3,486,332	33,006,380	2,494,610,784	-	6,322,877	24,639,954	30,962,831	32,803,676	-	32,803,676	(6,793,424)	2,551,583,867
Total	2,483,016,068	3,486,332	33,006,380	2,519,508,780	-	6,322,877	24,639,954	30,962,831	32,803,676	-	32,803,676	(6,793,424)	2,576,481,863
% of total	96.37%	0.14%	1.28%	97.79%	-	0.25%	0.95%	1.20%	1.27%	-	1.27%	(0.26%)	100.00%

Note 1: Normal assets and impaired items included debt instruments but excluded funds and shares. The amounts of impaired items were the gross amounts of impaired assets (before net of accumulated impairment).

Note 2: The credit rating for normal assets was simultaneously considered all the ratings declared by S&P, Moody's, Fitch and Taiwan Rating, and chosen by the middle of the first three ratings or the lower of two ratings.

Note 3: Lower credit risk means that the credit rating is BBB or above.

Note 4: Medium credit risk means that credit rating is between BBB- or below and BB+ or above.

Note 5: High credit risk means that credit rating is below BB or no credit rating.

Loan Arrangements by Geographical Location
(Excluding Policy Loans and Premium Loans)

December 31, 2023

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 30,130,209	$ 10,579,266	$ 17,010,629	$ 202,332	$ 57,922,436
Overdue loans	3,076	150	391	-	3,617
Total	30,133,285	10,579,416	17,011,020	202,332	57,926,053
% of total	52.02%	18.26%	29.37%	0.35%	100.00%

December 31, 2022

	Northern Region	Central Region	Southern Region	Eastern Region	Total
Secured loans	$ 31,577,916	$ 7,659,294	$ 13,948,025	$ 249,608	$ 53,434,843
Overdue loans	28,401	181	476	-	29,058
Total	31,606,317	7,659,475	13,948,501	249,608	53,463,901
% of total	59.12%	14.32%	26.09%	0.47%	100.00%

c) Liquidity risk

The Group had sufficient working capital to meet financial commitment; therefore, there was no liquidity risk due to the shortage of capital in response to performing contract obligations.

Majority of debt investments and shares of the Group have active market and, therefore, are expected to be easily disposed in markets rapidly at the price near fair values. The foreign exchange forward contracts and currency swap contracts the Group entered into were fixed and for hedging, and these contracts were to be settled in net or gross and did not require huge cash position, resulting in no material cash flow risk.

Liquidity and interest risk rate tables

The following table details the Group's remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

December 31, 2023

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 5,263,480	$ 628,238	$ 570,325	$ 168,724
Fixed interest rate liabilities	-	1,441,500	28,343,000	15,600,000
Reserve for outstanding loss	279,416	82,047	109,746	75,183
Lease liabilities	168,720	901,238	2,866,222	9,807,775

December 31, 2022

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing	$ 5,474,254	$ 347,200	$ 600,005	$ 170,417
Fixed interest rate liabilities	-	5,921,500	15,322,000	6,210,000
Reserve for outstanding loss	279,884	108,856	117,293	58,850
Lease liabilities	276,762	931,468	3,545,128	10,074,969

The following table details the Group's expected maturity for some of non-derivative financial assets. The tables below had been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

December 31, 2023

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 1,371,933	$ 2,626,844	$ 129,869,104	$ 156,774,437
Foreign	15,549,193	50,920,035	295,061,525	4,978,010,307

December 31, 2022

	On Demand or Less than 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial assets				
Domestic	$ 289,008	$ 2,942,706	$ 85,773,854	$ 200,535,153
Foreign	17,392,216	48,497,120	327,951,577	4,981,257,864

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

The following table detailed the Group's liquidity analysis for derivative financial instruments. The table was based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ 5,048,794	$ 5,176,585	$ 2,102,621	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ 4,273,240	$ 9,350,229	$ 1,695,721	$ -	$ -
Outflows	(406,086)	(668,528)	(19,971)	-	-
Foreign exchange forward contracts					
Inflows	1,030,266	-	-	-	-
Outflows	(10,288)	-	-	-	-
	$ 4,887,132	$ 8,681,701	$ 1,675,750	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Net settled					
Foreign exchange forward contracts	$ 2,902,079	$ 4,192,789	$ (398,651)	$ -	$ -
Gross settled					
Exchange rate swaps					
Inflows	$ 16,375	$ 12,582	$ 779,759	$ -	$ -
Outflows	(2,150,553)	(9,232,227)	(19,201,143)	(409,129)	-
Foreign exchange forward contracts					
Inflows	412,604	9,740	-	-	-
Outflows	(11,560)	-	-	-	-
	$ (1,733,134)	$ (9,209,905)	$(18,421,384)	$ (409,129)	$ -

e. Total amount of assets and liabilities expected to recover or settle within and over 12 months

Items	December 31, 2023		
	Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 99,581,548	$ -	$ 99,581,548
Receivables	34,270,013	-	34,270,013
Current tax assets	-	9,084,906	9,084,906
Assets held for sale	8,468,595	-	8,468,595
Investments			
Financial assets at FVTPL	272,267,800	27,113,766	299,381,566
Financial assets at FVTOCI	75,610,312	57,080,907	132,691,219
Financial assets measured at amortized cost	5,580,184	2,489,894,576	2,495,474,760
Investments accounted for using the equity method	-	2,752,157	2,752,157
Investment property	-	198,644,722	198,644,722
Loans	5,553	162,456,652	162,462,205
Total investments	353,463,849	2,937,942,780	3,291,406,629
Reinsurance assets	980,845	-	980,845
Property and equipment	-	28,944,690	28,944,690
Right-of-use assets	-	1,947,183	1,947,183
Intangible assets	-	603,908	603,908
Deferred tax assets	-	43,017,469	43,017,469
Other assets	5,191,125	12,816,318	18,007,443
Separate account insurance product assets	99,249	51,771,077	51,870,326
Total assets	$ 502,055,224	$ 3,086,128,331	$ 3,588,183,555
Payables			
Notes payable	$ 29	$ -	$ 29
Payable for insurance claims and payments	195,240	-	195,240
Commissions payable	64,826	532,757	597,583
Due to reinsurers and ceding companies	912,658	-	912,658
Other payables	4,947,130	86,225	5,033,355
Total payables	6,119,883	618,982	6,738,865
Current tax liabilities	29,756	-	29,756
Financial liabilities at FVTPL	1,312,272	-	1,312,272
Bonds payable	-	37,000,000	37,000,000
Lease liabilities	1,000,763	7,940,332	8,941,095
Insurance liabilities			
Reserve for unearned premiums	10,963,732	-	10,963,732
Reserve for claim payments	361,462	3,681,064	4,042,526
Reserve for life insurance liability	47,064,260	3,207,346,670	3,254,410,930
Special reserve for life insurance	-	6,859,980	6,859,980
Reserve for insufficient premiums	-	1,054,695	1,054,695
Total insurance liabilities	58,389,454	3,218,942,409	3,277,331,863
Reserve for insurance contract with the nature of financial products	-	70,849	70,849
Reserve for foreign exchange valuation	-	13,218,699	13,218,699
Provisions	-	44,888	44,888
Deferred tax liabilities	-	16,533,044	16,533,044

