KGI Life Insurance Co., Ltd.
(Former Name: China Life Insurance Co., Ltd.)

Financial Statements for the
Years Ended December 31, 2023 and 2022 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors
KGI Life Insurance Co., Ltd.
(Former Name: China Life Insurance Co., Ltd.)

Opinion

We have audited the accompanying balance sheets of KGI Life Insurance Co., Ltd. (Former Name: China Life Insurance Co., Ltd.) (the "Company") as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the financial statements, including the summary of significant accounting policies (together "the financial statements").In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, its financial performance and cash flows for the year ended December 31, 2023 and 2022, become effective by Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Financial Statements section of our report. We are independent of the Company 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's financial statements for the year ended December 31, 2023 are as follows:

<u>Fair Value Measurement of Investments with No Active Market Exists</u>

Management uses valuation model to calculate the fair value of financial instruments with no quoted market prices in an active market. Parameters used in valuation model are unobservable inputs. For the fact that the inputs involve material managerial estimation and judgment, we identified the valuation as a key audit matter for the year ended December 31, 2023.

Refer to Notes 4, 5 and 38 for the relevant accounting policies, critical accounting judgments, estimation uncertainty, and disclosures of fair value measurement of financial instruments with no quoted market prices in an active market.

We understood and assessed the Company's internal control related to the evaluation of financial assets with no quoted market prices in an active market and its operation effectiveness. We selected samples from the financial assets with no quoted market prices in an active market and we evaluated and re-performed the appropriateness of the parameters, such as the selection of comparable companies and reasonableness of the financial multipliers used in the valuation models.

Assessment of Insurance Liabilities and Liability Adequacy Reserve

As stated in Note 5, management uses actuarial models and several material assumptions when assessing the insurance liabilities and liability adequacy reserve. The assumptions were based on the principles embodied in the relevant laws and regulations, which cover the unique risk exposure, product characteristics and experiences from target markets of KGI Life Insurance Co., Ltd. (the "Company"). The assessment of liability adequacy reserve is in compliance with the relevant norms promulgated by The Actuarial Institute of the Republic of China. When the Company assesses the liability adequacy reserve, the estimated present value of future cash flows of insurance contracts is based on a reasonable estimate of future insurance payments, premium income and related expenses. Since any change in the actuarial model and material assumptions will have a significant influence on insurance liabilities and liability adequacy reserve, we consider them as key audit matters for the year ended December 31, 2023.

Refer to Notes 4, 5, 21 and 37 for the relevant accounting policy, critical accounting judgments, and estimation uncertainty, and disclosures of assessment of insurance liabilities and liability adequacy reserve.

We understood and assessed the Company's internal controls related to insurance liabilities and liability adequacy reserve. We requested and our internal actuarial specialists assisted us in performing our audit procedures regarding insurance liability including the evaluation of the rationale of relevant assumptions and actuarial models adopted by management. As for the liability adequacy reserve, we assessed the reasonableness of the underlying assumptions and outcomes.

Other Matter

The accompanying financial statements of KGI Life Insurance Co., Ltd. for the year ended December 31, 2022 was audited by other accountant, resulting in this unqualified auditors' audit report on February 23, 2022.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' audit report are Wang-Seng Lin and Yi-Chun Wu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CASH AND CASH EQUIVALENTS (Notes 6 and 42)	$ 49,203,474	2	$ 91,256,425	4
RECEIVABLES (Notes 7 and 42)	22,786,016	1	18,163,747	1
CURRENT TAX ASSETS (Note 42)	2,690,111	-	2,102,475	-
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8 and 42)	403,552,413	17	338,245,272	14
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9 and 42)	71,658,283	3	31,093,336	1
FINANCIAL ASSETS AT AMORTIZED COST (Note 10)	1,594,184,323	66	1,612,801,967	69
INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (Notes 12 and 42)	2,118,503	-	1,981,685	-
INVESTMENT PROPERTY (Note 13)	69,752,774	3	68,602,687	3
LOANS (Note 11)	33,964,918	1	33,263,106	1
REINSURANCE ASSETS (Note 14)	1,011,096	-	1,016,200	-
PROPERTY AND EQUIPMENT (Notes 15 and 42)	10,606,865	1	10,897,560	1
RIGHT-OF-USE ASSETS (Note 16)	4,899,638	-	5,004,930	-
INTANGIBLE ASSETS	461,140	-	444,677	-
DEFERRED TAX ASSETS (Note 34)	17,773,544	1	16,725,649	1
OTHER ASSETS (Note 17)	7,886,366	-	11,649,619	1
SEPARATE ACCOUNT PRODUCT ASSETS (Note 36)	115,525,739	5	103,835,515	4
TOTAL	$ 2,408,075,203	100	$ 2,347,084,850	100
LIABILITIES AND EQUITY				
PAYABLES (Notes 18 and 42)	$ 14,306,200	1	$ 12,152,682	1
CURRENT TAX LIABILITIES (Note 42)	6,895	-	-	-
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 20 and 42)	5,612,137	-	7,876,147	-
BONDS PAYABLE (Notes 19 and 42)	20,000,000	1	10,000,000	-
LEASE LIABILITIES (Note 16)	1,959,693	-	1,982,475	-
INSURANCE LIABILITIES (Note 21)	2,071,434,364	86	2,082,571,357	89
FOREIGN EXCHANGE VALUATION RESERVE (Note 22)	9,768,788	-	10,886,927	1
PROVISIONS (Note 23)	146,416	-	163,334	-
DEFERRED TAX LIABILITIES (Note 34)	11,980,157	1	8,918,167	-
OTHER LIABILITIES (Note 42)	8,997,759	-	2,038,304	-
SEPARATE ACCOUNT PRODUCT LIABILITIES (Note 36)	115,525,739	5	103,835,515	4
Total liabilities	2,259,738,148	94	2,240,424,908	95
EQUITY				
Common stock (Note 25)	49,206,531	2	49,206,531	2
Capital surplus (Note 26)	7,414,749	-	7,336,659	-
Retained earnings (Note 27)				
Legal capital reserve	28,254,445	1	24,841,402	1
Special capital reserve	79,155,498	3	63,444,149	3
Unappropriated retained earnings	11,219,583	1	19,270,321	1
	118,629,526	5	107,555,872	5
Other equity	(26,913,751)	(1)	(57,439,120)	(2)
Total equity	148,337,055	6	106,659,942	5
TOTAL	$ 2,408,075,203	100	$ 2,347,084,850	100

The accompanying notes are an integral part of the financial statements.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Direct premium income	$ 148,256,561	64	$ 157,885,879	66
Deduct: Reinsurance expenses	(1,817,989)	(1)	(1,666,631)	(1)
Net changes in unearned premium reserve	(655,142)	-	(400,353)	-
Retained earned premium (Notes 31 and 42)	145,783,430	63	155,818,895	65
Reinsurance commission received	354,723	-	334,373	-
Fee income (Note 42)	1,438,971	1	1,446,637	1
Net investment incomes (losses) (Notes 8, 29, 30 and 42)				
Interest income	63,820,763	27	59,299,266	25
Gains (losses) on financial assets and liabilities at fair value through profit or loss	32,999,590	14	(132,428,785)	(55)
Net gains from derecognition of financial assets at amortized cost	2,454,590	1	1,497,751	1
Realized gains on financial assets at fair value through other comprehensive income	1,024,019	-	4,715,293	2
Share of profit of associates and joint ventures accounted for using equity method	203,003	-	121,585	-
Gains on foreign exchange	825,698	-	89,037,908	37
Net changes in foreign exchange valuation reserve	1,118,139	1	(7,535,803)	(3)
Gains on investment property	2,320,930	1	1,018,812	-
Expected credit impairment losses on investments	(738,241)	-	(1,777,370)	(1)
Other net investment incomes (losses)	(27,359)	-	(41,113)	-
Other impairment loss and reversal on investments	(1,666)	-	(33,682)	-
Gains (losses) on reclassification using overlay approach	(33,510,260)	(14)	65,166,204	27
Separate account product revenue (Note 36)	14,656,735	6	3,125,528	1
Total operating revenue	232,723,065	100	239,765,499	100
OPERATING COSTS				
Insurance claim payments (Note 42)	(200,784,053)	(86)	(155,095,841)	(65)
Deduct: Claims recovered from reinsures	1,034,351	-	824,004	1
Retained claim payments (Note 32)	(199,749,702)	(86)	(154,271,837)	(64)
Net changes in insurance liabilities (Note 21)	12,962,007	5	(44,989,888)	(19)
Underwriting expenses	(8,711)	-	(4,463)	-
Commission expenses (Note 42)	(13,278,804)	(6)	(13,791,853)	(6)
Finance costs (Note 42)	(497,879)	-	(301,380)	-
Other operating costs	(148,257)	-	(234,773)	-
Separate account product expenses (Note 36)	(14,656,735)	(6)	(3,125,528)	(1)
Total operating costs	(215,378,081)	(93)	(216,719,722)	(90)

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KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING EXPENSES (Notes 30, 33 and 42)				
General expenses	$ (3,279,051)	(1)	$ (3,625,650)	(2)
Administrative expenses	(3,335,741)	(2)	(2,850,875)	(1)
Employee training expenses	(35,304)	-	(42,593)	-
Non-investments expected credit impairment losses and reversal	(1,283)	-	(433)	-
Total operating expenses	(6,651,379)	(3)	(6,519,551)	(3)
OPERATING INCOME	10,693,605	4	16,526,226	7
NON-OPERATING INCOME AND EXPENSES (Note 42)	5,826	-	(10,552)	-
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAX	10,699,431	4	16,515,674	7
INCOME TAX (EXPENSES) BENEFIT (Note 34)	(521,879)	-	(3,356,655)	(1)
NET INCOME	10,177,552	4	13,159,019	6
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX (Note 28)				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans	15,857	-	35,725	-
Gain on property revaluation	393,723	-	732,223	-
Valuation gains (losses) on equity instruments at fair value through other comprehensive income	(1,709,179)	-	(8,514,766)	(3)
Income taxes relating to items that are not be reclassified	608,488	-	336,150	-
Items that are or may be reclassified subsequently to profit or loss				
Gains (losses) on debt instruments at fair value through other comprehensive income	(138,363)	-	(9,798,204)	(4)

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KGI LIFE INSURANCE CO., LTD.
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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Share of 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	$ (1,234)	-	$ 3,301	-
Other comprehensive profits (losses) reclassified using overlay approach	33,510,260	14	(65,166,204)	(27)
Income taxes relating to items that are or may be reclassified subsequently to profit or loss	(1,216,000)	-	3,301,617	1
Other comprehensive income (loss), net of tax	31,463,552	14	(79,070,158)	(33)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 41,641,104	18	$ (65,911,139)	(27)
EARNINGS PER SHARE (Note 35)				
Basic earnings per share	$ 2.07		$ 2.67	

The accompanying notes are an integral part of the financial statements. (Concluded)

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

			Retained Earnings			Other Equity				
	Common Stock	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Retained Earnings	Unrealized Valuation Gains (Losses) on Financial Assets at Fair Value Through Other Comprehensive Income	Income for Hedging	Property Revaluation Surplus	Other Comprehensive Income Reclassified Using Overlay Approach	Total
BALANCE ON JANUARY 1, 2022	$ 49,206,531	$ 7,224,556	$ 19,283,918	$ 46,701,195	$ 29,005,543	$ 19,808,017	$ -	$ 1,256,467	$ 4,523,485	$ 177,009,712
Appropriation of 2021 earnings										
Legal reserve	-	-	5,557,484	-	(5,557,484)	-	-	-	-	-
Special reserve	-	-	-	16,801,452	(16,801,452)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(4,500,000)	-	-	-	-	(4,500,000)
Net income for the year ended December 31, 2022	-	-	-	-	13,159,019	-	-	-	-	13,159,019
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	28,580	(16,416,883)	3,301	683,870	(63,369,026)	(79,070,158)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	13,187,599	(16,416,883)	3,301	683,870	(63,369,026)	(65,911,139)
Changes in investments in associates and joint ventures accounted for using equity method	-	1	-	-	-	-	-	-	-	1
Share-based payment transaction	-	112,102	-	-	-	-	-	-	-	112,102
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	3,928,351	(3,928,351)	-	-	-	-
Net changes in special reserve	-	-	-	(58,498)	7,764	-	-	-	-	(50,734)
BALANCE ON DECEMBER 31, 2022	49,206,531	7,336,659	24,841,402	63,444,149	19,270,321	(537,217)	3,301	1,940,337	(58,845,541)	106,659,942
Appropriation of 2022 earnings										
Legal reserve	-	-	3,413,043	-	(3,413,043)	-	-	-	-	-
Special reserve	-	-	-	15,857,278	(15,857,278)	-	-	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	10,177,552	-	-	-	-	10,177,552
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	12,685	(1,163,827)	(1,234)	349,936	32,265,992	31,463,552
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	10,190,237	(1,163,827)	(1,234)	349,936	32,265,992	41,641,104
Changes in investments in associates and joint ventures accounted for using equity method	-	-	-	-	(14)	-	-	-	-	(14)
Share-based payment transaction	-	78,090	-	-	-	-	-	-	-	78,090
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	925,498	(925,498)	-	-	-	-
Net changes in special reserve	-	-	-	(145,929)	103,862	-	-	-	-	(42,067)
BALANCE ON DECEMBER 31, 2023	$ 49,206,531	$ 7,414,749	$ 28,254,445	$ 79,155,498	$ 11,219,583	$ (2,626,542)	$ 2,067	$ 2,290,273	$ (26,579,549)	$ 148,337,055

The accompanying notes are an integral part of the financial statements.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before income tax	$ 10,699,431	$ 16,515,674
Adjustments to reconcile profit (loss)		
Depreciation expense	643,427	516,524
Amortization expense	305,952	254,447
Net (gains) losses on financial assets and liabilities at fair value through profit or loss	(19,642,454)	144,989,935
Net gains on financial assets at fair value through other comprehensive income	(375,925)	(3,719,581)
Net gains on financial assets at amortized cost	(2,424,907)	(1,473,320)
Interest expenses	534,511	338,738
Interest income	(63,820,763)	(59,299,266)
Dividend income	(13,943,713)	(13,435,119)
Net changes in insurance liabilities	(11,240,805)	93,770,868
Net changes in foreign exchange valuation reserve	(1,118,139)	7,535,803
Net changes in provisions	3,032	2,859
Expected credit impairment losses on investments	738,241	1,777,370
Expected credit impairment losses on non-investments	1,283	433
Share-based payments	78,090	112,102
Share of profit (loss) of associates and joint ventures accounted for using equity method	(203,003)	(121,585)
Losses (gains) on reclassification using overlay approach	33,510,260	(65,166,204)
Losses on disposal or scrapping of property and equipment	2,970	598
Loss on disposal of intangible assets	22	286
Gains on disposal of investment property	(33,338)	(21,932)
Property and equipment transfers into expense	13,763	5,681
Impairment losses on non-financial assets	12,833	101,258
(Gains) losses on valuation of investment property	(882,911)	222,658
Gain from bargain purchase	-	(44,891)
Losses (gains) on lease modification	2	(60)
Other items	(3)	(12,449)
Changes in operating assets and liabilities		
Increase in financial assets at fair value through profit or loss	(49,504,412)	(42,321,660)
(Increase) decrease in financial assets at fair value through other comprehensive income	(42,008,825)	66,129,070
(Increase) decrease in financial assets at amortized cost	37,354,354	(227,856,171)
(Increase) decrease in notes receivable	(4,859)	3,311
Increase in other receivables	(4,414,103)	(330,513)
(Increase) decrease in prepaid expenses and other prepayments	73,418	(200,107)
Decrease (increase) in refundable deposits	3,797,734	(3,743,278)
Decrease (increase) in reinsurance assets	37,635	(102,018)
Decrease in other assets	4,621	42,546
Decrease in notes payable	-	(6,320)
Decrease in life insurance proceeds payable	(45,938)	(66,759)

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KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Increase (decrease) in other payables	$ 2,307,248	$ (874,910)
Increase (decrease) in due to reinsurers and ceding companies	(68,974)	59,984
Decrease in commissions payable	(183,175)	(106,619)
Increase (decrease) in accounts collected in advance	16,368	(453,735)
Increase (decrease) in guarantee deposits received	7,048,197	(1,078,145)
Decrease in other liabilities	(105,110)	(187,517)
Decrease in provision for employee benefits	(4,093)	(3,599)
Cash flows used in operations	(112,842,058)	(88,245,613)
Interest received	48,127,914	44,568,309
Dividends received	13,847,067	13,428,757
Interest paid	(310,560)	(281,899)
Income taxes refunded (paid)	317,405	(2,622,594)
Net cash flows used in operating activities	(50,860,232)	(33,153,040)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investments accounted for using equity method	(136,269)	(677,574)
Proceeds from capital reduction of investments accounted for using equity method	181,100	-
Acquisition of property and equipment	(368,427)	(962,176)
Acquisition of right-of-use assets	-	(197)
Acquisition of intangible assets	(157,658)	(111,759)
(Increase) decrease in loans	(700,270)	669,942
Acquisition of investment property	(145,738)	(23,791,937)
Disposal of investment property	286,017	132,331
Net cash flows used in investing activities	(1,041,245)	(24,741,370)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	10,000,000	-
Dividends paid	-	(4,500,000)
Principle repayment of lease liabilities	(151,474)	(136,456)
Net cash flows generated from (used in) financing activities	9,848,526	(4,636,456)
DECREASE IN CASH AND CASH EQUIVALENTS	(42,052,951)	(62,530,866)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	91,256,425	153,787,291
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 49,203,474	$ 91,256,425

The accompanying notes are an integral part of the financial statements. (Concluded)

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATIONS AND BUSINESS SCOPE

KGI Life Insurance Co., Ltd. (the "Company") was incorporated in Taiwan on April 25, 1963, previously known as Overseas Life Corp. The Company was renamed China Life Insurance Co., Ltd. and authorized by Ministry of Finance, R.O.C. and Ministry of Economic Affairs, R.O.C. in January 1981. The Company's shares were listed on the Taiwan Stock Exchange. The renaming of the Company to KGI Life Insurance Co. received approval letters, No. Financial-Supervisory-Securities-Corporate-1120432605 on August 14, 2023 issued by the Financial Supervisory Commission ("FSC") and No. 11230158800 on November 9, 2023 issued by the Ministry of Economic Affairs. The registered office address of the Company is 3F, 4F, 5F, 6F, 7F, No. 135, Dunhua N. Rd., Songshan Dist., Taipei City, Taiwan (R.O.C.). The Company mainly engages in the business of life insurance. The Company is headquartered in Taipei City, and has branches in Taoyuan City, Taichung City, Chiayi City, Tainan City, Kaohsiung City, Pingtung County, Hualien County and Penghu County.

To enhance operation synergy, the Company accomplished the acquisition of major assets and liabilities from Prudential Corporation Asia Life Taiwan on June 19, 2009. The deal was approved by Financial Supervisory Commission ("FSC") under Order No. Financial-Supervisory-Securities-Corporate-09802552211 on June 16, 2009.

The Company established an offshore insurance unit (OIU) on September 14, 2015 following resolution of the board of directors and receiving approval from FSC.

On October 19, 2017, the Board has resolved to pay $1 to acquire the traditional policies and riders spun off from Allianz Taiwan Life Insurance Co., Ltd. The transaction is approved by FSC on February 27, 2018 and settled on May 18, 2018.

The Company was informed by China Development Financial Holding Corp. (CDF), about the tender offer of the Company's ordinary shares and the Public Tender Offer Report on August 16, 2017. CDF started the tender offer from August 17, 2017 to September 6, 2017. CDF completed the tender to acquire 25.33% of the Company's common shares, totaling 880,000,000 shares, on September 13, 2017. The Company became a subsidiary of CDF as defined in the "Financial Holding Company Act". In addition, the Company was informed by CDF about the second tender offer of the Company's ordinary shares and the Public Tender Offer Report on January 7, 2021. CDF started the tender offer from January 8, 2021 to February 2, 2021. CDF completed the tender to acquire 21.13% of the Company's common shares, totaling 1,000,000,000 shares, on February 5, 2021. After the offer, CDF and its subsidiary, KGI Securities (excluding KGI Securities' borrowing positions for securities undertaking), jointly held 55.95% of the Company's issued shares. On October 1, 2021, the Company's shareholder's meeting approved to enter into a share swap contract with CDF, and carry out the share swap transaction. One common share of the company will be exchanged into 0.80 common share and 0.73 preferred share of CDF and NT$11.5 in cash. The record date of share swap was December 30, 2021, the Company was also delisted from the Taiwan Stock Exchange (TWSE) and became a wholly owned subsidiary of CDF at the same day.

2. DATE AND PROC1EDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company were authorized to issue in accordance with a resolution of the Company's board of directors on February 27, 2024.

3. NEWLY ISSUED OR 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 "IFRSs") endorsed and issued into effect by the FSC

The IFRSs endorsed and issued into effect by the FSC for application starting from 2023 are listed below:

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments 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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRSs 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 new/amended/revised IFRSs or explanations are effective during reporting periods 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: When the amendments are applied for the first time, partial disclosure provisions are exempted.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRSs 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 IFRSs 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 Company 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 Company 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 Company 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 Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’s share of the gain or loss is eliminated. Also, when the Company 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 Company’s interest as an unrelated investor in the associate or joint venture, i.e., the Company’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:

<u>Level of aggregation</u>

IFRS 17 requires the Company 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; and

c) A group of the remaining contracts in the portfolio.

The Company is not permitted to include contracts issued more than one year apart in the same group, and shall apply IFRS 17 recognition and measurement principles to the contract groups decided to be issued.

Recognition

The Company 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 on initial recognition

On initial recognition, the Company shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows comprise the estimates of future cash flows, an adjustment to reflect the time value of money, the financial risk related to the future cash flows, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit of a group of insurance contracts that the Company 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 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, and liabilities for incurred claims include fulfilment cash flows related to past services. 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 Company shall recognize a 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 Company 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 Company 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 Company expects significant variances in the fulfilment cash flows during the period before a claim is incurred, such contracts are not met the criterion a) in above paragraph.

When using the PAA, the liability for remaining coverage shall be initially recognized as:

a) The premiums received at initial recognition;

b) Minus any insurance acquisition cash flows at that date; and

c) Plus or minus the derecognition at the initial recognition date of the following:

    i. Any assets 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 liability for remaining coverage should be adjusted as plus the premiums received and the amortization of insurance acquisition cash flows and minus the amount recognized as insurance revenue for services provided and any investment component paid or transferred to the liability for incurred claims in the period.

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. An investment contract with discretionary participation features the Company issues should apply the requirements of IFRS 17 if the Company also issues insurance contracts.

Modification and derecognition

If the terms of an insurance contract are modified, the Company 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 Company 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 Company 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, the Company 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 Company shall apply fair value approach if reasonable and supportable information is unavailable.

Under the fair value approach, the Company 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.

IAS 21 amendment "Lack of Exchangeability"

This amendment stipulates that a currency is exchangeable when an entity can, within a normal management time frame, execute an exchange transaction with executable rights and obligations established through market or exchange mechanisms, exchanging one currency for another. When a currency is not exchangeable on the measurement date, the parent company should estimate the spot exchange rate to reflect the rate that would be used in an orderly transaction by market participants considering the economic conditions at the measurement date. In this scenario, the parent company should also disclose information that allows financial statement users to assess how the lack of exchangeability of a currency affects or is expected to affect its operating results, financial position, and cash flows.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises.

b. Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments and investment property that have been measured at fair value. The financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

c. Foreign currency transactions

The Company's financial statements are presented in its functional currency, NT$. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currencies are translated using the closing rate of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is measured. Non-monetary items measured at historical cost in foreign currencies are translated using the exchange rates at the date of initial transactions.

Apart from the items mentioned below, the exchange differences due to settlement or translation are recognized in profit or loss for the period.

1) The foreign currency items which are applicable to IFRS 9 Financial Instrument should be dealt with the accounting policy of financial instruments.

2) Exchange differences of monetary items arising from the translation of the net investment in foreign operations are recognized in other comprehensive income. When the investment is disposed of or sold, exchange differences are reclassified from other comprehensive income into profit or loss.

If a gain or loss on a non-monetary item is recognized in other comprehensive income, any foreign exchange component of that gain or loss is also recognized in other comprehensive income. If a gain or loss on a non-monetary item is recognized in profit or loss, any foreign exchange component of that gain or loss is also recognized in profit or loss.

d. Product categories

Insurance contract means the insurer accepts the transfer of significant insurance risk from insurance policyholder and agrees to compensate the policyholder for any damages when a particular uncertain event (insured event) occurs in the future. The definition of a significant insurance risk means any insured event occurs and causes the Company to pay additional significant fees.

Insurance contract with features of financial instruments is the contract that transfers the significant financial risk. The definition of the financial risk refers to one or more specific interest rates, product prices, exchange rates, price index, rate index, credit ratings and indicators, and other variables related to risks of possible changes in the future. If the above variables are non-financial variables, then the variables exist in both sides under the contract.

When the original judgment meets the criteria of the policy under the insurance contract, before the right of ownership and obligations expires or extinguishes, the policy will still be considered as an insurance contract; even if the exposure to insurance risk during the policy period has been significantly reduced. However, if insurance risk following the renewal of an insurance contract with features of financial instruments is transferred to the Company, the Company will reclassify the contract as an insurance contract.

Insurance contracts and insurance contracts with feature of financial instruments can be further broken down into separate categories depending on whether the contracts have discretionary participation feature or not. To have discretionary participation feature means a guaranteed payment from the contract plus contractual rights to receive additional payments.

These contractual rights have the following characteristics:

1) Additional payments as a percentage of total contractual payments may be more significant and take up a bigger portion.

2) In accordance with the contract, the amount and date of additional payments are at the Company’s discretion.

3) In accordance with the contract, additional payments are handed out based on one of the following matters:

   a) Performance of a specific combination of contracts or specific type of contract.

   b) The investment return of a specific asset portfolio the Company holds.

   c) Profit and loss from the Company, funds, or other entities.

When embedded derivative products’ economic characteristics and risks are no longer closely related to the economic characteristics and risks of the primary contracts, it should be listed separately from the primary contracts and use fair value method to determine its fair value. Also, the profit or loss determined by the fair value method should be recognized in the current period. However, if the embedded derivative product meets the definition of an insurance contract or the whole contract is measured by the fair value method and the profit or loss is recognized in the current period, the Company will not need to separately list the embedded derivative product and the insurance contract.

e. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The Company classifies time deposits as cash equivalents when they have maturities of less than 12 months and can be readily convertible to known amounts of cash and be subject to an insignificant risk of changes in value.

f. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provision of financial instrument.

1) Initial recognition and subsequent measurement

   The Company accounts for regular way purchase or sales of financial assets measured at fair value on the trade date, and of financial assets measured at amortized cost at the settlement date.

   The Company categorized financial assets as financial assets measured at amortized cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss based on both of the followings:

   a) The Company’s business model for managing the financial assets.

   b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

If both of the following conditions are met, a financial asset is measured at amortized cost and presented as note receivables, receivables, financial assets measured at amortized cost, loans and other receivables etc., on balance sheet as at the reporting date:

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

b) 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.

Such financial assets which are not part of a hedging relationship, are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance). A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or recognition of the impairment gains or losses.

Interest revenue is recognized in profit or loss by calculating via the effective interest method (by applying the effective interest rate to the gross carrying amount) or the followings:

a) For those financial assets that are purchased or originated credit-impaired, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.

b) For those financial assets that are not purchased or originated credit-impaired but subsequently became credit-impaired, the Company applies the effective interest rate to the amortized cost of the financial asset.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met and presented as financial asset at fair value through other comprehensive income on balance sheet as at the reporting date:

a) The financial assets are held within a business model whose objective is achieved by collecting contractual cash flows and for sale.

b) The contractual terms of the financial assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The recognition of gain or loss on a financial asset measured at fair value through other comprehensive income is described as below:

a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

c) Interest revenue is recognized in profit or loss by calculating via the effective interest method (by applying the effective interest rate to the gross carrying amount) or the followings:

   i. For those financial assets that are purchased or originated credit-impaired, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset.

   ii. For those financial assets that are not purchased or originated credit-impaired but subsequently have become credit-impaired, the Company applies the effective interest rate to the amortized cost of the financial asset.

In addition, upon initial recognition, for those equity instruments within the scope of IFRS9 but neither categorized as held-for-trading nor applying to contingent consideration recognized by acquirers in IFRS 3 "Business Combination", the Company elects irrevocably to report the subsequent measurement at fair value in other comprehensive income. Amounts reported in other comprehensive income cannot be subsequently transferred to profit or loss (when disposing of such equity instruments, the Company transfers the accumulated amounts in other equity directly into retained earnings) and are presented as financial assets at fair value through other comprehensive income on the balance sheets. Dividends on investments are recognized in profit or loss, except when the dividends clearly represent certain recovery of investment cost.

Financial assets at fair value through profit or loss

Except for those financial assets qualified for aforementioned conditions and classified as financial assets measured at amortized cost and financial assets at fair value through other comprehensive income, the other financial assets are measured at fair value through profit or loss and presented as financial assets at fair value through profit or loss on the balance sheets as at the reporting date.

Such assets are subsequently measured at fair value with changes in fair value recognized in profit or loss. Dividends or interests on financial assets at fair value through profit or loss are recognized in profit or loss.

2) Impairment of financial assets

The Company measures expected credit losses and recognizes expected credit losses for loss allowance on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

b) The time value of money;

c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

a) At an amount equal to 12-month expected credit losses: Including the financial asset whose credit risk has not increased significantly since initial recognition or the financial asset determined to have low credit risk at the reporting date; and, additionally, the financial assets which the Company measured the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

b) At an amount equal to the lifetime expected credit losses: Including the financial asset whose credit risk has increased significantly since initial recognition or the financial asset that is purchased or originated credit-impaired.

In addition to evaluation mentioned previously, in accordance with the regulation of "Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises", the Company is required to record the minimum amounts based upon each of the following category for allowance of uncollectible accounts:

a) Total amount of 0.5% of the ending balance for the first category of loan assets excluding life insurance loans, automatic premium loans and holding government debts, 2% of the ending balance for the second category of loan assets that should be paid attention, 10% of the ending balance for the third category of loan assets that are expected to recover, 50% of the ending balance for the fourth category of loan assets that are difficult to recover and 100% of the ending balance for the fifth category of loan assets that are not expected to recover are aggregated.

b) 1% of the ending balance for all the five categories of loan assets excluding life insurance loans, automatic premium loans and holding government debts.

c) Total unsecured portion of loans overdue and receivable on demand.

d) If total amount of minimum allowance of uncollectible accounts measured from the categories above are less than the amount in accordance with GAAP, it should refer to the amount in accordance with GAAP as minimum allowance of uncollectible accounts.

To strengthen the ability to bear the loss of specific loan assets, the authority may, if necessary, require the Company to raise loan loss provision for specific loan assets in specified criteria and deadlines.

As at each reporting date, the Company assesses whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 39 for further details on credit risk.

3) Financial liabilities

Financial liabilities within the scope of IFRS 9 "Financial Instruments" are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated at fair value through profit or loss.

A financial liability is classified as held for trading if:

a) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

b) On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or

c) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

a) It eliminates or significantly reduces a measurement or recognition inconsistency; or

b) A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

<u>Financial liabilities at amortized cost</u>

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

4) Derecognition of financial assets and liabilities

<u>Financial assets</u>

The Company derecognizes all or part of the financial assets when the contractual rights to the cash flows from the assets expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset or when it loses its controls to the assets.

When the Company transfers all or part of the financial assets and abandons its controls to the assets, it is regarded as sale within the scope of charging in exchange.

<u>Financial liabilities</u>

The Company derecognizes all or part of the financial liabilities when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instrument investments with substantially different terms or a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the liability extinguished and the liability recognized is recognized in profit or loss.

5) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

6) Derivative instruments and hedging transactions

The Company engages in derivatives financial instrument transactions, such as forward foreign exchange contracts, interest rate swaps, cross currency swaps, options and futures, to hedge its risks associated with foreign currency and interest rate fluctuations. These derivative instruments are initially recognized at fair value on the day a derivatives contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

7) Interest rate benchmark reform

For financial assets measured at amortized cost or financial liability measured at amortized cost, when the basis for determining cash flow changes due to interest rate benchmark reform indicators, the Company updates the effective interest rate of financial assets or financial liabilities to reflect the gradual changes.

8) Adoption of overlay approach on financial assets

The Company chose to express profit or loss of the designated financial assets in overlay approach in accordance with IFRS 4 “Insurance Contract” since the application of IFRS 9. To those designated financial assets, the Company classifies the amount from profit or loss to other comprehensive income, thus making the profit or loss of the designated financial assets as at the reporting date equal to as if they would have been accounted for under IAS 39. Accordingly, the reclassification amount is the difference of the following items:

a) The amount of profit or loss of the designated financial assets in accordance with IFRS 9; and

b) The amount of profit or loss of the designated financial assets as if applied to IAS 39.

A financial asset is eligible for designation under overlay approach if qualifying for the following conditions:

a) In accordance with IFRS 9, the financial asset is measured at fair value through profit or loss. However, if the Company applies to IAS 39, the financial asset is not measured at fair value through profit or loss collectively; and

b) The financial asset is not held in respect of activities that is unconnected with contracts within the scope of IFRS 4 “Insurance Contract”.

A Financial asset is eligible for the overlay approach if either of the following conditions is met:

a) The asset is accounted for on initial recognition; or

b) The asset now meets the criteria of which is held in respect of activities other than contracts within the scope of IFRS 4 “Insurance Contract” but previously did not.

The Company shall continuously adopt overlay approach to those designated financial assets until derecognition. However, the Company shall remove the designated status when the financial assets held in respect of activities other than contracts within the scope of IFRS 4 “Insurance Contract”. In addition, at the beginning date of any annual reporting year, the Company is permitted to stop applying overlay approach to all designated financial assets; If it does, the change in the accounting policy is accounted for under IFRS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

9) Reclassification of financial assets

The Company reclassifies all affected financial assets only when it changes the operating model for managing financial assets. Such changes are determined by the Company’s senior management based on the results of external or internal changes and must be material to the operations of the Company and presentable to external parties. The reclassification of financial assets is deferred from the date of reclassification.

g. Loans

Loans include automatic premium loans, policy loans and secured loans. Among them, automatic premium loans are premiums paid on behalf of the insured in accordance with the insurance contract, policy loans are secured by policies issued by the Company, and secured loans are secured by stocks, chattel, real estate and other loans and overdue receivables approved by the authority.

Loan principal or interest arrears more than three months after the settlement period, or less than three months but has executed recourse to the primary and secondary debtor or disposed the collateral, listing under overdue loans.

Collateral received from the overdue loans by actively dunning is recorded at the fair value listed in the related account depending on the nature of the collateral, and measured in the applicable method of that account.

h. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

1) In the principal market for the asset or liability, or
2) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible for the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account the market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

i. Investments accounted for using the equity method

The Company used the equity method for accounting treatment for its associates with material influence and are they recognized at cost on acquisition. The carrying amount of investment in associates includes the goodwill identified in initial investment (less any accumulated impairment loss). From the date of the Company loses the significant influence, the equity method shall cease to be adopted, and use the book value at the time of the change as the cost.

After the acquisition date, the Company will recognize profit/loss according to the Company's share in the associate' profit or loss. Receipt of surplus distribution from the associate will reduce the carrying amount of the investment. When changes in other comprehensive profits and losses of the associate cause changes in the Company's rights and interests, the Company also relatively adjusts the investment book amount.

When the Company's share of losses of the associate equals or exceeds its interest in the associate, the entity discontinues recognizing its share of further losses. The Company only recognizes additional losses and relevant liabilities to the extent that it has incurred legal or constructive obligations or has made payments on behalf of the investee.

j. Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item, restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets separately with specific useful lives and depreciation. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, Plant and Equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and construction	3-60 years
Computer equipment	3-12 years
Communication and transportation equipment	5 years
Other equipment	5 years
Leased assets	Depend on the age or the durable life of lease, whichever is shorter

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively as a change in accounting estimate, if appropriate.

k. Investment property

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

The Company's investment properties are measured at fair value, and gains or losses are recognized in profit or loss in accordance with the requirements of IAS 40 "Investment Property", other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" and paragraph 53 of IAS 40 "Investment Property". If investment properties are held by a lessee as right-of-use assets and are not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements 34 of IFRS 16.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Assets are transferred to or from investment properties when there is a change in use.

When the property meets or do not meet the definition of investment property and there is evidence showing change of use, the Company recognizes the property as investment property or transfers the property out of investment property.

l. Leases

At the day of establishment, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

1) The right to obtain substantially all of the economic benefits from use of the identified asset; and
2) The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

<u>Company as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

1) Fixed payments (including in-substance fixed payments), less any lease incentives receivable;

2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

3) Amounts expected to be payable by the lessee under residual value guarantees;

4) The exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

5) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

1) The amount of the initial measurement of the lease liability;

2) Any lease payments made at or before the commencement date, less any lease incentives received;

3) Any initial direct costs incurred by the lessee; and

4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted for it as a variable lease payment. The Company have applied the practical expedient to all rent concessions that meet the conditions for it.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

m. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired through merger, is its fair value as at the acquisition date. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Other intangible assets are computer software and are amortized on a straight-line basis over the estimated useful life (1 to 10 years).

n. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 “Impairment of Assets” may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset’s or cash-generating unit’s recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

The cash generating unit or group which belongs to goodwill should periodically make an impairment test whether it has a sign of impairment. If the impairment test result suggests recognizing an impairment loss, then first deducting goodwill and the remaining deficiencies should be amortized to other assets depending on the relative proportions of the carrying amount of the asset. Impairment losses relating to goodwill cannot be reversed in the future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

o. Investment-linked insurance products

The Company sells investment-linked insurance products, of which the applicant pays the premium according to the agreed amount less the expenses incurred by the insurer. In addition, the investment distribution is approved by the applicant and then transferred to specific accounts as requested by the applicant. The value of these specific accounts is determined based on their fair value on the applicable date and the net worth is computed in accordance with the relevant regulations and the IFRSs.