(Continued)

Items	December 31, 2023 Recovery within 12 Months	Recovery over 12 Months	Total
Other liabilities			
Advance receipts	$ 1,257,976	$ -	$ 1,257,976
Guarantee deposits received	-	15,363,542	15,363,542
Others	-	361	361
Total other liabilities	1,257,976	15,363,903	16,621,879
Separate account insurance product liabilities	21,610,313	30,260,013	51,870,326
Total liabilities	$ 89,720,417	$ 3,339,993,119	$ 3,429,713,536

(Concluded)

Items	December 31, 2022 Recovery within 12 Months	Recovery over 12 Months	Total
Cash and cash equivalents	$ 72,536,822	$ -	$ 72,536,822
Receivables	27,764,332	-	27,764,332
Current tax assets	-	6,848,517	6,848,517
Assets held for sale	9,588,103	-	9,588,103
Investments			
Financial assets at FVTPL	233,956,642	28,020,743	261,977,385
Financial assets at FVTOCI	102,706,940	58,326,665	161,033,605
Financial assets measured at amortized cost	1,490,361	2,532,947,480	2,534,437,841
Investments accounted for using the equity method	-	2,597,025	2,597,025
Investment property	-	190,938,419	190,938,419
Loans	-	159,247,126	159,247,126
Total investments	338,153,943	2,972,077,458	3,310,231,401
Reinsurance assets	843,259	-	843,259
Property and equipment	-	29,116,440	29,116,440
Right-of-use assets	-	2,033,447	2,033,447
Intangible assets	-	589,522	589,522
Deferred tax assets	-	37,375,320	37,375,320
Other assets	4,959,454	25,333,659	30,293,113
Separate account insurance product assets	222,359	38,318,764	38,541,123
Total assets	$ 454,068,272	$ 3,111,693,127	$ 3,565,761,399
Payables			
Notes payable	$ 428	$ -	$ 428
Payable for insurance claims and payments	216,928	-	216,928
Commissions payable	-	529,193	529,193
Due to reinsurers and ceding companies	499,910	-	499,910
Other payables	5,379,592	83,792	5,463,384
Total payables	6,096,858	612,985	6,709,843

(Continued)

Items	December 31, 2022 Recovery within 12 Months	Recovery over 12 Months	Total
Current tax liabilities	$ 29,806	$ -	$ 29,806
Financial liabilities at FVTPL	34,487,017	-	34,487,017
Bonds payable	-	24,000,000	24,000,000
Lease liabilities	1,130,091	8,612,175	9,742,266
Insurance liabilities			
Reserve for unearned premiums	9,960,801	-	9,960,801
Reserve for claim payments	388,740	3,185,446	3,574,186
Reserve for life insurance liability	45,566,955	3,199,712,775	3,245,279,730
Special reserve for life insurance	-	7,225,307	7,225,307
Reserve for insufficient premiums	-	1,415,228	1,415,228
Total insurance liabilities	55,916,496	3,211,538,756	3,267,455,252
Reserve for insurance contract with the nature of financial products	-	20,964	20,964
Reserve for foreign exchange valuation	-	27,341,617	27,341,617
Provisions	-	65,426	65,426
Deferred tax liabilities	-	10,572,757	10,572,757
Other liabilities			
Advance receipts	917,933	-	917,933
Guarantee deposits received	-	6,445,296	6,445,296
Others	-	361	361
Total other liabilities	917,933	6,445,657	7,363,590
Separate account insurance product liabilities	11,119,268	27,421,855	38,541,123
Total liabilities	$ 109,697,469	$ 3,316,632,192	$ 3,426,329,661

(Concluded)

f. Transfer of financial assets

The transferred financial assets of the Group are mainly securities under repurchase agreements or equity securities under lending agreements. The Group cannot sell or pledge these transferred financial assets during the valid transaction period. Therefore, the Group does not completely derecognize the transferred assets. The table below discloses the information of financial assets that are not completely derecognized and the associated financial liabilities.

December 31, 2022

Type of Financial Assets	Carrying Amount of the Transferred Financial Assets	Carrying Amount of Relevant Financial Liabilities	Fair Value of the Transferred Financial Assets	Fair Value of Relevant Financial Liabilities	Fair Value Net Position
Security lending agreements - financial assets at FVTPL	$ 15,498	$ -	$ 15,498	$ -	$ 15,498
Security lending agreements - financial assets at FVTOCI	118,650	-	118,650	-	118,650

g. Offsetting financial assets and financial liabilities

The derivatives held by the Group did not meet the offsetting criteria pursuant to IFRS, but was covered by enforceable master netting arrangements or similar agreements signed with counterparties. Derivatives under enforceable master netting arrangements or similar agreements can be settled on a net basis of financial assets and financial liabilities if two parties decide to settle on net basis, or if not, settle on gross basis. If one party defaults, the other party can choose to settle on net basis.

The tables below present the information on financial assets and financial liabilities that have been offset.

December 31, 2023

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 28,884,855	$ -	$ 28,884,855	$ -	$ 13,576,857	$ 15,307,998

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 1,312,272	$ -	$ 1,312,272	$ 144,597	$ 14,138	$ 1,153,537

Note: Included master netting arrangements and non-cash financial collateral.

December 31, 2022

Financial Assets That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Assets	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 11,409,682	$ -	$ 11,409,682	$ -	$ 4,702,623	$ 6,707,059

Financial Liabilities That Have Been Offset or That Are Covered by Enforceable Master Netting Arrangements or Similar Agreements						
Financial Liabilities	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Related Amounts Not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note)	Cash Collateral Received	
Derivative	$ 34,487,017	$ -	$ 34,487,017	$ 6,151,986	$ 6,542,954	$ 21,792,077

Note: Included master netting arrangements and non-cash financial collateral.

h. Structured entities

1) Merged companies held the equity of the following non-controlling structured entities. Merged companies did not provide financial or other support to these structured entities, and the maximum risk amount for these entities is the book value of assets held by the Group:

The Type of Structured Units	Nature and Purpose	Equity Held by SKLIC
Private equity investment	Invest in private funds issued by external third-party fund companies in order to obtain investment benefits.	Invest in units or limited partnership interests issued by the fund.
Asset securitization commodity	Invest in asset securitization commodities in order to obtain investment benefits.	Invest in asset-based securities issued by these entities.