In accordance with Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, assets and liabilities representing the rights and obligations of the applicants, whether arising from an insurance contract or insurance policy with features of financial instruments, are recognized separately as “separate account product assets” and “separate account product liabilities”. The revenues and expenses of separate account insurance products in accordance with IFRS 4 “Insurance Contracts”, separately recognized as “separate account product revenues” and “separate account product expenses.”

p. Post-employment benefits

The Company set up a pension plan and an independently administered pension fund committee according to Labor Standards Act. The Company deposits retirement reserve according to a certain percentage of wages to the specific account of Bank of Taiwan every month. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year. As the retirement reserves are deposited under the committee’s name in the specific bank account, the reserves are not associated with the Company. Therefore, retirement reserve is not included in the Company’s financial statements.

After the Labor Pension Act became effective, employees can choose to be subject to the pension mechanism under Labor Standards Act or Labor Pension Act. The seniority prior to the enforcement of Labor Pension Act shall be maintained and the Company deposits 6% of the monthly allocated wage based on the monthly wage allocation classification schedule to employees' personal pension accounts in Bureau of Labor Insurance if employees choose to be subject to the pension mechanism under Labor Pension Act.

In case that an employee's monthly wage exceeds the upper limit of monthly wage allocation classification schedule, the Company may set aside monthly 6% of the excess portion as retirement reserve. Upon meeting the requirements of the pension plan, the employees are entitled to receive this kind of the retirement reserve.

For the defined contribution plan, the Company recognizes expenses in the period in which the contribution becomes due. The defined benefit plan is recognized based on the actuarial report at the end of the annual reporting period. Remeasurements of the net defined benefit liability (asset) comprise actuarial gains and losses, the return on plan assets and any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset), is recognized as other comprehensive income with a corresponding debit or credit to retained earnings when it occurs. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment, and recognized as an expense at the earlier of the following dates:

1) The date of the plan amendment or curtailment occurs; and
2) The date that the Company recognizes related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

q. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, which probably leads to an outflow of resources embodying economic benefits that is required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

r. Insurance liabilities and reserve for insurance contracts with feature of financial instruments

The Company's reserved funds for insurance contracts and financial instruments whether with or without discretionary participation feature are made in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises." Furthermore, they have been validated by the certified actuarial professionals approved by Financial Supervisory Commission. The required amount to be reserved for short-term group insurance is based upon the greater of premium received or calculated premium following the Financial-Supervisory-Securities-Corporate - 10704504821 and 11004925801 issued by the FSC. Reserved amount for the rest of other provisions is addressed below:

Moreover, an insurance contract with discretionary participation feature is classified as liability.

1) Unearned premium reserve

For the insurance policy whose term is within one year and has not met the due date or for the injury insurance policy whose term is over one year, the amount of reserve required is based upon the unexpired risk calculation.

2) Reserve for claims

   It is a reserve mainly for the reported but not paid claims and unreported claims. The reported but not paid claims reserve is assessed based on relevant information of each case and the amount deposited is further classified by the type of insurance. Unreported claims reserve is calculated and deposited based on the past experiences and expenses occurred and in accordance with the actuarial principles.

3) Reserve for life insurance liabilities

   Based on the life table and projected interest rates in the manual provided by the authority for each type of insurance, the dollar amount of life insurance reserve is calculated and deposited according to the calculation method listing on Article 12 of "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" and the manual published by each authority of insurance products.

   Starting from policy year of 2003, for valid insurance contract whose dividend calculation is stipulated in accordance with Order No. Financial-Supervisory-Insurance-Corporate-11004931041, the downward adjustments of dividend due to the offset between mortality saving (loss) and loss (gain) from difference of interest rates should be recognized and recorded as the increase of reserve for long-term valid contract.

   When an insurer that opts to measure investment property at fair value, the value of its insurance liabilities at the same time must also be measured at fair value. If the results of the measurements indicate that the fair value of the insurance liabilities exceeds book value, the life insurer must set aside the difference to reserve for life insurance liabilities. The Company changes its accounting policy for subsequent measurement of investment property from cost to fair value starting from year of 2014. The value of insurance liabilities at the same time is measured at fair value in accordance with Financial-Supervisory-Securities-Corporate - 10302501161 issued by the FSC on March 21, 2014. The results of the measurements indicate that the fair value of the insurance liabilities doesn't exceed book value, therefore insurance liabilities does not have to be increased.

4) Special reserve

   a) For the retained businesses with policy period within 1 year, the special reserve is classified into 2 categories, "Special Catastrophe Reserve" and "Special Reserve for Fluctuation of Risks." The dollar amount of reserve required is addressed as follows:

      i. Special catastrophe reserve

         All types of insurance should follow the special catastrophe reserve rates set by authorities. Upon occurrence of the catastrophic events, actual claims on retained business in excess of $30,000 thousand can be withdrawn from the reserve. If the reserve has been set aside for over 15 years, the Company could have its plan of the recovering process of the reserve assessed by certified actuaries and submit the plan to the authority for reference.

      ii. Special reserve for fluctuation of risks

         When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is less than the anticipated dollar amount need to be paid, the 15% of this difference should be reserved in special reserve for fluctuation of risks. When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is greater than the anticipated dollar amount need to be paid, the exceeded amount can be used to write down the special reserve for fluctuation of risks. If the special reserve for fluctuation of risks for specified type of insurance is not enough to be written down, special reserve for fluctuation of risks for other types of insurance can be used. Also, the type of insurance and total dollar amount written-down should be reported to the authority for inspection purpose. When accumulative dollar amount of special reserve for fluctuation of risks exceeds 30% of self-retention earned premium within one year, the exceeded amount will be recovered.

For special reserves addressed previously, the balance of the annual reserve net of tax needs to be recorded in the special capital reserve under equity.

b) The Company sells participating life insurance policy. According to the "Rule Governing application of revenue and expenses related to participating/non-participating policy", the Company is required to set aside special reserve for dividend participation based on income before tax and dividend. On the date of declaration, dividend should be withdrawn from this account. Additionally, the effects of the gain or loss from disposal of participating life insurance policy approved as equity instrument investments at fair value through other comprehensive income shall transfer directly into special reserve based on income before tax and dividend. If the special reserve is a negative amount, the Company shall set aside the same amount of special reserve.

c) The net impact from first adoption of fair value in subsequent measurement has been appropriated into dividend reserve for participating policy which relates to investment property. That reserve shall be used only to cover the insufficiency of life insurance liabilities resulting from valid contract's fair value approved by the authority and to set aside additional liabilities for the soundness of financial structure when complying with IFRS 17 "Insurance Contract" in the future implementation. By the time the related assets dispose, the reserve which comes from the changes of fair value due to the cumulative net value-added benefits can be processed according to the related distribution provision of participating policy.

5) Premium deficiency reserve

For the contracts over one year of life, health, or annuities insurance commencing on January 1, 2001, the following rules apply: When the gross premium is less than the valuation net premium, a deficiency reserve is required to be set aside with the value of an annuity, the amount of which shall equal the difference between such premiums and the term of which in years shall equal the number of future annual payments due on such insurance at the date of the valuation.

In addition, for the insurance policy which period is within one year and has not met the due date or accidental insurance policy over one year, the following rules apply: If the probable indemnities and expenses are greater than the aggregate of unearned premium reserves and collectable premiums in the future, the premium deficiency reserve is set aside based on the difference thereof.

6) Other reserve

Pursuant to IFRS 3 "Business Combination", the Company shall set aside other reserve for identifiable assets required and liabilities assumed recorded at fair value in order to reflect the fair value of the insurance contract assumed.

7) Liability adequacy reserve

This is the reserve that is set aside based on the adequacy test of liability required by IFRS 4 "Insurance Contracts".

Liability adequacy test is based on integrated insurance contract and related regulations. This test compares net of reserve for insurance contract, deferred acquisition cost and related intangible assets with anticipated present value of insurance contract cash flow at each reporting date. If net book value is insufficient, recognize all insufficient amounts as liability adequacy reserve.

8) Reserves for insurance contracts with feature of financial instruments

Financial products without discretionary participation features follows “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and Depository Accounting.

s. Foreign exchange valuation reserve

Foreign exchange valuation reserve was appropriated or written-down from the foreign investment assets (do not include foreign currency non-investment-linked life insurance product assets) in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and “Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises”. The beginning balance of foreign exchange valuation reserve was $1,745,679 thousand which has to recognize special capital reserve within three years since 2012 according to the provision. The recognized amount should not be less than one third of the beginning balance net of tax for the first year. The cumulative recognized amount of the first two years should not be less than two thirds of the beginning balance net of tax. In addition, the saving of hedging costs is transferred to special capital reserve each year. If the annual earning is not enough for transfer, then replenish in the later year. The related special reserve is only used for capital increase or offset deficit. According to Article 9 of the “Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises” and the Order No. Financial-Supervisory-Securities-Corporate - 1090490453 issued by the FSC on February 17, 2020, starting from the earning distribution of 2019, when insurance company set aside special capital reserve according to Article 9 of the “Directions for Foreign Exchange Valuation Reserve by Life Insurance Enterprises”, it shall set aside 10% of “net profit after tax plus Items other than net profit after tax that are included in the undistributed earnings of the year” as special reserve.

t. Insurance premium income and expenses

For the Company’s insurance contract and financial instruments with discretionary participation features, the initial and renewal premium are only recognized as revenue after collection and underwriting procedures, and subsequent session of collection are completed, respectively. In terms of the acquisition cost such as commission expenses and brokerage expenses, the related expenses will be recognized in that period after commencement of the insurance contract.

For non-separate account insurance product that is also classified as financial products without discretionary participation features, the insurance revenue collected is recognized on the balance sheet as “reserves for insurance contracts with feature of financial instruments.” The related acquisition costs will be written-down in that period after commencement of the insurance contract under “reserves for insurance contracts with feature of financial instruments.”

u. Reinsurance

The Company limits exposure to some events that may cause a certain amount of loss by arranging reinsurance in accordance with business needs and the insurance laws and regulations. For reinsurance ceded, the Company may not refuse to fulfill its obligations to the insured even if the reinsurer fails to fulfill their responsibility.

Reinsurance expenses and reinsurance commission income generated from ceded reinsurance business and due to reinsurers and ceding companies are recognized in the same period with income or expense of the related insurance contract. As the net right of holding reinsurance contract includes reinsurance reserve assets, claims recoverable from reinsurers and due from reinsurers and ceding companies, they are recognized according to the method of signed reinsurance contract and related insurance contract liabilities. The assets, liabilities, income and expense of reinsurance contract cannot offset with the income and expense of related insurance liabilities and insurance contract.

The Company holds the right over re-insurer for reinsurance reserve assets, claims recoverable from reinsurers and due from reinsurers and ceding companies, and regularly assess if impairment has occurred to such rights or the rights can no longer be recovered. When objective evidences demonstrate that such rights after initial recognition may lead to the Company not recovering all contractual terms of the amount due, and the potential impact of the above cases that the Company will receive from reinsurers can be measured reliably, then the Company can retrieve an amount that is less than the carrying value of the aforementioned rights, and recognize impairment losses.

For the classification of reinsurance contracts, the Company assesses whether the transfer of significant insurance risk to the re-insurer has occurred. If the transfer of significant insurance risk is not apparent, then the contract is recognized and evaluated with deposit accounting.

For reinsurance contracts that have their significant insurance risk transferred, if the Company can separate and measure the individual deposit component, then the reinsurance contracts need to be recognized separately as the insurance component and the deposit component. That is, the Company receives (or pays) the contract's value minus the insurance component, recognizing it as financial liabilities (or assets), and not as incomes (or expenses). The financial liabilities (or assets) are recognized with the fair value approach and uses the present value of future cash flow as the basis for the fair value approach.

v. Share-based payment transactions

For the equity-settled transactions between the Company and its employees is recognized based on the fair value of the equity instruments granted. The Company has determined the date of the subscription price and the number of shares as the grant-date and recognized the fair value of the equity instruments granted as expenses, with a corresponding increase in equity.

w. Income taxes

Income tax expense (benefit) is the aggregate amount in respect of current tax and deferred tax which included in profit or loss for the period.

<u>Current income tax</u>

Current income tax liability (asset) for the current and prior period is measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax and the tax relating to items recognized in other comprehensive income or directly in equity shall be recognized in other comprehensive income or directly in equity rather than the profit and loss.

The income tax for unappropriated earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved at the shareholders' meeting.

<u>Deferred tax</u>

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the balance sheets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflect the tax consequences generated from expected recovery of assets or settlement of liabilities at the end of reporting date. Deferred tax is not recognized in the profit and loss if the related item is not recognized in the profit and loss. Rather, it is recognized in other comprehensive income or directly in equity according to their transaction. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

x. Unconsolidated structured entities

Securitization vehicles such as real estate investment trust and beneficiary certificates of financial asset securitization, asset-backed financings and some investment funds such as private funds are unconsolidated structured entities, and the related information should be disclosed in accordance with IFRS 12 “Disclosure of Interests in Other Entities”.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected in future periods.

a. Judgment

In the process of applying the Company’s accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

1) Categories of financial assets

The management has to use its judgment to categorize financial assets. Different categories applied will affect measurements of the financial assets, which could have a significant impact on the Company’s financial position and performance.

2) Categories of insurance contracts

The Company identifies the composition of the issued insurance product contracts, decides whether it can be measured individually and determines whether the contract should be separately recognized. In addition, the Company examines whether the insurance contract has a significant insurance risk through review of the effective period of additional payment ratio, to decide the category of insurance products. If the additional payment ratio reaches the pre-set significant standard at any policy period, such contract should be considered having a significant insurance risk. If a single contract provides payment of multiple different insurance events, additional payment will be calculated by the greatest difference between the payment of each insurance event if occurs and the payment of each insurance event if not occurs.

3) Operating lease commitment-the Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on evaluation of the terms for the arrangements, that it retains all the significant risks and rewards of ownership for these properties and takes the contracts as operating leases.

b. Estimates and assumptions

The assumptions about the future and primary sources of uncertainty estimation at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

1) Fair value of financial instruments

Where the fair value of the financial instruments recognized in the balance sheet cannot be derived from an active market or a quoted price, it is determined using a valuation technique. In applying valuation techniques, the Company adopts pricing models in accordance with its procedure for valuation, and uses observable market data as possible. The changes in assumptions of these models will affect the fair value of reported financial instruments. Please refer to Note VIII.

2) Fair value of investment property

The fair value of investment property is derived from valuation techniques, including the income approach, comparison method, cost method, etc., and assumptions used in applying valuation techniques will have influence on the fair value of investment property.

3) Impairment assessment of financial assets

The Company adopts expected credit loss model to assess impairment on debt instrument investments not measured at fair value through profit or loss. The measurement consider the credit risk of issuers or counterparties, estimate the future 12-month or the lifetime Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD). The Company also considers the effect of the time value of money to calculate 12-month expected credit losses or the lifetime expected credit losses respectively. The Company has taken historical experiences, market conditions and forward-looking adjustment into account to decide on the assumption and inputs of expected credit loss calculation.

4) Insurance contract liabilities (including investment contract liabilities with discretionary participation feature of financial instruments)

The liability for insurance contracts and investment contracts with discretionary participation feature of financial instruments is either based on current assumptions or on assumptions established at the inception of the contract, reflecting the best estimate at the time. All contracts are subject to a liability adequacy test, which reflect management's best current estimate of future cash flows. The main assumptions used relate to mortality, morbidity, investment returns, and expenses and surrender rates. The Company bases its assumptions on the standards published by the Actuarial Institute of the Republic of China, adjusted when appropriate to reflect the Company's unique risk exposure, product characteristics and experiences from target markets.

The best estimates of future investment income from the assets are based on current market returns, as well as expectation about future economic development. Assumptions on future expense are based on current expense level, adjusted for expected expense inflation, if appropriate. Surrender rates are based on the Company's historical experience.

5) Income taxes

Uncertainty of income taxes exists on interpretation of complex tax regulations and the amount and timing of future taxable income. The differences between the actual results and the assumptions, or future changes to such assumptions could necessitate future adjustments to tax income and expense already recorded. The Company establishes provision, based on reasonable estimates, for possible consequence of audits by the tax authorities in each country where it operates. The amount of provision is based on various factors, such as experience of previous tax audits and different interpretation of tax regulations by the taxable entity and the responsible tax authority.

Deferred tax assets are recognized for all carry-forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 1,235	$ 304
Revolving funds	530	1,020
Cash in banks	22,307,426	44,944,580
Time deposits	13,953,143	38,495,630
Cash equivalents - bond with resale agreement	12,941,140	7,814,891
Total	$ 49,203,474	$ 91,256,425

7. RECEIVABLES

	December 31	
	2023	**2022**
Notes receivable	$ 92,198	$ 87,339
Other receivables		
Interest receivable	17,433,672	15,831,783
Dividends receivable	462,365	669,558
Securities settlement receivable	3,749,641	385,767
Financial institutions collection receivable	560,074	492,397
Separate account receivable	1,156,091	660,740
Others	740,878	703,696
Overdue receivable	8,105	9,366
Less: Allowance for bad debts-Other receivables	(1,417,008)	(676,899)
Subtotal	22,693,818	18,076,408
Total	$ 22,786,016	$ 18,163,747

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 30 for more details on impairment of receivables. Please refer to Note 39 for more details on credit risk management.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Mandatorily measured at fair value through profit or loss:		
Derivatives not designated as hedging instruments	$ 19,422,920	$ 9,614,892
Domestic financial debentures	19,873,875	19,278,488
Domestic listed stocks	135,584,939	101,773,774
Domestic preferred stocks	1,252,375	1,251,329
Domestic unlisted stock	1,694,359	1,144,374
Domestic beneficiary certificates	113,694,997	74,013,995
Domestic real estate investment trust	1,778,238	1,993,919
Overseas corporate bonds	5,105,865	4,924,526
Overseas listed stocks	26,852,442	27,608,919
Overseas preferred stocks	-	3,814,793
Overseas financial debentures	21,711,889	21,189,691
Overseas beneficiary certificates	53,744,370	68,327,382
Overseas real estate investment trust	2,836,144	3,309,190
Total	$ 403,552,413	$ 338,245,272

Financial assets at fair value through profit or loss were not pledged.

The Company elected to express profit or loss of the designated financial assets in overlay approach under IFRS 4 “Insurance Contracts” since its application of IFRS 9. Financial assets designated to apply overlay approach by the Company for investing activities relating to insurance contracts are as follows:

	December 31	
	2023	2022
Financial assets at fair value through profit or loss:		
Domestic financial debentures	$ 19,873,875	$ 19,278,488
Domestic listed stocks	135,584,939	101,773,774
Domestic preferred stocks	1,252,375	1,251,329
Domestic unlisted stocks	1,694,359	1,144,374
Domestic beneficiary certificates	113,694,997	74,013,995
Domestic real estate investment trust	1,778,238	1,993,919
Overseas corporate bonds	5,105,865	4,924,526
Overseas listed stocks	26,852,442	27,608,919
Overseas preferred stocks	-	3,814,793
Overseas financial debentures	21,711,889	21,189,691
Overseas beneficiary certificates	53,744,370	68,327,382
Overseas real estate investment trust	2,836,144	3,309,190
Total	$ 384,129,493	$ 328,630,380

Reclassification of the financial assets designated to apply overlay approach from profit or loss to other comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	For the Year Ended December 31	
	2023	2022
Gains (losses) due to applying IFRS 9 to profit or loss	$ 60,248,902	$ (41,599,546)
Less: (Gains) losses if applying IAS 39 to profit or loss	(26,738,642)	(23,566,658)
Gains (losses) from adoption of overlay approach	$ 33,510,260	$ (65,166,204)

Due to the adoption of overlay approach, profit from financial assets at fair value through profits or loss are decreased from $32,999,590 thousand to loss $510,670 thousand and loss are decreased from $132,428,785 thousand to $67,262,581 thousand for the years ended December 31, 2023 and 2022 respectively.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Debt instrument investments at fair value through other comprehensive income:		
Domestic government bonds	$ 2,040,432	$ -
Overseas government bonds	12,099,044	-
Overseas corporate bonds	16,931,812	-
Overseas financial debentures	15,057,473	-
Subtotal	46,128,761	-
Equity instrument investments at fair value through other comprehensive income:		
Domestic listed stocks	3,107,013	5,619,827
Domestic unlisted stocks	1,515,993	1,766,459
Domestic preferred stocks	11,559,808	11,083,110
Overseas unlisted stocks	9,346,708	12,623,940
Subtotal	25,529,522	31,093,336
Total	$ 71,658,283	$ 31,093,336

Information on gross carrying amount and allowance loss of investments in debt instrument measured at fair value through other comprehensive income is detailed in Note 30 and information related to credit risk in Note 39.

The Company’s dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2023 and 2022 are as follows:

	For the Year Ended December 31	
	2023	2022
Related to investments held at the end of the reporting period	$ 636,822	$ 776,594
Dividends recognized during the period	647,880	990,538

Given the investment strategy, the Company disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the years ended December 31, 2023 and 2022 are as follow:

	For the Year Ended December 31	
	2023	2022
The fair value of the investments at the date of derecognition	$ 3,815,869	$ 14,165,192
The cumulative unrealized valuation gain (loss) on disposal reclassified from other equity to retained earnings	925,498	3,901,018

10. FINANCIAL ASSETS MEASURED AT AMORTIZED COST

	December 31	
	2023	2022
Domestic government bonds	$ 64,998,535	$ 98,133,023
Domestic corporate bonds	44,348,687	42,847,761
Domestic financial debentures	22,150,000	22,400,000
Domestic structured products	6,500,000	6,500,000
Overseas real estate mortgage bonds	6,593,502	6,639,357
Overseas government bonds	190,255,533	190,840,154
Overseas corporate bonds	515,080,126	517,043,717
Overseas financial debentures	753,219,405	737,226,645
Less: Refundable deposits	(7,498,119)	(7,400,484)
Less: Loss allowance	(1,463,346)	(1,428,206)
Total	$ 1,594,184,323	$ 1,612,801,967

For the years ended December 31, 2023 and 2022, the carrying amounts and gain (loss) on disposal of the financial assets measured at amortized cost, which was derecognized due to increased credit risk, sales infrequent or individual and aggregate amounts are not significant as follows:

	For the Year Ended December 31			
	2023		2022	
	Carrying Amount of Derecognition	Current Gain (Loss) Recognized	Carrying Amount of Derecognition	Current Gain (Loss) Recognized
Domestic government bonds	$ 29,181,054	$ 2,105,774	$ 605,356	$ 40,725
Overseas government bonds	344,358	26,738	7,187,811	(75,262)
Overseas corporate bonds	1,364,575	22,525	14,023,223	1,001,667
Overseas financial debentures	9,327,299	269,870	7,773,014	506,190
	$ 40,217,286	$ 2,424,907	$ 29,589,404	$ 1,473,320

Please refer to Note 43 for more details on financial assets measured at amortized cost under pledge.

Please refer to Note 30 for the gross carrying amount and allowance loss of financial assets measured at amortized cost, refer to Note 39 for information related to credit risk.

11. LOANS

	December 31	
	2023	2022
Policy loans	$ 28,339,180	$ 27,371,802
Automatic premium loans	5,453,270	5,620,804
Secured loans, net	175,197	274,771
Secured loans	33,967,647	33,267,377
Less: Allowance for bad debts - secured loans	(2,729)	(4,271)
Total	$ 33,964,918	$ 33,263,106

The Company adopted IFRS 9 for impairment assessment. Please refer to Note 30 for more details on loss allowance.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following table lists the investments accounted for using the equity method of the Company:

	December 31	
Name of Investee Company:	2023	2022
Investments accounted for using the equity method	$ 2,118,503	$ 1,981,685

Please refer to Note 48 (2) for the information on associates' investment.

The investments of individual associates of the Company are not material to the Company, and the aggregate financial information of the Company's investments in associates according to the shares enjoyed was as follows:

	For the Year Ended December 31	
	2023	2022
Profit or loss from continuing operations	$ 203,003	$ 121,585
Other comprehensive income (net of tax)	(1,234)	3,301
Total comprehensive income	$ 201,769	$ 124,886

The investments in associates were not pledged.

13. INVESTMENT PROPERTY

The reconciliations from the beginning book value balances to the ending book value balances for investment property measured at fair value model in subsequent period are as follows:

	For the Year Ended December 31, 2023				
	Land	**Buildings**	**Right-of-use Asset - Land**	**Right-of-use Asset - Superficies of Royalties**	**Total**
Balance at January 1, 2023	$ 33,102,108	$ 22,455,873	$ 1,406,143	$ 9,202,010	$ 66,166,134
Additions from subsequent expenditure	-	145,738	-	-	145,738
Gains (losses) generated from adjustment fair value	(324,198)	1,047,275	178,028	(18,194)	882,911
Disposals	(128,687)	(123,290)	-	-	(251,977)
Derecognition	-	(702)	-	-	(702)
Transfer to property and equipment	(689,149)	(66,505)	-	-	(755,654)
Transfer from property and equipment	982,884	148,553	-	-	1,131,437
Balance at December 31, 2023	$ 32,942,958	$ 23,606,942	$ 1,584,171	$ 9,183,816	$ 67,317,887

	For the Year Ended December 31, 2022				
	Land	**Buildings**	**Right-of-use Asset - Land**	**Right-of-use Asset - Superficies of Royalties**	**Total**
Balance at January 1, 2022	$ 17,926,281	$ 11,946,134	$ 1,451,294	$ 9,423,048	$ 40,746,757
Purchase	16,729,159	7,033,774	-	-	23,762,933
Additions from subsequent expenditure	-	29,004	-	-	29,004
Additions from lease contract	-	-	29,930	-	29,930
Gains (losses) generated from adjustment fair value	(3,145,454)	3,029,817	(52,765)	(54,256)	(222,658)
Disposals	(59,629)	(50,770)	-	-	(110,399)
Transfer to property and equipment	(63,112)	(95,054)	(22,316)	(166,782)	(347,264)
Transfer from property and equipment	1,714,863	562,968	-	-	2,277,831
Balance at December 31, 2022	$ 33.102,108	$ 22,455,873	$ 1,406,143	$ 9,202,010	$ 66,166,134

Development of the vacant land and prepayment for buildings without construction license is measured at cost because its fair value cannot be reliably determined. The reconciliations from the beginning book value balances to the ending book value balances are as follows:

	For the Year Ended December 31, 2023			
	Land	Buildings	Prepayment for Buildings	Total
Costs				
Balance at January 1, 2023	$ 3,654,175	$ -	$ -	$ 3,654,175
Balance at December 31, 2023	$ 3,654,175	$ -	$ -	$ 3,654,175
Accumulated impairment				
Balance at January 1, 2023	$ 1,217,622	$ -	$ -	$ 1,217,622
Charge (reversal) for the current period	1,666	-	-	1,666
Balance at December 31, 2023	$ 1,219,288	$ -	$ -	$ 1,219,288

	For the Year Ended December 31, 2022			
	Land	Buildings	Prepayment for Buildings	Total
Costs				
Balance at January 1, 2022	$ 3,654,175	$ -	$ -	$ 3,654,175
Balance at December 31, 2022	$ 3,654,175	$ -	$ -	$ 3,654,175
Accumulated impairment				
Balance at January 1, 2022	$ 1,183,940	$ -	$ -	$ 1,183,940
Charge (reversal) for the current period	33,682	-	-	33,682
Balance at December 31, 2022	$ 1,217,622	$ -	$ -	$ 1,217,622

Net carrying amount:

	Land	Buildings	Right-of-use Asset - Land	Right-of-use Asset - Superficies of Royalties	Prepayment for Buildings	Total
2023.12.31	$ 35,377,845	$ 23,606,942	$ 1,584,171	$ 9,183,816	$ -	$ 69,752,774
2022.12.31	$ 35,538,661	$ 22,455,873	$ 1,406,143	$ 9,202,010	$ -	$ 68,602,687

A major part of the Company's buildings includes main plants, air conditioning, electrical, fire-fighting and elevator equipment.

Valuation has been performed by appraisers from professional valuation agencies, the fair value evaluated according to Real Estate Appraisal Technical Rules. The valuation reports are taken during the reporting period of financial statements are dated on December 31, 2023 and 2022.

December 31, 2023:

a. Hong Bang Real Estate Appraisers Firm: Li Ching Tang
b. CCIS Real Estate Joint Appraisers Firm: Wu Chih Hao, Li Wei Ju

December 31, 2022:

a. Repro International Appraisers Firm: Tsai Yu Hsiang, Hsu Hsiang Yi
b. Gao Yuan Appraisers Joint Firm: Chen Pi Yuan
c. China Appraisers Joint Firm: Hsieh Dian Ching
d. Bond Appraisers Joint Firm: Mao Ping Chi

The fair value of investment property is treated in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The fair value evaluation should adopt the discounted cash flow method of income approach or cost approach, excluding the investment property already stated on the account prior to May 11, 2020 which was subsequently measured by the fair value model, and the normal price should be used as the basis of fair value assessment.

For investment property acquired before May 11, 2020, the fair value was determined through the support of market evidence. Since the investment property of the Company comprises mainly commercial buildings and residential buildings that are with market liquidity and easy access to similar comparative cases and rental cases in the neighborhood, comparison approach and income approach, of which latter one uses the direct capitalization method, are mainly used for evaluations.

For investment property acquired after May 11, 2020, if a lease contract for more than one year has been entered into, it shall be evaluated by the discounted cash flow method of income approach. The cash flow, analysis period, and discount rate of the evaluation method shall meet the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises; if the investment property did not enter into a lease contract for more than a year or the contract has been terminated, cancelled, or invalidated for more than one year, cost approach should be adopted for evaluation.

The inputs mainly used are as follows:

	December 31	
	2023	**2022**
Income capitalization rate	Mainly 0.16%-3.70%	Mainly 1.55%-4.61%
Discount rate (Note)	2.925%-3.645%	2.82%-3.745%
Overall capital interest rate (Note)	1.58%-5.02%	1.93%-8.34%

Note: The valuation method of investment property acquired by the Company after May 11, 2020 adopted the discounted cash flow method of income approach and cost approach, and the main parameters used were the discount rate and the overall capital interest rate.

The part of the investment property of the Company that is measured at fair value subsequent to initial recognition, the fair value is categorized at Level 3 of the fair value hierarchy. The fair value of investment property will decrease as the main inputs, income capitalization rate of direct capitalization approach, the discount rate of the discounted cash flow method and the overall capital interest rate, increases. On the contrary, the fair value of investment property will increase if the main input decrease.

The investment properties are held mainly for lease business. All the lease agreements are operating leases. The primary terms of lease agreements are the same as general lease agreements. Rents from property investment are received annually, semi-annually, quarterly, monthly or in lump sum.

Rents from investment properties were $1,670,379 thousand and $1,446,223 thousand for the years ended December 31, 2023 and 2022. Related direct operating expenses were $247,204 thousand and $223,792 thousand. The direct operating expenses of investment properties generating no rents were $31,634 thousand and $17,112 thousand.

The Company wrote off its investment property and equipment subsequently measured at cost model to the recoverable amount, and incurred impairment losses in the amount of $1,666 thousand and $33,682 thousand in 2023 and 2022. The impairment losses have been recognized in the consolidated income statement. The recoverable amount is measured by the fair value less cost of disposal. The fair value has been assessed by appraisers from professional valuation agencies based on Regulations on Real Estate Appraisal, and was categorized as Level 3 of fair value hierarchy. The valuation technique and the key assumption adopted in this case regarding the property and equipment that incurred impairment loss and investment property subsequently measured at cost were comparison approach and income approach, or comparison approach and land development analysis approach, based on Regulations on Real Estate Appraisal. The case has also considered cases in the market as well as future trends to measure appropriate market value and to discount to present value based on urban land readjustment time schedule.

As at December 31, 2023 and 2022, no investment properties were pledged as collateral.

14. REINSURANCE ASSETS

	December 31	
	2023	**2022**
Claims recoverable from reinsurers	$ 814,846	$ 837,792
Due from reinsurers and ceding companies	52,673	67,363
Reinsurance reserve assets		
Ceded unearned premium reserve	88,798	66,877
Ceded reserve for claims	54,779	44,168
Subtotal	143,577	111,045
Total	$ 1,011,096	$ 1,016,200

The above reinsurance assets are not impaired.

15. PROPERTY AND EQUIPMENT

	For the Year Ended December 31, 2023							
	Land	**Buildings**	**Computer Equipment**	**Transportation Equipment**	**Other Equipment**	**Leasehold Improvements**	**Prepayment for Equipment and Construction in Progress**	**Total**
Cost								
Balance at January 1, 2023	$ 5,935,595	$ 5,415,717	$ 837,739	$ 30,834	$ 688,214	$ 42,147	$ 304,533	$ 13,254,779
Additions	-	23,708	73,496	2,652	17,454	14,518	236,599	368,427
Derecognition	-	(4,923)	(108,257)	(896)	(3,131)	-	-	(117,207)
Transfers from investment property	689,149	57,036	-	-	-	-	-	746,185
Transfers to investment property	(644,502)	(181,570)	-	-	-	-	-	(826,072)
Transfers	-	60,418	48,865	2,582	23,682	8,265	(327,770)	(183,958)
Balance at December 31, 2023	$ 5,980,242	$ 5,370,386	$ 851,843	$ 35,172	$ 726,219	$ 64,930	$ 213,362	$ 13,242,154
Accumulated depreciation								
Balance at January 1, 2023	$ -	$ 752,749	$ 313,874	$ 3,451	$ 513,249	$ 24,850	$ -	$ 1,608,173
Depreciation	-	261,604	137,464	6,402	59,545	4,452	-	469,467
Derecognition	-	(1,953)	(108,232)	(896)	(3,125)	-	-	(114,206)
Transfers to investment property	-	(77,191)	-	-	-	-	-	(77,191)
Balance at December 31, 2023	$ -	$ 935,209	$ 343,106	$ 8,957	$ 569,669	$ 29,302	$ -	$ 1,886,243
Accumulated impairment								
Balance at January 1, 2023	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046
Reserve (reversal)	9,749	1,418	-	-	-	-	-	11,167
Transfers to investment property	(9,749)	(1,418)	-	-	-	-	-	(11,167)
Balance at December 31, 2023	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046

	For the Year Ended December 31, 2022							
	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
Cost								
Balance at January 1, 2022	$ 6,986,403	$ 5,370,419	$ 574,087	$ 6,700	$ 552,659	$ 29,994	$ 718,371	$ 14,238,633
Additions	-	37,206	191,216	3,248	52,999	2,675	674,832	962,176
Disposals	-	-	(35,970)	(877)	(3,642)	(564)	-	(41,053)
Derecognition	-	(61,158)	-	-	-	-	-	(61,158)
Transfers from investment property	63,112	96,622	-	-	-	-	265	159,999
Transfers to investment property	(1,131,920)	(600,919)	-	-	-	-	-	(1,714,839)
Transfers	-	573,547	108,406	21,763	86,198	10,042	(1,088,935)	(288,979)
Balance at December 31, 2022	$ 5,935,595	$ 5,415,717	$ 837,739	$ 30,834	$ 688,214	$ 42,147	$ 304,533	$ 13,254,779
Accumulated depreciation								
Balance at January 1, 2022	$ -	$ 700,962	$ 238,626	$ 2,404	$ 460,347	$ 23,999	$ -	$ 1,426,338
Depreciation	-	186,501	111,297	1,924	56,535	851	-	357,108
Disposals	-	-	(35,945)	(877)	(3,633)	-	-	(40,455)
Derecognition	-	(34,892)	-	-	-	-	-	(34,892)
Transfers from investment property	-	1,833	-	-	-	-	-	1,833
Transfers to investment property	-	(101,655)	-	-	-	-	-	(101,655)
Transfers	-	-	(104)	-	-	-	-	(104)
Balance at December 31, 2022	$ -	$ 752,749	$ 313,874	$ 3,451	$ 513,249	$ 24,850	$ -	$ 1,608,173
Accumulated impairment								
Balance at January 1, 2022	$ 740,512	$ 34,801	$ -	$ -	$ -	$ -	$ -	$ 775,313
Reserve (reversal)	63,900	3,676	-	-	-	-	-	67,576
Transfers to investment property	(63,900)	(3,676)	-	-	-	-	-	(67,576)
Derecognition	-	(26,267)	-	-	-	-	-	(26,267)
Balance at December 31, 2022	$ 740,512	$ 8,534	$ -	$ -	$ -	$ -	$ -	$ 749,046

	Land	Buildings	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayment for Equipment and Construction in Progress	Total
Net carrying amount								
2023.12.31	$ 5,239,730	$ 4,426,643	$ 508,737	$ 26,215	$ 156,550	$ 35,628	$ 213,362	$ 10,606,865
2022.12.31	$ 5,195,083	$ 4,654,434	$ 523,865	$ 27,383	$ 174,965	$ 17,297	$ 304,533	$ 10,897,560

For the year ended December 31, 2023 and 2022, the Company recognized property impairment loss in the amount of $11,167 thousand and $67,576 thousand in the non-operating income and expenses of comprehensive income statement.

Property and equipment held by the Company are not pledged.