2) As of December 31, 2023 and 2022, the book value of assets related to the equity of non-controlling structured entities is as follows:

	December 31, 2023	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 16,394,948	$ 904,928
Financial assets at amortized cost	-	6,373,488
	$ 16,394,948	$ 7,278,416

	December 31, 2022	
	Private Equity Investment	Asset Securitization Commodity
Financial assets at fair value through profit or loss	$ 15,770,971	$ 2,189,038
Financial assets at amortized cost	-	6,386,784
	$ 15,770,971	$ 8,575,822

i. Reclassifications

Due to the drastic changes in the global economy and the financial turmoil worldwide since 2022, especially from late August to the end of September of that year, the stock, bond, and foreign exchange markets experienced rare and drastic changes across the board, along with the sharp rise in interest rates—an increase considered extreme as defined by international insurance capital standards. With these changes in the external financial environment, SKLIC decided to adjust its investment strategy, performance evaluation, and risk management before September 30, 2022, and decided to change its business model for managing some debt instruments measured at fair value through other comprehensive income (FVTOCI) in accordance with paragraph 4.4.1 of IFRS 9 - Financial Instruments on September 30, 2022. As a result of this change, the debt instruments at FVTOCI were reclassified to debt instruments measured at amortized cost. However, the reclassification was deferred from the date of reclassification in accordance with paragraph 5.6.1 of IFRS 9, to the first day of the

next reporting period (October 1, 2022). This reclassification resulted in an increase of $38,579,946 thousand in other equity, and financial assets measured at amortized cost amounted to $137,068,479 thousand as of October 1, 2022. Other results of the reclassification were decreases of $88,814,557 thousand in financial assets at FVTOCI and of $9,673,976 thousand in deferred income tax assets.

As of December 31, 2022, the fair value of the reclassified financial assets that had not been derecognized was $86,586,942 thousand, and if they had not been reclassified as of October 1, 2022, the other equity would have amounted to $(36,571,793) thousand as of December 31, 2022.

As of December 31, 2023, the fair values of the reclassified financial assets that had not been derecognized were $88,839,080 thousand.

j. The property and coverage of risk of insurance contract:

1) Risk management

a) The policies of risk management

According to related laws and business needs, SKLIC's board of directors passed a resolution of "SKLIC's risk management policies", which clearly regulated the objectives and strategies of risk management, risk appetite and limit, the organization and responsibility of risk management, and the category and management of business management risk.

b) The objectives of risk management

The objectives of SKLIC's risk management are to protect assets, ensure the adequacy of risk-based capital (RBC), increase shareholder's value and conform with related laws, and under the premise of the balance between risk and return, to promote the sound operation and development.

c) The principles of risk management

SKLIC manages risks strategically. When making decisions, SKLIC takes risks into consideration, and through qualitative and quantitative management, carries out risk identification, evaluation, response, monitoring and controlling, keeping every risk it might encounter in operating activities endurable, in order to pursue stable operating policies and persist in the spirit of thorough implementation.

d) Organization and responsibility

In order to effectively plan, supervise and implement risk management, SKLIC established "Risk Management Committee" under the board of directors and related units independent to business units. The risk management levels and responsibilities are as follows:

i. The board of directors approves risk management policies.
ii. Audit committee controls the existing or potential risk.
iii. Risk Management Committee regularly evaluates risk tolerance.
iv. Risk management related units analyze and evaluate the change of risks.
v. Business units implement risk management activities within the scope of jurisdiction.

e) The category and management of business operating risk

SKLIC's business operating risks include insurance risk, market risk, credit risk, liquidity risk, concentration risk, operation risk, information security risk, asset-liability matching risk and other risks which are included in the resolutions of the parent company's Risk Management Committee or SKLIC's board of directors. In consideration of abovementioned business

management risk, SKLIC complies with laws and regulations, builds adequate management system, and strictly implements policies.

2) Insurance risk information

a) Sensitivity of insurance risk

SKLIC's sensitivity analysis of insurance risk is based on the effect of individual changes in current year's financial revenue, operating expenses, insurance payments related to death or morbidity and termination fees (assuming other assumptions unchanged) on net income before tax and shareholder's equity. The assumptions are illustrated as follows:

i. Financial revenues include gains from lease of real estate, dividends and bonuses from financial assets and interest from fund application.

ii. Operating expenses include selling and administrative expenses and staff training expenses.

iii. Insurance payments related to death or morbidity are payments occurring due to insurance business and the insured's death or morbidity.

iv. Termination fees are refunds due to termination or invalidity of insurance contracts.

The Effects of Changes in Sensitivity Factors on Income Before Tax and Shareholders' Equity

	For the Year Ended December 31, 2023		
	Changes in Assumptions	**Changes in Income Before Tax**	**Changes in Shareholders' Equity**
Financial revenue	Decrease 5%	$ (5,998,956)	$ (4,799,165)
Operating expenses	Increase 5%	(1,064,662)	(851,729)
Insurance payments related to death or morbidity	Increase 5%	(1,607,258)	(1,285,807)
Termination fees	Increase 5%	83,516	66,813

Note: The abovementioned assumption factors and analysis are based on the Group's financial information for the year ended December 31, 2023.

Supplemental:

v. The result is not linear; therefore, it is unable to estimate the extent of influence by interpolation method or extrapolation method.

vi. Assumption factors may not change and there may be correlation between different changes.

vii. Sensitivity analysis will not take into consideration the factors and effects that market changes have on business, such as buying or selling positions, changing asset allocation and adjustment to declared interest of insurance contracts.

viii. The calculation of changes in shareholders' equity is based on the amount net of income tax.

b) The illustration of insurance risk concentration

SKLIC's main insurance products are life insurance, annuity insurance, accident insurance and health insurance, and the business is mainly in the Republic of China. Also, there is no significant difference in insurance contracts between different regions.

SKLIC's premium income is mainly from individual life insurance, individual health insurance and individual insurance (included Interest Sensitive Annuity) in that order. The insurance payments are mainly for endowment payments, refund benefit payments, termination fees and health benefits.