16. LEASES

a. Company as a lessee

The commercial lease contracts for offices signed by the Company are within two to fifteen years, vehicles are within five to seven years and equipment are within three to five years without renewal option. There is no restriction on the Company in these contracts. Furthermore, the Company leases the land for 70 years by creating surface right and the agreement is a non-cancellable operating lease.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

1) Amounts of right-of-use assets recognized in the balance sheet and the statements of comprehensive income

	For the Year Ended December 31, 2023						
	Land	Royalty - Surface Rights	Buildings	Computer Equipment	Transportation Equipment	Other Office Equipment	Total
Cost							
Balance at January 1, 2023	$ 530,513	$ 4,354,410	$ 332,366	$ 148,434	$ 18,277	$ 62,694	$ 5,446,694
Additions	198	-	71,359	-	-	-	71,557
Write off	(201)	-	(5,877)	-	(7,379)	(38,537)	(51,994)
Balance at December 31, 2023	$ 530,510	$ 4,354,410	$ 397,848	$ 148,434	$ 10,898	$ 24,157	$ 5,466,257
Accumulated depreciation							
Balance at January 1, 2023	$ 34,232	$ 261,893	$ 42,394	$ 60,992	$ 7,890	$ 34,363	$ 441,764
Depreciation	8,191	67,081	54,113	30,579	1,960	12,036	173,960
Write off	(201)	-	(5,661)	-	(4,897)	(38,346)	(49,105)
Balance at December 31, 2023	$ 42,222	$ 328,974	$ 90,846	$ 91,571	$ 4,953	$ 8,053	$ 566,619

	For the Year Ended December 31, 2022						
	Land	Royalty - Surface Rights	Buildings	Computer Equipment	Transportation Equipment	Other Office Equipment	Total
Cost							
Balance at January 1, 2022	$ 493,527	$ 4,183,376	$ 132,185	$ 139,356	$ 16,235	$ 38,537	$ 5,003,216
Additions	-	-	222,054	9,078	3,936	51,826	286,894
Write off	-	-	(21,873)	-	(1,894)	(27,669)	(51,436)
Remeasurement	14,059	-	-	-	-	-	14,059
Transfer from investment property	22,927	171,034	-	-	-	-	193,961
Balance at December 31, 2022	$ 530,513	$ 4,354,410	$ 332,366	$ 148,434	$ 18,277	$ 62,694	$ 5,446,694
Accumulated depreciation							
Balance at January 1, 2022	$ 25,733	$ 192,927	$ 28,030	$ 31,951	$ 5,690	$ 19,831	$ 304,162
Depreciation	7,888	64,714	36,237	29,041	2,854	18,682	159,416
Write off	-	-	(21,873)	-	(654)	(4,150)	(26,677)
Transfer from investment property	611	4,252	-	-	-	-	4,863
Balance at December 31, 2022	$ 34,232	$ 261,893	$ 42,394	$ 60,992	$ 7,890	$ 34,363	$ 441,764

	Land	Royalty - Surface Rights	Buildings	Computer Equipment	Transportation Equipment	Other Office Equipment	Total
Net carrying amount							
2023.12.31	$ 488,288	$ 4,025,436	$ 307,002	$ 56,863	$ 5,945	$ 16,104	$ 4,899,638
2022.12.31	$ 496,281	$ 4,092,517	$ 289,972	$ 87,442	$ 10,387	$ 28,331	$ 5,004,930

The right-of-use assets recognized as depreciation expense for the years ended December 31, 2023 and 2022 is $173,960 and $159,416 thousand.

Depreciation on the right-of-use assets is calculated through a straight-line basis over 2 to 70 years.

2) Amounts of lease liabilities recognized in the balance sheet and the statements of comprehensive income

	December 31	
	2023	2022
Land	$ 1,562,137	$ 1,569,501
Buildings	321,582	293,898
Computer equipment	53,303	77,569
Transportation equipment	6,018	10,462
Other office equipment	16,653	31,045
Total	$ 1,959,693	$ 1,982,475

The interest expense on the lease liabilities recognized during the years ended December 31, 2023 and 2022 is $60,025 and $56,839 thousand. Please refer to Note 39 (2) liquidity risk analysis for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

3) Income and costs relating to leasing activities

	For the Year Ended December 31	
	2023	**2022**
The expenses relating to short-term leases	$ 875	$ 1,977
The expenses relating to leases of low-value assets (not including the expenses relating to short-term leases of low-value assets)	106	106

For the related rent reductions that occurred as a direct result of the COVID, the Company recognized in non-operating income for the year ended December 31, 2023 and 2022 were $4,000 thousand and $3,995. For the year ended December 31, 2022, the Company recognized in gain on investment property of $8,454 to reflect the related practical expedients which arising from the changes in lease payments have been applied.

4) Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounting to $152,455 thousand and $138,736 thousand, respectively.

5) Other information relating to leasing activities

a) Variable lease payments

Some of the Company's machine equipment lease agreements contain variable lease payment terms that exceed the standard quota. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities.

b) Extension and termination options

Some of the Company's rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

b. Company as a lessor

Please refer to Note VI.8 for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the Year Ended December 31	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$ 1,661,283	$ 1,439,724
Income relating to variable lease payments that do not depend on an index or a rate	9,096	6,499
Total	$ 1,670,379	$ 1,446,223

The remaining period of commercial property lease contracts the Company signed are within one year to twenty years, and most of these lease contracts contain terms about adjusting rents according to market environment annually. The undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2023 and 2022 are as follow:

	December 31	
	2023	2022
Less than one year	$ 1,354,903	$ 1,517,175
More than one year but less than two years	1,201,719	1,258,718
More than two years but less than three years	954,622	1,044,794
More than three years but less than four years	838,239	816,417
More than four years but less than five years	739,294	725,389
More than five years	6,119,255	6,481,537
Total	$ 11,208,032	$ 11,844,030

17. OTHER ASSETS

	December 31	
	2023	2022
Prepayments	$ 354,867	$ 428,284
Refundable deposits	7,513,808	11,213,908
Other assets-others	17,691	7,427
Total	$ 7,886,366	$ 11,649,619

18. PAYABLES

	December 31 2023	December 31 2022
Life insurance proceeds payable	$ 65,616	$ 132,029
Commissions payable	1,579,202	1,762,378
Due to reinsurers and ceding companies	896,534	965,508
Other payables		
Salary payable	968,326	1,232,843
Tax payable	99,346	98,636
Collection payable	52,127	57,490
Payable on investments	2,269,690	173,387
Accrued expense and payable on insurance policies	8,129,881	7,610,293
Others	245,478	120,118
Subtotal	11,764,848	9,292,767
Total	$ 14,306,200	$ 12,152,682

19. BONDS PAYABLE

	December 31 2023	December 31 2022
1st perpetual cumulative subordinated corporate bonds issued in 2020	$ 10,000,000	$ 10,000,000
1st unsecured cumulative subordinated corporate bonds issued in 2023	10,000,000	-
Total	$ 20,000,000	$ 10,000,000

a. The issue was approved by Financial Supervisory Commission ("FSC") under Order No. Jin-Guan-Bao-Shou-Zi-1090434160 and Taipei Exchange ("TPEx") under Order No. Cheng-Gui-Chai-Zi-10900142481. The Company issued corporate bond on December 28, 2020. The issuance conditions are as follows:

1) Total issuance and face value: The total issuance is NT $10,000,000 thousand, and the per par value is NT $1,000 thousand.

2) Issue period and method: Perpetual bonds. Fully issued according to the face value.

3) Coupon rate: The annual coupon rate is fixed at 2.7%.

4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than $0.5 and rounded off if less than $0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.

5) Redemption right: Ten years after the issuance date, the bonds may be redeemed in whole by the Company with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is one time higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any accrued and unpaid interest payable up to the date of redemption.

6) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company's issuance of corporate bonds will recognize interest expenses of $269,992 thousand and $270,000 thousand accounted as financial costs for the years ended December 31, 2023 and 2022.

b. The issue was approved by Financial Supervisory Commission ("FSC") under Order No. Jin-Guan-Bao-Shou-Zi-1120424290 and Taipei Exchange ("TPEx") under Order No. Cheng-Gui-Chai-Zi-11200065611. The Company issued corporate bond on July 25, 2023. The issuance conditions are as follows:

1) Total issuance and face value: The total issuance is NT $10,000,000 thousand, and the per par value is NT $1,000 thousand.

2) Issue period and method: 10-year. Fully issued according to the face value.

3) Coupon rate: The annual coupon rate is fixed at 3.75%.

4) Interest payment: Since the issuance date, the interest will be calculated and paid once a year based on the coupon rate. The interest payment amount is calculated based on the face value of each bond and is rounded up to the nearest dollar if the decimal point is more than $0.5 and rounded off if less than $0.4. If the principal and interest payment date is the day when the place of payment bank ceases business, the principal and interest will be paid on the business day following the business closure day, and no additional interest will be paid. If the principal and interest are received after the principal and interest payment date, no deferred interest will be calculated and paid.

5) Form: Issued in dematerialized form, and is registered with the Taiwan Depository & Clearing Corporation.

The Company's issuance of corporate bonds recognizes in interest expenses, accounted as financial costs, from July 25, 2023 to December 31, 2023 was $163,934 thousand.

20. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Held for trading:		
Derivatives not designated as hedging instruments		
Swaps and forward foreign exchange contracts	$ 5,612,137	$ 7,876,147

21. INSURANCE LIABILITIES

As of December 31, 2023 and 2022, movement in reserves of insurance contracts and financial instruments with discretionary participation feature is as follows.

	December 31	
	2023	2022
Reserve for life insurance liabilities	$ 2,035,521,454	$ 2,044,981,576
Unearned premium reserve	5,776,296	5,099,222
Reserve for claims	3,261,985	3,582,247
Special reserve	7,284,162	8,507,932
Premium deficiency reserve	1,493,153	1,991,327
Other reserve	18,097,314	18,409,053
Ending balance	$ 2,071,434,364	$ 2,082,571,357

a. Reserve for life insurance liabilities:

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	$ 1,688,712,054	$ 48,428,133	$ 1,737,140,187	$ 1,688,241,414	$ 52,151,886	$ 1,740,393,300
Health insurance	178,371,313	-	178,371,313	167,059,305	-	167,059,305
Annuity insurance	745,258	116,760,636	117,505,894	705,707	134,592,973	135,298,680
Investment-linked insurance	2,309,312	-	2,309,312	2,056,019	-	2,056,019
Total (Note)	$ 1,870,137,937	$ 165,188,769	$ 2,035,326,706	$ 1,858,062,445	$ 186,744,859	$ 2,044,807,304

Note: Total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to $2,035,521,454 thousand as of December 31, 2023.

Total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to $2,044,981,576 thousand as of December 31, 2022.

There is no ceded liability reserve for the above insurance contracts.

Movement in reserve for life insurance liabilities is summarized below:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Beginning balance	$ 1,858,062,445	$ 186,744,859	$ 2,044,807,304	$ 1,751,237,329	$ 201,082,061	$ 1,952,319,390
Reserve	166,284,387	3,902,709	170,187,096	173,932,466	5,578,622	179,511,088
Recover	(155,161,993)	(25,567,858)	(180,729,851)	(112,672,169)	(22,616,543)	(135,288,712)
Losses (gains) on foreign exchange	953,098	109,059	1,062,157	45,564,819	2,700,719	48,265,538
Ending balance (Note)	$ 1,870,137,937	$ 165,188,769	$ 2,035,326,706	$ 1,858,062,445	$ 186,744,859	$ 2,044,807,304

Note: Total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to $2,035,521,454 thousand as of December 31, 2023.

Total of reserve for life insurance liabilities after including "reserve for life insurance liabilities - payables for the insured" amounted to $2,044,981,576 thousand as of December 31, 2022.

b. Unearned premium reserve:

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 754	$ -	$ 754	$ 851	$ -	$ 851
Individual injury insurance	2,173,679	-	2,173,679	1,870,490	-	1,870,490
Individual health insurance	2,904,329	-	2,904,329	2,614,780	-	2,614,780
Group insurance	622,551	-	622,551	541,195	-	541,195
Investment-linked insurance	74,981	-	74,981	71,899	-	71,899
Annuity insurance	-	2	2	-	7	7
Total	5,776,294	2	5,776,296	5,099,215	7	5,099,222
Less ceded unearned premium reserve:						
Individual life insurance	21,220	-	21,220	19,425	-	19,425
Individual injury insurance	963	-	963	906	-	906
Individual health insurance	56,986	-	56,986	38,186	-	38,186
Group insurance	4,313	-	4,313	3,125	-	3,125
Investment-linked insurance	5,316	-	5,316	5,235	-	5,235
Total	88,798	-	88,798	66,877	-	66,877
Net amount	$ 5,687,496	$ 2	$ 5,687,498	$ 5,032,338	$ 7	$ 5,032,345

Movement in unearned premium reserve is summarized below:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 5,099,215	$ 7	$ 5,099,222	$ 4,699,474	$ 11	$ 4,699,485
Reserve	5,776,295	2	5,776,297	5,099,203	7	5,099,210
Recover	(5,099,215)	(7)	(5,099,222)	(4,699,474)	(11)	(4,699,485)
Losses (gains) on foreign exchange	(1)	-	(1)	12	-	12
Ending balance	5,776,294	2	5,776,296	5,099,215	7	5,099,222
Less ceded unearned premium reserve:						
Beginning balance	66,877	-	66,877	67,418	-	67,418
Increase	88,810	-	88,810	66,790	-	66,790
Decrease	(66,877)	-	(66,877)	(67,418)	-	(67,418)
Losses (gains) on foreign exchange	(12)	-	(12)	87	-	87
Ending balance	88,798	-	88,798	66,877	-	66,877
Net amount	$ 5,687,496	$ 2	$ 5,687,498	$ 5,032,338	$ 7	$ 5,032,345

c. Reserve for claims:

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance						
Reported but not paid claim	$ 255,746	$ 4,607	$ 260,353	$ 291,011	$ 9,185	$ 300,196
Unreported claim	199	-	199	595	-	595
Individual injury insurance						
Reported but not paid claim	61,232	-	61,232	72,952	-	72,952
Unreported claim	743,830	-	743,830	634,422	-	634,422
Individual health insurance						
Reported but not paid claim	182,834	-	182,834	170,857	-	170,857
Unreported claim	1,181,370	-	1,181,370	1,141,496	-	1,141,496
Group insurance						
Reported but not paid claim	95,822	-	95,822	189,993	-	189,993
Unreported claim	663,053	-	663,053	990,849	-	990,849
Investment-linked insurance			-			-
Reported but not paid claim	38,928	-	38,928	43,732	-	43,732
Unreported claim	-	-	-	-	-	-
Annuity insurance						
Reported but not paid claim	-	34,343	34,343	4,067	33,065	37,132
Unreported claim	-	21	21	-	23	23
Total	3,223,014	38,971	3,261,985	3,539,974	42,273	3,582,247

(Continued)

	December 31					
	2023			2022		
	Insurance Contract	**Financial Instruments with Discretionary Participation Feature**	**Total**	**Insurance Contract**	**Financial Instruments with Discretionary Participation Feature**	**Total**
Less ceded reserve for claims:						
Individual life insurance	$ 27,274	$ -	$ 27,274	$ 17,891	$ -	$ 17,891
Individual injury insurance	1,674	-	1,674	1,128	-	1,128
Individual health insurance	18,771	-	18,771	17,149	-	17,149
Group insurance	5,700	-	5,700	8,000	-	8,000
Investment-linked insurance	1,360	-	1,360	-	-	-
Total	54,779	-	54,779	44,168	-	44,168
Net amount	$ 3,168,235	$ 38,971	$ 3,207,206	$ 3,495,806	$ 42,273	$ 3,538,079

(Concluded)

Movement in reserve for claims is summarized below:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 3,539,974	$ 42,273	$ 3,582,247	$ 2,526,529	$ 79,041	$ 2,605,570
Reserve	3,223,128	38,872	3,262,000	3,538,769	41,750	3,580,519
Recover	(3,539,974)	(42,273)	(3,582,247)	(2,526,529)	(79,041)	(2,605,570)
Losses (gains) on foreign exchange	(114)	99	(15)	1,205	523	1,728
Ending balance	3,223,014	38,971	3,261,985	3,539,974	42,273	3,582,247
Less ceded unearned premium reserve:						
Beginning balance	44,169	-	44,169	20,504	-	20,504
Increase	54,787	-	54,787	44,173	-	44,173
Decrease	(44,168)	-	(44,168)	(20,504)	-	(20,504)
Losses (gains) on foreign exchange	(9)	-	(9)	(4)	-	(4)
Ending balance	54,779	-	54,779	44,169	-	44,169
Net amount	$ 3,168,235	$ 38,971	$ 3,207,206	$ 3,495,805	$ 42,273	$ 3,538,078

Reported but not paid claims are reserved according to insurance type and claims department's estimates based on each individual case's related information without exceeding promised insurance amount for covered accidents. Those reported but not paid reserve is reasonably assessed, sufficient to reflect actual claims paid. In addition, some types of claims are not expected to close shortly because these claims usually depend on court judgments before the closure. The legal department tracks the development of these claims and reasonably estimates claims reserve. The actuarial department assesses final unreported claims based on past claims experience with consideration of claims development trends for past closed cases, and then develop the final claims based on homogeneous features of each insurance through the loss development triangle method and Bornhuetter-Ferguson Method. Reserve for unreported and unclosed claims changes according to external environment. For example, actual loss rate will lead to fluctuations of claims. The actuarial department will evaluate periodically to make reasonable estimate of claims reserve.

d. Special reserve

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Participating policies dividend reserve	$ 7,284,162	$ -	$ 7,284,162	$ 8,507,932	$ -	$ 8,507,932
Dividend risk reserve	-	-	-	-	-	-
Total	$ 7,284,162	$ -	$ 7,284,162	$ 8,507,932	$ -	$ 8,507,932

Movement in special reserve is summarized below:

	For the Year Ended December 31	
	2023	2022
	Insurance Contract	Insurance Contract
Beginning balance	$ 8,507,932	$ 7,747,818
Reserve for participating policies dividend reserve	781,933	2,768,072
Recover for participating policies dividend reserve	(2,056,508)	(2,070,619)
Disposal gains (losses) of participating policies on equity instruments at fair value through other comprehensive income	50,805	62,661
Ending balance	$ 7,284,162	$ 8,507,932

e. Special reserve for catastrophe and fluctuation of risks:

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 2,451	$ -	$ 2,451	$ 2,302	$ -	$ 2,302
Individual injury insurance	1,010,136	-	1,010,136	940,255	-	940,255
Individual health insurance	2,165,239	-	2,165,239	2,580,980	-	2,580,980
Group insurance	3,852,199	-	3,852,199	3,657,214	-	3,657,214
Annuity insurance	-	312	312	-	362	362
Total	$ 7,030,025	$ 312	$ 7,030,337	$ 7,180,751	$ 362	$ 7,181,113

f. Premium deficiency reserve:

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance	$ 1,400,556	$ -	$ 1,400,556	$ 1,890,710	$ -	$ 1,890,710
Individual health insurance	92,597	-	92,597	100,617	-	100,617
Total	$ 1,493,153	$ -	$ 1,493,153	$ 1,991,327	$ -	$ 1,991,327

Premium deficiency reserve was not ceded in the above insurance contracts.

Movement in premium deficiency reserve is summarized below:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 1,991,327	$ -	$ 1,991,327	$ 2,435,334	$ -	$ 2,435,334
Reserve	296,429	-	296,429	437,454	-	437,454
Recover	(798,502)	-	(798,502)	(994,892)	-	(994,892)
Losses (gains) on foreign exchange	3,899	-	3,899	113,431	-	113,431
Ending balance	$ 1,493,153	$ -	$ 1,493,153	$ 1,991,327	$ -	$ 1,991,327

g. Other reserve:

	December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Other	$ 18,097,314	$ -	$ 18,097,314	$ 18,409,053	$ -	$ 18,409,053

Movement in other reserve is summarized below:

	For the Year Ended December 31					
	2023			2022		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	$ 18,409,053	$ -	$ 18,409,053	$ 18,732,835	$ -	$ 18,732,835
Recover	(311,739)	-	(311,739)	(323,782)	-	(323,782)
Ending balance	$ 18,097,314	$ -	$ 18,097,314	$ 18,409,053	$ -	$ 18,409,053

The amount of other reserve is generated from the acquisition of the partial traditional insurance policies from Allianz Taiwan Life on May 18, 2018.

h. Liability adequacy reserve

	Insurance contract and Financial Instruments with Discretionary Participation Feature	
	December 31	
	2023	2022
Reserve for life insurance liabilities	$ 2,035,326,706	$ 2,044,807,304
Unearned premium reserve	5,776,296	5,099,222
Premium deficiency reserve	1,493,153	1,991,327
Special reserve	7,284,162	8,507,932
Other reserve	18,097,314	18,409,053
Book value of insurance liabilities	$ 2,067,977,631	$ 2,078,814,838
Estimated present value of cash flows	$ 1,668,867,475	$ 1,563,746,442
Balance of liability adequacy reserve	$ -	$ -

Liability adequacy testing methodology is as follows:

	December 31	
	2023	2022
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups	Integrated testing	Integrated testing
Assumptions	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2022).	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2021), and discount rate evaluated with consideration of current information

22. FOREIGN EXCHANGE VALUATION RESERVE

a. The hedge strategy and risk exposure

The Company consistently adjusts the hedge ratios to establish an adequate risk exposure planning based on the new foreign exchange valuation exposure principle by integrating the exchange rate and interest rate trends of domestic and foreign financial markets. However, changes in the hedge and risk exposure ratios should follow the internal risk control to alert and adjust hedge strategy in advance to meet the optimal hedge considerations.

b. Adjustment in foreign exchange valuation reserve

	For the Year Ended December 31	
	2023	2022
Beginning balance	$ 10,886,927	$ 3,351,124
Reserve		
Compulsory reserve	2,031,779	2,104,580
Extra reserve	9,623,869	15,685,388
	11,655,648	17,789,968
Recover	(12,773,787)	(10,254,165)
Ending balance	$ 9,768,788	$ 10,886,927

c. Effects due to foreign exchange valuation reserve:

Item	For the Year Ended December 31, 2023		
	Inapplicable Amount	Applicable Amount	Effects
Net income	$ 9,283,041	$ 10,177,552	$ 894,511
Earnings per share (dollar)	1.89	2.07	0.18
Foreign exchange valuation reserve	-	9,768,788	9,768,788
Equity	154,809,023	148,337,055	(6,471,968)

Item	For the Year Ended December 31, 2022		
	Inapplicable Amount	Applicable Amount	Effects
Net income	$ 19,187,661	$ 13,159,019	$ (6,028,642)
Earnings per share (dollar)	3.90	2.67	(1.23)
Foreign exchange valuation reserve	-	10,886,927	10,886,927
Equity	114,026,421	106,659,942	(7,366,479)

23. PROVISIONS

	December 31	
	2023	2022
Provisions for employee benefits	$ 138,784	$ 158,734
Litigation liabilities	7,632	4,600
Total	$ 146,416	$ 163,334

The Company has an official policy to control and manage litigations. When a professional advice has been made and the loss can be reasonably estimated, the Company will make adjustments to recognize losses and any negative effects arising out of any financial claims. As at December 31, 2023, the Company has 69 unresolved legal suits.

24. POST-EMPLOYMENT BENEFITS

The Company's post-employment benefits are classified into defined contribution plan and defined benefit plan based on start date of employment and personal choice. Employees who start employment after July 1, 2005 apply to defined contribution plan; employees who start employment before July 1, 2005 can choose to apply to defined benefit plan or defined contribution plan. Employees who originally apply to defined benefit plan can change to defined contribution plan before June 30, 2010. Those who have chosen or mandatorily applied to defined contribution plan shall not change to defined benefit plan.

Defined contribution plan

The part in our pension plan that is made based on the "Labor Pension Act" is attributed to the Defined Contribution Plan. For employees who are applicable to the Labor Pension Act, the Company shall, on a monthly basis, contribute six percent of their monthly wage, prescribed in the Table of Monthly Contribution Wage Classification, to individual accounts of labor pension at the Bureau of Labor Insurance. Should the employees' monthly salary be higher than the ceiling amount provided in the Table of Monthly Contributions for Labor Pension, 6% may be withheld by the Company from the excess part as pension reserve on a monthly basis. An employee may receive the pension under this item only when he is eligible according to the pension plan.

Expenses under the defined contribution plans for the years ended December 31, 2023 and 2022 were $275,243 thousand and $267,399 thousand, respectively.

Defined benefit plans

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last six months of the service year. The Company contributes 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March of the following year. The account is managed by the Labor Fund Management Office of the Ministry of Labor, and the Company does not have the authority to influence investment management strategies.

The amounts included in the balance sheet for the defined benefit plan are as follows:

	December 31	
	2023	**2022**
The present value of defined benefit obligation	$ 405,557	$ 425,674
The fair value of plan assets	(285,916)	(283,939)
Net defined benefit liability (asset)	$ 119,641	$ 141,735

Changes in defined benefit obligation are as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
January 1, 2022	$ 470,924	$ (285,570)	$ 185,354
Current service cost	7,435	-	7,435
Interest expense (income)	3,752	(2,324)	1,428
Recognized in profit or loss	11,187	(2,324)	8,863
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions			
Actuarial gains and losses arising from changes in financial assumptions	(34,406)	-	(34,406)
Experience adjustments	19,597	(20,916)	(1,319)
Recognized in the income statement	(14,809)	(20,916)	(35,725)
Benefits paid	(41,628)	41,628	-
Contributions from the employer	-	(16,757)	(16,757)
December 31, 2022	425,674	(283,939)	141,735
Current service cost	7,002	-	7,002
Interest expense (income)	6,364	(4,292)	2,072
Subtotal	13,366	(4,292)	9,074
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions			
Experience adjustments	(15,151)	(706)	(15,857)
Subtotal	(15,151)	(706)	(15,857)
Benefits paid	(18,332)	18,332	-
Contributions from the employer	-	(15,311)	(15,311)
December 31, 2023	$ 405,557	$ (285,916)	$ 119,641

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	December 31	
	2023	2022
Discount rate	1.50%	1.50%
Expected growth rate of salary	0.00%-2.29%	0.00%-2.29%

A sensitivity analysis for significant assumptions as at December 31, 2023 and 2022 is, as shown below:

	Effect on the Present Value of the Defined Benefit Obligation			
	2023		2022	
	Increase Present Value of the Defined Benefit Obligation	**Decrease Present Value of the Defined Benefit Obligation**	**Increase Present Value of the Defined Benefit Obligation**	**Decrease Present Value of the Defined Benefit Obligation**
Discount rate increase by 0.5%	$ -	$ 19,822	$ -	$ 22,625
Discount rate decrease by 0.5%	21,137	-	24,233	-
Expected growth rate of salary increase by 1%	43,070	-	49,468	-
Expected growth rate of salary decrease by 1%	-	38,651	-	44,004

The sensitivity analyses may not be representative of an actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

	December 31	
	2023	**2022**
Expected contribution within one year	$ 11,772	$ 7,275
Average duration of the defined benefit plan	10.2 years	11.2 years

25. COMMON STOCK

As of December 31, 2023 and 2022, the Company's authorized and issued capital were all $49,206,531 thousand and divided into 4,920,653 common shares at $10 per value.

26. CAPITAL SURPLUS

	December 31	
	2023	**2022**
Additional paid-in capital	$ 7,179,692	$ 7,179,692
Share-based payment	200,189	122,099
Treasury stock transactions	34,867	34,867
Changes investments in associates and joint ventures accounted for using equity method	1	1
Total	$ 7,414,749	$ 7,336,659

Pursuant to the Company Act, the capital surplus shall not be used except for covering the deficit of the company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company, that can be replenished at a fixed ratio of the paid-in capital every year. The distribution could be made in cash to its shareholders in proportion to the number of shares being held by each of them. When distributing cash dividends, it shall comply with relevant requirements and apply for approval from the competent authority before the shareholders' meeting in accordance with the regulation of the Order No. Financial-Supervisory-Securities-Corporate-10202501991 issued by the FSC on February 8, 2013.

The capital surplus - share-based payment were given by the parent company to the employees of the Company.

27. RETAINED EARNINGS

a. Legal capital reserve

Pursuant to the Insurance Act and the Articles of Incorporation of the Company, during earning distribution, the Company should set aside 20% of the Company's after-tax net income in advance as legal capital reserve until the total amount of the legal capital reserve equals the issued share capital. According to the regulations of the Company Act, if the Company incurs no loss, the Company's board of directors may distribute the portion of its legal reserve which exceeds 25% of the issued share capital by issuing new shares or by cash to its original shareholders. In addition, according to the regulations of the Order No. Financial-Supervisory-Securities-Corporate-10202501991 issued by the FSC on February 8 2013, if an insurance company has no losses and intends to set aside legal reserve under Article 145-1 of the Insurance Act as cash dividends in proportion to the shareholders' original shareholding, it shall comply with relevant requirements and apply for approval from the competent authority before the shareholders' meeting in accordance with the Company Act.

b. Special capital reserve

	For the Year Ended December 31	
	2023	**2022**
Special reserve from recovered fluctuation risk reserve	$ 6,185,084	$ 5,849,038
Catastrophe risk reserve and fluctuation risk reserve	7,030,337	7,181,113
Net decrease in other equity	11,218,230	-
Special reserve for the foreign exchange valuation reserve	20,560,786	17,459,891
Special reserve for investment properties at fair value model	8,881,585	9,012,150
Special reserve for gains or losses on derecognition of unexpired debt instrument	16,794,972	15,640,473
Other	8,484,504	8,301,484
Total	$ 79,155,498	$ 63,444,149

1) Special reserve from recovered contingency risk reserve

Pursuant to "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises" established by the Ministry of Finance, R.O.C., the recovered fluctuation risk reserve, which provisions of Paragraph 3 of Article 20, Paragraph 1, are appropriated as special capital reserve in accordance with Order No. Financial-Supervisory-Insurance-Corporate-0910074195, after obtaining approval at the stockholders' meeting in the following year.

2) Catastrophe risk reserve and fluctuation risk reserve

The Company set aside special reserves for catastrophe and fluctuation of risks for the retained businesses with policy period within 1 year in accordance with "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises". Please refer to Note 4 (18) for the set-aside and release calculation. The after-tax amount of reserve and release for the special reserve is converted to special reserve at the end of current year.

3) Net decrease in other equity

In accordance with the Order No. Financial-Supervisory-Securities-Corporate-11004920441 issued by the FSC on June 11, 2021, when distributing distributable surplus, the Company makes a special surplus reserve of the same amount as the undistributed surplus of the previous period in respect of the net reduction of other equity incurred in the current year. The reversal surplus can be distributed when the balance of other equity is reversed.

4) Special reserve for the foreign exchange valuation reserve

The Company adopts foreign exchange reserve mechanism and hence be required by law to provide special reserve. Please refer to Note 4 (19).

5) Special reserve for investment properties at fair value model

The Company changed its accounting policy for subsequent measurement of investment property from cost to fair value starting from 2014. In order to ensure the soundness and stability of the financial structure of the insurance industry, the Order No. Financial-Supervisory-Securities-Corporate-10402501001 issued by the FSC on January 23, 2015, the balance of $8,394,443 thousand after deducting the liability provision of the valid contract for the fair value assessment approved by the competent authority after deducting the net impact of the first use of the fair value model in a subsequent measurement of investment property should be included in the special surplus reserve. In accordance with the Order No. Financial-Supervisory-Securities-Corporate-10904917647, since 2020, insurance company should set aside special surpluses for “net after-tax impact of the first use of the fair value model in subsequent measurement” and “changes in after-tax accumulative net gain of fair value in subsequent periods” on investment property, the special reserve should not be distributed. The special capital reserve can only be used as a subsequent replenishment of the effective contract, and the insurance contract liability shall be replenished in accordance with IFRS 17 “Insurance Contracts”, the fair value assessment of the liabilities of valid insurance contracts in the life insurance industry and other valuation methods specified by the competent authority. Subsequently disposed of the investment property, if the aforementioned special reserve is used to make up the insurance contract liability, the proportion of the original special reserve may be reversed after approval by the competent authority.

6) Appropriated retained earnings of gains or losses on the disposal of debt instruments before maturity

In accordance with the Order No. Financial-Supervisory-Securities-Corporate-10804501381 issued by the FSC on January 1, 2019, the Company recognizes gains or losses on the disposal of debt instruments before maturity net of taxes by transferring (releasing) from (to) appropriated retained earnings. For those with remaining maturity periods that cannot be determined, they may be amortized over 10 years. Otherwise, they are amortized annually over the remaining term to maturity of the disposal subject and released as distributable retained earnings.

Changes of gains or losses arising from derecognition of the unexpired bond investments through 2023 are shown below:

	Amount
Gains or losses arising from derecognition of the unexpired bond investments	
Beginning balance	$ 16,794,972
Current period set aside amount based on realized capital gain (loss) $1,882,187 and deduction of tax $376,437	1,505,750
Amount that can be amortized in current period	1,057,330
Ending Balance	$ 17,243,392

As of December 31, 2023, the special capital reserve based on the mechanism is $16,794,972 thousand. The Company will set aside special capital reserve of $448,420 thousand following resolution of the Board of Directors' meeting (the Board of Directors entitled to execute stockholders' meeting functions) in 2024. The balance will be $17,243,392 thousand after setting aside the special reserve.

The balance of amortizable amount in the end of previous year and set aside or withdraw in current year are shown below：

Year	Amortizable Amount in the End of Previous Year (1)	Current Year Set Aside or Withdraw Amount (2)	Amortizable Amount in the End of Current Period (1) + (2)
2023	$ 978,993	$ 78,337	$ 1,057,330
2024	972,635	78,336	1,050,971
2025	949,512	73,724	1,023,236
2026	933,464	73,724	1,007,188
2027	903,079	73,724	976,803
2028	884,716	73,724	958,440
2029	805,047	73,724	878,771
2030	749,886	73,724	823,610
2031	681,545	73,724	755,269
2032	666,666	68,324	734,990
2033-2042	5,937,298	648,683	6,585,981
2043-2052	2,054,227	116,002	2,170,229
2053-2112	277,904	-	277,904
Total	$ 16,794,972	$ 1,505,750	$ 17,243,392

Note: Evaluation is based on 2023, total of (1) + (2) column does not include the amount of 2023.

7) Other

The Company set aside a special reserve, in accordance with the "Personal Insurance Industry's Matters Needing Attention in Handling Interest Rate Change Insurance Products".

In accordance with the Financial-Supervisory-Securities-Corporate-10302153881 dated February 10, 2015, the increase in retained earnings arising from the recognition of bargain purchase gains by insurance enterprises as a result of mergers and acquisitions shall be set aside as special surplus reserves of the same amount, and shall not be reversed within one year. After the expiration of one year, the special surplus reserve may be used to cover accumulated deficits. If the value of underlying asset of the merger and acquisition is similar to the value at the time of the merger and acquisition, and no unexpected significant impairment has occurred, the special surplus reserve may be capitalized.

In accordance with the Financial-Supervisory-Securities-Corporate-10904939031 dated October 29, 2020, from 2021 fiscal year, the Company shall, at end of each business year, set aside equal amount of special capital reserve for net income after tax that is part of the accidental death and disability payment of personal travel insurance, according to the "Standard Rates of Accidental Death and Disability Payment of Personal Travel Insurance".

In accordance with the Financial-Supervisory-Securities-Corporate-1100498861 dated March 26, 2021, from 2020 fiscal year, the Company set aside special reserve for after-tax net profit of the current year that is part of the disability assistance insurance. If the net profit after tax in the current year is not enough to be set aside, it shall be supplemented in subsequent years. If there is a loss in the disability assistance insurance in subsequent years, it may be reversed from the special capital reserve.

The Company set aside a special capital reserve in accordance with the Financial-Supervisory-Securities-Corporate-10302077080, Financial-Supervisory-Securities-Corporate-1090414517 and Financial-Supervisory-Securities-Corporate-1110416064, respectively.

c. According to the Articles of Incorporation of the Company, the information about earnings distribution is as follows:

The Company adopts residual dividend policy in order to keep expanding the business scale and increase profitability, meet the demands for capital and long-term financial plan of the Company, and pursue sustainable and stable development.

Where the Company has surplus earnings after the settlement of account at the end of fiscal year, it shall first cover the losses in the previous fiscal years and pay the taxes by laws. After setting aside legal reserve and special reserve as provided in laws or reversing special reserve and may distribute preferred stock dividends thereafter, the balance, if applicable, shall be added to beginning retained earnings as the unappropriated retained earnings, thirty to one hundred percent of which shall be distributed as dividends for common shares. The proposal of surplus earnings distribution shall be submitted by the Board of Directors to the shareholders' meeting for approval. In case the unappropriated retained earnings is less than NT $0.5 each share, it may be reserved and not distributed on the basis of canon of economy.

According to the Company's business plans, the surplus earnings distribution shall be based on the capital required and retained for distributing stock dividends, but it may reserve a proportion for distribution in the form of cash dividends. Where cash dividends are distributed in that year, the total amount of cash dividends shall not be less than ten percent of the total amount of dividends. The proportion of the preceding stock dividends and cash dividends may be adjusted appropriately, depending on that year's actual profits and capital condition. The Board of Directors shall draw up the proposal and submit to the shareholders' meeting for deciding the most appropriate dividend policy.

d. Pursuant to the Order No. Financial-Supervisory-Securities-Corporate-10202501992 issued by the FSC on February 8, 2013, if the life insurance industry appropriates earnings by distributing cash dividends (not including preferred stocks in liability type), it should report to the FSC and the FSC will review the plan based on the soundness of individual company's finance and business.

For related information about earnings appropriation resolved by the Board of Directors' meeting (the Board of Directors entitled to execute stockholders' meeting functions), please refer to the "Market Observation Post System" website of the Taiwan Stock Exchange Corporation.

e. Earnings appropriation for the years of 2022 and 2021 is as follows:

	Appropriation of Earnings		**Dividends Per Share (NT$)**	
	2022	**2021**	**2022**	**2021**
Set aside legal capital reserve	$ 3,413,043	$ 5,557,484	$ -	$ -
Set aside (reverse) special capital reserve	15,798,780	17,124,143	-	-
Common stock - cash dividend	-	4,500,000	-	0.91

Earnings appropriation for 2022 and 2021, which were resolved by the Board of directors' meeting (the Board of Directors entitled to execute stockholders' meeting functions) on May 25, 2023 and May 19, 2022, respectively.

Please refer to Note 33 for more details on employees' compensation and remuneration to directors.