According to Regulations Governing Calculation of Various Reserve for Operations, due to heavy reparations when there are catastrophes and in order to deal with unusual changes in loss rate of different insurance and insurance payments, SKLIC provides special reserve for catastrophe and for contingent claim. The aforementioned catastrophe is one the government declared as a severe disaster, and the cumulative net indemnities of all the insurance products for an individual company are up to $30 million and the cumulative indemnities for all the life insurance companies are up to $1 billion.

The provision above for special reserve for catastrophe and for contingent claim is recognized, net of tax as special reserve under shareholder's equity.

c) Claims development

SKLIC provided reserve for claims, whether or not it is reported, for projected future payments and related costs. The provision for reserves is highly complicated since there are many uncertain causes, estimation and judgment. Some claim reports may be delayed to SKLIC, and the estimation is related to past claim experiences and subjective judgment when estimating possible payments for the claims not yet reported. The claim reserve per book is estimated on the basis of available information at present. Therefore, it is unable to make sure the claim reserve on the date of balance sheet is equal to the actual payments, which will deviate from original estimation as the claim goes on.

The following tables show the claims development. Every accident year means the year the accident happens, the horizontal axis is the year of development, and every amount is the cumulative payment incurring for every accident year at the end of the year. The cumulative payments include the claims whether or not it is sure to happen, and illustrate how SKLIC estimates payments for every accident year as time passes. The conditions and trends that influence SKLIC's reserve provision may not be the same when claims develop. Therefore, the projected payments may not actually happen.

i. Claims development of direct business

Accident Year	Development Trend of Direct Business Indemnities					Claim Reserve
	1	2	3	4	5	
2019	$ 11,786,914	$ 14,205,269	$ 14,347,045	$ 14,370,841	$ 14,379,938	
2020	11,783,116	14,161,292	14,359,482	14,399,860		
2021	11,459,775	13,865,668	14,065,816			
2022	12,414,515	15,337,966				
2023	13,751,413					

Claim reserve for unreported and unpaid claims	$ 3,494,605
Add: Claim reserve for unreported which provided by other regulation	5,257
Add: Reported but unpaid claims	542,664
Claim reserve, balance	$ 4,042,526

ii. Claims development of retained business

Accident Year	Development Trend of Direct Business Indemnities					Claim Reserve
	1	2	3	4	5	
2019	$ 11,729,377	$ 14,147,594	$ 14,289,018	$ 14,312,811	$ 14,321,909	
2020	11,719,369	14,096,901	14,294,754	14,335,131		
2021	11,407,026	13,810,687	14,005,796			
2022	12,330,498	15,253,580				
2023	13,668,794					

Claim reserve for unreported and unpaid claims	$ 3,485,009
Add: Claim reserve for unreported which provided by other regulation	5,257
Add: Reported but unpaid claims	542,664
Claim reserve, balance	$ 4,032,930

3) The credit risk, liquidity risk and market risk of insurance contracts

a) Credit risk

SKLIC enacted its Credit Risk Management Policies and established risk limit and required regular credit examination to control credit risks of investment objectives and counterparties. Undertaking large insurance risks is the core business of the insurance industry, and SKLIC's business scale is large enough to undertake considerable insurance risks. However, if certain risks are over-concentrated or significantly uncertain, reinsurance will be used to decentralize risks and reinsurance companies' credit ratings should meet the related regulations. Therefore, compared to retained risk, SKLIC's reinsurance risk is not significant.

b) Liquidity risk

SKLIC enacted its Liquidity Risk Control and Management Policies as the basis of controlling and managing fund liquidity risk and market liquidity risk. Also, SKLIC makes use of asset and liability matching model to project future assets and liabilities' cash flows, to ensure there are enough cash flows to satisfy project liability obligations, as the basis of a long-term controlling and managing measures of liquidity risk. Besides, based on the regulation of reserve provision, the book value of all contracts is higher than surrender value. Therefore, the liquidity risk from contract termination is not significant. In consideration of materiality principle, there will be no cash flow analysis disclosure on maturity date when policyholders execute options to lapse.

c) Market risk

According to the Regulations Governing Calculation of Various Reserves for Operations and other rulings promulgated by regulators, SKLIC calculates and provides various reserves for life insurance liabilities of insurance products based on projected interest rate and undertaking rate regulated by regulatory authorities. Since projected interest rate is determined when selling insurance products, it will not fluctuate as market interest rate does. Regulatory authorities considered a long-term level when it regulated the interest rate, which will not change with present market risk variables in the same time, same way or at the same amount. If the result of liability adequacy test is inadequate, the insufficient amount should be provided as liability adequacy reserve. Otherwise, reasonably possible changes in market risks would not influence SKLIC's amount of liabilities of insurance products.

In addition, for the calculation of reserve for life insurance liability, it is not likely that regulatory authorities will change the projected interest rate from fixed interest rate to floating rate fluctuating with market interest rate. Therefore, it is unlikely that market risk will, through liabilities of insurance products, have a significant effect on net income.

39. FINANCIAL INFORMATION ON OPERATING SEGMENTS

a. General information on operating segments:

Business segments of the Group were identified by the type of insurance products and are divided into three reportable segments, including standard insurance segment, interest-sensitive insurance segment and investment type insurance segment.

Premium income and investment income represent the main source of income for the Group. Comparable insurance products which are identical with or similar to subject products and delivering of those products are closely related to segment's capital employed. When preparing financial statements, based on insurance industry practice and business operation, standard insurance segment, interest-sensitive insurance segment and investment type insurance segment are considered as a single operating segment.

The accounting policies are the same as the summary of material accounting policies in Note 4. The Group's segment profits are evaluated on the basis of operating profits before tax, excluding extraordinary gain or loss.

b. The Group's reportable profit by segment for the years ended December 31, 2023 and 2022 is as follows:

	For the Year Ended December 31, 2023			
	Standard Insurance Segment	Interest - Sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total operating revenue of reportable segments	$ 123,488,384	$ 127,009,207	$ 8,746,681	$ 259,244,272
Reportable segment profit	$ (28,986,830)	$ 5,544,603	$ -	$ (23,442,227)

	For the Year Ended December 31, 2022			
	Standard Insurance Segment	Interest - Sensitive Insurance Segment	Investment Type Insurance Segment	Total
Total operating revenue of reportable segments	$ 123,770,538	$ 164,443,343	$ 1,301,286	$ 289,515,167
Reportable segment profit	$ (27,403,847)	$ 23,285,061	$ -	$ (4,118,786)

c. The reconciliation of segment revenues, profits, assets and liabilities:

	For the Year Ended December 31	
	2023	**2022**
Total operating revenue of reportable segments	$ 259,244,272	$ 289,515,167
Share of loss of associates accounted for using the equity method	(184,186)	(283,970)
Other operating revenue	929,076	1,133,019
Total revenue	$ 259,989,162	$ 290,364,216
Total reportable segment profit before tax	$ (23,442,227)	$ (4,118,786)
Other gain (loss)	(527,670)	(368,239)
Non-allocable item:		
Other revenue	350,262	347,666
Total net profit (loss) before tax	$ (23,619,635)	$ (4,139,359)

	December 31, 2023			
	Standard Insurance Segment	**Interest-sensitive Insurance Segment**	**Investment Type Insurance Segment**	**Total**
Total reportable segment assets	$ 2,256,956,266	$ 1,229,853,739	$ 51,870,326	$ 3,538,680,331
Non-allocable items				
Property and equipment				28,944,690
Right-of use assets				1,947,183
Intangible assets				603,908
Other assets				18,007,443
Total assets	$ 2,256,956,266	$ 1,229,853,739	$ 51,870,326	$ 3,588,183,555
Total reportable segment liabilities	$ 2,177,820,185	$ 1,154,081,930	$ 51,870,326	$ 3,383,772,441
Non-allocable items				
Bonds payable				37,000,000
Lease liabilities				8,941,095
Total liabilities	$ 2,177,820,185	$ 1,154,081,930	$ 51,870,326	$ 3,429,713,536

	December 31, 2022			
	Standard Insurance Segment	**Interest-sensitive Insurance Segment**	**Investment Type Insurance Segment**	**Total**
Total reportable segment assets	$ 2,250,772,291	$ 1,214,415,463	$ 38,541,123	$ 3,503,728,877
Non-allocable items				
Property and equipment				29,116,440
Right-of use assets				2,033,447
Intangible assets				589,522
Other assets				30,293,113
Total assets	$ 2,250,772,291	$ 1,214,415,463	$ 38,541,123	$ 3,565,761,399
Total reportable segment liabilities	$ 2,208,006,822	$ 1,146,039,450	$ 38,541,123	$ 3,392,587,395
Non-allocable items				
Bonds payable				24,000,000
Lease liabilities				9,742,266
Total liabilities	$ 2,208,006,822	$ 1,146,039,450	$ 38,541,123	$ 3,426,329,661

40. CAPITAL MANAGEMENT

a. Management objectives

In order to ensure sound operation and development, the Company manages its capital adequacy and risk management in accordance with Regulations Governing Capital Adequacy of Insurance Companies.

The Company manages owned capital to meet the requirements of regulations and achieve the minimum required capital adequacy ratio as the basis for objective capital management. Owned capital is calculated according to requirements regulated by authorities.

To ensure the Company owns sufficient capital to assume risks, the Company evaluates the risks according to the portfolio amount and characteristics. Risk on capital is calculated according to requirements regulated by authorities.

The Company manages total equity to meet the requirements of regulations and achieve the minimum required equity ratio as the basis for objective capital management. Equity ratio is calculated according to requirements regulated by authorities.

b. Capital management procedures

Capital adequacy ratio and equity ratio are inspected and calculated periodically by the Company in compliance with requirements of authorities, and delivered to the authority every six months.

In order to ensure sufficiency of capital and solvency, the Company analyzes its capital adequacy ratio for any changes of business strategy and potential effect on solvency.

In accordance with Regulations Governing Capital Adequacy of Insurance Companies, rating of capital adequacy ratio should take into consideration both capital adequacy ratio and equity ratio. Capital adequacy ratio is calculated by owned capital divided by risk-based capital. The components of owned capital and risk-based capital are as follows:

1) Owned capital

Owned capital is the insurance company's total amount of capital as admitted by the authorities, which includes:

a) Tier 1 unlimited capital.
b) Tier 1 limited capital.
c) Tier 2 capital.

2) Risk-based capital

Risk-based capital is calculated according to the risks occurring in the business of an insurance enterprise, including:

a) Asset risk
b) Insurance risk
c) Interest rate risk
d) Other risk

Calculation of risk-based capital should comply with requirements regulated by the authorities.

The equity ratio is the Company's equity audited by the auditors divided by the total assets excluding the total assets recorded in separate accounts for investment type insurance policies.

c. Capital adequacy ratio

Based on the capital adequacy ratio and net worth ratio calculated under the "Regulations Governing Capital Adequacy of Insurance Companies", SKLIC classifies the insurance industry's capital as adequate, undercapitalized, significantly undercapitalized, and severely undercapitalized. If an insurance of the Company's capital is classified as undercapitalized, significantly undercapitalized, or severely undercapitalized, the insurance the Company cannot distribute its earnings, buy back its shares, or return its shares by means other than stock dividends or transfer the shares to the members for subscription, and the competent authority shall take relevant measures in accordance with the provisions of Article 143-6 of the Insurance Act.

SKLIC's capital adequacy ratios as of the end of 2022 and 2021 were both over 200% and its net worth ratios were both over 3%, in compliance with legal requirements. In the past two years, the impact of the lift rates, Russo-Ukrainian war and inflationary factors adversely affected after-tax income and retained earnings, and the widening of the Taiwan-U.S. interest rate spread increased the cost of foreign exchange hedging, resulting in a decline in the amount of capital owned by SKLIC. In addition, the revision of the interest rate risk accrual method by the competent authority resulted in an increase in risk capital so that SKLIC's capital adequacy ratio as of the end of June 2023 and the year end of 2023 did not reach the capital adequacy level stipulated by the law, but the net worth ratio still reaches more than 3%, and the capital level is undercapitalized.

According to Article 143-6 of the Insurance Act, the competent authority shall adopt any or all the following measures, subject to the grading of an insurance enterprise’s capital:

1) In order for the insurance enterprise and its responsible person to put forward a plan for capital increase or another corrective action plan for finance or business within the specified period; where the insurance enterprise fails to submit the same plan within the specific period or fails to implement the plan, the competent authority may take supervision measures against the capital adequacy ratio;

2) For the insurance enterprise to cease selling insurance products or restrict it to launching new insurance products;

3) To restrict the scope of fund utilization;

4) To restrict the remuneration, bonus, stock options, or other payments of similar properties to the responsible person of the insurance enterprise;

5) To take other necessary measures.

On January 22, 2024, the FSC issued an official letter requesting SKLIC to submit, within one month, a complete and specific capital increase plan that can ensure that SKLIC's capital adequacy ratio at the end of June 2024, complying with the requirements of the Act, as well as a clear timetable for the capital increase in the case that SKLIC's capital adequacy ratio as of the end of 2023 did not meet the statutory standards.