28. COMPONENTS OF OTHER COMPREHENSIVE INCOME

	For the Year Ended December 31, 2023			
	Arising during the Period	Reclassification Adjustments during the Period	Income Tax Benefit (Expense)	Other Comprehensive Income Net of Tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements on defined benefit plans	$ 15,857	$ -	$ (3,172)	$ 12,685
Property revaluation surplus	393,723	-	(43,787)	349,936
Valuation gains (losses) on equity instrument investments at fair value through other comprehensive income	(1,709,179)	-	655,447	(1,053,732)
To be reclassified to profit or loss in subsequent periods:				
Gains (losses) on debt instrument investments at fair value through other comprehensive income	237,562	(375,925)	28,268	(110,095)
Other comprehensive profits (losses) reclassified using overlay approach	45,365,787	(11,855,527)	(1,244,268)	32,265,992
Share of 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	(1,234)	-	-	(1,234)
Total	$ 44,302,516	$(12,231,452)	$ (607,512)	$ 31,463,552

	For the Year Ended December 31, 2022			
	Arising during the Period	Reclassification Adjustments during the Period	Income Tax Benefit (Expense)	Other Comprehensive Income, Net of Tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements on defined benefit plans	$ 35,725	$ -	$ (7,145)	$ 28,580
Property revaluation surplus	732,223	-	(48,353)	683,870
Valuation gains (losses) on equity instrument investments at fair value through other comprehensive income	(8,514,766)	-	391,648	(8,123,118)
To be reclassified to profit or loss in subsequent periods:				
Gains (losses) on debt instrument investments at fair value through other comprehensive income	(6,078,623)	(3,719,581)	1,504,439	(8,293,765)
Other comprehensive profits (losses) reclassified using overlay approach	(55,740,837)	(9,425,367)	1,797,178	(63,369,026)
Share of 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	3,301	-	-	3,301
Total	$(69,562,977)	$(13,144,948)	$ 3,637,767	$(79,070,158)

29. INTEREST INCOME

	For the Year Ended December 31	
	2023	2022
Interest income		
Financial assets at fair value through other comprehensive income	$ 1,717,676	$ 4,493,701
Financial assets at amortized cost	59,356,776	52,258,127
Loans	1,684,664	1,718,145
Other	1,061,647	829,293
Total	$ 63,820,763	$ 59,299,266

30. EXPECTED CREDIT IMPAIRMENT LOSSES AND REVERSAL ON INVESTMENTS AND NON-INVESTMENTS

	For the Year Ended December 31	
	2023	2022
Operating revenue - expected credit impairment losses and reversal on investment		
Financial assets at fair value through other comprehensive income	$ 4,278	$ 566,462
Financial assets at amortized cost	735,484	925,954
Other receivables	21	286,813
Loans	(1,542)	(1,859)
Subtotal	738,241	1,777,370
Operating expenses - expected credit impairment losses and reversal on non-investment		
Other receivables	1,283	433
Total	$ 739,524	$ 1,777,803

Please refer to Note 39 for more detail on credit risk management.

31. RETAINED EARNED PREMIUM

	For the Year Ended December 31, 2023		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct premium income	$ 146,322,486	$ 1,934,075	$ 148,256,561
Reinsurance premium income	-	-	-
Premium income	146,322,486	1,934,075	148,256,561
Less:			
Reinsurance expenses	1,817,989	-	1,817,989
Net changes in unearned premium reserve	655,147	(5)	655,142
Subtotal	2,473,136	(5)	2,473,131
Retained earned premium	$ 143,849,350	$ 1,934,080	$ 145,783,430

	For the Year Ended December 31, 2022		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct premium income	$ 154,627,441	$ 3,258,438	$ 157,885,879
Reinsurance premium income	-	-	-
Premium income	154,627,441	3,258,438	157,885,879
Less:			
Reinsurance expenses	1,666,631	-	1,666,631
Net changes in unearned premium reserve	400,357	(4)	400,353
Subtotal	2,066,988	(4)	2,066,984
Retained earned premium	$ 152,560,453	$ 3,258,442	$ 155,818,895

32. RETAINED CLAIM PAYMENTS

	For the Year Ended December 31, 2023		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct insurance claim payments	$ 175,415,058	$ 25,368,951	$ 200,784,009
Reinsurance claim payments	44	-	44
Insurance claim payments	175,415,102	25,368,951	200,784,053
Less:			
Claims recovered from reinsures	1,034,351	-	1,034,351
Retained claim payments	$ 174,380,751	$ 25,368,951	$ 199,749,702

	For the Year Ended December 31, 2022		
	Insurance Contract	Investment Contracts with Discretionary Participation Feature	Total
Direct insurance claim payments	$ 132,637,653	$ 22,458,169	$ 155,095,822
Reinsurance claim payments	19	-	19
Insurance claim payments	132,637,672	22,458,169	155,095,841
Less:			
Claims recovered from reinsures	824,004	-	824,004
Retained claim payments	$ 131,813,668	$ 22,458,169	$ 154,271,837

33. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION

a. Summary statement of employee benefits, depreciation and amortization expenses is as below:

	For the Year Ended December 31					
	2023			2022		
	Operating Costs	Operating Expenses	Total Amount	Operating Costs	Operating Expenses	Total Amount
Employee benefits expense						
Payroll expense	$ 3,803,280	$ 2,654,031	$ 6,457,311	$ 3,736,705	$ 2,389,759	$ 6,126,464
Labor and health insurance	-	533,908	533,908	-	527,800	527,800
Pension	-	284,131	284,131	-	275,283	275,283
Remuneration to directors	-	120,561	120,561	-	223,546	223,546
Other employee benefits expense	-	243,003	243,003	-	246,643	246,643
Total	$ 3,803,280	$ 3,835,634	$ 7,638,914	$ 3,736,705	$ 3,663,031	$ 7,399,736
Depreciation	$ -	$ 643,427	$ 643,427	$ -	$ 513,967	$ 513,967
Amortization	$ -	$ 305,952	$ 305,952	$ -	$ 254,447	$ 254,447

Note 1: Other employee benefits expenses consist of meals, group insurance, training and employee benefits, etc.

Note 2: The average number of employees for the years ended December 31, 2023 and 2022 were $6,419 and $6,571, respectively. The average number of directors who do not serve concurrently as employees was 7 in both periods.

Note 3: The average employee benefits of 2023 and 2022 are $1,173 thousand and $1,093 thousand, respectively. The average employee salaries of 2023 and 2022 are $1,007 thousand and $933 thousand, increasing 8% in average.

Note 4: In accordance with Article 14-4 of the Securities and Exchange Act, the Company has an audit committee composed of all independent directors. The remuneration of the directors is included in the above summary table.

Note 5: The Company's various remuneration policies is as below:

Personnel / Item	Director	Senior Manager	Employee
Remuneration policy	Refer to the industry levels and consider other factors such as the Company's future risk, based on each Director's involvement in the Company's operations, contribution and responsibility.	Pay relatively reasonable remuneration for the positions in accordance with the management duties each manager takes, the returns on the Company's operations and his performance, meanwhile, in consideration of market conditions to attract and retain professional management talents and the relativity and reasonability of future risks.	Pay relatively reasonable remuneration for the positions in accordance with the duties the employees take, the returns on the Company's operations and his performance, meanwhile, in consideration of market conditions to attract and retain talents and the relativity and reasonability of future risks.
Standards and portfolios	a. The remuneration package for Directors of the Company is as follows: 1) Compensation: The remuneration of directors is based on the Company's Articles of Incorporation. 2) Remuneration: Remuneration is namely the monetary compensation for services rendered to the Company, including salary, all sorts of bonuses and functional committee remuneration, etc. 3) Attendance fees: The fee for attending the meeting in person received as reimbursement.	The remuneration package for the managers of the Company is as follows: a. Regular salary: payment made on basis of the duties of each rank. b. Variable salary: 1) Performance bonus: payment allocated on basis of the Company's performance appraisal results and in accordance with the return on the Company's operations and performance of the managers, meanwhile, in consideration of general market levels in the industry and the relativity and reasonability of future risks.	The remuneration package for the employees of the Company is as follows: a. Regular salary: payment made on basis of the duties of each rank. b. Variable salary: 1) Performance bonus: payment allocated on basis of the Company's performance appraisal results and in accordance with the return on the Company's operations and performance of the employees, meanwhile, in consideration of general market levels in the industry and the relativity and reasonability of future risks.

(Continued)

Item \ Personnel	Director	Senior Manager	Employee
	b. Independent Directors: Remuneration for the Independent Director(s) shall be paid monthly in compliance with the Articles of Incorporation, under which the Independent Director(s) can only get a fixed remuneration but are not eligible for the annual distribution of compensation in accordance with Articles of Incorporation.	2) Compensation to employees: More than 0.5% of annual profits the Company earns, if any, will be appropriated in compliance with the Articles of Incorporation and shared to employees in accordance with their performance. However, an amount to cover the accumulative losses of the Company shall be reserved before such allocation in proportion. 3) Stock-related incentive programs: Incentive programs are made in accordance with the Company's polices and talent retention plans in order to attract more talents and enhance employees' loyalty. c. Employee benefits: retirement pension, telecommunications allowance, group insurance, employee health checkup, etc.	2) Compensation to employees: More than 0.5% of annual profits the Company earns, if any, will be appropriated in compliance with the Articles of Incorporation and shared to employees in accordance with their performance. However, an amount to cover the accumulative losses of the Company shall be reserved before such allocation in proportion. 3) Stock-related incentive programs: Incentive programs are made in accordance with the Company's polices and talent retention plans in order to attract more talents and enhance employees' loyalty. c. Employee benefits: retirement pension, telecommunications allowance, group insurance, employee health checkup, etc.
The procedures for determining remuneration	The Remuneration Committee agrees to the Directors' remuneration and proposes to the Board for approval.	a. To participate in "Market Salary Survey" held by external consulting agents every year in order to obtain market salary levels for reference of remuneration determination of the Company. b. Regular appraisal of remuneration of managers by the Remuneration Committee.	To participate in "Market Salary Survey" held by external consulting agents every year in order to obtain market salary levels for reference of remuneration determination of the Company.

(Continued)

Personnel / Item	Director	Senior Manager	Employee
The interrelation-ship between the business performance and future risks	a. Pursuant to Article 32 of the Company's Articles of Incorporation and Article 5 of Regulations Governing Remuneration of Directors, if the Company makes profit for the given fiscal year, it shall allocate no more than 3 percent to be the compensation of directors. The compensation of directors shall only be given to directors. b. Pursuant to Article 24 of the Company's Articles of Incorporation, the remuneration of directors and independent directors shall be decided by the Board of Directors based on the director's participation and contribution to the Company's business operations, the duties they undertake, and with reference to the remuneration of the industry for both domestic and foreign companies. The remuneration of independent directors is fixed, which is decided by the Board of Directors. Pursuant to Article 4, Item 1 of the Regulations Governing Remuneration of Directors, independent directors are paid monthly with a fixed remuneration but are not eligible for the annual distribution of compensation in accordance with the Articles of Incorporation.	a. The Company appraises the performance of senior managers on an annual basis, and determines the appraisal results in accordance with their performance and links such results to performance bonuses at the end of the year. b. The evaluation items for a manager's performance include both financial indicators (such as net profit, return on equity, premium income, etc.) and non-financial indicators (such as corporate governance and regulation compliance, etc.)	The Company appraises the performance of employees on an annual basis, and determines the appraisal results in accordance with their performance and links such results to performance bonuses at the end of the year.

(Continued)

Item \ Personnel	Director	Senior Manager	Employee
	c. Based on the above, pursuant to Article 7 of the Regulations Governing Remuneration of Directors, the Board of Directors may conduct a performance appraisal on individual director every year, if the score of the individual director's performance evaluation questionnaire is below "Good", the fixed remuneration received by the director must be reexamined. d. Paragraph 2 of Article 7 of the Company's Regulation Governing the Performance Assessment of the Board of Directors specifies the subject of performance appraisal on individual director. It covers six main aspects, including understanding of the Company's goals and missions, awareness of a director's duties, level of participation in the Company's business operations, internal networking and communication, director expertise and continuous individual development, and internal control. In addition, in accordance with the latter paragraph of Article 8 of the same regulations, the result of individual director's performance evaluation shall also be used as the reference for determining their individual remuneration.		

(Concluded)

b. The information regarding employees' compensation and remuneration to directors within the Articles of Incorporation of the Company is as follows:

Where the Company makes profits, it shall allocate no less than 0.5 percent of the profits to be the remuneration of employees, and no more than 3 percent to be the remuneration of directors. But the Company shall reserve the amount of money to be used to cover its losses if it still has accumulated losses, and later it shall allocate the remuneration in proportion for employees and directors. The preceding remuneration of employees may be given in the form of share certificates or cash. The remuneration of directors shall only be given to non-independent directors.

For related information on employees' compensation and remuneration to directors approved by the Board of Directors meeting, please refer to the "Market Observation Post System" website of the Taiwan Stock Exchange Corporation.

Based on profit for the year ended December 31, 2023 and 2022, the Company estimated the amounts of the employees' compensation to be $109,000 thousand, and remuneration to directors to be $84,000 thousand, recognized as operating expenses; based on profit for the year ended December 31, 2022, the Company estimated the amounts of the employees' compensation to be $168,000 thousand and remuneration to directors to be $150,900 thousand, recognized as operating expenses. The differences between the estimated amounts and the actual distributed amounts resolved by Board of Directors meeting will be recognized as profit or loss of the next year.

On February 23, 2023, the Board of Directors meeting resolved to distribute $168,000 thousand of employees' compensation and $159,000 thousand of remuneration to directors for the year ended 2022. No differences exist between the estimated amount on the 2022 financial statement.

34. INCOME TAXES

a. The major components of income tax expense (benefit) are as follows:

Income tax expense recognized in profit or loss

	For the Year Ended December 31	
	2023	**2022**
Current income tax expense		
Current income tax payable	$ 324,211	$ 473,126
Adjustments in respect of current income tax of prior periods	(26,933)	(183,973)
Deferred income tax expense		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	2,758,830	17,792,016
Deferred tax expense (benefit) relating to origination and reversal of tax loss and tax credit	(2,634,821)	(14,596,133)
Others	100,592	(128,381)
Total income tax expense	$ 521,879	$ 3,356,655

Income tax expense recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax expense (benefit):		
Unrealized valuation gains (losses) of equity instrument investments at fair value through other comprehensive income	$ (655,447)	$ (391,648)
Unrealized gains (losses) of debt instrument investments at fair value through other comprehensive income	(28,268)	(1,504,439)
Other comprehensive profits (losses) reclassified using overlay approach	1,244,268	(1,797,178)
Remeasurements on defined benefit plans	3,172	7,145
Property revaluation surplus	43,787	48,353
Income tax expense (benefit) relating to components of other comprehensive income	$ 607,512	$ (3,637,767)

Income tax charged directly to equity

	For the Year Ended December 31	
	2023	2022
Current income tax expense (benefit):		
Derecognition of equity instrument investments at fair value through other comprehensive income		
Income tax on participating policies that directly recognized in equity expenses	$ -	$ -
Deferred tax expense (benefit):		
Valuation gains (losses) of equity instrument investments at fair value through other comprehensive income	-	-
Deferred tax expense (benefit) relating to origination and reversal of tax loss	(8,739)	(11,927)
Income tax charged directly to equity	$ (8,739)	$ (11,927)

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the Year Ended December 31	
	2023	2022
Income from continuing operations before income tax	$ 10,699,431	$ 16,515,674
Tax at the domestic rates applicable to profits in the country concerned	$ 2,139,886	$ 3,303,135
Tax effect of revenues exempt from taxation	(3,376,721)	(3,753,530)
Tax effect of expenses not deductible for tax purposes	12,220	22,575
Income tax impact of deferred income tax assets or liabilities	154,372	2,377,274
Adjustments in respect of current income tax of prior periods	(26,933)	(183,973)
Tax effect of tax-exempt income governed by Article 42 of the Income Tax Act	1,186,957	1,246,428
Undedicated foreign investment withholding tax	319,240	435,018
5% tax on unappropriated retained earnings	-	30,290
Others	112,858	(120,562)
Total income tax expense recognized in profit or loss	$ 521,879	$ 3,356,655

b. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Others	Ending Balance
Temporary differences						
Depreciation difference for tax purpose	$ 103,871	$ (1,034)	$ -	$ -	$ -	$ 102,837
Revaluations of financial assets and liabilities at fair value through profit or loss	(347,749)	(2,398,546)	-	-	-	(2,746,295)
Gains (losses) on reclassification using overlay approach and revaluation of financial assets at fair value through other comprehensive income	3,234,856	-	(560,553)	-	-	2,674,303
Expected credit impairment losses of financial assets at amortized cost	383,053	158,474	-	-	-	541,527
Provisions	920	606	-	-	-	1,526
Net defined benefit liability	48,423	(818)	(3,172)	-	-	44,433
Compensated absences payable	30,883	(475)	-	-	-	30,408
Unrealized (gains) losses on foreign exchange	(7,021,450)	(397,836)	-	-	-	(7,419,286)
Land value increment tax	(7,194)	-	-	-	-	(7,194)
Fair value adjustment for investment property	(1,509,709)	(244,527)	(43,787)	-	-	(1,798,023)
Fair value adjustment for property and equipment	10,669	1,648	-	-	-	12,317
Gain on bargain purchase	(32,065)	23,086	-	-	-	(8,979)
Unused tax losses	12,912,974	2,634,821	-	8,739	(1,190,721)	14,365,813
Deferred tax benefit (expense)		$ (224,601)	$ (607,512)	$ 8,739	$ (1,190,721)	
Net deferred tax assets (liabilities)	$ 7,807,482					$ 5,793,387
Reflected in balance sheet as follows:						
Deferred tax assets	$ 16,725,649					$ 17,773,544
Deferred tax liabilities	$ (8,918,167)					$ (11,980,157)

For the year ended December 31, 2022

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Recognized Directly in Equity	Others	Ending Balance
Temporary differences						
Depreciation difference for tax purpose	$ 104,917	$ (1,046)	$ -	$ -	$ -	$ 103,871
Revaluations of financial assets and liabilities at fair value through profit or loss	(641,680)	293,931	-	-	-	(347,749)
Gains (losses) on reclassification using overlay approach and revaluation of financial assets at fair value through other comprehensive income	(455,329)	(3,080)	3,693,265	-	-	3,234,856
Expected credit impairment losses of financial assets at amortized cost	28,193	354,860	-	-	-	383,053
Provisions	348	572	-	-	-	920
Net defined benefit liability	51,092	4,476	(7,145)	-	-	48,423
Compensated absences payable	27,037	3,846	-	-	-	30,883
Unrealized (gains) losses on foreign exchange	11,355,967	(18,377,417)	-	-	-	(7,021,450)
Land value increment tax	(7,194)	-	-	-	-	(7,194)
Fair value adjustment for investment property	(1,459,812)	(1,544)	(48,353)	-	-	(1,509,709)
Fair value adjustment for Property and equipment	9,180	1,489	-	-	-	10,669
Gain on bargain purchase	(92,343)	60,278	-	-	-	(32,065)
Unused tax losses	-	14,596,133	-	11,927	(1,695,086)	12,912,974
Deferred tax benefit (expense)		$ (3,067,502)	$ 3,637,767	$ 11,927	$ (1,695,086)	
Net deferred tax assets (liabilities)	$ 8,920,376					$ 7,807,482
Reflected in balance sheet as follows:						
Deferred tax assets	$ 13,074,033					$ 16,725,649
Deferred tax liabilities	$ (4,153,657)					$ (8,918,167)

c. The information of the unused tax losses of the Company:

Year of Occurrence	Remaining Creditable Amount	Expiry Year
2022	$ 84,921,225	2032
2023	$ 13,996,771	2033

d. Unrecognized deferred tax assets

As of December 31, 2023 and 2022, deferred tax assets that have not been recognized.

e. The assessment of income tax returns

As of December 31, 2023, the income tax returns of the Company have been assessed and approved up to the year of 2021, but the year of 2020 has not yet been assessed and approved.

35. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income for the period by the weighted average number of shares outstanding during the period.

As the Company has not issued any potential common shares with dilutive effect, the Company would no need to adjust to basic earnings per share.

	For the Year Ended December 31	
	2023	**2022**
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company	$ 10,177,552	$ 13,159,019
The weighted average number of (adjusted retrospectively) ordinary shares for basic earnings per share (in thousands)	4,920,653	4,920,653
Basic earnings per share (in dollars)	$ 2.07	$ 2.67

There were no transactions that significantly changed the number of common shares outstanding or potential common shares at the end of the period between the financial statement day and the day of approval.

36. SEPARATE ACCOUNT INSURANCE PRODUCTS

a. Separate account products-assets and liabilities

	Assets	
	December 31	
Items	**2023**	**2022**
Cash in bank	$ 340,130	$ 663,082
Financial assets at fair value through profit or loss	115,135,298	103,138,855
Other receivables	50,311	33,578
Total	$ 115,525,739	$ 103,835,515

	Liabilities	
	December 31	
Items	**2023**	**2022**
Financial assets at fair value through profit or loss	$ 115,516,533	$ 103,821,410
Other receivables	9,206	14,105
Total	$ 115,525,739	$ 103,835,515

b. Separate account products-revenues and expenses

Items	Revenues December 31 2023	Revenues December 31 2022
Premium income	$ 6,637,207	$ 7,459,835
Gains (losses) from financial assets and liabilities at fair value through profit or loss	7,835,207	(6,187,023)
Interest income	1,377	594
Other revenues	179,215	168,290
Foreign exchange gains (losses)	3,729	1,683,832
Total	$ 14,656,735	$ 3,125,528

Items	Expenses December 31 2023	Expenses December 31 2022
Insurance claim payments	$ 4,083,323	$ 3,519,964
Net change in separate account reserve	8,253,649	(2,658,597)
Custodian fee	2,319,763	2,264,161
Total	$ 14,656,735	$ 3,125,528

c. The rebate earned for engaging in investment-linked insurance business from counterparties for the years ended December 31, 2023 and 2022 were $289,767 thousand and $277,871 thousand, respectively.

37. INFORMATION OF INSURANCE CONTRACTS

a. Objectives, policies, procedures and methods of insurance contracts risk management

1) Framework of risk management, organization structure and responsibilities:

The board of directors should ensure the effectiveness of risk management and bear the ultimate responsibility for risk management, responsible for formulating the company’s overall risk appetite and risk tolerance, review and approve the Company’s risk management objectives and strategies. “Risk Management Committee” is set under the board of directors. Various risk management report and related issues are first reported to risk management committee and finally approved by the board of directors. Besides the risk management committee, the Company set up an assets and liability management unit to strengthen the risk management organization and structure.

In addition, the Company establishes the risk management department independent to the business units, which is responsible for the implementation of various risk management measures and the fulfillment of each risk management mechanism, including monitoring the daily risks, measuring and evaluating related issues, assisting the board to develop Company’s risk appetite, executing the risk management policies approved by the board of directors. Moreover, the business units should be responsible for the risks identification, report the risk exposure, measure the impact of risks, review the various risks and limits regularly, and make sure that the internal control procedures of each unit are implemented effectively in accordance with related regulations and the Company’s risk management policy.

2) Risk management policies, procedures and methods:

According to risk management policies, the Company sets an effective mechanism to proceed identification, measurement, monitoring, reporting and response to risk, establishes clear objectives for risk management, controls approaches and attribution of responsibility to make sure that each operational risk is controlled under the tolerable range, making the largest surplus and profits for shareholders. The Company follows the principle of centralized management and specialization, and assigns responsible department to manage various risks. In addition, the Company develops management guidelines or management mechanism for various types of risk and regularly issues risk reports to monitor the various risks.

3) Risk management policies, procedures and methods related to reserves:

Reserve-related risks refer to risks that various reserves are unable to deal with future obligations due to understatement of liability for premium business. The Company sets and implements the appropriate risk management system for the insurance business reserves and related risks.

4) Risk management policies, procedures and methods related to matching assets and liabilities:

Risks related to matching assets and liabilities indicate risks arising from inconsistent movement of assets and liabilities. The Company sets appropriate asset-liability management system based on the attributes and complexity of insurance liability risks. The system allows the Company to form, implement, monitor and correct related strategies within the tolerable range. The contents include the following items:

a) Risk identification related to matching of assets and liabilities
b) Risk measurement related to matching of assets and liabilities
c) Risk responses related to matching of assets and liabilities

b. Information of insurance risks

1) Sensitivity of insurance risks-Insurance contracts and financial instruments with discretionary participation features:

Insurance companies set aside various reserves according to the legal requirements and regularly conduct adequacy test of liability to assess the adequacy of insurance liabilities of the company as a whole.

For the insurance contracts and financial instruments with discretionary participation features underwritten by the Company, the main risks include mortality, morbidity, surrender, expense and investment returns rate. When doing the liability adequacy test, various actuarial assumptions are made based on available information at assessment point for all insurance contracts and financial instruments with discretionary participation feature, to assess whether the insurance liability of the Company is adequate. If the test result indicates the insurance liability is not adequate, then set aside the insufficient amount as liability adequacy reserve according to the provision. The reserve will affect current profit and loss.

As at December 31, 2022, assuming a 5% change in mortality, morbidity, surrender and expenses, and a decrease in investment return of 0.1%, all insurance contracts and financial instruments with discretionary participation feature will not cause the Company’s insurance liability inadequate.

2) Interpretation for concentration of insurance risks

a) The Company's insurance business is mainly in Taiwan, Republic of China and there is no significant difference in insurance risk between each region. The Company had set tolerable cumulative risk limits for each risk unit and incident. Insurance risks that exceed the limits will be transferred through reinsurance. Please refer to Note VI.21 for concentration of risk before and after the reinsurance for the Company.

b) Furthermore, according to "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises", the annual increased special capital reserve, excluding taxes, for catastrophe and fluctuation of risks for abnormal changes in loss ratio and claims of each type of insurance needs to be recognized in special capital reserve under equity in accordance with IAS 12.

3) Claim development trend

a) Direct business loss development trend

Accident Year	Development Year 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Reserve Claims
2008	$ 2,170,100	$ 2,736,556	$ 2,776,542	$ 2,781,989	$ 2,786,399	$ 2,792,187	$ 2,798,032	$ 2,798,807	$ 2,799,546	$ 2,800,435	$ 2,802,449	$ 2,803,020	$ 2,803,856	$ 2,804,061	$ 2,805,453	$ 2,805,535	
2009	2,243,111	2,870,648	2,924,110	2,934,461	2,936,046	2,939,451	2,940,095	2,940,209	2,940,748	2,941,322	2,941,824	2,941,957	2,941,970	2,942,857	2,942,909		
2010	2,574,879	3,071,401	3,132,443	3,137,874	3,143,299	3,143,963	3,144,299	3,144,902	3,145,167	3,145,541	3,145,762	3,146,132	3,146,191	3,146,199	-		
2011	2,610,108	3,276,928	3,328,279	3,342,075	3,346,106	3,350,438	3,351,824	3,354,243	3,354,835	3,355,901	3,356,774	3,357,014	3,357,047	-	-		
2012	2,345,575	2,953,776	3,029,335	3,045,381	3,048,828	3,051,256	3,054,748	3,056,337	3,057,879	3,058,682	3,059,236	3,059,611	-	-	-		
2013	2,267,213	2,964,954	3,028,400	3,040,442	3,045,355	3,053,040	3,054,855	3,055,997	3,057,193	3,058,524	3,059,470	-	-	-	-		
2014	3,448,229	4,203,186	4,284,682	4,298,217	4,303,753	4,317,090	4,321,020	4,323,776	4,325,954	4,328,274	-	-	-	-	-		
2015	3,530,488	4,420,482	4,498,438	4,510,113	4,516,573	4,518,832	4,521,127	4,521,956	4,523,231	-	-	-	-	-	-		
2016	3,721,820	4,648,280	4,743,133	4,757,525	4,763,372	4,765,519	4,769,820	4,772,620	-	-	-	-	-	-	-		
2017	4,320,234	5,400,952	5,537,543	5,552,592	5,557,933	5,563,170	5,565,627	-	-	-	-	-	-	-	-		
2018	4,775,948	5,950,536	6,060,673	6,078,878	6,086,102	6,095,198	-	-	-	-	-	-	-	-	-		
2019	5,257,484	6,776,954	6,904,733	6,935,395	6,946,476	-	-	-	-	-	-	-	-	-	-		
2020	5,208,589	6,557,028	6,720,337	6,751,342	-	-	-	-	-	-	-	-	-	-	-		
2021	5,729,794	7,330,220	7,532,048	-	-	-	-	-	-	-	-	-	-	-	-		
2022	8,258,280	10,368,910	-	-	-	-	-	-	-	-	-	-	-	-	-		
2023	7,970,387	-	-	-	-	-	-	-	-	-	-	-	-	-	-		$ 2,744,361

Note: This table does not include long term life insurance

Add: Long term insurance claims	414,192
Claim reserve for discount on no claim	103,432
Reserve for claims balance	$ 3,261,985

b) Retained business loss development trend

Accident Year	Development Year 1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Reserve Claims
2008	$ 2,128,556	$ 2,682,784	$ 2,721,905	$ 2,719,002	$ 2,723,312	$ 2,728,970	$ 2,734,682	$ 2,735,440	$ 2,736,162	$ 2,737,031	$ 2,739,000	$ 2,739,557	$ 2,740,394	$ 2,740,598	$ 2,741,991	$ 2,742,073	
2009	2,204,858	2,820,114	2,862,350	2,868,022	2,869,572	2,872,900	2,873,529	2,873,640	2,874,167	2,874,728	2,875,219	2,875,351	2,875,365	2,876,252	2,876,304	-	
2010	2,535,358	3,010,157	3,068,543	3,066,830	3,072,133	3,072,782	3,073,109	3,073,699	3,073,958	3,074,324	3,074,544	3,074,914	3,074,973	3,074,981	-	-	
2011	2,561,841	3,214,455	3,260,383	3,266,408	3,270,348	3,274,581	3,275,936	3,278,301	3,278,879	3,279,945	3,280,818	3,281,058	3,281,091	-	-	-	
2012	2,304,504	2,897,464	2,967,538	2,976,431	2,979,800	2,982,173	2,985,586	2,987,140	2,988,681	2,989,484	2,990,038	2,990,414	-	-	-	-	
2013	2,227,515	2,908,429	2,966,622	2,971,604	2,976,405	2,983,916	2,985,691	2,986,833	2,988,029	2,989,360	2,990,306	-	-	-	-	-	
2014	3,387,852	4,123,055	4,197,276	4,200,902	4,206,313	4,219,348	4,223,278	4,226,033	4,228,211	4,230,531	-	-	-	-	-	-	
2015	3,468,881	4,336,525	4,407,051	4,408,435	4,414,314	4,416,573	4,418,868	4,419,697	4,420,972	-	-	-	-	-	-	-	
2016	3,657,093	4,560,257	4,647,033	4,649,868	4,655,715	4,657,862	4,662,163	4,664,810	-	-	-	-	-	-	-	-	
2017	4,244,930	5,298,470	5,424,716	5,439,766	5,445,107	5,450,344	5,452,800	-	-	-	-	-	-	-	-	-	
2018	4,692,869	5,837,265	5,946,601	5,964,806	5,972,030	5,981,126	-	-	-	-	-	-	-	-	-	-	
2019	5,165,606	6,658,675	6,786,454	6,817,116	6,828,197	-	-	-	-	-	-	-	-	-	-	-	
2020	5,136,641	6,454,169	6,616,159	6,647,164	-	-	-	-	-	-	-	-	-	-	-	-	
2021	5,640,880	7,192,041	7,393,867	-	-	-	-	-	-	-	-	-	-	-	-	-	
2022	8,190,602	10,249,283	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2023	7,845,303	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$ 2,732,874

Note: This table does not include long term life insurance

Add: Long term insurance claims	370,900
Claim reserve for discount on no claim	103,432
Reserve for claims balance	$ 3,207,206

The Company recognizes claim reserve for reported claims (reported but not paid) and unreported claims (incurred but not reported). Due to uncertainty, estimation, and judgment involved in recognition, there is a high degree of complexity in claim reserves. Any changes of the estimation or judgment are treated as the changes of the accounting estimates and can be recognized as profit and loss in current year. The Company was not notified of some claims in time. Also, the expected payment for unreported claims involves major subjective judgment and estimation on the past experience. Thus, it is uncertain that the estimated claim reserve on the balance sheet date will be equal to the final settled amount of claim payments. The claim reserve recorded on the book is estimated based on the current available information. However, the final amount probably will differ from the original estimates because of the follow-up development of the claim events.

The charts above show the development trend of claim payments (not including cases whose payment and time will be confirmed within a year). The accident year is the actual year for the occurrence of the insurance claim events; the x-axis is the year of the development for the settlement cases. Each slash represents the cumulative amount of compensation for each accident event at the end of the year. The occurred claims include decided and undecided claims which represent the accumulated estimated dollar amounts need to be paid for each accident year as time passes. It is possible that the circumstances and trends affecting dollar amount of recognition for claim reserve in the current year will be different from those in the future. Thus, the expected future payment amount for the settlement cases cannot be determined by the charts above.

4) Credit risk:

For insurance contracts undertaken by the Company, the credit risk comes from reinsurers who fail to fulfill their obligation of reinsurance contracts, causing the Company to be exposed to the risk of financial loss. If the Company disputes with the reinsurers, then it may lead to impairment of reinsurance assets. In addition, the account receivables of insurance brokers and agents also have credit risk.

The Company's highest risk exposure for the reinsurance contracts are the carrying amount of reinsurance assets. In order to manage that risk and avoid credit losses, the Company decides to deal with reinsurance companies that have good credits. The Company sets related selection standard, makes regular assessment and monitors the reinsurers' financial business condition, credit status and rating. Also, it will adjust the business scope and scale based on the circumstances to prevent from over concentration of credit risk.

5) Liquidity risk:

As at December 31, 2023 and 2022, the maturity analysis of liquidity risk for insurance contract liabilities are as follows:

December 31, 2023	**Within 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**5 to 15 Years**	**Over 15 Years**
Insurance liabilities of investment contracts with discretionary participation features	$ 30,139,007	$ 85,667,869	$ 113,631,199	$ 649,337,923	$ 4,129,317,824
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

December 31, 2022	**Within 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**5 to 15 Years**	**Over 15 Years**
Insurance liabilities of investment contracts with discretionary participation features	$ 41,692,062	$ 116,585,911	$ 123,717,709	$ 643,541,839	$ 4,047,223,485
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

Note: 1. This table estimates net cash flow of all related insurance liabilities at it starting point.

2. The actual maturity date will change according to the exercise of termination right by the policyholders.

3. The table cannot match with the liabilities of balance sheet because the above contracts use the undiscounted contractual cash flow analysis. In addition, it includes the cash inflows of future renewal premiums.

4. In addition to the analysis of the above table, the Company uses both the estimated of the expected less and more than 12 months to analyze assets and liabilities. Please refer to Note 40.

6) Market risk:

Pursuant to the "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises", when the Company measures insurance liabilities, it sets aside the reserve by using the discount rate required by the authorities. Since the discount rate assumption does not move in the same direction with the interest rate, changes in market risks have no significant influence on the Company's profit or loss and equity for insurance contracts. However, changes in market risks may have influence on liability adequacy test evaluated based on available information. But, it has little influence on the adequacy of current recognized insurance liabilities.

38. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

Financial assets

	December 31	
	2023	2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit and loss	$ 403,552,413	$ 338,245,272
Financial assets at fair value through other comprehensive income	71,658,283	31,093,336
Financial assets at amortized cost:		
Cash and cash equivalents (exclude cash on hand and revolving funds)	49,201,709	91,255,101
Financial assets at amortized cost	1,594,184,323	1,612,801,967
Receivables	22,786,016	18,163,747
Loans	33,964,918	33,263,106
Refundable deposits	7,513,808	11,213,908
Subtotal	1,707,650,774	1,766,697,829
Total	$ 2,182,861,470	$ 2,136,036,437

Financial liabilities

	December 31	
	2023	2022
Financial liabilities at fair value through profit or loss:		
Held for trading	$ 5,612,137	$ 7,876,147
Financial liabilities measured at amortized cost:		
Payables	14,306,200	12,152,682
Bonds payables	20,000,000	10,000,000
Lease liabilities	1,959,693	1,982,475
Guarantee deposits received	7,772,637	724,439
Subtotal	44,038,530	24,859,596
Total	$ 49,650,667	$ 32,735,743

b. Fair value of financial instruments

1) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Company to measure and disclose fair value of the financial assets and liabilities are as follows:

   a) Fair value of cash and cash equivalents, receivables and payables are approximately equal to the carrying amount due to their short maturity.

   b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value are determined based on market quotation price. (Including listed stocks and beneficiary certificates, etc.)

   c) Fair value of financial instruments with no active market is estimated based on the valuation methods. The estimates and assumptions used are consistent with those made by market participants during the pricing of financial instruments.

   d) The assessment bases for swap and forward exchange are exchange rates on the Reuters. Fair value of each forward exchange contract is calculated based on the exchange rate on each maturity date.

   e) Fair value of other financial assets and liabilities are determined based on discounted cash flow analysis. The interest rates and discount rates assumptions mainly refer to related information of similar instruments and yield curve for the duration, etc.

   f) The adjustments of credit risk valuation for the derivative instrument contracts traded over-the-counter are classified as Credit value adjustments (CVA) and Debit value adjustments (DVA), to reflect the probability of default of the counterparty (CVA) and the Company (DVA).

      Under the assumption that the Company will not default, the Company determines its credit value adjustment (CVA) by multiplying three factors, probability of default (PD), loss given default (LGD), and exposure at default (EAD) of the counterparty. On the other hand, under the assumption that the counterparty will not default, the Company calculates its debit value adjustment by multiplying three factors, probability of default, loss given default, and exposure at default of the Company. The Company estimates probability of default through internal rating, estimates loss given default by considering suggestions by scholars and foreign financial institutions, and estimates exposure at default through market approach for derivative instruments, to reflect credit risk of the counterparty and the credit quality of the Company.

2) Fair value of financial instruments measured at amortized cost

   Other than cash and cash equivalents, receivables, loans, payables, bond payables, lease liabilities and guarantee deposits received whose carrying amount approximates their fair value, the fair value of financial assets and financial liabilities measured at amortized cost is as follows:

	Carrying Amount	
	December 31	
	2023	2022
Financial assets		
Financial assets measured at amortized cost	$ 1,594,184,323	$ 1,612,801,967
Refundable deposits - bonds	7,498,119	7,400,484

	Fair Value December 31 2023	Fair Value December 31 2022
Financial assets		
Financial assets measured at amortized cost	$ 1,272,988,010	$ 1,273,051,756
Refundable deposits - bonds	6,424,025	7,874,205

c. Fair value measurement hierarchy

1) Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly or indirectly.

Level 3 - Unobservable inputs for assets or liabilities.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

2) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

	December 31, 2023 Total	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
Stocks	$ 165,384,115	$ 163,689,756	$ 36,699	$ 1,657,660
Bonds	46,691,629	10,223,510	36,468,119	-
Swaps and forward foreign exchange contracts	19,422,920	-	19,422,920	-
Others	172,053,749	139,736,478	-	32,317,271
Financial assets at fair value through other comprehensive income				
Stocks	25,529,522	14,666,821	-	10,862,701
Bonds	46,128,761	44,088,329	2,040,432	-
Investment property	67,317,887	-	-	67,317,887

(Continued)

	December 31, 2023			
	Total	**Level 1**	**Level 2**	**Level 3**
Liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	$ 5,612,137	$ -	$ 5,612,137	$ -

(Concluded)

	December 31, 2022			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets measured at fair value				
Financial assets at fair value through profit or loss				
Stocks	$ 135,593,189	$ 134,448,815	$ 97,236	$ 1,047,138
Bonds	45,392,705	10,335,421	35,057,284	-
Swaps and forward foreign exchange contracts	9,614,892	-	9,614,892	-
Others	147,644,486	112,566,266	-	35,078,220
Financial assets at fair value through other comprehensive income				
Stocks	31,093,336	16,702,937	-	14,390,399
Investment property	66,166,134	-	-	66,166,134
Liabilities measured at fair value				
Financial liabilities at fair value through profit and loss				
Swaps and forward foreign exchange contracts	7,876,147	-	7,876,147	-

a) Transfers between Level 1 and Level 2 during the period: None.

b) Reconciliation for Level 3 of the fair value hierarchy

Reconciliation for recurring fair value measurements categorized within Level 3 of the fair value hierarchy for movements during the period is as follows:

For the year ended December 31, 2023

	Beginning Balance	Total Gains and Losses Recognized: Recognized in Profit or Loss (Note 1)	Total Gains and Losses Recognized: Recognized in OCI (Note 2)	Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
Assets							
Financial assets at fair value through profit or loss							
Stock	$ 1,047,138	$ -	$ 133,257	$ 510,845	$ (33,580)	$ -	$ 1,657,660
Others	35,078,220	1,801,572	(1,611,300)	7,974,289	(10,925,510)	-	32,317,271
Financial assets at fair value through other comprehensive income							
Stock	14,390,399	-	(3,443,932)	-	(83,766)	-	10,862,701
Investment property	66,166,134	916,249	-	145,738	(286,017)	375,783	67,317,887

For the year ended December 31, 2022

	Beginning Balance	Total Gains and Losses Recognized: Recognized in Profit or Loss (Note 1)	Total Gains and Losses Recognized: Recognized in OCI (Note 2)	Acquisition or Issue	Disposal, Settlement or Forced Conversion	Transfer In (Out) of Level 3 (Note 3)	Ending Balance
Assets							
Financial assets at fair value through profit or loss							
Stock	$ 702,178	$ -	$ 52,334	$ 353,064	$ (18,199)	$ (42,239)	$ 1,047,138
Others	19,028,820	32,825	2,539,334	14,393,495	(916,254)	-	35,078,220
Financial assets at fair value through other comprehensive income							
Stock	19,117,410	-	(1,912,753)	-	(374,469)	(2,439,789)	14,390,399
Investment property	40,746,757	(200,726)	-	23,821,867	(132,331)	1,930,567	66,166,134

Note 1: Presented in "gains (losses) on financial assets and liabilities at fair value through profit or loss/gains (losses) on reclassification using overlay approach/gains (losses) on investment property" in the comprehensive income statement.

Note 2: Presented in "gains (losses) on reclassification using overlay approach/valuation gains (losses) on equity instruments at fair value through other comprehensive income/property revaluation surplus" in the comprehensive income statement.

Note 3: The amount of investment property is related to transfer between property and equipment, no transfer in (out) for fair value level.

Total gains (losses) recognized in profit or loss above contains gains (losses) related to assets on hand for the years ended December 31, 2023 and 2022 is as follows:

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Total gains and losses		
Recognized in profit or loss	$ 882,911	$ (222,658)
Recognized in other comprehensive income	(4,921,975)	678,915

c) Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

December 31, 2023

Item	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10-30%	The higher the discount for liquidity, the lower the estimated fair value
		Control premium	10%	The higher the control premium, the higher the estimated fair value
	Income approach	Cost of capital	6.31%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity, the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Investment property	Please refer to Note 13			

December 31, 2022

Item	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0-10%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10-30%	The higher the discount for liquidity, the lower the estimated fair value
		Control premium	10%	The higher the control premium, the higher the estimated fair value
	Income approach	Cost of capital	7.86%	The higher the cost of capital, the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity, the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0-30%	The higher the discount for liquidity and minor interests, the lower the estimated fair value
Investment property	Please refer to Note 13			

d) Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions and the sources are independent, reliable, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Company analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to the Company's accounting policies at each reporting date. Also, assessment of fair value for investment property are outsourced to appraisers from professional agencies every half year and they evaluates the effectiveness of fair value on the balance sheet date quarterly and decides whether to re-issue reports or issue review report. The Company's real estate department will review the legality, the rationality and correctness of valuation parameters important to the results from external reports case-by-case.

3) Fair value hierarchy of assets and liabilities not measured at fair value but for which the fair value is disclosed.

	December 31, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value but for which the fair value is disclosed				
Financial assets at measured amortized cost				
Bonds	$ 579,184,450	$ 693,803,560	$ -	$ 1,272,988,010
Investment property	-	-	2,472,846	2,472,846
Refundable deposits				
Bonds	110,116	6,313,909	-	6,424,025

	December 31, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets not measured at fair value but for which the fair value is disclosed				
Financial assets at measured amortized cost				
Bonds	$ 528,977,922	$ 744,073,834	$ -	$ 1,273,051,756
Investment property	-	-	2,502,745	2,502,745
Refundable deposits				
Bonds	-	7,874,205	-	7,874,205

d. Offsetting financial assets and financial liabilities

The Company holds financial instruments in accordance with paragraph 42 of IAS 32 recognized by the FSC and the related assets and liabilities are offset on the balance sheet.

The Company may perform transactions not meeting the requirements of offsetting, but has enforceable master netting arrangement or other similar agreements with the counterparties. When both parties agree to settle in net amount, financial assets and financial liabilities could be offset and settled in net amount, and if not, in total amount. However, if any party in the transaction defaults, the other party can choose net settlement.

Related information about above offsetting financial assets and financial liabilities are as follows:

	December 31, 2023					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Received	
Derivative financial instrument	$ 19,422,920	$ -	$ 19,422,920	$ 3,770,093	$ 8,383,839	$ 7,268,988

	December 31, 2023					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Pledged	
Derivative financial instrument	$ 5,612,137	$ -	$ 5,612,137	$ 3,929,440	$ -	$ 1,682,697

	December 31, 2022					
	Financial Assets Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Assets (a)	Gross Amount of Offset Financial Liabilities Recognized on Balance Sheet (b)	Net Financial Assets Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Received	
Derivative financial instrument	$ 9,614,892	$ -	$ 9,614,892	$ 2,744,964	$ 190,390	$ 6,679,538

	December 31, 2022					
	Financial Liabilities Ruled by Offsetting, Enforceable Master Netting Arrangement or Similar Agreement					
	Gross Amount of Recognized Financial Liabilities (a)	Gross Amount of Offset Financial Assets Recognized on Balance Sheet (b)	Net Financial Liabilities Recognized on Balance Sheet (c)=(a)-(b)	Relevant Amount That Has Not Been Offset on Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Financial Collateral Pledged	
Derivative financial instrument	$ 7,876,147	$ -	$ 7,876,147	$ 2,744,964	$ 3,794,280	$ 1,336,903

e. Reclassification of financial assets

The bond portfolios held by the Company classified as financial asset measured at fair value through other comprehensive income is an business model invested to strengthen the solvency of the liabilities, and must take into account the collection of interest and principal and capital gains. However, under the extremely rare scenario of aggressive interest rate hikes by the central banks in many countries around the world, the Company’s management of cash flow from such portfolios has changed from taking into account both the collection of contractual cash flow and capital gains from disposing of assets to receiving contractual cash flow. Not only has the proportion of disposals decreased quarterly, but also the capital gains from disposal decreased significantly. In response to changes in the Company’s management and business model of the portfolio, the management decided to reclassify the financial assets based on the results of external and internal changes on December 31, 2022, and October 1, 2022 was the date of reclassification.

In accordance with IFRS 9, the measurement classification of financial assets is reclassified from fair value through other comprehensive income to financial assets measured at amortized cost. The financial assets shall be reclassified at the fair value on the reclassification date. However, the cumulative gain or loss previously recognized in other comprehensive income is removed from equity and adjusted against the fair value of the financial asset at the reclassification date. As a result, the financial asset is measured at the reclassification date as if it had always been measured at amortized cost.

The impact of the aforesaid reclassification on financial report as of the reclassification date is that the financial assets measured at fair value through other comprehensive profits and losses decrease by $128,095,306 thousand, the financial assets measured at amortized cost increased by $167,607,578 thousand; the deferred income tax assets decreased by $7,070,854 thousand; and other comprehensive income and other equity increased by $32,441,418 thousand.

The fair value of the aforesaid financial assets that were reclassified and not yet derecognized as of December 31, 2023 and 2022, were $124,234,556 thousand and $128,736,451, respectively.

If the aforesaid financial assets have not been reclassified, these assets (including disposals) should be accounted for as gains in other comprehensive income from the reclassification date to December 31, 2022, with a total amount of $3,744,273 thousand (after-tax amount of $3,225,655 thousand). In addition, the unrealized gain or loss on the fair value measurement of financial assets at fair value through other comprehensive income increased by $3,821,146 thousand (after-tax amount of $3,287,180 thousand).

If the aforesaid financial assets have not been reclassified, these assets (including disposals) should be accounted for as gains in other comprehensive income for financial year 2023, with a total amount of $2,927,984 thousand (after-tax amount of $2,344,076 thousand). In addition, the unrealized gain or loss on the fair value measurement of financial assets at fair value through other comprehensive income increased by $2,940,466 thousand (after-tax amount of $2,354,028 thousand).

39. FINANCIAL RISK MANAGEMENT

The Company’s financial risk management objectives are primarily managing risks arising from holding financial assets. According to the Company’s risk management policies, the main financial risks is market risk, credit risk and liquidity risk. The Company has established guidelines related to the management of the financial risk. The following is the definition, source, management procedures of the risk and methods used to measure the risk:

a. Credit risk analysis

1) Credit risk is the risk that an issuer or a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities and financing activities (primarily loans, financial instrument investments and receivables).

   Credit risk is managed by each business unit subject to the Company’s established policy, procedures and control relating to credit risk management. Credit limits are established for all issuers or counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company’s internal rating criteria, etc. To lower certain issuers’ or counter parties’ credit risk, credit enhancing instruments will be taken at the appropriate time.

For financial instrument investments, low credit risk is the premise of initial purchase, and at each reporting date, the Company shall assess if the financial instrument investments still qualify for conditions of low credit risk in order to determine the measurement method for allowance for losses. The Company disposes investments at the appropriate time (e.g., when credit risk significantly increases) to lower credit loss. In addition, the Company has built a credit risk model to assess the maximum possible loss on credit positions resulting from changes of credit rating or default. Moreover, based on issuer's region, industry and credit ratings within portfolios, the Company evaluates credit risk and concentration risk, respectively.

The Company determines risk-influencing factors based on 5P Principles for loans, and according to the extent of influence, each P is given different weight to calculate each borrower's credit rating. Credit rating evaluates the reasonableness of loan purpose, the region of collateral, loan-to-value, the customer's credit report, the interest-paying history records, financial conditions and debt-paying ability, etc. and the Company approves the credit rating through multiple layers to control loan risk. Once delay of payment occurs, the Company will actively collect as stated in procedure manual to avoid financial loss.

The Company evaluates expected credit loss in accordance with IFRS 9. Except for those receivables whose allowance for loss is measured at lifetime expected credit loss, the Company shall assess whether the credit risk has increased significantly since initial recognition at each reporting date for other debt instrument investments not measured at fair value through profit or loss whose premise of initial purchase is low credit risk and grouped under different classes of credit risk in order to determine the measurement method of allowance for loss. The primary consideration to determine whether the credit risk increases significantly includes objective evidence such as external credit rating, changes in class interval or other market information, etc. The consideration of credit impairment includes the occurrence of default, overdue payment of interest or principal more than 90 days, major financial difficulties or bankruptcy or financial reorganization of the issuer or the combination of matters that may turn financial assets into credit impairment, etc. If it is determined that the credit risk of a financial asset at reporting date is low, it can be assumed that the credit risk has not increased significantly. The Company measures the allowance based on the 12-month expected credit loss amount; for financial assets with a significant increase in credit risk or impairment already happened, the allowance for loss is measured by the amount of expected credit losses during the duration.

Besides, the measurement of expected credit losses is to consider the future 12-month or the lifetime Probability of default (PD), Loss given default (LGD), Exposure at default (EAD) and the effect of the time value of money of the issuer or the counterparty to calculate 12-month expected credit losses or the lifetime expected credit losses respectively.

Default rate is the rate that a default occurs on issuers or counter parties. Loss given default is the loss rate resulted from the default of issuers or counter parties. The Company used the default rate and loss given default published by external credit assessment institutions, and calculated based on adjustments of forward-looking macroeconomics factors or of market conditions factors.

Exposure at default is measured at the amortized cost of financial assets with accrued interests and receivables. For loans, exposure at default is the total of debtor's outstanding balance at the time of calculation, interest and accrued expense.

Allowance for losses for certain receivables is recognized at lifetime expected credit losses. Past default records and prevailing information are taken into consideration for lifetime expected credit losses. The expected credit loss rate is calculated based on the overdue days of receivables.

2) Financial assets credit risk concentration analysis

a) The largest credit risk exposure of the financial debt instrument investments held by the Company or deposit in the bank is listed in accordance with the regional distribution as follows:

December 31, 2023

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 38,086,633	$ 2,553,958	$ 8,561,118	$ -	$ -	$ 49,201,709
Financial assets at fair value through profit or loss	27,278,093	7,482,077	9,520,667	2,410,792	-	46,691,629
Financial assets at fair value through other comprehensive income	2,040,432	5,553,064	9,141,914	29,393,351	-	46,128,761
Financial assets measured at amortized cost	143,666,302	432,965,972	365,207,805	648,007,796	4,336,448	1,594,184,323
Refundable deposits - bonds	7,338,773	-	-	159,346	-	7,498,119
Total	$ 218,410,233	$ 448,555,071	$ 392,431,504	$ 679,971,285	$ 4,336,448	$ 1,743,704,541
Proportion	12.53%	25.72%	22.51%	39.00%	0.25%	100.00%

December 31, 2022

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	$ 72,070,423	$ 5,434,433	$ 13,750,245	$ -	$ -	$ 91,255,101
Financial assets at fair value through profit or loss	26,395,770	7,696,652	8,938,761	2,361,522	-	45,392,705
Financial assets measured at amortized cost	175,148,278	438,587,693	354,469,629	639,373,017	5,223,350	1,612,801,967
Refundable deposits - bonds	7,400,484	-	-	-	-	7,400,484
Total	$ 281,014,955	$ 451,718,778	$ 377,158,635	$ 641,734,539	$ 5,223,350	$ 1,756,850,257
Proportion	15.99%	25.71%	21.47%	36.53%	0.30%	100.00%

b) Regional distribution of the largest credit risk exposure for secured loans (excluding policy loan and automatic premium loan) is as follows:

December 31, 2023

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 86,383	$ 38,249	$ 47,836	$ 172,468
Overdue receivables	-	-	-	-
Total	$ 86,383	$ 38,249	$ 47,836	$ 172,468
Proportion	50.09%	22.18%	27.74%	100.00%

December 31, 2022

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	$ 138,037	$ 56,197	$ 76,266	$ 270,500
Overdue receivables	-	-	-	-
Total	$ 138,037	$ 56,197	$ 76,266	$ 270,500
Proportion	51.03%	20.78%	28.19%	100.00%

3) Changes in the loss allowance

The reconciliations in loss allowance of financial assets measured at fair value through other comprehensive income are as follows:

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2023	$ -	$ -	$ -	$ -
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	-	-	-	-
Originated or purchased new financial assets	4,278	-	-	4,278
Changes in models/risk parameters	-	-	-	-
Effects of exchange rate changes and others	-	-	-	-
Balance as of December 31, 2023	$ 4,278	$ -	$ -	$ 4,278

(Continued)

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2022	$ 17,276	$ -	$ -	$ 17,276
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	(706)	-	706	-
Derecognition of financial assets at current period	(4,512)	-	(3)	(4,515)
Originated or purchased new financial assets	287	-	8	295
Changes in models/risk parameters	6,058	-	504,679	510,737
Effects of exchange rate changes and others	2,007	-	73,973	75,980
	(20,410)	-	(579,363)	(599,773)
Balance as of December 31, 2022	$ -	$ -	$ -	$ -

(Concluded)

The reconciliations in loss allowance of financial assets measured at amortized cost are as follows:

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2023	$ 222,287	$ 75,661	$ 1,130,258	$ 1,428,206
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(4,325)	(5)	(4,931)	(9,261)
Originated or purchased new financial assets	4,015	-	29	4,044

(Continued)

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Changes in models/risk parameters	$ 1,199	$ (11,582)	$ 49,404	$ 39,021
Effects of exchange rate changes and others	247	56	1,033	1,336
Balance as of December 31, 2023	$ 223,423	$ 64,130	$ 1,175,793	$ 1,463,346
Balance as of January 1, 2022	$ 101,776	$ 46,202	$ -	$ 147,978
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	(786)	-	786	-
Derecognition of financial assets at current period	(7,203)	(4)	(408)	(7,615)
Originated or purchased new financial assets	26,538	-	17	26,555
Changes in models/risk parameters	67,724	22,545	567,743	658,012
Effects of exchange rate changes and others	13,828	6,918	(17,243)	3,503
	20,410	-	579,363	599,773
Balance as of December 31, 2022	$ 222,287	$ 75,661	$ 1,130,258	$ 1,428,206

(Concluded)

The reconciliations in loss allowance of other receivables related to financial assets measured at fair value through other comprehensive income and measured at amortized costs are as follows:

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	The Loss Allowances Measured in Accordance with IFRS 9
Balance as of January 1, 2023	$ 2,108	$ 636	$ 669,151	$ 671,895
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(56)	-	-	(56)
Originated or purchased new financial assets	152	-	738,216	738,368
Changes in models/risk parameters	21	(97)	-	(76)
Effects of exchange rate changes and others	2	-	588	590
Balance as of December 31, 2023	$ 2,227	$ 539	$ 1,407,955	$ 1,410,721
Balance as of January 1, 2022	$ 1,152	$ 388	$ -	$ 1,540
Changes due to financial instruments recognized as at beginning				
Transfer to 12-month ECLs	-	-	-	-
Transfer to lifetime ECLs	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Derecognition of financial assets at current period	(665)	(964)	-	(1,629)
Originated or purchased new financial assets	895	-	108,430	109,325
Changes in models/risk parameters	69	36	-	105
Effects of exchange rate changes and others	657	1,176	560,721	562,554
Balance as of December 31, 2022	$ 2,108	$ 636	$ 669,151	$ 671,895

For the years ended December 31, 2023 and 2022, the change in loss allowance for the debt instrument investments measured at fair value through other comprehensive income and measured at amortized cost mostly came from the impact of recent financial environment, forward-looking factors used for estimation, the derecognition and acquisition of investments.

The expected loss rate for the investment in the debt instruments of the above-mentioned financial assets and the loss allowance for other receivables is as follows:

December 31, 2023

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)
Financial asset measured at fair value through other comprehensive income	0.00%-0.03%	-	-
Financial assets measured at amortized cost	0.00%-0.22%	2.26%-2.41%	5.57%-9.02%
Other receivables	0.00%-0.22%	2.26%-2.41%	100%

December 31, 2022

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)
Financial assets measured at amortized cost	0.00%-0.09%	2.66%-2.84%	5.28%-8.66%
Other receivables	0.00%-0.09%	2.66%-2.84%	100%

The Company has taken into account the relevant impact of war between Russia and Ukraine and had recognized appropriate provision for impairment. In the future, the Company will closely monitor the situation in Russia and Ukraine, and review the possible impacts on the Company's investment positions.

The reconciliations in loss allowance of loans are as follows:

	12-month ECLs	Lifetime ECLs (Collectively Assessed	Lifetime ECLs (Individually Assessed)	The Loss Allowances Measured in Accordance with IFRS 9	Impairment Difference Recognized in Accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans''	Total
Balance as of January 1, 2023	$ 4	$ 146	$ 328	$ 478	$ 3,793	$ 4,271
Changes due to financial instruments recognized as at beginning						
Transfer to lifetime ECLs	-	-	-	-	-	-
Transfer to 12-month ECLs	94	-	(94)	-	-	-
Derecognition of financial assets at current period	(1)	-	(173)	(174)	-	(174)
Impairment difference recognized in accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans''	-	-	-	-	(1,220)	(1,220)
Effects of exchange rate changes and others	(95)	(45)	(8)	(148)	-	(148)
Balance as of December 31, 2023	$ 2	$ 101	$ 53	$ 156	$ 2,573	$ 2,729
Balance as of January 1, 2022	$ 5	$ 193	$ 330	$ 528	$ 5,601	$ 6,129
Changes due to financial instruments recognized as at beginning						
Transfer to lifetime ECLs	-	-	-	-	-	-
Transfer to 12-month ECLs	-	-	-	-	-	-
Derecognition of financial assets at current period	-	-	-	-	-	-
Impairment difference recognized in accordance with "Regulations Governing the Procedures for Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans"	-	-	-	-	(1,808)	(1,808)
Effects of exchange rate changes and others	(1)	(47)	(2)	(50)	-	(50)
Balance as of December 31, 2022	$ 4	$ 146	$ 328	$ 478	$ 3,793	$ 4,271

For account receivables arising from other transactions, the Company measures the loss allowance at an amount equal to lifetime expected credit losses. The movement of loss allowance of receivables is as follows:

	For the Year Ended December 31	
	2023	**2022**
Beginning balance	$ 5,004	$ 4,571
Increase in the amount for the current period	1,283	433
Ending balance	$ 6,287	$ 5,004

4) The total book value of each financial instrument and categories for credit quality

a) Financial asset measured at fair value through other comprehensive income, financial assets measured at amortized cost and other receivables

December 31, 2023

	12-month ECLs	**Lifetime ECLs (Credit Risk Has Increased Significantly)**	**Lifetime ECLs (Credit Risk Has Been Reduced)**	**Total**
Investment grade				
Financial asset measured at fair value through other comprehensive income	$ 46,271,401	$ -	$ -	$ 46,271,401
Financial assets measured at amortized cost	1,577,491,606	2,743,733	-	1,580,235,339
Other receivables	13,799,110	23,167	-	13,822,277
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	6,879,509	-	16,030,940	22,910,449
Other receivables	138,213	-	1,407,956	1,546,169

December 31, 2022

	12-month ECLs	Lifetime ECLs (Credit Risk Has Increased Significantly)	Lifetime ECLs (Credit Risk Has Been Reduced)	Total
Investment grade				
Financial asset measured at fair value through other comprehensive income	$ -	$ -	$ -	$ -
Financial assets measured at amortized cost	1,596,125,225	2,741,505	-	1,598,866,730
Other receivables	12,950,132	23,147	-	12,973,279
Non-investment grade				
Financial asset measured at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	6,677,718	-	16,086,208	22,763,926
Other receivables	137,345	-	669,151	806,496

Note 1: Including those serving as refundable deposits.

Note 2: The Company is graded by referencing the rating of credit rating agencies, and its credit rating is classified as an investment grade if above BBB-, a credit rating below BBB- or no-rated are listed as a non-investment grade.

b) Secured loans and other receivables

December 31, 2023

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 174,363	$ 211
Credit risk has increased significantly	Lifetime ECL	-	-
Credit risk has been reduced	Lifetime ECL	833	-
Total		$ 175,196	$ 211

December 31, 2022

Credit Risk Rating Grades	The Measure of ECLs	Secured Loans	Other Receivables
Low credit risk	12-month ECLs	$ 269,038	$ 294
Credit risk has increased significantly	Lifetime ECL	567	3
Credit risk has been reduced	Lifetime ECL	5,166	5
Total		$ 274,771	$ 302

b. Liquidity risk analysis

1) Liquidity risks are classified into “funding liquidity risk” and “market liquidity risk.” “Funding liquidity risk” represents that the Company is not able to obtain sufficient funds at a reasonable funding cost to meet the demands within reasonable time. “Market liquidity risk” represents the risk that the Company sells at loss to meet the demand for cash.

   The Company assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, the Company manages market liquidity risk cautiously by considering market trading volumes and adequacy of holding positions with symmetric. To decentralize market risk when investment and to maintain investment each aspect (such as asset category, maturity, region, currency and tools) diversification. Planning emergency financing plan in order to assess how the Company in the long term illiquid environment still regularly operate to pay emergency and major funding requirements.

   The Company regularly monitors market liquidity and formulates plans to use the funds depending on market conditions and funding demand arrangements for liquidity assets portfolio. To deal with possible liquidity risk early, the Company reports duration of assets and liabilities quarterly, creates cash flow model and reviews cash flow status regularly.

2) Financial assets held for managing liquidity risk and maturity analysis of non-derivative financial liabilities

   a) Financial assets held for managing liquidity risk

      The Company holds cash, highly liquid and superior assets to deal with payment obligation and the potential urgent funds needs to dispatch in the market environment, financial assets for managing liquidity risk are cash and cash equivalents, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortized cost.

   b) Maturity analysis of non-derivative financial liabilities

      The analysis of cash outflows to the Company is listed below and based on the residual term from the date of balance sheet to the maturity. The disclosed amount is in accordance with cash flows on contracts, so the partial disclosed items are not the same as related items in the balance sheet.

      Non-derivative financial instruments

	In 1 Year	1 to 5 Years	Over 5 Years	Total
December 31, 2023				
Payables	$ 14,285,297	$ 20,903	$ -	$ 14,306,200
Bonds payable	-	-	20,000,000	20,000,000
Lease liabilities	147,991	396,225	3,627,254	4,171,470
December 31, 2022				
Payables	12,076,846	75,836	-	12,152,682
Bonds payable	-	-	10,000,000	10,000,000
Lease liabilities	153,814	457,752	3,610,180	4,221,746

c) Maturity analysis of derivative financial liabilities

The Company operates derivatives including foreign exchange derivative instruments (such as swap contracts, foreign exchange forward).

The Company has enough operating capital, including cash and cash equivalents, and highly liquid securities, such as government bonds to pay the investment and liabilities at maturity. Therefore, the risk of liquidity is extremely low. The Company enters into forward contracts and swap contracts derivative financial instruments, whose currencies are highly liquid, so the possibility of selling out and the risk of market liquidity are low. The forward contracts and swap contracts will be operated continually, and the capital is enough to pay for settlement, so the risk of capital liquidity is low.

Maturity structure of derivative financial liabilities is as follows:

	December 31, 2023				
	In 90 Days	**91-180 Days**	**181 Days - 1 Year**	**Over 1 Year**	**Total**
Financial liabilities at fair value through profit or loss	$ 5,424,429	$ 141,855	$ 45,853	$ -	$ 5,612,137

	December 31, 2022				
	In 90 Days	**91-180 Days**	**181 Days - 1 Year**	**Over 1 Year**	**Total**
Financial liabilities at fair value through profit or loss	$ 7,260,162	$ 615,985	$ -	$ -	$ 7,876,147

c. Market risk analysis

1) Market risk is the risk of losses on financial assets and liabilities caused by adverse movements in market risk factors.

The Company has built Value at Risk (VaR) model. The risk management system monitors all financial assets involving market risks and calculates VaR regularly. Risk control indices are notional amount and VaR. The Company will issue risk management reports weekly and execute routine control and plan risk responses when over limit. We also report VaR, the utilization of risk limits and the results of backtesting regularly to the board of directors or risk management committee.

2) Exchange rate risk

The Company's exchange rate risk is mainly from assets and liabilities denominated in foreign currency. Except for assets and liabilities in the same currency which can have natural hedging effect, other foreign currency positions can be effect by foreign exchange risk. The Company adopts foreign exchange swap and forward to avoid exchange rate risk, and is in accordance with relevant laws and internal control mechanism.

3) Interest rate risk

Interest rate risk refers to the risk resulting from changes in market rates which causes fluctuations in the fair value of financial instruments. The Company manages interest rate risk by combinations of fixed and floating interest rate products. Because they do not meet the requirements for hedge accounting, hedge accounting is not adopted.

4) Equity price risk

The Company holds equity securities of listed and unlisted companies. The price of such equity securities will be affected by uncertainties about the future value of the underlying investment. The Company diversified its investment and set investment limits for a single equity security to manage price risk of equity securities. Portfolio information of equity securities is required to be regularly reported to senior executives of the Company. The board of directors should authorize the senior executives to review and approve all equity investment decisions.

5) Value at risk

Value at risk is the maximum loss on the portfolio with a given probability defined as the confidence level, over a given period of time. The Company uses 99% VaR to measure the market risk over the next ten days.

VaR model must be able to reasonably and appropriately measure the maximum potential risk of financial instruments and investment portfolio. VaR model must be validated and backtested to show that the model can reasonably and effectively measure the maximum potential risks of the financial instruments or investment portfolio.

6) Stress testing

The Company measures and evaluates potential risks of the occurrence of extreme and abnormal events regularly in addition to VaR model. Stress testing measures the potential impact on the value of the investment portfolio when extreme fluctuations of financial variables occur.

The Company performs stress testing regularly by using "Simple Sensitivity" and "Scenario Analysis" methods. The test is capable of representing the position loss resulted from the movement of a specific risk factor under different kinds of historical scenarios:

a) Simple Sensitivity

Simple Sensitivity measures the dollar amount change of the portfolio value from the movement of specific risk factors.

b) Scenario analysis

Scenario Analysis measures the dollar amount changes of the total value of investment positions if stress scenarios occur. The types of scenario include:

i Historical scenario:

Applying the volatilities of risk factors in a specific historical event, the Company can estimate the losses of the current investment portfolio in the same period of time.

ii Hypothetical scenario:

The Company makes hypothesis with rational expectations from the extreme market movements to assess the dollar amount of losses of the investment position by taking into consideration the movement of relevant risk factors.

Risk management department performs the stress testing with historical and hypothetical scenarios regularly. The Company's risk analysis, early warning, and business management are in accordance with the stress testing report.

Summarization of Simple Sensitivity

December 31, 2023

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 1,729,025
Interest rate risk (yield curve)	+1BP	-	(252,065)
Exchange risk (Foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	(2,948,656)	(918,611)

December 31, 2022

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	$ -	$ 2,242,519
Interest rate risk (yield curve)	+1BP	-	(49,991)
Exchange risk (Foreign exchange rate)	+1% (NTD appreciates 1% against each foreign currency)	(2,336,961)	(1,403,945)

40. ASSETS AND LIABILITIES ARE CLASSIFIED BASED ON EXPECTED RECOVERY OR SETTLEMENT WITHIN 12 MONTHS AFTER THE REPORTING DATE AND MORE THAN 12 MONTHS AFTER THE REPORTING DATE

	December 31, 2023		
Item	Recovery or Settlement within 12 Months	Recovery or Settlement More than 12 Months	Total
Assets			
Cash and cash equivalents	$ 49,203,474	$ -	$ 49,203,474
Receivables	22,786,016	-	22,786,016
Current tax assets	2,683,885	6,226	2,690,111
Financial assets at fair value through profit or loss	322,849,154	80,703,259	403,552,413
Financial assets at fair value through other comprehensive income	499,930	71,158,353	71,658,283
Financial assets measured at amortized cost	11,182,142	1,583,002,181	1,594,184,323
Investments accounted for using equity method	-	2,118,503	2,118,503
Investment property	-	69,752,774	69,752,774
Loans	2,323	33,962,595	33,964,918
Reinsurance assets	1,011,096	-	1,011,096
Property and equipment	-	10,606,865	10,606,865
Right of use assets	-	4,899,638	4,899,638
Intangible assets	-	461,140	461,140
Deferred tax assets	1,444,667	16,328,877	17,773,544
Other assets	112,957	7,773,409	7,886,366
Separate account product assets	115,525,739	-	115,525,739
Total assets	$ 527,301,383	$ 1,880,773,820	$ 2,408,075,203
Liabilities			
Payables	$ 14,285,297	$ 20,903	$ 14,306,200
Current tax liabilities	-	6,895	6,895
Financial liabilities at fair value through profit or loss	5,612,137	-	5,612,137
Bonds payable	-	20,000,000	20,000,000
Lease liabilities	88,948	1,870,745	1,959,693
Insurance liabilities	20,547,741	2,050,886,623	2,071,434,364
Foreign exchange valuation reserve	-	9,768,788	9,768,788
Provision	-	146,416	146,416
Deferred tax liabilities	10,165,581	1,814,576	11,980,157
Other liabilities	7,747,904	1,249,855	8,997,759
Separate account product liabilities	115,525,739	-	115,525,739
Total liabilities	$ 173,973,347	$ 2,085,764,801	$ 2,259,738,148

Item	December 31, 2022		
	Recovery or Settlement within 12 Months	Recovery or Settlement More than 12 Months	Total
Assets			
Cash and cash equivalents	$ 91,256,425	$ -	$ 91,256,425
Receivables	18,163,747	-	18,163,747
Current tax assets	2,102,475	-	2,102,475
Financial assets at fair value through profit or loss	256,629,973	81,615,299	338,245,272
Financial assets at fair value through other comprehensive income	-	31,093,336	31,093,336
Financial assets measured at amortized cost	10,654,902	1,602,147,065	1,612,801,967
Investments accounted for using equity method	-	1,981,685	1,981,685
Investment property	-	68,602,687	68,602,687
Loans	5,956	33,257,150	33,263,106
Reinsurance assets	1,016,200	-	1,016,200
Property and equipment	-	10,897,560	10,897,560
Right of use assets	-	5,004,930	5,004,930
Intangible assets	-	444,677	444,677
Deferred tax assets	2,517,767	14,207,882	16,725,649
Other assets	3,855,686	7,793,933	11,649,619
Separate account product assets	-	-	103,835,515
Total assets	$ 386,203,131	$ 1,857,046,204	$ 2,347,084,850
Liabilities			
Payables	$ 12,076,846	$ 75,836	$ 12,152,682
Financial liabilities at fair value through profit or loss	7,876,147	-	7,876,147
Bonds payable	-	10,000,000	10,000,000
Lease liabilities	98,700	1,883,775	1,982,475
Insurance liabilities	21,241,675	2,061,329,682	2,082,571,357
Foreign exchange valuation reserve	-	10,886,927	10,886,927
Provision	-	163,334	163,334
Deferred tax liabilities	7,392,285	1,525,882	8,918,167
Other liabilities	694,709	1,343,595	2,038,304
Separate account product liabilities	-	-	103,835,515
Total liabilities	$ 49,380,362	$ 2,087,209,031	$ 2,240,424,908

41. CAPITAL MANAGEMENT

The Company's main objective of capital management is to make sure the risk-based capital (RBC) ratio and the Company's equity divided by total assets excluding the separate accounts product assets calculated in accordance with "Regulations Governing Capital Adequacy of Insurance Companies" meets the ratio provided by the Insurance Act, to maintain a sound capital structure to protect rights and interests of customers and shareholders.

The Company implements capital management mainly by monitoring the results of RBC report to ensure its solvency.

42. RELATED PARTY TRANSACTION

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

a. Name and nature of relationship of the related parties

Name of the Related Parties	Nature of Relationship of the Related Parties
China Development Financial Holding Corp. (CDF)	Parent company/juristic-person director of the Company (parent company)
Shenhe Energy Co., Ltd.	Associate of the Company
Fu Bao Yi Hao Energy Co., Ltd.	Associate of the Company
Taipan Solar Co., Ltd	Associate of the Company
ThrivEnergy Co., Ltd.	Associate of the Company
CDIB Capital Healthcare Ventures Limited	Associate of the Company
Guang Bei Co., Ltd.	Associate of the Company
Perpetual New Energy Co., Ltd.	Associate of the Company
CDIB Capital Group	Brother company (other related party)
KGI Securities Co., Ltd.	Brother company (other related party)
China Development Asset Management Corp.	Brother company (other related party)
KGI Bank	Brother company (other related party)
KGI Securities Investment Trust Co., Ltd.	Brother company (other related party) (Note 1)
CDIB Capital Management Inc.	Equity method investee of subsidiary of parent company (other related party)
CDIB & Partners Investment Holding Corporation	Equity method investee of subsidiary of parent company (other related party)
CDIB Innovation Advisors Corporation Limited	Equity method investee of subsidiary of parent company (other related party)
CDIB Capital Growth Partners L.P.	Equity method investee of subsidiary of parent company (other related party)
CDIB Capital Healthcare Ventures II Limited Partnership	Equity method investee of subsidiary of parent company (other related party)
CDIB Management Consulting Corporation	Equity method investee of subsidiary of parent company (other related party)
CDIB CME Fund Ltd.	Equity method investee of subsidiary of parent company (other related party)
KGI Venture Capital Co., Ltd.	Equity method investee of subsidiary of parent company (other related party)

(Continued)

Name of the Related Parties	Nature of Relationship of the Related Parties
Funds managed by KGI Securities Investment Trust Co., Ltd.	Funds and designated accounts managed by equity method investee of subsidiary of parent company (other related party)
KGI Insurance Brokers Co., Ltd.	Equity method investee of subsidiary of parent company (other related party)
KGI Futures Co., Ltd.	Equity method investee of subsidiary of parent company (other related party)
CDC Finance & Leasing Corp.	Equity method investee of subsidiary of parent company (other related party)
KGI Securities Investment Advisory Co., Ltd.	Equity method investee of subsidiary of parent company (other related party)
CDIB Capital Asia Partners L.P.	Equity method investee of subsidiary of parent company (other related party)
CDIB Capital International Corporation	Equity method investee of subsidiary of parent company (other related party)
CDIB Capital Global Opportunities Fund L.P.	Equity method investee of subsidiary of parent company (other related party)
CDIB Pearl Holding Limited	Equity method investee of subsidiary of parent company (other related party)
China Development Foundation	Substantial related party
Chao-Hsing Social Welfare Foundation	Substantial related party
China Life Insurance Employee Welfare Committee	Substantial related party
GPPC Development Corp.	Equity method investee of subsidiary of parent company (other related party)
GPPC Chemical Corporation	Juristic-person director of parent company (other related party)
Others	Directors, the key management personnel with their spouse, the relationship within second degree by consanguinity and CDF's affiliates or substantial related parties (other related party) (Note 2)

(Concluded)

Note 1: Since July 1, 2023, KGI Securities Investment Trust Co., Ltd. has become brother company of the Company.