The above issues shall be submitted to the boards of directors of SKLIC and its parent company for discussion. SKLIC's capital adequacy ratio enhancement plan was approved by the board of directors on February 17, 2024, and the capital adequacy ratio enhancement plan was submitted to the FSC on February 22, 2024, and the plan was approved by the board of directors on February 22, 2024 and was submitted to the FSC on February 22, 2024.

SKLIC plans to increase its own capital through capital adequacy improvement plans based on long-term stable operation and protection of policyholders' rights and interests. These include capital increase plans for cash capital increase of the parent company and issuance of capitalized bonds, as well as financial and business improvement plans to increase recurring revenues, increase capital gains, reduce hedging costs, increase real estate income and austere expenses, in order to achieve the goal of increasing the capital adequacy ratio to the level of capital adequacy required by the law. The goal is to increase the capital adequacy ratio to the capital adequacy level required by law.

SKLIC has issued domestic 1-year unsecured cumulative subordinated common bonds amounting to $13,000,000 thousand for the year ended 2023 on October 26, 2023, and common shares amounting to $1,500,000 thousand for the completion of a private placement of cash capital increase on December 29, 2023, respectively.

SKLIC's board of directors approved on February 17, 2024, the proposed issuance of 10-year cumulative subordinated common bonds of up to $8,000,000 thousand and the proposed issuance of common shares of up to $1,500,000 thousand by means of a private placement for cash capital increase. Meanwhile, on July 27, 2023, the board of directors approved the issuance of common stock in the amount of $5,500,000 thousand by private placement, and the total amount of the proposed cash capital increase is $7,000,000 thousand.

41. SUPPLEMENTAL DISCLOSURES

a. Information about significant transactions

Code	Description	Explanation
1	Acquisition of individual real estate at prices over $100 million or 20% of the paid-in capital	None
2	Disposal of individual real estate at prices over $100 million or 20% of the paid-in capital	Table 1
3	Engage in core business transactions with related parties amounting over $100 million or 20% of the paid-in capital.	Note 32
4	Receivables from related parties over $100 million or 20% of the paid-in capital	Note 32
5	Derivative transactions	Notes 9 and 38

b. Information of investees

Code	Description	Explanation
1	Information on investee, including name, location and etc., excluding investee in the mainland China area.	Table 2
2	Financing provided to others.	Table 3
3	Endorsements/guarantees provided.	Table 4
4	Marketable securities held.	Table 5
5	Marketable securities acquired or disposed of at accumulated amounts over $100 million or 20% of the paid-in capital.	None
6	Acquisition of individual real estate at price over $100 million or 20% of the paid-in capital.	None
7	Disposal of individual real estate at price over $100 million or 20% of the paid-in capital.	None
8	Engage in core business transactions with related parties and transaction amounting over $100 million or 20% of the paid-in capital	None
9	Receivables from related parties amounting over $100 million or 20% of the paid-in capital.	None
10	Trading in derivative instruments.	None

c. Investments in mainland China

Code	Description	Explanation
1	Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of the investment, repatriation of investment income, and limit of investment in mainland China. If the investee belongs to the insurance industry, the location, status of capital funds and related income, provision methodology and balances of insurance policy reserves, percentage of insurance income and percentage of insurance benefits and claims should also be disclosed.	Table 6
2	Significant transaction elements like price, disbursement condition and unrealizable income generated directly or indirectly through a third area, by investee in mainland China.	None
3	Notes, endorsements and collateral provided directly or indirectly through an investee in a third area in mainland China.	None
4	Capital financing directly or indirectly through an investee in a third area in mainland China.	None
5	Other significant transactions which may affect the decisions of users of the financial statements	None

d. The important intercompany transactions of the Group are disclosed in Table 7 following the Notes to Consolidated Financial Statements.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

DISPOSAL OF INDIVIDUAL REAL ESTATE AT PRICES OF AT LEAST $100 MILLION OR 20% OF ISSUED SHARE CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Seller	Property	Event Date	Original Acquisition Date	Carrying Amount	Transaction Amount	Collection	Gain on Disposal (Note)	Counterparty	Relationship	Purpose of Disposal	Price Reference	Other Terms
SKLIC	President Jessburg A1 7F, A1 12F, A1 13F, A1 18F, A1 20F, A1 21F, A3 7F, A3 9F, A3 10F, A3 12F, A3 13F, B1 3F, B1 17F No. 35, 41, 45, Sec. 3, Chongqing S. Rd., Zhongzheng Dist., Taipei City	2023.3.16-2023.11.2	2009.10.1-2014.8.29	$ 1,290,786	$ 1,394,090	Collected $1,111,510	$ 45,625	Foley Construction Co., Ltd., Megagrow Assets Management Consultants Corp., Ming-shih Publishing Co., Ltd. and natural persons (total of 12 persons including Jun, Xu)	None	Investment	Appraisers' report and sales price	
	Land numbers 502-2, 509, 511, 512, 513, 515-2, 516, 517-2 of the fourth section of Huaxing Section, Wenshan District, Taipei City	2023.9.6	1987.6.22	102,322	235,889	Collected	131,872	Guanqi Construction Co., Ltd.	None	Investment	Appraisers' report and sales price	

Note: Gain (loss) on disposal is net of necessary transaction costs, including 2 units on the 2nd floor of A1 and the 18th floor of A2 for which contracts were been sold in 2022 and transfer completed in the 1st quarter of 2023. As of December 31, 2023, 4 units of the President Jasper villa had been sold but transfer had not been completed.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEE, INCLUDING NAME, LOCATION AND ETC., EXCLUDING INVESTEE IN THE MAINLAND CHINA AREA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars/In Thousands of Ordinary Shares)