Note 2: Related parties such as parent company, brother company, equity method investee of subsidiary of parent company, juristic-person directors of parent company become related parties of the Company as the result of the tender offer by CDF.

b. Significant transactions with the related parties are as follows:

1) Cash in banks

Name	December 31 2023	December 31 2022
KGI Bank	$ 6,777,032	$ 975,517

2) Receivables

Name	December 31 2023	December 31 2022
Other receivables:		
Parent company	$ 51,969	$ 53,824
KGI Bank	1,292,134	770,659
Other related parties	378,460	227,805
Total	$ 1,722,563	$ 1,052,288

3) Derivative financial instruments

Name	Contract Type	Period	Notional Amount (In Thousands of U.S. Dollars)	Balance Sheets (December 31, 2023) Items	Balance
Other related parties	Swap contracts	2023/10/13-2024/04/17	US$ 120,000	financial asset at fair value through profit or loss	$ 126,775
Other related parties	Forward foreign exchange contracts	2023/11/22-2024/01/19	US$ 441,000	financial asset at fair value through profit or loss	303,762
Other related parties	Swap contracts	2023/05/19-2024/03/22	US$ 370,000	financial liability at fair value through profit or loss	248,376

Name	Contract Type	Period	Notional Amount (In Thousands of U.S. Dollars)	Balance Sheets (December 31, 2022) Items	Balance
Other related parties	Swap contracts	2022/11/24-2023/05/30	US$ 120,000	financial asset at fair value through profit or loss	$ 33,788
Other related parties	Swap contracts	2022/09/02-2023/06/20	US$ 575,000	financial liability at fair value through profit or loss	115,469

4) Financial assets at fair value through profit and loss

Name	December 31 2023	December 31 2022
Stocks:		
Other related parties	$ 1,038,595	$ 921,778
Beneficiary certificates:		
Other related parties	9,732,599	4,225,067
Total	$ 10,771,194	$ 5,146,845

5) Financial assets at fair value through other comprehensive income

Name	December 31 2023	December 31 2022
Stocks:		
Other related parties	$ 29,881	$ 35,783

6) Acquisition of investment accounted for using equity method

Name	Subject	Purchase Price For the Year Ended December 31 2023	Purchase Price For the Year Ended December 31 2022
Other related parties	CDIB Capital Healthcare Ventures Limited	$ -	$ 111,552

7) Acquisition of financial asset at measured at fair value through profit or loss

Name	Subject	Purchase Price For the Year Ended December 31 2023	Purchase Price For the Year Ended December 31 2022
Other related parties	CDIB Capital Healthcare Ventures II Limited Partnership	$ -	$ 133,777

8) Property transaction - acquisition of property and equipment

Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Other related parties	$ -	$ 343,000

9) Disposal of financial assets at fair value through profit and loss

Name	Subject	For the Year Ended December 31, 2023 Disposal Proceeds	For the Year Ended December 31, 2023 Gain on Disposal
Other related parties	Private equity funds	$ 1,005,441	$ 162,979

10) Policy loans

Name	December 31 2023	December 31 2022
Other related parties	$ 14,270	$ 2,269

11) Current tax assets

Name	December 31 2023	December 31 2022
Parent company	$ 2,683,885	$ 2,093,162

It is the tax that shall be collected from the parent company arising from the consolidated tax return of income tax between the Company and the parent company and its subsidiaries by the policy jointly declaration of tax.

12) Prepayments

Name	December 31 2023	December 31 2022
Other related parties	$ 197	$ -

13) Payables

Name	December 31 2023	December 31 2022
Commissions payable:		
Other related parties	$ 35,672	$ 28,231
Other payables:		
Other related parties	665,170	7,911
Total	$ 700,842	$ 36,142

14) The Company entrusted the parent company to collect and transfer the prepayments for equipment to non-related parties. As of December 31, 2023 and 2022, the transaction amount of the prepayments for equipment was $30,619 thousand and $36,797 thousand, respectively. For the year ended December 31, 2023 and 2022, the transaction incurred an operating expense of $397 thousand and $100 thousand, respectively. As of December 31, 2023 and 2022, there was no payable arising from the aforementioned transaction.

15) As of December 31, 2023, the Company has paid other related parties for renovation work on its behalf. Total payment was $127,445 thousand (accounting for prepayments for equipment - investment property).

16) Bonds payable

Name	December 31 2023	December 31 2022
KGI Securities Co., Ltd.	$ 4,850,000	$ 4,850,000

As of December 31, 2023 and 2022, KGI Securities Co., Ltd. held a total face value of $4,850,000 thousand and $4,850,000 thousand of corporate bonds issued by the Company, the interest payable generated amounted to $1,431 thousand and $1,435 thousand. The interest expenses in the above transactions attributable to KGI Securities Co., Ltd. amounted to $130,946 thousand and $130,950 thousand, respectively.

17) Other liabilities

Name	December 31 2023	December 31 2022
Unearned receipts		
Parent company	$ 5,703	$ 5,702
Other related parties	4,744	4,744
Temporary receipts		
Other related parties	-	368
Total	$ 10,447	$ 10,814

18) Guarantee deposits received

Name	December 31 2023	December 31 2022
Parent company	$ 16,452	$ 16,452
Other related parties	68,328	67,918
	$ 84,780	$ 84,370

19) Premium income

Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Parent company	$ 1,709	$ 2,589
Other related parties	123,970	193,499
Total	$ 125,679	$ 196,088

20) Fee income

Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Other related parties	$ 17,492	$ 17,326

21) Interest income

Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Other related parties	$ 38,943	$ 4,283

22) Financial assets measured at fair value through profit or loss -dividend income

Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Other related parties	$ 448,268	$ 271,945

23) Gains on Investment property - rental income

Name	For the Year Ended December 31 2023	2022
Parent company	$ 66,677	$ 86,292
Other related parties	460,303	420,411
Total	$ 526,980	$ 506,703

According to contracts, leasing periods are generally 3 to 20 years, and rentals are usually paid monthly.

24) Insurance claim payments

Name	For the Year Ended December 31 2023	2022
Other related parties	$ 5,275	$ 4,733

25) Commission expenses

Name	For the Year Ended December 31 2023	2022
Other related parties	$ 430,152	$ 450,311

26) Professional service fees (recognized in operating expenses)

Name	For the Year Ended December 31 2023	2022
Other related parties	$ 28,314	$ 26,966

27) Employee training expenses (recognized in operating expenses)

Name	For the Year Ended December 31 2023	2022
Parent company	$ 16	$ -
Other related parties	10	-
Total	$ 26	$ -

28) Handling fees (recognized in net investment incomes (losses) or in adjustment for investment cost)

Name	For the Year Ended December 31 2023	2022
Other related parties	$ 67,324	$ 61,184

Other handling fees (recognized in operating expenses)

Name	For the Year Ended December 31 2023	2022
Other related parties	$ 31,342	$ 30,386

29) Donation expenses (recognized in operating expenses)

Name	For the Year Ended December 31 2023	2022
Other related parties	$ 16,945	$ -

30) Finance costs

Name	For the Year Ended December 31 2023	2022
Parent company	$ 103	$ 147
KGI Securities Co., Ltd.	130,995	130,965
Other related parties	520	500
Total	$ 131,618	$ 131,612

31) Non-operating income and expenses

Name	For the Year Ended December 31 2023	2022
Parent company	$ 2,407	$ -
KGI Bank	7,128	1,176
CDIB Capital Group	1,129	-
Other related parties	498	44,891
Total	$ 11,162	$ 46,067

The abovementioned transaction terms with related parities do not differ from that with non-related parties.

c. Key management personnel remuneration

Item	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 327,528	$ 475,911
Post-employment benefits	15,349	16,561
Share-based payment	66,597	75,276
Total	$ 409,474	$ 567,748

43. PLEDGED ASSETS

Details of pledged and guaranteed assets are as follows:

Item	December 31 2023	December 31 2022
Government bonds (recognized as refundable deposits)	$ 7,498,119	$ 7,400,484
Cash in bank (recognized as refundable deposits)	15,689	3,813,424
Total	$ 7,513,808	$ 11,213,908

44. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Investment commitment not yet contributed

As of December 31, 2023, among the investment contracts signed, the upper limit of the amount not yet contributed were NT$2,179,983 thousand, US$447,222 thousand and EUR14,179 thousand.

45. SIGNIFICANT LOSSES FROM DISASTER

None.

46. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

None.

47. OTHER ITEMS

a. Foreign currency financial assets and liabilities with significant influence as of December 31, 2023 and 2022 are as follows:

	December 31, 2023		
	Foreign Currency	Exchange Rate (In Dollar)	NTD
Financial assets			
Monetary items			
USD	$ 46,360,071	30.7350	$ 1,424,876,796
AUD	5,851,455	20.9982	122,870,020
Non-monetary items			
USD	1,933,365	30.7350	59,421,973
Financial liabilities			
Monetary items			
USD	237,747	30.7350	7,307,158

	December 31, 2022		
	Foreign Currency	**Exchange Rate (In Dollar)**	**NTD**
Financial assets			
Monetary items			
USD	$ 45,829,414	30.7080	$ 1,407,329,649
AUD	5,339,400	20.8231	111,182,850
Non-monetary items			
USD	2,502,631	30.7080	76,850,780
Financial liabilities			
Monetary items			
USD	6,200	30.7080	190,390

The above information is disclosed based on the carrying amount of the foreign currencies, which has been translated to the functional currency.

b. Participation of unconsolidated structured entities

As of December 31, 2023 and 2022, interests in unconsolidated structured entities the Company holds are as follows. The Company does not provide any financial or other support for these structured entities. The estimated maximum exposure amount is the interests the Company holds.

December 31, 2023

	Private Equity Fund	**Asset Securitization Product**	**Total**
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 32,317,271	$ 4,614,382	$ 36,931,653
Financial assets measured at amortized cost	-	6,593,502	6,593,502
The maximum exposure amount	32,317,271	11,207,884	43,525,155
Financial or other support provided	None	None	

December 31, 2022

	Private Equity Fund	**Asset Securitization Product**	**Total**
Assets held by the Company			
Financial assets at fair value through profit and loss	$ 35,078,220	$ 5,303,109	$ 40,381,329
Financial assets measured at amortized cost	-	6,639,357	6,639,357
The maximum exposure amount	35,078,220	11,942,466	47,020,686
Financial or other support provided	None	None	

c. Discretionary account management

1) The Company contracts with securities investment trust business for discretionary investments management. The investment details are disclosed as follows:

Items	December 31 2023 Carrying Amount	2023 Fair Value	2022 Carrying Amount	2022 Fair Value
Cash and cash equivalents	$ 4,290,450	$ 4,290,450	$ 1,165,988	$ 1,165,988
Overseas listed stocks	-	-	2,795,276	2,795,276
	$ 4,290,450	$ 4,290,450	$ 3,961,264	$ 3,961,264

2) As of December 31, 2023, the discretionary investments limits were US$135,071 thousand; As of December 31, 2022, the discretionary investments limits were US$145,954 thousand.

d. Revenue, cost, expense and profit (loss) sharing between the insurance enterprise and the financial holding company and other subsidiaries in terms of business or trading activities, joint business promotions, sharing of information, and sharing of facilities or premises shall be apportioned to the relative trading companies by direct attribution or other reasonable methods according to the nature of the business.

1) Conduct business or transaction activities. Please refer to Note 42 related party transactions.

2) The method and amount of income, cost, expense and profit and loss apportionment. According to the nature of the business, it is apportioned to each counterpart trading company in the form of direct attribution or other reasonable methods (for example: Headcount, etc.).

e. As of December 31, 2023 and 2022, the Company's equity divided by total assets excluding the separate accounts product assets was 6.47% and 4.75%.

f. The Company had taken the economic influence caused by Covid-19 epidemic into significant accounting estimation considerations when preparing financial statements. After careful assessment, the Company concluded that the epidemic had no material impact on the financial condition of the Company, its ability to operate as a going concern, and impairment of assets for the years ended December 31, 2023 and 2022.

48. ADDITIONAL DISCLOSURE

a. Information on significant transactions:

1) Acquisition of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

2) Disposal of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

3) Transactions with related parties involving main business items reaching NT$100 million or 20% of paid-in capital or more: Please refer to Note 42.

4) Accounts receivable from related parties reaching NT$100 million or 20% of paid-in or more: Please refer to Table 1.

5) Trading in derivative instruments:

As of December 31, 2023 and 2022, the amount (notional amount) that the Company engaged in the contract of derivative instruments transactions is as follows: (Unit: U.S. dollar in thousand)

- Type of derivative instrument held:

	December 31	
	2023	**2022**
Swap and forward exchange contracts	$ 28,109,725	$ 27,355,861

b. Information about reinvestment businesses in non-mainland China areas:

1) Information on investee company that the Company exercises significant influence over: Please refer to Table 2.

2) If the Company directly or indirectly exercises significant influence over the investee, it shall disclose information on significant transaction with the investee:

a) Loans made to others: Please refer to Table 3.

b) Endorsements/guarantees for others: Please refer to Table 4.

c) Securities held at the end of the period: Please refer to Table 5.

d) Transactions where the aggregate purchases or sales of the same security reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 6.

e) Acquisition of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

f) Disposal of real estate reaching NT$100 million or 20% of paid-in capital or more: None.

g) Transactions with related parties involving main business items reaching NT$100 million or 20% of paid-in capital or more: None.

h) Accounts receivable from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

i) Trading in derivative instruments: None.

c. Information regarding investment in Mainland China

1) The Company set up China Life Insurance Co., Ltd. (Taiwan) Beijing Representative Office in Mainland China, which was approved by FSC on November 2004 and was approved by the China Insurance Regulatory Commission in July 2005. The Beijing representative office was officially established in August 2005.

2) The Company participated in the equity investment of Pacific-Antna Life Insurance Company Ltd. in Mainland China authorized by FSC on December 30, 2010, and by the Investment Commission of the Ministry of Economic Affairs (MOEAIC) on January 28, 2011, and by the China Insurance Regulatory Commission on April 6, 2011. The Company remitted US$58,775 thousand on June 24, 2011, completed settlement on June 29, 2011 and obtained 19.9% ownership. The Company shared 100% equity of Pacific-Antna Life Insurance Company Ltd. with China Construction Bank and other financial investors and used the channel and customer resources of China Construction Bank to develop bank insurance business which is to ensure the Company successfully enters the

mainland market and increases the Company's long-term value and shareholders' interests. Pacific-Antna Life Insurance Company Ltd. was renamed to CCB Life Insurance Company Ltd. authorized by the China Insurance Regulatory Commission on June 7, 2011. And CCB Life Insurance Company Ltd. made an announcement to change into a company limited by shares from a limited company on December 20, 2016.

The Investment Commission of the Ministry of Economic Affairs (MOEAIC) authorized the Company to increase capital of US$216,000 thousand CCB Life Insurance Company Ltd. on August 29, 2011 and to remit US$11,844 thousand on August 30, 2011. The increased share capital case was approved by China Insurance Regulatory Commission on September 28, 2011 and by Shanghai Administration for Industry and Commerce on December 13, 2011. Moreover, the Company remitted US$179,070 thousand to increase share capital in June 2012, and this increased share capital case was approved by China Insurance Regulatory Commission on July 27, 2012 and by Shanghai Administration for Industry and Commerce on November 5, 2012. MOEAIC authorized the Company to revoke the approved case on August 29, 2011 of US$25,086 thousand not implemented on October 2, 2017.

On December 29, 2016, the Board has resolved to participate CCB Life Insurance Co., Ltd.'s capital raising plan in exact proportion to its current shareholding. The MOEAIC approved the Company's plan to increase capital investment in CCB Life Insurance Company Ltd. on March 29, 2017 and the Company remitted RMB1,194,000 thousand in April 2019. The capital raising plan was approved by the China Insurance Regulatory Commission on July 21, 2020 and the Shanghai Administration for Industry and Commerce as of October 28, 2020.

3) Information on the investee company, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in the Mainland Area: Please refer to Table 7.

d. Information of major shareholders:

For all shareholders with ownership of 5% or greater, the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder should be disclosed: N/A

49. SEGMENT INFORMATION

a. Information on products and services

The Company engaged in life insurance business in accordance with Insurance Act. According to IFRS 8 "Operating Segments", the Company offers only insurance contract products. The operating executives assign resources on a basis of entire company, therefore the entire company is a single operating segment.

b. Information on the geographical areas

The Company does not have foreign operating segment, therefore no information shall be disclosed.

c. Information on major customer

The Company does not have any one customer whose revenue constitute 10% or more on the income statement, therefore no information shall be disclosed.

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 1)		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
						Amount	Actions Taken		
The Company	KGI Bank	Brother company	Other receivables	$ 1,292,134	Note 1	$ -	-	$ 560,960	$ -
	GPPC Development Corp.	Other related parties	Other receivables	205,061	Note 2	-	-	-	-
	China Development Financial Holding Corp.	Parent company	Tax receivables	2,683,885	Note 3	-	-	-	-
			Other receivables	51,969	Note 2	-	-	155	-

Note 1: No turnover rate is available as the receivables were caused by Automated Clearing House (ACH) and the rent receivable of the leased house.

Note 2: No turnover rate is available as the receivables were caused by the rent receivable of the leased office.

Note 3: No turnover rate is available as the receivables were caused by the policy jointly declaration of tax.

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Recognized Investment Gain (Loss) for the Period	Note
				December 31, 2023	December 31, 2022	Shares	%	Carrying Amount			
The Company	Shenhe Energy Co., Ltd.	Taiwan	Self-sage power generation equipment utilizing renewable energy industry	$ 199,000	$ 199,000	19,900,000	19.90	$ 207,614	$ 75,044	$ 14,665	Investments accounted for using equity method
	Fu Bao Yi Hao Energy Co., Ltd.	Taiwan	Energy technology service industry	500,000	500,000	50,000,000	39.68	529,839	107,832	42,791	Investments accounted for using equity method
	Taipan Solar Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	415,305	471,300	42,120,000	30.00	428,723	15,511	(3,171)	Investments accounted for using equity method
	ThrivEnergy Co., Ltd.	Taiwan	Energy technology service industry	213,193	216,000	21,600,000	30.00	227,354	36,753	14,301	Investments accounted for using equity method
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture capital	131,372	273,776	7,900,000	20.00	383,317	685,085	137,016	Investments accounted for using equity method
	Guang Bei Co., Ltd.	Taiwan	Energy technology service industry	264,269	208,000	26,426,925	42.50	262,971	(2,636)	(1,284)	Investments accounted for using equity method
	Perpetual New Energy Co., Ltd.	Taiwan	Self-usage power generation equipment utilizing renewable energy industry	80,000	-	8,000,000	40.00	78,685	(3,288)	(1,315)	Investments accounted for using equity method

TABLE 3

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

LOANS MADE TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
												Item	Value		
Taipan Solar Co., Ltd.	Crimson Solar Co., Ltd.	Long-term receivables - related party	Yes	$ 226,394	$ 226,394	$ 226,394	Three months TAIBOR+0.7%	Necessary for short-term financing	$ -	Operating	$ -	-	$ -	$ 571,433	$ 571,433
Fu Bao Yi Hao Energy Co., Ltd.	Enfinite Capital Taiwan Solar I, LLC.	Other receivables - related party	Yes	250,000	40,000	40,000	2.765-8	Necessary for short-term financing	-	Operating	-	-	-	-	-
Guang Bei Company Limited	Bei He Power Company Ltd.	Other receivables - related party	Yes	1,500	-	1,500	-	Necessary for short-term financing	-	Operating	-	-	-	-	-

TABLE 4

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

ENDORSEMENTS/GUARANTEES FOR OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Endorser/Guarantor	Endorsee/Guarantee		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										
Shenhe Energy Co., Ltd.	Dehe Energy Co., Ltd.	Parent and Subsidiary	None	$ 3,232,540	$ 3,232,540	$ 1,889,620	$ -	310	None	Yes	No	No
	Dehe 1 Energy Co., Ltd.	Parent and Subsidiary	None	160,000	160,000	17,123	-	15	None	Yes	No	No
	Dehe 2 Energy Co., Ltd.	Parent and Subsidiary	None	197,200	197,200	33,268	-	19	None	Yes	No	No
Fu Bao Yi Hao Energy Co., Ltd.	Enfinite Capital Taiwan Solar I, LLC.	Parent and Subsidiary	None	6,822,000	6,822,000	6,771,784	-	509	None	Yes	No	No

Note 1: For the endorsement guarantee provided by Shenhe Energy Co., Ltd., $2,000,000 thousand is provided by the bank to Dehe Energy Co., Ltd., Dehe 1 Energy Co., Ltd. and Dehe 2 Energy Co., Ltd. as shared quota.

Note 2: Investee Company’s net value of the most recent financial statement is the book balance of the investee company, unaudited by the CPA.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

SECURITIES HELD AT THE END OF THE PERIOD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Capital	Carrying Amount (Note 2)	Percentage of Ownership (%)	Fair Value	
	Stocks							
Shenhe Energy Co., Ltd.	Dehe Energy Co., Ltd.	Parent and subsidiary	Investment accounted for using equity method	970,840	$ 1,012,224	100.00	$ -	(Note 1)
	Dehe 1 Energy Co., Ltd.	Parent and subsidiary	Investment accounted for using equity method	948,000	10,506	100.00	-	(Note 1)
	Dehe 2 Energy Co., Ltd.	Parent and subsidiary	Investment accounted for using equity method	12,370 thousand	14,635	100.00	-	(Note 1)
Fu Bao Yi Hao Energy Co., Ltd.	Enfinite Capital Taiwan Solar I, LLC.	Parent and subsidiary	Investment accounted for using equity method	126,000,000	1,575,305	70.00	-	(Note 1)
Taipan Solar Co., Ltd.	Crimson Solar Co., Ltd.	Investments in associates	Investment accounted for using equity method	57,267,480	1,194,547	24.00	-	(Note 1)
ThrivEnergy Co., Ltd.	Supernova Energy Co., Ltd.	Parent and subsidiary	Investment accounted for using equity method	72,000,000	758,173	100.00	-	(Note 1)
CDIB Capital Healthcare Ventures Limited	Powder Pharmaceuticals, Inc.	None	Financial assets at fair value through profit or loss - non-current	7,192	4,611	4.99	4,611	
	Paonan Biotech Co., Ltd.	None	Financial assets at fair value through profit or loss - non-current	3,375,000	46,575	16.07	46,575	
	APrevent Medical Inc.	None	Financial assets at fair value through profit or loss - non-current	1,907,917	53,830	10.25	53,830	
	Handa Pharmaceuticals, Inc.	None	Financial assets at fair value through profit or loss - non-current	403,000	73,951	0.29	73,951	
	Prenetics Global Limited	None	Financial assets at fair value through profit or loss - non-current	26,667	4,844	0.22	4,844	
	Steminent Biotherapeutics Inc.	None	Financial assets at fair value through profit or loss - non-current	2,600,000	117,000	4.66	117,000	
	Trust Bio-sonics Inc.	None	Financial assets at fair value through profit or loss - non-current	2,675,690	48,162	8.83	48,162	
	AmMax Bio, Inc.	None	Financial assets at fair value through profit or loss - non-current	602,154	22,394	1.61	22,394	
	Immune-Onc Therapeutics, Inc.	None	Financial assets at fair value through profit or loss - non-current	1,262,442	56,324	1.17	56,324	

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Capital	Carrying Amount (Note 2)	Percentage of Ownership (%)	Fair Value	
	Alar Pharmaceuticals Inc.	None	Financial assets at fair value through profit or loss - non-current	6,888,000	$ 1,443,036	12.08	$ 1,443,036	
	TWI Biotechnology Inc.	None	Financial assets at fair value through profit or loss - non-current	1,100,000	15,400	1.25	15,400	
	TOT BIOPHARM International Co., Ltd.	None	Financial assets at fair value through profit or loss-non-current	3,156,200	24,460	0.41	24,460	
	CellMax, Limited	None	Financial assets at fair value through profit or loss - non-current	995,322	5,188	0.43	5,188	
Guang Bei Co., Ltd.	Bei He Power Company Ltd.	Parent and subsidiary	Investment accounted for using equity method	61,981,000	617,231	100.00	-	(Note 1)
Perpetual New Energy Co., Ltd.	Eternal New Energy Co., Ltd.	Parent and subsidiary	Investment accounted for using equity method	20,000,000	196,908	100.00	-	(Note 1)

Note 1: Investment adopting the equity method does not need to disclose the fair value.

Note 2: Unaudited by the CPA.

(Concluded)

TABLE 6

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

TRANSACTIONS WHERE THE AGGREGATE PURCHASES OR SALES OF THE SAME SECURITY REACHING NT$100 MILLION OR 20% OF PAID IN CAPITAL OR MORE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain (Loss) on Disposal	Shares	Amount
CDIB Capital Healthcare Ventures Limited	Handa Pharmaceuticals, Inc.	Financial assets at fair value through profit or loss-non-current	Open market	None	2,745,000	$ 339,008	-	$ -	2,342,000	$ 380,526	$ 75,570	$ 304,957	403,000	$ 73,951
	Medzoneasia Co., Ltd.	Financial assets at fair value through profit or loss-non-current	Open market	None	4,230,700	105,768	-	-	4,230,700	132,867	98,268	34,600	-	-

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of the Period	Remittance for Investment for the Period		Accumulated Outward Remittance for Investment from Taiwan at the End of the Period	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
CCB Life Insurance Ltd. (Note 1)	Life insurance	$ 32,212,967 (CNY 7,120,461 thousand)	Direct investment in Mainland China	$ 12,880,969	$ -	$ -	$ 12,880,969	$ (17,924,554) (Note 3)	19.90	$ - (Note 4)	$ 9,346,708 (Note 2)	$ 229,387 (Note 4)	

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$12,880,969	$12,880,969	$89,002,233

Note 1: The investee company was originally named as Pacific-Antna Life Insurance Company Ltd. On June 7, 2011, the investee company was approved to change the name to CCB Life Insurance Ltd. by China Insurance Regulatory Commission. On December 20, 2016, the investee company announced to restructure as incorporation.

Note 2: The Company classified the investment in the financial assets at fair value through other comprehensive income. The ending carrying amount includes unrealized gains or losses.

Note 3: Investee Company's profit or loss for the period is the book balance of the investee company, unaudited by the CPA.

Note 4: Accumulated cash dividends distributed in previous years.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

(Continued)

(Concluded)

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Summary	Amounts
Cash on hand		$ 1,235
Revolving funds		530
Cash in banks (Note)	Including US$416,045 thousand, AUD53,345 thousand and CNY64,067 thousand.	22,307,426
Time deposits (Note)	Maturity date on the time deposits falls within 12 months. The interest intervals are between 0.2%-5.58%, including US$345,915 thousand, AUD40,000 thousand and CNY65,000 thousand.	13,953,143
Bond with resale agreement	Maturity date on bond with resale agreement falls within 3 months. The interest intervals are between 1.25%-1.28%.	12,941,140
		$ 49,203,474

Note: The foreign exchange rates for converting to Taiwanese Dollars are as follows: USD at 30.735, AUD at 20.9982, and CNY at 4.3311/4.3319.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Summary	Number of Shares or Bonds	Face Value (NT$)	Total Value	Interest Rate (%)	Acquisition Cost	Fair Value: Unit Price (NT$)	Fair Value: Total	Changes in Fair Value Attributable to Changes in Credit Risk	Note
Financial assets at fair value through profit or loss										
Domestic listed stocks										
TSMC		44,273,000	10	$ 442,730,000		$ 24,672,480		$ 26,253,889	None	
Others (Note)						111,287,036		109,331,050	None	Note 2
						135,959,516		135,584,939		
Domestic unlisted stocks						1,463,061		1,694,359	None	Note 2
Domestic beneficiary certificates						129,944,736		113,694,997	None	Note 2
Domestic real estate investment trust						1,677,359		1,778,238	None	Note 2
Domestic preferred stocks						1,361,672		1,252,375	None	Note 2
Domestic financial debentures						20,940,000		19,873,875	None	Note 2
Derivatives						-		19,422,920	None	Note 2
Overseas listed stocks						32,200,449		26,852,442	None	Note 2
Overseas beneficiary certificates						55,791,019		53,744,370	None	Note 2
Overseas real estate investment trust						2,592,087		2,836,144	None	Note 2
Overseas corporate bonds						5,593,472		5,105,865	None	Note 2
Overseas financial debentures						25,204,158		21,711,889	None	Note 2
						412,727,529		$ 403,552,413		
Valuation adjustment						(9,175,116)				
Net amount						$ 403,552,413				

Note 1: The above financial assets are not pledged.

Note 2: The balance of each securities that does not constitute over 5% of the balance of the major accounting item does not present separately.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Summary	Shares or Bonds	Face Value (NT$)	Total Value	Allowance for Losses	Valuation Adjustment for Allowance	Acquisition Cost	Fair Value: Unit Price (NT$)	Fair Value: Total	Note
Domestic listed stocks		-		$ -	NA	$ 525,151	$ 2,581,862		$ 3,107,013	
Domestic government bonds		-		-	$ 97	2,875	2,037,557		2,040,432	
Domestic unlisted stocks		-		-	NA	(5,195)	1,521,188		1,515,993	
Domestic preferred stocks		-		-	NA	(208,994)	11,768,802		11,559,808	
Overseas government bonds										
T 3.625 2/15/53				4,610,250	153	(178,866)	4,447,309		4,268,443	
Others					369	(149,298)	7,979,899		7,830,601	
					522	(328,164)	12,427,208		12,099,044	
Overseas corporate bonds		-		-	2,187	(41,768)	16,973,580		16,931,812	
Overseas financial debentures		-		-	1,472	224,417	14,833,056		15,057,473	
Overseas unlisted stocks										
CCB Life Insurance Co., Ltd.		-		-	NA	(3,534,261)	12,880,969		9,346,708	
				$ -	$ 4,278	$ (3,365,939)	$ 75,024,222		$ 71,658,283	

Note 1: The balance of each securities that does not constitute over 5% of the balance of the major accounting item does not present separately.

Note 2: The above financial assets are not pledged.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Bonds	Summary	Number of Bonds	Face Value (NT$)	Total Value	Interest Rate (%)	Allowance for Losses	Unamortized Premiums (Discounts)	Book Value	Note
Domestic government bonds		-		$ 64,411,400	0.25%-3.625%	$ (3,110)	$ 587,135	$ 64,998,535	Maturing in 2053, Note 2
Domestic corporate bonds		-		44,350,000	0.45%-3.70%	(7,727)	(1,313)	44,348,687	Maturing in 2050, Note 2
Domestic financial debentures		-		22,150,000	0.40%-2.55%	(4,182)	-	22,150,000	Maturing in 2032, Note 2
Domestic structured products		-		6,500,000	0.805%-1.10%	(2,050)	-	6,500,000	Maturing in 2032, Note 2
Overseas government bonds		-		175,570,614	1.25%-7.75%	(1,200,702)	14,684,919	190,255,533	Maturing in 2110, Note 2
Overseas corporate bonds		-		484,278,721	0%-7.625%	(168,783)	30,801,405	515,080,126	Maturing in 2072, Note 2
Overseas financial debentures		-		1,651,255,018	0%-7.75%	(76,470)	(898,035,613)	753,219,405	Maturing in 2110, Note 2
Overseas real estate mortgage bonds				6,770,573	2.50%-5.00%	(322)	(177,071)	6,593,502	Maturing in 2054, Note 2
Less: Refundable deposits						-	-	(7,498,119)	Note 1
Less: Expected credit loss						-	-	(1,463,346)	
						$ (1,463,346)	$ (852,140,538)	$ 1,594,184,323	

Note 1: $7,338,575 thousand is deposited to the Department of the Treasury of CBC as insurance deposits; $198 thousand is litigation deposits paid to and deposited in court; $159,346 thousand is deposited as margin payments for derivative trading counterparties.

Note 2: The balance of each securities that does not constitute over 5% of the balance of the major accounting item does not present separately.

Note 3: Except for the abovementioned in Note 1, the financial assets listed above are not pledged.

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name	Beginning Balance		Increase for the Current Period		Decrease for the Current Period		Ending Balance			Fair Value or Net Worth		Pledged or Lent	Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Proportion	Amount	Unit Price (NT$)	Total Amount		
Shenhe Energy Co., Ltd.	19,900,000	$ 192,949	-	$ 14,665	-	$ -	19,900,000	19.90%	$ 207,614	-	$ 207,614	None	
Fu Bao Yi Hao Energy Co., Ltd.	50,000,000	487,048	-	42,791	-	-	50,000,000	39.68%	529,839	-	529,839	None	
Taipan Solar Co., Ltd.	47,130,000	489,123	-	-	(5,010,000)	(60,400)	42,120,000	30.00%	428,723	-	428,723	None	
Thriv Energy Co., Ltd.	21,600,000	215,860	-	14,301	-	(2,807)	21,600,000	30.00%	227,354	-	227,354	None	
CDIB Capital Healthcare Ventures Limited	21,000,000	388,705	-	137,016	(13,100,000)	(142,404)	7,900,000	20.00%	383,317	-	383,317	None	
Guang Bei Company Limited	20,800,000	208,000	5,626,925	56,269	-	(1,298)	26,426,925	42.50%	262,971	-	262,971	None	
Perpetual New Energy Co., Ltd.	-	-	8,000,000	80,000	-	(1,315)	8,000,000	40.00%	78,685		78,685	None	
		$ 1,981,685		$ 345,042		$ (208,224)			$ 2,118,503		$ 2,118,503		

Note 1: The increase in the current period includes the newly acquired investment cost and the recognition of investment income under the equity method.

Note 2: The decrease in the current period includes cash dividends, capital reduction, recognition of investment losses under the equity method, and adjustments for changes in equity.

STATEMENT 6

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Note
Land	$ 530,513	$ 198	$ (201)	$ 530,510	
Royalty-surface rights	4,354,410	-	-	4,354,410	
Buildings	332,366	71,359	(5,877)	397,848	
Computer equipment	148,434	-	-	148,434	
Transportation equipment	18,277	-	(7,379)	10,898	
Other office equipment	62,694	-	(38,537)	24,157	
	$ 5,446,694	$ 71,557	$ (51,994)	$ 5,466,257	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Note
Land	$ 34,232	$ 8,191	$ (201)	$ 42,222	
Royalty-surface rights	261,893	67,081	-	328,974	
Buildings	42,394	54,113	(5,661)	90,846	
Computer equipment	60,992	30,579	-	91,571	
Transportation equipment	7,890	1,960	(4,897)	4,953	
Other office equipment	34,363	12,036	(38,346)	8,053	
	$ 441,764	$ 173,960	$ (49,105)	$ 566,619	

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Beginning Balance			Increase for the Current Period			Decrease for the Current Period			Ending Balance				
Item	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	The Amount at Initial Recognition	Accumulated Change in Fair Value	Total	Pledge	Note
Measured at fair value:														
Land	$ 27,237,196	$ 5,864,912	$ 33,102,108	$ 634,753	$ 716,108	$ 1,350,861	$ (455,914)	$ (1,054,097)	$ (1,510,011)	$ 27,416,035	$ 5,526,923	$ 32,942,958	None	Note 1
Buildings	17,338,950	5,116,923	22,455,873	248,698	1,364,799	1,613,497	(101,611)	(360,817)	(462,428)	17,486,037	6,120,905	23,606,942	None	Note 1
Right-of-use assets - land	1,024,617	381,526	1,406,143	-	178,028	178,028	-	-	-	1,024,617	559,554	1,584,171	None	Note 1
Right-of-use assets - royalty-surface	8,577,216	624,794	9,202,010	-	88,243	88,243	-	(106,437)	(106,437)	8,577,216	606,600	9,183,816	None	Note 1
	$ 54,177,979	$ 11,988,155	$ 66,166,134	$ 883,451	$ 2,347,178	$ 3,230,629	$ (557,525)	$ (1,521,351)	$ (2,078,876)	$ 54,503,905	$ 12,813,982	$ 67,317,887		
Measured at cost:														
Land	$ 3,654,175	$ -	$ 3,654,175	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,654,175	$ -	$ 3,654,175	None	Note 2

Note 1: For investment property measured at fair value, the amounts listed above are evaluated through independent valuation appraisers. Please refer to Note 13 in financial reports for the approaches and assumptions adopted.

Note 2: For investment property measured at cost, the amounts listed above is at initial recognition.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending Balance	Note
Land	$ 1,217,622	$ 1,666	$ -	$ 1,219,288	Note

Note: This pertains to undeveloped land and prepayment for real estate, for which construction permits have not been obtained and fair value cannot be reliably determined. Therefore, their book values are measured at cost.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF LOANS MADE TO OTHERS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	Allowance for Losses	Adjustments of Premiums and Discounts	Net Amount	Note
Policy loans	$ 28,339,180	$ -	$ -	$ 28,339,180	
Automatic premium loans	5,453,270	-	-	5,453,270	
Secured loans	175,197	(2,729)	-	172,468	
	$ 33,967,647	$ (2,729)	$ -	$ 33,964,918	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CLAIMS RECOVERABLE FROM REINSURERS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Individual health insurance		$ 526,090	
Individual life insurance		141,744	
Group insurance		81,427	
Investment-linked insurance		47,297	
Individual accident insurance		18,288	
		$ 814,846	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF DUE FROM AND DUE TO REINSURERS AND CEDING COMPANIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Summary	Debit Balance	Summary	Credit Balance	Note
Due from reinsurers and ceding companies		Due to reinsurers and ceding companies		
Central Reinsurance Corporation	$ 45,028	RGA Global Reinsurance Company	$ 630,518	
SCOR SE	7,057	Munich Reinsurance Company	200,469	
Others (Note)	588	Others (Note)	65,547	
	$ 52,673		$ 896,534	

Note: The balance of each item that does not constitute about 5% of the balance of the major accounting item does not present separately.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGE IN PROPERTY AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending balance	Pledge	Note
Land	$ 5,935,595	$ 689,149	$ (644,502)	$ 5,980,242	None	
Buildings	5,415,717	141,162	(186,493)	5,370,386	None	
Computer equipment	837,739	122,361	(108,257)	851,843	None	
Transportation equipment	30,834	5,234	(896)	35,172	None	
Other equipment	688,214	41,136	(3,131)	726,219	None	
Leasehold improvements	42,147	22,783	-	64,930	None	
Prepayment for buildings and construction in progress	304,533	236,599	(327,770)	213,362	None	
	$ 13,254,779	$ 1,258,424	$ (1,271,049)	$ 13,242,154		

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending balance	Note
Buildings	$ 752,749	$ 261,604	$ (79,144)	$ 935,209	Note 1
Computer equipment	313,874	137,464	(108,232)	343,106	Note 2
Transportation equipment	3,451	6,402	(896)	8,957	Note 3
Other equipment	513,249	59,545	(3,125)	569,669	Note 4
Leasehold improvement	24,850	4,452	-	29,302	Note 5
	$ 1,608,173	$ 469,467	$ (191,397)	$ 1,886,243	

Note 1: Accrued on a straight-line basis over the estimated economic lives 3-60 years.