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Shareholding Ratio (%)	Carrying Amount			
SKLIC	Controlled entity										
	Shin Kong Life Real Estate Service Company (SKLRESC)	18th Floor, No. 66, Section 1, Zhongxiao West Road, Taipei City, Taiwan	Management services	$ 352,641	$ 352,641	36,007	72.01	$ 1,154,252	$ 303,676	$ 211,225	Subsidiary
SKLIC	Significant influence over the entity										
	Century Biotech Development Co.	4th Floor, No. 66, Sanchong Road, Taipei City, Taiwan	Investment and development	600,000	600,000	60,000	24.00	586,470	(41,531)	(9,967)	Associate
	Jih-yao Energy Co., Ltd.	9th Floor, No. 295, Section 2, Diding Road, Taipei City, Taiwan	Energy services	100,000	100,000	10,000	33.33	103,730	9,810	3,270	Associate
	LeadsunFox Greenergy Investment Co., Ltd.	Room 1, 3th Floor, No. 2, Section 2, Dunhua South Road, Taipei City, Taiwan	Energy services	496,400	496,400	53,134	28.33	581,860	163,868	44,329	Associate
	Xinhe Energy Development Corporation	No. 560-3, Zhongxing Road, Changzhi Township, Pingtung County, Taiwan	Energy services	421,250	421,250	42,125	25.00	396,073	(34,454)	(18,041)	Associate
	Xinding No. 1 Energy Co., Ltd.	8th Floor, No. 99, Section 1, Xinsheng South Road, Taipei City, Taiwan	Energy services	250,000	125,000	25,000	25.00	249,600	(285)	(210)	Associate
	Taipan Solar Co., Ltd.	Room 1, 19th Floor, No. 8, Ziqiang South Road, Zhubei City, Hsinchu County, Taiwan	Energy services	421,200	471,300	42,120	30.00	428,724	15,511	4,652	Associate
	Juxin Energy Co., Ltd.	11th Floor, No. 1-1, Nanjing West Road, Taipei City, Taiwan	Energy services	180,000	180,000	18,000	25.00	188,129	31,429	7,857	Associate
	Wholes Max Green Power Co., Ltd.	No. 3, Industrial 1st Road, Hukou Township, Hsinchu County, Taiwan	Energy services	195,000	-	19,500	12.26	217,571	53,641	5,753	Associate

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 2)	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
1	LeadsunFox Greenergy Investment Co., Ltd.	Changyuan Wind Power Ltd.	Other receivables - related party	Yes	$ 42,000	$ 42,000	$ 42,000	1.75-2.00	2	$ -	Operating turnover	$ -	None	$ -	$ -	$ -	
		Beiyuan Wind Power Ltd.	Other receivables - related party	Yes	27,000	27,000	27,000	1.75-2.00	2	-	Operating turnover	-	None	-	-	-	
		Xingwei Electric Power Co., Ltd.	Other receivables - related party	Yes	192,000	-	-	2.00-2.50	2	-	Operating turnover	-	None	-	-	-	
		Lisheng Wufu Co., Ltd.	Other receivables - related party	Yes	100,000	100,000	100,000	2.50	2	-	Operating turnover	-	None	-	-	-	
2	Taipan Solar Co., Ltd.	Kunsheng Solar Power Co., Ltd.	Long-term receivables - related party	Yes	230,130	230,130	230,130	1.18-2.19	2	-	Operating turnover	-	None	-	571,433	571,433	
3	Wholes Max Green Power Co., Ltd.	Jiahe Energy Co., Ltd.	Other receivables - related party	Yes	2,000	2,000	2,000	-	2	-	Operating turnover	-	None	-	-	-	
		Heyu Energy Co., Ltd.	Other receivables - related party	Yes	10,000	5,000	5,000	-	2	-	Operating turnover	-	None	-	-	-	
		Yuan Deng Solar Energy Co., Ltd.	Other receivables - related party	Yes	40,000	40,000	40,000	-	2	-	Operating turnover	-	None	-	-	-	

Note 1: Issuer is number 0; investees are sequentially numbered starting from 1.

Note 2: 1 for those who have business contacts; 2 if there is a need for short-term financing.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
1	LeadsunFox Greenergy Investment Co., Ltd.	Xingwei Electric Power Co., Ltd.	Subsidiary	None	$ 7,600,000	$ 4,000,000	$ 3,188,038	None	194.78	None	Yes	No	No
		Lisheng Wufu Co., Ltd.	Subsidiary	None	923,872	923,872	193,268	None	44.98	None	Yes	No	No
2	Jih-yao Energy Co., Ltd.	Zhaoyang Solar Technology Co., Ltd.	Subsidiary	$ 1,555,957	892,254	892,254	440,739	None	286.72	$ 1,555,957	Yes	No	No
3	Wholes Max Green Power Co., Ltd.	Yuan Deng Solar Energy Co., Ltd.	Subsidiary	None	446,105	446,105	138,970	None	26.78	None	Yes	No	No
		Huiqun Energy Co., Ltd.	Subsidiary	None	141,900	141,900	10,570	None	8.52	None	Yes	No	No
		Tai Ling Energy Technology Co., Ltd.	Subsidiary	None	109,930	109,930	65,940	None	6.60	None	Yes	No	No

Note 1: Issuer is number 0; investees are sequentially numbered starting from 1.

Note 2: The limit for endorsements and guarantees for a single enterprise and external endorsements and guarantees: Shall not exceed five times the net worth of Jih-yao Energy Co., Ltd. as of December 31, 2023: 311,191 × 5 = 1,555,957.

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Except Number of Shares)

Holding Company	Type and Name of Marketable Security	Issuer's Relationship to the Holding Company	Financial Statement Account	End of December 31, 2023				Note
				Units/Shares ('000)	Carrying Value	Ownership Interest (%)	Market Price	
SKLRESC	Listed shares							
	The Great Taipei Gas Corp.	Affiliate	Financial assets at fair value through other comprehensive income	11,699	$ 382,568	2.27	$ 382,568	
	Taiwan Shin Kong Security Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	3,450	139,220	0.89	139,220	
	Shin Kong Spinning Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	643	30,799	0.21	30,799	
	Shin Kong Insurance Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	778	52,982	0.25	52,982	
	Unlisted shares							
	Yi Kong Security Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	5,607	247,681	15.50	247,681	
	Lian-An Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	5	90	0.20	90	
	Great Taipei Broadband Co., Ltd.	Affiliate	Financial assets at fair value through other comprehensive income	10,000	43,507	6.67	43,507	
	Yu Chi Venture Capital Corp.	None	Financial assets at fair value through other comprehensive income	188	1,735	2.50	1,735	
	Beneficial certificates							
	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	10,101	130,195	0.62	130,195	
	FSITC Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss	6,366	100,198	0.15	100,198	
	Jih-Sun Money Market Fund	None	Financial assets at fair value through profit or loss	6,566	100,167	0.25	100,167	
	Yuanta U.S. Treasury 1-3 Year Bond ETF	None	Financial assets at fair value through profit or loss	1,000	30,590	0.77	30,590	
	Bonds							
	Mercuries Life Insurance Co., Ltd.	None	Financial assets at amortized cost	-	40,000	-	40,000	

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Business and Product	Total Amount of Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Investee Company's Earnings (Loss)	Percentage of Ownership (%)	Equity in the Earnings (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
DingCheng Life Insurance Co. (Note)	Insurance	$ 5,544,400 (RMB 1,250,000)	Invest China directly	$ 1,386,100	$ -	$ -	$ 1,386,100	$ (980,183)	25	$ (221,829)	$ -	$ 1,688,029