Note 2: Accrued on a straight-line basis over the estimated economic lives 3-12 years.

Note 3: Accrued on a straight-line basis over the estimated economic lives 5 years.

Note 4: Accrued on a straight-line basis over the estimated economic lives 5 years.

Note 5: Accrued on a straight-line basis over the lease terms or the estimated economic lives, whichever is shorter.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN ACCUMULATED IMPAIRMENT OF PROPERTY AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period (Note)	Ending balance	Note
Land	$ 740,512	$ 9,749	$ (9,749)	$ 740,512	
Buildings	8,534	1,418	(1,418)	8,534	
	$ 749,046	$ 11,167	$ (11,167)	$ 749,046	

Note: The decrease in this period is transferred out.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Increase for the Current Period	Decrease for the Current Period	Ending balance	Note
Computer software	$ 444,677	$ 322,259	$ (305,974)	$ 460,962	Note 1
Carbon allowances	-	178	-	178	Note 2
	$ 444,677	$ 322,437	$ (305,974)	$ 461,140	

Note 1: The decrease for the period consists of amortization of $305,952 thousand and scrapping of $22 thousand. Accrued on a straight-line basis over the estimated economic lives 1-10 years.

Note 2: Due to the indefinite useful life, amortization is not allowed. The company conducts annual impairment assessments.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF OTHER ASSETS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Prepayments	Prepaid expenses	$ 34,526	
	Imputation tax credit	241,910	
	Other prepayments	78,431	
		354,867	
Refundable deposits	Insurance enterprise deposits	7,498,119	
	Other deposits	15,689	Other deposits including telephone equipment, leases, etc.
		7,513,808	
Other assets - others	Temporary payments and suspense accounts	17,691	
		$ 7,886,366	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Name of Financial Instrument	Summary	Number of Shares or Bonds	Face Value	Total Value	Interest Rate	Fair Value Unit Price (NT$)	Fair Value Total	Changes in Fair Value Attributable to Changes in Credit Risk	Note
Derivative	Swaps and forward foreign exchange contracts	-		$ -			$ 5,612,137	None	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Bonds	Entrusted Entity	Issuance Date	Coupon Frequency	Coupon Rate (%)	Amount: Total Issuance	Amount: Clear Off	Amount: End of the Period	Amount: Unamortized Premium or Discount	Amount: Gross Carrying	Redemption	Pledge	Note
KGI Life Insurance Co., Ltd. 1st Perpetual cumulative Subordinated Corporate Bonds issued in 2020	Taipei Fubon Commercial Bank Co., Ltd.	2020.12.28	Annual	2.70	$ 10,000,000	$ -	$ 10,000,000	$ -	$ 10,000,000	Ten years after the issuance date, the bonds may be redeemed in whole by KGI Life with regulator's approval if the Company's capital adequacy ratio (after the bond redemption) is one time higher than the minimum regulation requirement at the time of calculation. The redemption price will be equal to par value plus any accrued and unpaid interest payable up to the date of redemption.	None	
KGI Life Insurance Co., Ltd. 1st Unsecured Cumulative Subordinated Corporate Bonds issued in 2023	Taipei Fubon Commercial Bank Co., Ltd.	2023.7.25	Annual	3.75	10,000,000	-	10,000,000	-	10,000,000	The maturity date of the bonds is July 25, 2033, with principal repayment due in full at maturity.	None	
					$ 20,000,000	$ -	$ 20,000,000	$ -	$ 20,000,000			

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN POLICY RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Life insurance	$ 1,740,393,300	$ (4,237,607)	$ 984,494	$ 1,737,140,187	
Injury insurance	167,059,305	11,312,096	(88)	178,371,313	
Health insurance	135,298,680	(17,870,971)	78,185	117,505,894	
Investment-linked insurance	2,056,019	253,727	(434)	2,309,312	
	$ 2,044,807,304	$ (10,542,755)	$ 1,062,157	$ 2,035,326,706	

Note: Amount for other changes $1,062,157 thousand are from net losses on foreign exchange.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN UNEARNED PREMIUM RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Total amount:					
Individual life insurance	$ 852	$ (98)	$ -	$ 754	
Individual injury insurance	1,870,490	303,189	-	2,173,679	
Individual health insurance	2,614,779	289,550	-	2,904,329	
Group insurance	541,195	81,356	-	622,551	
Investment-linked insurance	71,899	3,083	(1)	74,981	
Annuity insurance	7	(5)	-	2	
	$ 5,099,222	$ 677,075	$ (1)	$ 5,776,296	
Ceded:					
Individual life insurance	$ 19,425	$ 1,807	$ (12)	$ 21,220	
Individual injury insurance	906	57	-	963	
Individual health insurance	38,186	18,800	-	56,986	
Group insurance	3,125	1,188	-	4,313	
Investment-linked insurance	5,235	81	-	5,316	
	$ 66,877	$ 21,933	$ (12)	$ 88,798	

Note: Amount for other changes $11 thousand are from net losses on foreign exchange.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN RESERVE FOR CLAIMS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Total amount:					
Individual life insurance	$ 300,791	$ (40,147)	$ (92)	$ 260,552	
Individual injury insurance	707,374	97,688	-	805,062	
Individual health insurance	1,312,353	51,851	-	1,364,204	
Group insurance	1,180,842	(421,967)	-	758,875	
Investment-linked insurance	43,732	(4,782)	(22)	38,928	
Annuity insurance	37,155	(2,890)	99	34,364	
	$ 3,582,247	$ (320,247)	$ (15)	$ 3,261,985	
Ceded:					
Individual life insurance	$ 17,892	$ 9,391	$ (9)	$ 27,274	
Individual injury insurance	1,128	546	-	1,674	
Individual health insurance	17,149	1,622	-	18,771	
Group insurance	8,000	(2,300)	-	5,700	
Investment-linked insurance	-	1,360	-	1,360	
	$ 44,169	$ 10,619	$ (9)	$ 54,779	

Note: Amount for other changes $6 thousand are from net gains on foreign exchange.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN SPECIAL RESERVES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Participating policies dividend reserve	$ 8,507,932	$ (1,274,575)	$ 50,805	$ 7,284,162	

Note: Amount for other changes is the balance of gain (loss) from the disposal of participating policies linked with equity instruments measured at fair value through other comprehensive income transferred to retained earning with the deduction of special reserve.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN SPECIAL RESERVES (SPECIAL RESERVES FOR CATASTROPHE AND FLUCTUATION OF RISK)
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Reserve for the Current Period	Recover for the Current Period	Ending Balance	Note
Individual life insurance	$ 2,302	$ 308	$ (159)	$ 2,451	
Individual injury insurance	940,255	142,886	(73,005)	1,010,136	
Individual health insurance	2,580,980	157,730	(573,471)	2,165,239	
Group insurance	3,657,214	567,195	(372,210)	3,852,199	
Annuity insurance	362	2	(52)	312	
	$ 7,181,113	$ 868,121	$ (1,018,897)	$ 7,030,337	

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

CALCULATION OF SPECIAL RESERVES (SPECIAL RESERVES FOR CATASTROPHE AND FLUCTUATION OF RISK) ALLOCATED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

		Anticipated Dollar Amount Need to Be Paid			The Special Reserved in the Current Period				
Type of Insurance	Earned Premium Retained	Expected Loss Rate	Expected Amount for Claims	Retained Claim	Reserve Rate	Reserve of Fixed Rate	Less than Expected Reserve for Claims	Tax Effect	Total Reserve
Individual life insurance	$ 2,541	94%	$ 2,390	$ 333	3.00%	$ 76	$ 308	$ 76	$ 308
Individual injury insurance	3,037,055	79%	2,386,630	1,398,384	1.00%	30,370	148,237	35,721	142,886
Individual health insurance	6,572,085	77%	5,035,760	5,688,933	3.00%	197,163	-	39,433	157,730
Group insurance	7,653,462	82%	6,275,839	3,079,907	3.00%	229,604	479,390	141,799	567,195
Annuity insurance	84	100%	83	140	3.00%	3	-	1	2
	$ 17,265,227		$ 13,700,702	$ 10,167,697		$ 457,216	$ 627,935	$ 217,030	$ 868,121

KGI LIFE INSURANCE CO., LTD.

(Former Name: China Life Insurance Co., Ltd.)

CALCULATION OF SPECIAL RESERVES (SPECIAL RESERVES FOR CATASTROPHE AND FLUCTUATION OF RISK) RECOVERED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Type of Insurance	The Accumulated Special Reserve in the Prior Period	Special Reserve, Sum of Prior Period Accumulation and Reserve in the Current Period	Special Reserves Recovered in the Current Period: More than Expected Recovery for Claims	More than Recovery of Self-retention Earned Premium	Special Reserves Recovered from Catastrophic Events	Tax Effect	Total Recovery	The Accumulated Special Reserve in the Current Period
Individual life insurance	$ 2,302	$ 2,610	$ -	$ 165	$ 34	$ 40	$ 159	$ 2,451
Individual injury insurance	940,255	1,083,141	-	73,547	17,709	18,251	73,005	1,010,136
Individual health insurance	2,580,980	2,738,710	653,173	-	63,666	143,368	573,471	2,165,239
Group insurance	3,657,214	4,224,409	-	362,714	102,549	93,053	372,210	3,852,199
Annuity insurance	362	364	56	8	-	12	52	312
	$ 7,181,113	$ 8,049,234	$ 653,229	$ 436,434	$ 183,958	$ 254,724	$ 1,018,897	$ 7,030,337

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN PREMIUM DEFICIENCY RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Beginning Balance	Net Change in the Current Period	Amount for Other Changes (Note)	Ending Balance	Note
Total amount:					
Individual life insurance	$ 1,890,710	$ (494,053)	$ 3,899	$ 1,400,556	
Individual health insurance	100,617	(8,020)	-	92,597	
	$ 1,991,327	$ (502,073)	$ 3,899	$ 1,493,153	

Note: Amount for other changes $3,899 thousand are from net losses on foreign exchange.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF CHANGES IN RESERVE FOR FOREIGN EXCHANGE VALUATION RESERVE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Net Change in the Current Period					
Beginning Balance	Fixed Reserve for the Current Period	Incremental Reserve for the Current Period	Offset for the Current Period	Total	Ending Balance	Note
$ 10,886,927	$ 2,031,779	$ 9,623,869	$ (12,773,787)	$ (1,118,139)	$ 9,768,788	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF PROVISIONS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Provision for employee benefits		$ 138,784	
Other provisions		7,632	Litigation provision
		$ 146,416	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Lease Period	Discount Rate	Ending Balance	Note
Land	Rent on royalty-surface rights and land	2014/01-2084/01	1.61%-3.5%	$ 1,562,137	
Buildings	Rent on office and parking lot	2021/06-2038/06	0.544%-1.9588%	321,582	
Computer equipment	Hardware and software	2020/11-2025/12	0.563%-0.856%	53,303	
Transportation equipment	Business car	2020/02-2029/09	0.5819%-0.9821%	6,018	
Other office equipment	Multi-Function machine etc.	2022/07-2026/10	0.6024%	16,653	
				$ 1,959,693	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF OTHER LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Unearned receipts	Unearned premiums	$ 498,498	
	Other unearned revenue	22,190	
		520,688	
Guarantee deposits received	Real estate lease deposit	545,422	
	Other deposits	7,227,215	
		7,772,637	
Other liabilities - other	Temporary receipts and suspense accounts	704,434	
		$ 8,997,759	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF RETAINED EARNED PREMIUM
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Types of Insurance	Premium Income	Reinsurance Premium Income	Reinsurance Expenses	Retain Premium	Reserve Method	Net Change in Unearned Premium Reserve	Retained Earned Premium	Note
Individual life insurance	$ 114,697,913	$ -	$ (503,456)	$ 114,194,457	Note	$ 1,905	$ 114,196,362	
Individual injury insurance	3,364,137	-	(29,576)	3,334,561		(303,132)	3,031,429	
Individual health insurance	22,777,158	-	(1,004,692)	21,772,466		(270,750)	21,501,716	
Group insurance	3,521,444	-	(151,558)	3,369,886		(80,168)	3,289,718	
Investment-linked insurance	2,033,164	-	(128,707)	1,904,457		(3,002)	1,901,455	
Annuity insurance	1,862,745	-	-	1,862,745		5	1,862,750	
	$ 148,256,561	$ -	$ (1,817,989)	$ 146,438,572		$ (655,142)	$ 145,783,430	

Note: Unearned premium reserve is calculated based on each individual case: premium income in the current period multiplies by the percentage of undue days.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Deposits and short-term notes interest		$ 863,678	
Securities interest		61,074,452	
Policy loan interest		1,427,292	
Secured loans interest		5,522	
Automatic premium loans interest		251,850	
Others		197,969	
		$ 63,820,763	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF GAINS (LOSSES) ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount
Debt instruments	Gains (losses) from transaction	$ 32,949
	Security lending income	361
	Gains (losses) from valuation	-
	Interest income	1,611,886
		1,645,196
Equity instruments	Gains (losses) from transaction	11,855,527
	Security lending income	60,942
	Gains (losses) from valuation	33,430,954
	Dividend income	13,295,833
		58,643,256
Derivatives	Gains (losses) from transaction	(39,360,900)
	Gains (losses) from valuation	12,072,038
		(27,288,862)
		$ 32,999,590

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF REALIZED GAINS (LOSSES) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Equity instruments		
Dividend income	$ 647,880	
Debt instrument		
Gains (losses) from transaction	375,925	
Security lending income	214	
	376,139	
	$ 1,024,019	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF GAINS (LOSSES) FROM DERECOGNITION OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Debt instruments		
Gains (losses) from transaction	$ 2,424,907	
Security lending income	29,683	
	$ 2,454,590	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF SHARE OF PROFIT (LOSS) OF ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Amount
Shenhe Energy Co., Ltd	$ 14,665
Fu Bao Yi Hao Energy Co., Ltd.	42,791
Taipan Solarco., Ltd.	(3,171)
ThrivEnergy Co., Ltd	14,301
CDIB Capital Healthcare Ventures Limited	137,016
Guang Bei Co., Ltd.	(1,284)
Perpetual New Energy Co., Ltd.	(1,315)
	$ 203,003

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF OTHER NET INVESTMENT INCOMES (LOSSES)
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount
Other income	Fee refunds	$ 1
Security lending expense		(27,360)
		$ (27,359)

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF FOREIGN EXCHANGE GAINS (LOSSES)
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount
Debt instruments		$ 1,023,701
Other		(198,003)
		$ 825,698

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF GAINS (LOSSES) ON INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Rent income	$ 1,670,379	
Gain on disposal	34,040	
Gain on valuation	882,911	
Other expense	(278,838)	
Other income	12,438	
	$ 2,320,930	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF EXPECTED CREDIT IMPAIRMENT LOSS AND REVERSAL ON INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Impairment Losses	Gains on Reversal	Note
Domestic bonds	$ (2,195)	$ -	
Overseas bonds	(737,588)	-	
Loans	-	1,542	
	$ (739,783)	$ 1,542	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF OTHER IMPAIRMENT LOSS AND REVERSAL ON OTHER INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Impairment Losses	Gains on Reversal	Note
Investment property	$ (1,666)	$ -	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF OTHER OPERATING COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Revenue	$ -	
Cost		
Disbursement on guaranty fund	$ (148,257)	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF RETAINED CLAIM PAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Type of Insurance	Claim Payments	Reinsurance Claim Payments (Including Claim Expenses)	Claims Recovered from Reinsures	Retained Claim Payment	Note
Individual life insurance	$ 162,905,109	$ 19	$ (161,748)	$ 162,743,380	
Individual injury insurance	1,435,546	25	(23,975)	1,411,596	
Individual health insurance	11,331,808	-	(639,536)	10,692,272	
Group insurance	3,230,572	-	(153,177)	3,077,395	
Investment-linked insurance	16,797	-	(55,915)	(39,118)	
Annuity insurance	21,864,177	-	-	21,864,177	
	$ 200,784,009	$ 44	$ (1,034,351)	$ 199,749,702	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF COMMISSION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Acquisition commission expense			
Individual life insurance		$ 8,242,435	
Individual injury insurance		538,385	
Individual health insurance		1,786,320	
Group insurance		117,561	
Investment-linked insurance		351,906	
Annuity insurance		2,305	
		11,038,912	
Agent allowance		2,239,892	
		$ 13,278,804	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF FINANCE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Interest expense		$ 497,879	

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF GENERAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Payroll expense		$ 1,633,632	
Insurances expense		459,942	
Handling fees		418,484	
Other		766,993	Note
		$ 3,279,051	

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Payroll expense		$ 1,386,028	
Depreciation expense		643,427	
Amortization expense		305,952	
Professional service fees		321,025	
Other		679,309	Note
		$ 3,335,741	

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

KGI LIFE INSURANCE CO., LTD.
(Former Name: China Life Insurance Co., Ltd.)

STATEMENT OF NON-OPERATING INCOME AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Amount	Note
Revenue			
Recovered bad debts and overdue accounts		$ 5,462	
Other		22,223	Note
		27,685	
Expense			
Impairment losses and reversal gain on non-financial assets		(11,167)	
Loss on scrapping of assets		(3,726)	
Other		(6,966)	
		(21,859)	
		$ 5,826	

Note: The balance of items do not constitute over 5% of the balance of the major accounting item.

KGI Life Insurance Co., Ltd.
(Former Name: China Life Insurance Co., Ltd.)

Other Disclosures to the Financial Statements with Independent Auditors’ Report Years Ended December 31, 2023 and 2022

<u>Independent Auditors' Report Translated from Chinese</u>

AUDIT REPORT OF OTHER DISCLOSURES TO THE FINANCIAL STATEMENTS

To KGI Life Insurance Co., Ltd.

We have audited the financial statements of KGI Life Insurance Co., Ltd. for the year ended December 31, 2023. Our audit was conducted in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China, and we issued the audit report thereon on February 27, 2024. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The attached "Other Disclosures to the Financial Statements" ("Other Disclosures") was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. We have reviewed that information included in the Other Disclosures was in accordance with the Directions for Reviews of Other Disclosures in Financial Reports.

Based on our review, nothing has come to our attention that causes us to believe that the Other Disclosures to the Financial Statements of KGI Life Insurance Co., Ltd. for the year ended December 31, 2023, do not present fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises. The financial information disclosed is consistent with the financial statements and does not require any material modification.

The engagement partners on the audit resulting in this independent auditors' report are Wang-Seng, Lin and Yi-Chun, Wu

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

<u>Notice to Readers</u>

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

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

KGI LIFE INSURANCE CO., LTD.

OTHER DISCLOSURES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. BUSINESS

a. Significant business matters (most recent 5 fiscal years)

1) Acquisition or merger: On October 19, 2017, the Board has resolved to pay $1 to acquire the traditional policies and riders spun off from Allianz Taiwan Life Insurance Co., Ltd. The transaction is approved by FSC on February 27, 2018 and settled on May 18, 2018.

2) Demerger: None noted.

3) Change in management rights (equity) reaching 10% or more: The Company was informed by China Development Financial Holding Corp. (CDF), about the tender offer of the Company's ordinary shares and the Public Tender Offer Report on August 16, 2017. CDF started the tender offer from August 17, 2017 to September 6, 2017. CDF completed the tender to acquire 25.33% of the Company's common shares, totaling 880,000,000 shares, on September 13, 2017. Also, the Company was informed by CDF, about the second tender offer of the Company's ordinary shares and the Public Tender Offer Report on January 7, 2021. CDF started the tender offer from January 8, 2021 to February, 2 2021. CDF completed the tender to acquire 21.13% of the Company's common shares, totaling 1,000,000,000 shares, on February 5, 2021. CDF and its subsidiary, KGI Securities (excluding KGI Securities' borrowing positions for securities undertaking), jointly held 55.95% of the Company's common shares. The Company has signed a share conversion contract with CDF and carried out share conversion through the resolution of the shareholders' meeting on October 1, 2021. The Company exchanged 0.80 shares of common shares, 0.73 shares of Preferred stock and NT$11.5 in cash for each common share of CDF. The record date of share swap was December 30, 2021, the Company was also delisted from the Taiwan Stock Exchange (TWSE) and became a wholly owned subsidiary of CDF at the same day.

4) Transfer of business: None noted.

5) Investments in affiliated enterprises:

Unit: NT$ Thousands/Number of Shares

Name		2019	2020	2011	2022	2023
Shenhe Energy Co., Ltd.	Number of shares	-	6,965	19,900	19,900	19,900
	Carrying amount	-	69,863	195,563	192,949	207,614
	Shareholding ratio	-	19.90%	19.90%	19.90%	19.90%
Fu Bao Yihao Energy Co., Ltd.	Number of shares	-	-	37,778	50,000-	50,000
	Carrying amount	-	-	370,195	487,048	529,839
	Shareholding ratio	-	-	39.68%	39.68%	39.68%
Taipan Solar Co., Ltd.	Number of shares	-	-	45,150	47,130	42,120
	Carrying amount	-	-	451,243	489,123	428,723
	Shareholding ratio	-	-	30.00%	30.00%	30.00%
ThrivEnergy Co., LTD	Number of shares	-	-	-	21,600	21,600
	Carrying amount	-	-	-	215,860	227,354
	Shareholding ratio	-	-	-	30.00%	30.00%
CDIB Capital Healthcare Ventures Limited	Number of shares	-	-	-	21,000	7,900
	Carrying amount	-	-	-	388,705	383,317
	Shareholding ratio	-	-	-	20.00%	20.00%
Guang Bei Company Limited	Number of shares	-	-	-	20,800	26,427
	Carrying amount	-	-	-	208,000	262,971
	Shareholding ratio	-	-	-	41.68%	42.50%
Perpetual New Energy Co., Ltd.	Number of shares	-	-	-	-	8,000
	Carrying amount	-	-	-	-	78,685
	Shareholding ratio	-	-	-	-	40.00%

6) Reorganization: None noted.

7) Acquisition or disposal of major assets:

a) Acquisition of major assets:

Unit: NT$ Thousands

Year of Acquisition	Type of Assets	Total Price for Acquisition	Transaction Counterparts	Purpose for Acquisition
2020	No. 65,67,69,71, 73-3F,5F,12F, and No. 65,67,71,73-4F,7F, Jingguo 1st Rd., Taoyuan Dist., Taoyuan City with 70 parking lots	$ 852,666	Land: Chung-mao estate development Co., Ltd., Hung Yue Ying Building: Making Rich Asset Investment Co., Ltd.	For business operation.
2021	21-30F., No. 118, Ciyun Rd., East Dist., Hsinchu City with 150 parking lots	2,325,000	Land: Ding Jing-Syuan Building: Fong Yi Construction CO., Ltd.	For real estate investment.
2021	No. 356 and No. 358, Gongjian Rd. Xizhi Dist., New Taipei City with 64 parking lots	960,000	Shine Media Company Ltd.	For real estate investment.
2022	5F, 5F-1, 5F-2, 16F, 16F-1, 16F-2 and 19-24F., No. 76, Sec. 2, Dunhua S. Rd., Daan Dist., Taipei City with 38 parking lots at ground floor and basement 1.	3,199,990	Anhung Company Ltd.	For real estate investment.
2022	1-3F, No. 400, No. 406, No. 408, and 4-38F, No. 402, Shizheng Rd., Xitun Dist., Taichung City with 616 parking lots at basement.	12,050,000	Land: Wang Sen Sheng Building: Fong Yi Construction CO., Ltd.	For real estate investment.

(Continued)

Year of Acquisition	Type of Assets	Total Price for Acquisition	Transaction Counterparts	Purpose for Acquisition
2022	1-20F, No. 235, No. 237, No. 239, No. 241, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City with 316 parking lots	$ 8,350,000	Mercuries Life Insurance Company Ltd.	For real estate investment.
2022	8F., No. 19-2, Sanchong Rd., Nangang Dist., Taipei City with No. 19-14 truck parking lots and 8 parking lots	343,000	CDIB Capital Group	For real estate investment.

(Concluded)

b) Disposal of major assets: None noted.

8) Significant changes in operation method (including sales system) or business activity: None.

b. Remuneration of directors, supervisors, president, and vice presidents in the most recent year

<u>Remuneration of directors, independent directors, president and vice presidents</u>

1) Remuneration of directors and independent directors

Unit: NT$ Thousands

Title	Name	Remuneration								Total Remuneration (A+B+C+D) and Ratio to Net Income (%)		Relevant Remuneration Received by Directors Who Are Also Employees								Total Compensation (A+B+C+D+E+F+G) and Ratio to Net Income (%)		Compensation Paid to Directors from An Invested Company Other than the Company's Subsidiary and Parent Company
		Base Compensation (A)		Pension Upon Retirement (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Pension upon Retirement (F)		Profit Sharing- Employee Bonus (G)						
																The Company		Companies in the Consolidated Financial Statements				
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	Companies in the Consolidated Financial Statements	
Chairperson Chairperson Director Director Director Director Director	China Development Financial Representative: Saloon Tham (Note 2) China Development Financial Representative: Su-Kuo Huang (Note 2) China Development Financial Representative: Stefano Paolo Bertamini China Development Financial Representative: Jenny Huang China Development Financial Representative: Kiki Shih (Note 2) China Development Financial Representative: Stephanie Hwang China Development Financial Representative: Tony Hsu (Note 2)	$ 13,784	$ 13,784	$ 8,321	$ 8,321	$ 84,000	$ 84,000	$ 1,616	$ 1,616	$ 107,721 (1.06%)	$ 107,721 (1.06%)	$ 38,100	$ 38,100	$ 543	$ 543	$ -	$ -	$ -	$ -	$ 146,364 (1.44%)	$ 146,364 (1.44%)	$ 259,774
Independent Director Independent Director Independent Director Independent Director Independent Director Independent Director	China Development Financial Representative: Johnson F.H. Huang (Note 3) China Development Financial Representative: Cheng-Hsien Tsai China Development Financial Representative: Da-Bai Shen China Development Financial Representative: Ming-Jung Lai (Note 3) China Development Financial Representative: Shih-Chieh Chang (Note 3) China Development Financial Representative: Shin-Hui Yen (Note 3)	10,348	10,348	-	-	-	-	2,680	2,680	13,028 (0.13%)	13,028 (0.13%)	-	-	-	-	-	-	-	-	13,028 (0.13%)	13,028 (0.13%)	3,825

a) The Company’s independent directors’ remuneration policy, system, standards and structure, and the relationship with the amount of remuneration according to the responsibilities, risks and time invested are described below:

The remuneration of the independent directors of the Company are evaluated based on the directors’ participation in the Company’s operations, the value of their contributions, and their responsibilities while taking into consideration other domestic or foreign company’s remuneration policies in the same industry and the Company’s future risk. According to the Company’s articles of association, independent directors receive fixed remuneration and do not participate in the distribution of directors’ remuneration. The remuneration includes salaries and other bonus that are due for providing services to the Company, and business execution costs include transportation fees and attendance fees.

b) Except as disclosed in the above table, the remuneration received by the Company’s directors (council) in the most recent year for providing services (such as serving as a consultant for non-employees of the parent company/in all companies/reinvested enterprises listed in the financial report, etc.): None.

Note 1: Salary and bonus in 2023 for the Directors’ drivers excluded from the above is NT$1,735 thousands. The Company also provided other exclusive personal expenses amounted to NT$43 thousands.

Note 2: Chairperson Saloon Tham resigned on March 3, 2023, and Director Su-Kuo Huang was appointed as Chairperson on the same day, receiving the unanimous support of all directors. Director Tony Hsu retired on April 20, 2023. Director Kiki Shih assumed office on October 30, 2023. The “Compensation Paid to Directors from An Invested Company Other than the Company’s Subsidiary and Parent Company” listed on the chart includes the total amount received by Kiki Shih for the entire year of 2023.

Note 3: Independent Directors Johnson F.H. Huang and Ming-Jung Lai’s terms expired on May 26, 2023. Independent Directors Shih-Chieh Chang, Shin-Hui Yen were newly appointed on May 27, 2023.

Note 4: The estimated amounts of the employee bonus and bonus to directors is $109,000 thousand and $84,000 thousand in 2023. The actual amount will be confirmed after being resolved by the board of directors, reported to the shareholders’ meeting, and delivered by the Company.

Range of Remuneration	Range of Remuneration			
	Name of Directors and Independent Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	**Companies in the Consolidated Financial Statements (H)**	**The Company**	**Parent Company and All Invested Company (I)**
Less than NT$1,000,000	Stefano Paolo Bertamini, Jenny Huang, Kiki Shih, Stephanie Hwang, Tony Hsu	Stefano Paolo Bertamini, Jenny Huang, Kiki Shih, Stephanie Hwang, Tony Hsu	Stefano Paolo Bertamini, Jenny Huang, Kiki Shih	
NT$1,000,000 (inclusive) - NT$2,000,000 (not inclusive)	Johnson F.H. Huang, Ming-Jung Lai	Johnson F.H. Huang, Ming-Jung Lai	Johnson F.H. Huang, Ming-Jung Lai	Johnson F.H. Huang, Ming-Jung Lai
NT$2,000,000 (inclusive) - NT$3,500,000 (not inclusive)	Cheng-Hsien Tsai, Da-Bai Shen, Shih-Chieh Chang, Shin-Hui Yen	Cheng-Hsien Tsai, Da-Bai Shen, Shih-Chieh Chang, Shin-Hui Yen	Cheng-Hsien Tsai, Da-Bai Shen, Shih-Chieh Chang, Shin-Hui Yen, Tony Hsu	Cheng-Hsien Tsai, Da-Bai Shen, Shin-Hui Yen, Tony Hsu
NT$3,500,000 (inclusive) - NT$5,000,000 (not inclusive)				
NT$5,000,000 (inclusive) - NT$10,000,000 (not inclusive)	Su-Kuo Huang	Su-Kuo Huang	Su-Kuo Huang	Shih-Chieh Chang
NT$10,000,000 (inclusive) - NT$15,000,000 (not inclusive)				Kiki Shih
NT$15,000,000 (inclusive) - NT$30,000,000 (not inclusive)	Saloon Tham	Saloon Tham	Saloon Tham	Saloon Tham
NT$30,000,000 (inclusive) - NT$50,000,000 (not inclusive)			Stephanie Hwang	Jenny Huang, Stephanie Hwang, Su-Kuo Huang
NT$50,000,000 (inclusive) - NT$100,000,000 (not inclusive)	China Development Financial	China Development Financial	China Development Financial	China Development Financial
NT$100,000,000 and above				Stefano Paolo Bertamini
Total	14	14	14	14

2) Remuneration of President and Vice Presidents (disclosure in order of range of remuneration)

Title	Name	Salary (A)		Pension Upon Retirement (B)		Bonuses and Allowances (C)		Profit Sharing - Employee Bonus (D)				Total Compensation (A+B+C+D) and Ratio to Net Income (%)		Compensation Paid to Directors from An Invested Company Other than the Company's Subsidiary and Parent Company
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company		Companies in the Consolidated Financial Statements		The Company	Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Stephanie Hwang													
Chief Executive Vice President	Tony Hsu (Note 2)													
Senior Executive Vice President	Eric Su													
Executive Vice President	Johnny Chang													
Executive Vice President	Lauren Hsieh													
Executive Vice President	Angel Lu													
Executive Vice President	Anne Su													
Executive Vice President	Jay Ueng (Note 2)													
Executive Vice President	Jeff Leu													
Executive Vice President	Janron Sung													
Executive Vice President	Henry Chang													
Executive Vice President	Gary Lee													
Executive Vice President	Jacky Lee													
Executive Vice President	Herbert Hsu (Note 2)													
Executive Vice President	Gordon Wan (Note 2)													
Executive Vice President	Jeff Lee													
Executive Vice President	Robbin Hsu	$ 135,680	$ 135,680	$ 7,027	$ 7.027	$ 134,355	$ 134,355	$ 11,893	$ -	$ 11,893	$ -	$ 288,955	$ 288,955	$ -
Executive Vice President	Yao Min Chou											(2.84%)	(2.84%)	
Senior Vice President	Ben Huang (Note 2)													
Senior Vice President	Judith Lin													
Senior Vice President	Yih Ruey Kang													
Senior Vice President	Helen Chen													
Senior Vice President	Share Hsieh													
Senior Vice President	Ming Lung Lin													
Senior Vice President	Yueh Fang Hsu													
Senior Vice President	Terry Wang													
Senior Vice President	Jina Tsai													
Senior Vice President	Chen Tung Chen													
Senior Vice President	Yi Te Lin													
Senior Vice President	Wen Liu													
Senior Vice President	Tsai Ping Wan (Note 2)													
Senior Vice President	Jennifer Lin													
Senior Vice President	Rochelle Hsieh ((Note 4)													
Senior Vice President	Ya-Ching Lu (Note 3)													

Remuneration Range of President and Vice Presidents	Name of President and Vice Presidents	
	The Company	Parent Company and All Invested Company (E)
Less than NT$1,000,000		
NT$1,000,000 (inclusive) - NT$2,000,000 (not inclusive)	Jay Ueng	Jay Ueng
NT$2,000,000 (inclusive) - NT$3,500,000 (not inclusive)	Tony Hsu, Gordon Wan, Share Hsieh, Tsai Ping Wan, Jennifer Lin, Ya-Ching Lu	Tony Hsu, Gordon Wan, Share Hsieh, Tsai Ping Wan, Jennifer Lin, Ya-Ching Lu
NT$3,500,000 (inclusive) - NT$5,000,000 (not inclusive)	Ben Huang	Ben Huang
NT$5,000,000 (inclusive) - NT$10,000,000 (not inclusive)	Johnny Chang, Angel Lu, Anne Su, Janron Sung, Jacky Lee, Jeff Lee, Robbin Hsu, Yao Min Chou, Judith Lin, Yih Ruey Kang, Helen Chen, Yueh Fang Hsu, Terry Wang, Jina Tsai, Chen Tung Chen, Yi Te Lin, Wen Wen Liu	Johnny Chang, Angel Lu, Anne Su, Janron Sung, Jacky Lee, Jeff Lee, Robbin Hsu, Yao Min Chou, Judith Lin, Yih Ruey Kang, Helen Chen, Yueh Fang Hsu, Terry Wang, Jina Tsai, Chen Tung Chen, Yi Te Lin, Wen Wen Liu
NT$10,000,000 (inclusive) - NT$15,000,000 (not inclusive)	Eric Su, Jeff Leu, Henry Chang, Gary Lee, Herbert Hsu, Ming Lung Lin, Rochelle Hsieh	Eric Su, Jeff Leu, Henry Chang, Gary Lee, Herbert Hsu, Ming Lung Lin, Rochelle Hsieh
NT$15,000,000 (inclusive) - NT$30,000,000 (not inclusive)	Lauren Hsieh	Lauren Hsieh
NT$30,000,000 (inclusive) - NT$50,000,000 (not inclusive)	Stephanie Hwang	Stephanie Hwang
NT$50,000,000 (inclusive) - NT$100,000,000 (not inclusive)		
NT$100,000,000 and above		
Total	34	34

Note 1: Salary and bonus in 2023 for the managers' drivers excluded from the above is NT$5,041 thousands. The Company also provided other exclusive personal expenses amounted to NT$437 thousands.

Note 2: Chief Executive Vice President Tony Hsu retired on April 20, 2023; Executive Vice President Jay Ueng left his position on April 1, 2023; Executive Vice President Herbert Hsu left his position on August 12, 2023; Executive Vice President Gordon Wan left his position on August 1, 2023; Senior Vice President Ben Huang retired on July 1, 2023; Senior Vice President Tsai Ping Wan left her position on October 1, 2023.

Note 3: Senior Vice President Ya-Ching Lu arrived her position on August 31, 2023.

Note 4: Senior Vice President Rochelle Hsieh was promoted on April 20, 2023, the amount listed on the chart above included his/her income for the entire year of 2023.

3) Profit Sharing- Employee Compensation Distributed to Managers and Distribution Situation

Unit: NT$ Thousands

Item	**Title (Note 1)**	**Name (Note 1)**	**Employee Compensation - in Stock**	**Employee Compensation - in Cash**	**Total**	**Total Amount and Ratio to Net Income (%)**
Manager	President	Stephanie Hwang	$ -	$ 11,893	$ 11,893	$ 11,893 (0.12%)
	Chief Executive Vice President	Tony Hsu				
	Executive Vice President	Johnny Chang				
	Executive Vice President	Lauren Hsieh				
	Executive Vice President	Angel Lu				
	Executive Vice President	Anne Su				
	Executive Vice President	Jeff Leu				
	Executive Vice President	Janron Sung				
	Executive Vice President	Henry Chang				
	Executive Vice President	Gary Lee				
	Executive Vice President	Jacky Lee				
	Executive Vice President	Jeff Lee				
	Senior Vice President	Judith Lin				
	Senior Vice President	Yih Ruey Kang				
	Senior Vice President	Helen Chen				
	Senior Vice President	Share Hsieh				
	Senior Vice President	Ming Lung Lin				
	Senior Vice President	Yueh Fang Hsu				
	Senior Vice President	Terry Wang				
	Senior Vice President	Jina Tsai				
	Senior Vice President	Robbin Hsu				
	Senior Vice President	Chen Tung Chen				
	Senior Vice President	Yao Min Chou				
	Senior Vice President	Yi Te Lin				
	Senior Vice President	Wen Wen Liu				
	Senior Vice President	Jennifer Lin				
	Senior Vice President	Rochelle Hsieh				
	Senior Vice President	Ya-Ching Lu				

Note: The estimated amounts of the employee Compensation is $109,000 thousand in 2023. The actual amount will be confirmed after being resolved by the board of directors, reported to the shareholders' meeting, and delivered by the Company.