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$1,386,100	$337,721 (US$12,642 thousand)	$94,822,223

Note 1: SKLIC was approved by the Ministry of Finance and Ministry of Economic Affairs Investment Commission to establish an insurance company in mainland China in its letter in 2003. SKLIC obtained the approval of the China Insurance Regulatory Commission (Ref. No. (96) Bao-Jian-Guo-Ji No. 1254), and SKLIC and HNA Group prepared to establish the Chinese and foreign joint venture life insurance company. SKLIC remitted the investment fund amount of RMB250,000 thousand, or the equivalent of US$36,150 thousand, on June 6, 2008. SKHLIC started operation on April 27, 2009. SKLIC applied to increase its investment in mainland China by RMB187,500 thousand, or the equivalent of US$28,310 thousand. This investment was approved by the Investment Commission, MOEA on September 25, 2018. The application for repatriation of RMB350,000 thousand (US$51,818 thousand) which was raised by SKLIC from selling partial shares of SKHLIC had been reported to Investment Commission, MOEA on February 18, 2019. SKLIC applied to increase its investment in mainland China by RMB187,500 thousand, or the equivalent of US$26,865 thousand. This investment was approved by the Investment Commission, MOEA on August 24, 2020. The aforementioned capital increase account was remitted on August 16, 2021. This investment was approved by the Investment Commission, MOEA on September 10, 2021.

Note 2: Accumulated outflow of investment from Taiwan and current investment inflow were the original investment amount.

Note 3: SKLIC obtained approval from the China Insurance Regulatory Commission to increase and transfer the capital of SKHLIC on September 29, 2018. SKLIC transferred $838,125 thousand (RMB187,500 thousand) to the capital account held by SKHLIC as well as recognized a gain on disposal of investments of $1,688,029 thousand as other gain or loss on investments in 2018. SKLIC reclassified 25% of their ownership for sale to assets classified as held for sale in the amount of $6,130 thousand. After the capital of SKHLIC had been transferred, SKLIC derecognized assets classified as held for sale and equity related to assets classified as held for sale.

Note 4: On April 3, 2019, SKHLIC obtained the approval from the China Banking and Insurance Regulatory Commission to change its name to DingCheng Life Insurance Company.

Note 5: SKLIC remitted a capital increase of $807,188 thousand (RMB187,500 thousand) to DingCheng Life Insurance Company's (DLIC) capital increase account and waited for the China Banking and Insurance Regulatory Commission's approval. This capital increase was recorded as advance investment. In January 2021, the supervisory authority over DLIC's capital increase case was changed from the China Banking and Insurance Regulatory Commission to the Beijing Regulatory Bureau ("Beijing Regulatory Bureau") of the China Banking and Insurance Regulatory Commission. The capital increase was both approved and terminated by DLIC's board of directors on June 30, 2021, and the capital increase was remitted on August 16, 2021. SKLIC's board of directors approved the withdrawal of the capital increase and the sale of all of DLIC's shares on June 29, 2021; an agreement on this sale was signed with Hongdou Group Co., Ltd. on June 30, 2021. The price of the shares sold was RMB462,500 thousand, and a condition of the sale was that SLKIC would no longer participate in DLIC's capital increase plan. The transfer of the equity interest has been under the approval process of the Beijing Regulatory Bureau since May 2023.

Note 6: Shenzhen Bolin Asset Management Co., Ltd. and Shenzhen Guo Zhan Investment Development Co., Ltd., shareholders of DingCheng Life Insurance Company, donated RMB450,000 thousand and RMB50,000 thousand to Dingcheng Life Insurance Company on March 16, 2021, respectively. The total donation is RMB500,000 thousand and gratuitously. Dingcheng Life Insurance Company has no obligation to repay the funds, and has no effect on the shareholding ratio of SKLIC and all other shareholders. It is used to improve the company's solvency ratio to support the company business development. The donation is recorded under capital surplus of Dingcheng Life Insurance Company, and SKLIC recognized the total amount $543,285 thousand as capital surplus - others according to the shareholding ratio.

Note 7: Location: Beijing, China.

Note 8: Status of capital funds and related income: As of December 31, 2023, DingCheng Life Insurance Company's capital funds, which were deposited in banks or were invested in securities and policy loans, totaled $23,878,713 thousand, and the investment income for the year ended December 31, 2023 was $659,918 thousand.

(Continued)

Note 9: Provision methodology and balances of insurance liability reserves:

	December 31, 2023
Reserve for unearned premiums	$ 392
Reserve for claim payments	359
Reserve for life insurance liability	23,615,616
	$ 23,616,367

a. Reserve for unearned premiums for short-term insurance universal insurance and for risk premiums with individual terms of less than one year is provided by policy type in accordance with the risk for the remaining policy period.

b. Reserve for claim payments is provided by insurance based on past claims experience and expenses in accordance with actuarial principle, and reserve for claim payments reported but not yet paid is provided by case based on actual data.

c. Reserve for life insurance liability is provided according to modified standards stated by the Regulations Governing Calculation of Various Reserves for Operations. The calculation uses mortality table and projected interest rate of reserve regulations in China.

Note 10: Percentage of insurance income: 8.19%.

Note 11: Percentage of insurance benefits and claims: 0.19%.

(Concluded)

SHIN KONG LIFE INSURANCE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Ref. No. (Note 1)	Name of Company	Name of Counterparty	Flow of Transaction (Note 2)	Transaction			
				Account	Amount	Terms	% to Total Consolidated Operating Income or Total Consolidated Assets (Note 3)
0	SKLIC (parent company)	SKLRESC	a	Rental income	$ 14,817	Note 4	-
		SKLRESC	a	Guarantee deposits received	2,173	Note 4	-
		SKLRESC	a	Management expenses	494,189	Note 4	-
		SKLRESC	a	Refundable deposits	10,403	Note 4	-
		SKLRESC	a	Accrued expenses	53,734	Note 4	-
		SKLRESC	a	Interest expenses	31	Note 4	-
		SKLRESC	a	Earned revenue receivables	5,164	Note 4	-

Note 1: Parent company is number 0; subsidiaries are sequentially numbered starting from 1.

Note 2: Flow of transaction:

a. From parent company to subsidiary.
b. From subsidiary to parent company.
c. Between subsidiaries.

Note 3: Percentage of transaction amount to total consolidated operating revenue and assets is calculated as follows:

For balance sheet accounts: Transaction amount ÷ Total consolidated assets
For income statement accounts: Accumulated transaction amount ÷ Total consolidated revenue from operations.

Note 4: Terms and conditions of related party transactions are made on arm's length basis.

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