4) The chairperson, president, or any managerial officer in charge of finance or accounting matters have not in the most recent year held a position at the accounting firm of its attesting CPA or at an affiliated enterprise of such accounting firm.

5) Remuneration to the Chairmen of the board and presidents rehired as consultants after retiring from the insurance enterprise or its affiliate enterprises and related information: None.

c. Labor relations

1) Status of major labor - management agreements and their implementations

a) Employee welfare:

In response to the changing trends and environment, and in line with the concept of human-based management, KGI Life has established complete employee welfare programs, the Employee Welfare Committee and a labor-management communication channel to promote a reasonable working environment. KGI Life appreciates every employee's effort, so we offer the welfare programs that cater to employees' needs, offer a wide range of care and thus allow them to fully focus on their jobs.

b) Employees' education and training:

In order to continuously educate professionals for the varied challenges in the future, KGI Life embraces employees as our most valuable assets. Therefore, in addition to the various managerial and technical training workshops, we also collaborate with the domestic and overseas professional education organizations to offer our employees just-in-time knowledge with multiple learning channels. For the purpose of motivation for continuous self-study, KGI Life has created the incentives program of professional qualification examination as well as the subsidy of in-service master's program aimed at promoting lifelong learning and improving professional competency of the employees. We offer complete education and training programs, including:

i. Educational Training: The scope includes functional training for the management, internal on-the-job training, external professional training, outsourced training, orientation for new staff, compliance training, and English training. A digital learning platform will be continued to use to provide a diversified, flexible, convenient and timely learning channel for all employees. Our goal is to cultivate a learning culture for continuous improvement and progress.

ii. Professional qualification examination incentives and subsidies: We provide professional qualification examination incentives and subsidies for the Actuarial Exams, Certified Internal Auditor, Chartered Financial Analyst, Certified Financial Risk Manager, Fellow Life Management Institute Program, Chartered Life Underwriter, Fellow, Life and Health Claims Designation, R.O.C Claims Adjuster Examination, R.O.C Insurance Underwriter Examination, Certified Anti-Money Laundering Specialists, Anti-Money Laundering and Countering Terrorism Financing Specialists, Certified Financial Planner, Certified Information Systems Auditor, Certified Information Security Manager and Certified Information Systems Security Professional.

c) Retirement programs:

Based on the Company's pension plan, considering both employees' arrived date and personal choice, separates into defined benefit plans (old labor pension plan) and defined contribution plan (new labor pension plan). For employees arrived after July 1, 2005, always apply defined contribution plan; for employees arrived before July 1, 2005, were able to choose between defined benefit plans and defined contribution plan. Employees who originally applied defined benefit plans, were able to choose to transform into defined contribution plan before June 30, 2010; employees who chose or forced to apply defined contribution plan, have no rights to change to defined benefit plans.

i. Defined benefit plans

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. Under the Labor Standards Act, the Company contributes an amount equivalent to certain percentage of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the Labor Retirement Reserve Supervision Committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund and the pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year.

When employees meet the retirement conditions specified in the retirement plan, they should fill out a retirement application form and submit an application to the Company, which will be deal by the Company in accordance with internal authorization plan. After approval, an application for pension payment is submitted to the Bank of Taiwan in the name of the Labor Retirement Reserve Supervision Committee, and the payment check will be forwarded to the retired employee after received.

ii. Defined contribution plan

The part in our pension plan that is made based on the "Labor Pension Act" is attributed to the Defined Contribution Plan. For employees who are applicable to the Labor Pension Act, the Company shall, on a monthly basis, contribute six percent of their monthly wage, prescribed in the Table of Monthly Contribution Wage Classification for Labor Pension, to individual accounts of labor pension at the Bureau of Labor Insurance. After reaching the age of 60, employees can apply for monthly pension or lump-sum pension to the Labor Insurance Bureau in accordance with the " Labor Pension Act ".

Should the employees' monthly salary be higher than the ceiling amount provided in the Table of Monthly Contribution Wage Classification for Labor Pension, 6% may be withheld by the Company from the excess part as pension reserve on a monthly basis. An employee may receive the pension under this item only when he is eligible according to the pension plan.

d) Other significant agreements: None.

2) Loss sustained as a result of labor disputes in the most recent fiscal year: None.

3) Results of labor inspection: None.

d. Information security management

1) Information Security Risk Management Organizational Structure, Information Security Management Policy, Specific Management Plans and Resources Invested in Information Security Management:

a) Information Security Risk Management Organizational Structure

Due to the increasingly complex business environment and the extensive impact from global cyber-attacks and financial data security breaches, in order to ensure the security of the Company's information and communications, protect the rights and interests of customers and employees, and comply with the regulatory requirements of the competent authority, the Company has established an information security committee to examine its information security management system and supervise the operation of the system. In 2018, an independent and dedicated information security unit "Information Security Department" was established to be responsible for planning, monitoring and performing information security management operations, and as required by law, Deputy general manager level supervisor who was in charge of information security policy promotion and resource coordination was appointed as the Chief Information Security Officer. Adhere to the information security concept of maintaining the Company's operating environment, continuously improving the monitoring and protection level of information security measures, establishing standardized and documented information security control procedures, and enhancing the Company's information security awareness and information security functions, and to shoulder. the responsibility of maintaining the Company's overall information security, plan the Company's overall information security blueprint and seek the best balance between information security risk management and the Company's operating efficiency.

b) Information Security Management Policy

On the premise of meeting the regulatory requirements, in order to maintain the normal, safe and stable function of information operations, provide reliable information services, ensure the confidentiality, integrity and availability of the Company's information assets and avoid internal and external threats, whether intentional or accidental, the Company's information security policy is formulated so as to reduce the risk of information operations, in consideration of the Company's business needs, as the highest guiding principle of the Company's overall information security management.

The operation of the Company's information security management system adopts the circular operation mode of "Plan-Do-Check-Act" (PDCA) in accordance with ISO 27001: 2013 standard, to establish the information security management system, and maintain its effective operation and continuous improvement. The related plans scheduled for the information security management system (ISMS) have been completed, and successfully passed the annual verification of ISO 27001: 2013 information security management system (ISMS) with no nonconformities on December 19, 2023.

c) Specific Management Plans and Resources Invested in Information Security Management

By continuously strengthening the information security protection framework and information security management system, as well as the defense and response of information security threats, the Company did not have any major information security incidents in 2023. Considering the risks arising from the global attacks of cyber-crime groups and the evolution of emerging technologies, the Company will continue to improve various information security protection measures from all aspects in the future to ensure the security of the information environment required by the Company's business:

i. Governance

In addition to confirming the effective operation of the Company's information security management through the review of an external consulting company, the Information Security Department continuously optimized the information security management system (ISO 27001: 2013), confirmed and analyzed the existing information security internal control documents, established the Company-wide information security organizational structure and the information security system to be followed, and set up information security personnel in various departments to promote the information security management to the whole company. In response to the update of ISO 27001, the Information Security Department has planned the transition project of the information security management system for 2024 (transitioning to ISO 27001: 2022). New control measures will be put in place to enhance the integrity of the Company’s information security management system. ISO transition and verification are expected to be completed before the end of 2024.

Information security education training and campaign are conducted for all employees of the Company to strengthen information security awareness. General employees receive three hours, while departmental information security personnel receive six hours of information security education and training through the Company's employee learning network, and verify whether their awareness and concept of information security are correct through the information security tests. The staff of the special unit of information security completed at least 15 hours of education and training hours through self-organized education and training courses, domestic training courses, seminars and foreign training courses. In 2023, 100% of the employees participated in and passed the test. In addition, the Company collaborated with the Information Security Department of China Development Financial to organize activities for Information Security Awareness Month. Furthermore, 16 information security-related courses were arranged by external information security companies for internal IT training. The goal is to enhance awareness and capability of information security of our employees.

In addition, government agencies and important public service websites have been repeatedly attacked by hacker organizations by launching Distributed Denial of Service (DDoS) attacks, resulting in the suspension of some agency websites. The Company conducted real DDoS attack drills in 2023 to confirm the tolerance of websites or important hosts to withstand DDoS attacks, and to confirm the effectiveness of DDoS attack protection solutions.

ii. Technology

The Company continues to increase the information security budget, strengthen the information security defense architecture, grasp the information security risks faced by the Company through the collection of information security threat information, network traffic monitoring, information security evaluation and detection, and make more correct and effective planning and investment in the information security protection mechanism. The Company continuously improves its information security protection ability by:

i) Establishing an Security Operation Center (SOC): The Company has established an Security Operation Center (SOC) to conduct real-time monitoring, detection and discovery of information security events 24 hours a day (7x24) to improve the monitoring of information security events. The Company integrates the information security monitoring platform and related information security equipment, network equipment and other equipment logs, and carry out multi-dimensional correlation analysis, and through professional SIEM information security analysts to make judgments and suggestions, in order to achieve accurate information security alerts and the benefits of early warning.

   Throughout the fiscal year of 2023, the Information Security Department’s response time for detecting and responding to incidents was less than 12 hours. Real-time notification of such incidents significantly enhances the effectiveness of subsequent tracking and response efforts, ensuring proper management of information security incidents and mitigating their potential impact.

   Additionally, the Information Security Department continuously monitors and evaluates the Company's risk management score for network security through a third-party software. Throughout the fiscal year of 2023, the Company’s risk management score maintained its top three ranking position and, from July to November 2023, the Company ranked first in the industry. This result demonstrates the Company's commitment in information security.

ii) Conducting information security attack and defense drills: In order to respond to external and changeable attack methods and reduce the impact of information operation interruption caused by emergencies or abnormal accidents, the Company regularly conducts disaster recovery drills for core information system, DDoS drills, assessments for computer system information security, external website penetration tests and company-wide social engineering drills to ensure the security of the Company's IT devices, sensitive data, and customers’ personal information.

iii) The Company has established an internal cross-departmental information security threat incident response team and joins the computer information security incident response task force established by CDF in response to the increasingly severe information security threats and the diversification of sources of information and the "Financial Security Action Plan" promoted by the Financial Supervisory Commission R.O.C, in order to take advantage of the resource integration and mutual support within the CDF, the Company has is able to grasp and support the emergency response of information security incidents of group members in real time, and join the CDF's the emergency response of information security incidents of group so as to reduce the damage caused by the incidents. In addition, major information security incidents often do not only affect a single entity. Currently, the Company has joined F-ISAC, the information security information and information correlation analysis platform to strengthen system risk control through the joint defense mechanism of institutional monitoring, and improve cross-organization or cross-domain horizontal reporting and response. The operation mechanism and ability to cooperate and support will be enhanced to reduce the systematic damage caused by major events.

2) Loss incurred by a significant information and network security incident in the most recent year: None. An independent third party was commissioned to evaluate the overall execution of information security measures. No material anomaly that affects the Company's overall execution of information security measure was identified.

3) Impact of Information Security Risks on the Company's Financial Business and Countermeasures:

a) Faced with a complex information security risk environment, the Company has enrolled in e-commerce and information security liability insurance since 2018 to reduce the losses suffered and the risks borne by the Company in the event of major information security incidents.

b) In order to effectively respond to information security threats, it is necessary to have sufficient capabilities to conduct prevention in advance, detection during the event, and handling after the event. The Company will continue to strengthen its information security governance and technology to form an umbrella for the Company's digital transformation. In the process of seeking change in the fierce competition, the Company defends itself against information security threats and manages risks, so that the Company can grow safely and stably.

e. Changes in president (general manager), chief audit and appointed actuary in the most recent 2 years: None.

f. Changes in the method for allocation of all kinds of reserves: None.

g. The insurance enterprise had the situation in the most recent year where its shareholders' meeting has adopted the resolution to carry out capital increase or decrease or its board of directors (council) has adopted the resolution to issue new shares but the application (or filing) was not approved (or approved for record) by the FSC, or where its application for capital change registration was not approved by the Ministry of Economic Affairs: None.

h. Cases of claim payment and claim recovery from reinsurer involving amount exceeding NT$20 million in the most recent 3 years and financial impact analysis therefor: (expressed in thousands of New Taiwan Dollars)

For the year of 2021:

<table>
<tr><th rowspan="2">Insured Person</th><th rowspan="2">Type of Insurance</th><th colspan="2">Result of Claim</th><th rowspan="2">Insurance Claim Payments</th><th rowspan="2">Claims Recovered from Reinsures</th><th rowspan="2">Analysis of Financial Impacts</th></tr>
<tr><th>Paid Date</th><th>Paid Amount</th></tr>
<tr><td>A</td><td>Life</td><td>2021.02.08</td><td>$ 21,426</td><td>$ 21,426</td><td>$ 53</td><td rowspan="19">The amount of major cases of claim constitutes merely an insignificant part of the amount of claim for the entire fiscal year. Therefore, there is no material impact on over financial position.</td></tr>
<tr><td>B</td><td>Universal</td><td>2021.03.26</td><td>21,754</td><td>21,754</td><td>-</td></tr>
<tr><td>C</td><td>Universal</td><td>2021.04.26</td><td>65,313</td><td>65,313</td><td>-</td></tr>
<tr><td>D</td><td>Interest sensitive</td><td>2021.04.19</td><td>30,443</td><td>30,443</td><td>-</td></tr>
<tr><td>E</td><td>Interest sensitive</td><td>2021.05.20</td><td>21,188</td><td>21,188</td><td>-</td></tr>
<tr><td>F</td><td>Universal</td><td>2021.07.16</td><td>20,344</td><td>20,344</td><td>-</td></tr>
<tr><td rowspan="3">G</td><td>Universal</td><td>2021.07.26</td><td>25,228</td><td>25,228</td><td>-</td></tr>
<tr><td rowspan="2">Life</td><td>2021.07.26</td><td>32,000</td><td>32,000</td><td>-</td></tr>
<tr><td>2021.07.28</td><td>48,850</td><td>48,850</td><td>4,903</td></tr>
<tr><td>H</td><td>Universal</td><td>2021.08.17</td><td>41,310</td><td>41,310</td><td>-</td></tr>
<tr><td>I</td><td>Universal</td><td>2021.09.13</td><td>30,103</td><td>30,103</td><td>-</td></tr>
<tr><td rowspan="2">J</td><td>Life</td><td>2021.10.05</td><td>21,666</td><td>21,666</td><td>-</td></tr>
<tr><td>Endowment</td><td>2021.10.08</td><td>61,394</td><td>61,394</td><td>-</td></tr>
<tr><td>K</td><td>Universal</td><td>2021.10.22</td><td>20,598</td><td>20,598</td><td>-</td></tr>
<tr><td>L</td><td>Life</td><td>2021.11.22</td><td>25,127</td><td>25,127</td><td>5,256</td></tr>
<tr><td>M</td><td>Life</td><td>2021.11.05</td><td>170,565</td><td>170,565</td><td>68,995</td></tr>
<tr><td rowspan="2">N</td><td>Interest sensitive</td><td>2021.11.24</td><td>31,784</td><td>31,784</td><td>-</td></tr>
<tr><td>Universal</td><td>2021.11.24</td><td>82,552</td><td>82,552</td><td>-</td></tr>
<tr><td>O</td><td>Life</td><td>2021.12.08</td><td>24,980</td><td>24,980</td><td>-</td></tr>
<tr><td>P</td><td>Endowment</td><td>2021.12.23</td><td>30,000</td><td>30,000</td><td>-</td><td></td></tr>
</table>

For the year of 2022:

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
Q	Variable	2022.01.03	$ 84,601	$ 84,601	$ -	The amount of major cases of claim constitutes merely an insignificant part of the amount of claim for the entire fiscal year. Therefore, there is no material impact on over financial position.
R	Interest sensitive	2022.01.07	21,846	21,846	-	
S	Annuity	2022.01.10	36,955	36,955	-	
T	Interest sensitive	2022.02.17	154,796	154,796	-	
U	Life	2022.02.24	21,417	21,417	-	
V	Interest sensitive	2022.03.21	40,461	40,461	-	
		2022.03.17	17,751	17,751	-	
W	Life	2022.03.17	30,030	30,030	-	
X	Interest sensitive	2022.03.21	4,322	4,322	-	
		2022.03.22	29,957	29,957	-	
		2022.03.16	2,206	2,206	-	
Y	Annuity	2022.04.20	20,419	20,419	-	
	Interest sensitive	2022.04.20	13,406	13,406	-	
		2022.04.22	7,735	7,735	-	
Z	Life	2022.05.18	37,380	37,380	1,297	
AA	Interest sensitive	2022.05.19	31,189	31,189	-	
AB	Variable	2022.06.17	23,337	23,337	-	
AC	Universal	2022.06.13	22,403	22,403	-	
AD	Life	2022.06.16	21,009	21,009	-	
AE	Annuity	2022.06.23	54,057	54,057	-	
AF	Life	2022.07.22	40,000	40,000	-	
AG	Interest sensitive	2022.07.21	32,145	32,145	-	
AH	Life	2022.08.16	36,442	36,442	-	
AI	Annuity	2022.09.08	104,331	104,331	-	
AJ	Universal	2022.09.20	29,292	29,292	-	
AK	Life	2022.09.12	173,313	173,313	-	
AL	Interest sensitive	2022.09.26	25,313	25,313	-	
AM	Universal	2022.09.21	24,946	24,946	-	
AN	Life	2022.10.14	49,908	49,908	-	
AO	Life	2022.10.14	54,273	54,273	-	
		2022.10.21	181	181	-	
AP	Universal	2022.11.03	26,697	26,697	-	
AQ	Interest sensitive	2022.11.08	34,224	34,224	-	
AR	Interest sensitive	2022.11.14	66,736	66,736	-	
		2022.11.15	1	1	-	
AS	Life	2022.11.17	31,376	31,376	-	
AT	Life	2022.12.01	23,516	23,516	-	
AU	Life	2022.12.13	22,402	22,402	-	

For the year of 2023:

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
AV	Interest sensitive	2023.01.17	$ 10,323	10,323	$ -	The amount of major cases of claim constitutes merely an insignificant part of the amount of claim for the entire fiscal year. Therefore, there is no material impact on over financial position.
	Interest sensitive	2023.01.12	15,484	15,484	-	
AW	Interest sensitive	2023.01.12	20,684	20,684	-	
AX	Interest sensitive	2023.01.11	10,762	10,762	-	
	Interest sensitive	2023.01.12	72,057	72,057	-	
AY	Life	2023.02.23	28,473	28,473	-	
AZ	Interest sensitive	2023.03.01	33,370	33,370	-	
	Interest sensitive	2023.03.07	1,775	1,775	-	
BA	Life	2023.03.08	32,963	32,963	-	
BB	Annuity	2023.03.14	21,498	21,498	-	
BC	Universal	2023.03.30	60,874	60,874	-	
BD	Life	2023.03.21	81	81	-	
	Life	2023.03.22	18,781	18,781	-	
	Life	2023.03.27	9,343	9,343	-	
BE	Annuity	2023.04.20	29,076	29,076	-	
BF	Variable	2023.04.17	22,549	22,549	-	
BG	Interest sensitive	2023.04.21	85,680	85,680	21,222	
BH	Annuity	2023.04.11	81,809	81,809	-	
BI	Life	2023.06.12	78,228	78,228	-	
	Life	2023.06.29	11,175	11,175	-	
	Life	2023.09.28	22,351	22,351	-	
	Life	2023.11.06	11,175	11,175	-	
	Life	2023.11.23	11,175	11,175	-	
BJ	Variable	2023.06.14	24,331	24,331	18,300	
BK	Interest sensitive	2023.08.30	25,486	25,486	14,892	
BL	Interest sensitive	2023.08.17	33,299	33,299	-	
BM	Annuity	2023.08.24	21,346	21,346	-	
	Annuity	2023.08.25	1,241	1,241	-	
BN	Life	2023.08.29	30,000	30,000	12,693	
BO	Interest sensitive	2023.09.12	40,033	40,033	-	
BP	Interest sensitive	2023.09.28	20,761	20,761	-	
	Interest sensitive	2023.10.02	22,862	22,862	-	

Insured Person	Type of Insurance	Result of Claim		Insurance Claim Payments	Claims Recovered from Reinsures	Analysis of Financial Impacts
		Paid Date	Paid Amount			
BQ	Universal	2023.10.02	$ 26,320	$ 26,320	$ -	
BR	Life	2023.10.05	20,295	20,295	6,207	
BS	Endowment	2023.11.07	60,000	60,000	-	
BT	Life	2023.11.24	33,852	33,852	3,964	
BU	Interest sensitive	2023.11.01	48,528	48,528	-	
BV	Life	2023.11.29	20,000	20,000	17,000	
BW	Life	2023.11.30	48,104	48,104	-	
BX	Interest sensitive	2023.11.30	20,312	20,312	8,832	
BY	Interest sensitive	2023.12.28	28,683	28,683	3,254	
BZ	Life	2023.12.12	23,534	23,534	-	
CA	Interest sensitive	2023.12.28	20,711	20,711	-	
CB	Interest sensitive	2023.12.08	33,105	33,105	-	
CC	Interest sensitive	2023.12.14	22,906	22,906	-	
CD	Life	2023.12.05	51,525	51,525	-	
CE	Interest sensitive	2023.12.04	38,874	38,874	-	

i. The name and credit rating of any reinsurer whose reinsurance expenses for the preceding year accounted for 1% or more of total premium income of the Company: None.

j. Credit rating information:

The Company entrusted the credit rating company below to execute the financial strength and issuer credit rating. The result is as follows:

Name of the Credit Rating Agency	Date of Rating	Result of Rating	Credit Outlook
Fitch ratings	2023.03.01	A/AA+(twn)	Stable
Taiwan ratings	2023.07.27	tw AA	Stable

2. THE MARKET PRICE OF SECURITIES ISSUED, DIVIDEND PAYOUT AND DISTRIBUTION OF OWNERSHIP

a. Price, net worth, earnings, and dividends per share

Unit: NT$; Thousand Shares

<table>
<tr><th colspan="3">Items / Year</th><th>2022</th><th>2023</th></tr>
<tr><td rowspan="3">Price per share</td><td colspan="2">Highest price</td><td>Note 1</td><td>Note 1</td></tr>
<tr><td colspan="2">Lowest price</td><td>Note 1</td><td>Note 1</td></tr>
<tr><td colspan="2">Average price</td><td>Note 1</td><td>Note 1</td></tr>
<tr><td rowspan="2">Net worth per share</td><td colspan="2">Before distribution</td><td>21.68</td><td>30.15</td></tr>
<tr><td colspan="2">After distribution</td><td>21.68</td><td>Note 2</td></tr>
<tr><td rowspan="3">Earnings per share</td><td colspan="2">Weighted average shares</td><td>4,920,653</td><td>4,920,653</td></tr>
<tr><td rowspan="2">Earnings per share</td><td>Before adjustment</td><td>2.67</td><td>2.07</td></tr>
<tr><td>After adjustment</td><td>2.67</td><td>Note 2</td></tr>
<tr><td rowspan="4">Dividends per share</td><td colspan="2">Cash dividends</td><td>-</td><td>Note 2</td></tr>
<tr><td rowspan="2">Stock dividends</td><td>Dividends from retained earnings</td><td>-</td><td>-</td></tr>
<tr><td>Dividends from capital surplus</td><td>-</td><td>-</td></tr>
<tr><td colspan="2">Accumulated undistributed dividends</td><td>-</td><td>-</td></tr>
<tr><td rowspan="3">Return on investment</td><td colspan="2">Price/earnings ratio</td><td>Note 1</td><td>Note 1</td></tr>
<tr><td colspan="2">Price/dividend ratio</td><td>Note 1</td><td>Note 1</td></tr>
<tr><td colspan="2">Cash dividend yield</td><td>Note 1</td><td>Note 1</td></tr>
</table>

Note 1: Not applicable since the Company is unlisted.

Note 2: The earnings of 2023 has yet to be resolved by the shareholders' meeting.

b. Shareholding distribution status

1) Ordinary stocks: The Company was converted into a 100% subsidiary of Development Financial Holdings through equity conversion on December 30, 2022. No equity diversification applies.

2) Preferred Stock: The Company does not issue preferred stock.

c. Transfer and pledge of shares owned by directors, supervisors, managers, and major shareholders

1) The Company is a 100% owned subsidiary of China Development Financial Holding Corp.

2) Information on transfer of equity interests: None.

3) Information on pledge of equity interests: None.

d. Related information on shelf registration: None.

3. MAJOR FINANCIAL INFORMATION

a. Condensed balance sheet and income statement

1) Balance sheet

Unit: NT$ Thousands

Item \ Year		Financial Summary for the Last Five Years (Note 1) 2019	2020	2021	2022	2023
Cash and cash equivalents		$ 85,927,723	$ 101,376,515	$ 153,787,291	$ 91,256,425	$ 49,203,474
Receivables		26,826,102	19,920,386	17,038,235	18,163,747	22,786,016
Other financial assets and loans		1,763,883,765	1,975,290,483	1,995,420,321	2,085,988,053	2,175,231,214
Reinsurance assets		533,134	740,256	891,059	1,016,200	1,011,096
Property, plant and equipment		14,113,541	12,414,988	12,036,982	10,897,560	10,606,865
Intangible assets		190,409	234,530	304,998	444,677	461,140
Other assets		108,763,246	109,734,690	126,564,613	139,318,188	148,775,398
Total assets		2,000,237,920	2,219,711,848	2,306,043,499	2,347,084,850	2,408,075,203
Payables		19,417,296	13,264,436	13,169,025	12,152,682	14,306,200
Other financial liabilities		1,426,070	17,931,359	10,981,018	17,876,147	25,612,137
Insurance liabilities and reserve for insurance contracts with the nature of financial products		1,740,627,254	1,900,703,437	1,992,038,013	2,093,458,284	2,081,203,152
Provisions		209,328	212,754	199,799	163,334	146,416
Other liabilities		95,888,411	107,942,657	112,645,932	116,774,461	138,470,243
Total liabilities	Before distribution	1,857,568,359	2,040,054,643	2,129,033,787	2,240,424,908	2,259,738,148
	After distribution	1,860,246,508	2,041,947,202	2,133,533,787	2,240,424,908	(Note 2)
Share capital		44,635,823	47,313,972	49,206,531	49,206,531	49,206,531
Capital surplus		7,214,523	7,214,523	7,224,556	7,336,659	7,414,749
Retained earnings	Before distribution	61,240,158	70,988,356	94,990,656	107,555,872	118,629,526
	After distribution	55,883,860	67,203,238	90,490,656	107,555,872	(Note 2)
Other equity		29,579,057	54,140,354	25,587,969	(57,439,120)	(26,913,751)
Total equity	Before distribution	142,669,561	179,657,205	177,009,712	106,659,942	148,337,055
	After distribution	139,991,412	177,764,646	172,509,712	106,659,942	(Note 2)

Note 1: The above-listed financial information was compiled according to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRSs and has been audited and certified by Certified Public Accountants.

Note 2: The earning distribution of 2023 has yet to be resolved by the shareholders' meeting.

2) Income statement

Unit: NT$ Thousands

Item \ Year	Financial Summary for the Last Five Years (Note 1) 2019	2020	2021	2022	2023
Operating revenue	$ 339,115,451	$ 323,248,432	$ 300,244,299	$ 239,765,499	$ 232,723,065
Operating costs	(318,713,973)	(301,457,969)	(261,277,061)	(216,719,722)	(215,378,081)
Operating expenses	(5,810,662)	(6,085,643)	(7,592,150)	(6,519,551)	(6,651,379)
Non-operating income and expenses	10,910	(67,957)	(28,416)	(10,552)	5,826
Net income before tax	14,601,726	15,636,863	31,346,672	16,515,674	10,699,431
Net income	13,597,878	15,547,836	28,540,238	13,159,019	10,177,552
Other comprehensive income after tax	46,561,453	24,113,661	(29,208,422)	(79,070,158)	31,463,552
Earnings per share (NT$) (Note 2)	2.90	3.16	5.80	2.67	2.07

Note 1: The above-listed financial information was compiled according to the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IFRSs and has been audited and certified by Certified Public Accountants.

Note 2: The Company's earnings per share were calculated based on the retrospective adjustment after the historical capital increases.

b. Major financial ratios analysis

Item			2019	2020	2021	2022	2023
		Year	Financial Analysis for the Last Five Years				
Financial structure	Debt ratio		92.87%	91.91%	92.32%	95.46%	93.84%
	All insurance liabilities to assets ratio		87.02%	85.63%	86.38%	89.19%	86.43%
	Change ratio of all insurance liabilities		11.89%	9.20%	4.81%	5.09%	(0.59%)
	Ratio of net increase amount of all insurance liabilities to premiums		70.62%	65.52%	45.66%	64.24%	(8.27%)
	The net worth ratio		7.42%	8.41%	8.03%	4.75%	6.47%
Solvency	Ratio of investment in related enterprises to equity		12.61%	8.15%	5.62%	8.23%	9.43%
	First year premium ratio		82.54%	70.36%	101.70%	78.92%	74.66%
	Renewal premium ratio		102.85%	109.27%	79.43%	80.80%	98.14%
Operating performance	New business expense ratio		8.00%	7.98%	10.12%	16.59%	20.93%
	Change ratio of premium		(7.30%)	(6.70%)	(18.12%)	(21.08%)	(6.10%)
	Change ratio of equity		95.19%	25.93%	(1.47%)	(39.74%)	39.07%
	Change ratio of net incomes		33.60%	14.34%	83.56%	(53.89%)	(22.66%)
	Fund allocation ratio		98.98%	99.83%	99.62%	99.43%	98.42%
	Persistency ratio	13 months	98.70%	98.83%	98.42%	97.38%	96.89%
		25 months	97.05%	97.77%	97.71%	96.78%	94.13%
Profitability	Return on total assets		0.73%	0.74%	1.27%	0.58%	0.44%
	Return on stockholders' equity		12.60%	9.65%	16.00%	9.28%	7.98%
	Ratio of net income from the funds allocation		3.85%	3.55%	4.22%	3.86%	3.25%
	Ratio of Return on Investment		3.64%	3.34%	3.95%	3.62%	3.03%
	Operating income to operating revenues ratio		4.30%	4.86%	10.45%	6.89%	4.59%
	Pre-tax income to revenue		4.31%	4.84%	10.44%	6.89%	4.60%
	Profit ratio		4.01%	4.81%	9.51%	5.49%	4.37%
	Earnings per share (NT$) (Note 1)		2.90	3.16	5.80	2.67	2.07
	Ratio of investment real property and loans extended by mortgage on real property to assets		1.29%	1.77%	1.93%	2.96%	2.94%

Note 1: The Company's earnings per share were calculated based on the retrospective adjustment after the historical capital increases.

For those items whose rate of change increase or decrease by more than 20% in two years, the analysis are as below:

a. The decreasing ratio of change in various insurance liabilities and the net increase in various insurance liabilities to premium income is primarily due to the reduction in the net increase of various insurance liabilities.

b. The increase of net worth ratio was mainly due to the decrease in other comprehensive losses on reclassified using overlay approach compared to the previous period.

c. The increase in renewal premium ratio and change ratio of premium in the following year was primarily due to a decrease in the net change in renewal premiums compared to the previous year.

d. The increase in new business expense ratio was primarily due to a decrease in new contract premium income during the current year.

e. The increase in change ratio of equity was primarily due to a decrease in other comprehensive losses on reclassified using overlay approach compared to the previous period.

f. The increase in the change ratio of net incomes was mainly due to a decrease in the net profit change compared to the previous year.

g. The decrease in ratio of return on total assets was primarily due to a decrease in net profit compared to the previous year.

h. The decrease in ratio of operating income to operating revenues was primarily due to a decrease in operating profit during the current year.

i. The decrease in profit ratio and earnings per share was mainly due to a decrease in net profit during the current year.

Note 2: The equations for calculation are shown below:

a. Financial structure

1) Debt Ratio = Total liabilities/Total assets

2) All insurance liabilities to assets ratio = all insurance liabilities/total assets

3) Change ratio of all insurance liabilities = (closing balance of all insurance liabilities - opening balance of all insurance liabilities)/opening balance of all insurance liabilities

4) Ratio of net increase of all insurance liabilities to premiums = net increase of all insurance liabilities/Premiums

5) The net worth ratio = Total equity/Total assets excluding the separate accounts product assets

b. Solvency

1) Ratio of investment in related enterprises to equity = investment in related enterprises/equity

2) First year premium ratio = current first year premiums/first year premiums in the prior period

3) Renewal premium ratio = current renewal premiums/renewal premiums in the prior period

c. Operating performance

1) New business expense ratio = new business expenses/new business premiums

2) Change ratio of premiums = (premiums accumulated for current period - premiums accumulated for prior period) premiums accumulated for prior period

3) Change ratio of equity = (equity for current period - equity for prior period)/the absolute value of equity for prior period

4) Change ratio of net income = (net income for current period - net income for prior period)/absolute value of net income for prior period

5) Funds allocation ratio= total amount of funds allocation/(insurance liabilities + total equity)

6) Persistency ratio (13-month, 25-month) = Pry = BFx + y/NB'x × 100%

d. Profitability

1) Ratio or return on total assets = (net income + interest expense*(1-tax rate))/average total assets

2) Ratio or return on shareholder's equity = net income/average net shareholder's equity

3) Ratio of net income from the funds allocation = (current net investment income + disposal of equity instruments at fair value through other comprehensive income)/((opening utilizable funds + closing utilizable funds - current net investment income - disposal of equity instruments at fair value through other comprehensive income)/2)

4) Ratio of return on Investment = 2 × (net investment income + disposal of equity instruments at fair value through other comprehensive income)/(opening total assets + closing total assets - net investment income - disposal of equity instruments at fair value through other comprehensive income)

5) Operating income to operating revenue ratio = operating income/operating revenue

6) Ratio of before-tax net income to total revenue = before-tax net income/(operating revenue + non-operating revenue)

7) Profit ratio = net income/operating revenue

8) Earnings per share = net income/weighted average stock shares issued

9) Ratio of investment real property and loans extended by mortgage on property to assets = real property investment and loans extended by mortgage on real property/average total assets

c. Other significant information sufficient to enhance understanding of its financial position, financial performance and cash flows or trends of change: None.

4. REVIEW AND ANALYSIS FOR FINANCIAL POSITION AND FINANCIAL PERFORMANCE

a. Comparative analysis for financial position:

Unit: NT$ Thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Cash and cash equivalents	$ 49,203,474	$ 91,256,425	$ (42,052,951)	(46)
Receivables	22,786,016	18,163,747	4,622,269	25
Other financial assets and loans	2,175,231,214	2,085,988,053	89,243,161	4
Reinsurance assets	1,011,096	1,016,200	(5,104)	(1)
Property, plant and equipment	10,606,865	10,897,560	(290,695)	(3)
Intangible assets	461,140	444,677	16,463	4
Other assets	148,775,398	139,318,188	9,457,210	7
Total assets	2,408,075,203	2,347,084,850	60,990,353	3
Payables	14,306,200	12,152,682	2,153,518	18
Other financial liabilities	25,612,137	17,876,147	7,735,990	43
Insurance liabilities and reserve for insurance contracts with the nature of financial products	2,081,203,152	2,093,458,284	(12,255,132)	(1)
Provisions	146,416	163,334	(16,918)	(10)
Other liabilities	138,470,243	116,774,461	21,695,782	19
Total liabilities	2,259,738,148	2,240,424,908	19,313,240	1
Share capital	49,206,531	49,206,531	-	-
Capital surplus	7,414,749	7,336,659	78,090	1
Retained earnings	118,629,526	107,555,872	11,073,654	10
Other equity	(26,913,751)	(57,439,120)	30,525,369	53
Total equity	148,337,055	106,659,942	41,677,113	39

For those items whose rate of change increase or decrease by more than 20% and the amount of change vary by more than $10 million in two years, the analysis are as below:

1) The decrease in cash and cash equivalents was mainly due to the reduction in savings and fixed deposits.

2) The increase in accounts receivable was mainly due to the increase in bond positions resulting in increased interest receivable, and an increase in securities receivable due to cross - month settlements.

3) The increase of financial liabilities was mainly due to the issuance of new bonds in July 2023.

4) The decrease in other equity was mainly due to the decrease in other comprehensive losses on reclassified using overlay approach compared to the previous period.

b. Analysis for financial performance:

Unit: NT$ Thousands

Item \ Year	2023	2022	Amount in Increase (Decrease)	Percentage of Change (%)
Operating revenue	$ 232,723,065	$ 239,765,499	$ (7,042,434)	(3)
Operating costs	215,378,081	216,719,722	(1,341,641)	(1)
Operating expenses	6,651,379	6,519,551	131,828	2
Operating income	10,693,605	16,526,226	(5,832,621)	(35)
Non-operating income and expenses	5,826	(10,552)	16,378	(155)
Income from continuing operations before income tax	10,699,431	16,515,674	(5,816,243)	(35)
Income tax	(521,879)	(3,356,655)	2,834,776	(84)
Net income from continuing operations	10,177,552	13,159,019	(2,981,467)	(23)

For those items whose rate of change increase or decrease by more than 10% in two years, the analysis are as below:

1) The decrease in operating margin, net income before tax and net income was mainly due to the decrease in the premium income.

2) The increase in non-operating income and expenses was mainly due to the decrease in impairment losses on non-financial assets.

3) The decrease in income tax expenses was mainly due to the decrease in deferred income tax expenses generated by unrealized exchange gains.

5. INFORMATION REGARDING THE COMPANY'S AUDIT FEE

a. CPA fees:

Unit: NT$ Thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee (Note)	Total
Deloitte & Touche Tohmatsa Limited	LIN, WANG-SHENG WU, YI-CHUN	2023.01.01-2023.12.31	$ 5,320	$ 6,257	$ 11,577

Note: Non-audit fees include tax compliance audit, internal control examination, and other certification and consulting services

1) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.

2) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

b. Replacement of CPA:

Change of accounting in 2023.

1) Information relating to the former CPA:

<table>
<tr><td>Date of reappointment</td><td colspan="3">Adopted by the Board of Directors on February 23, 2023</td></tr>
<tr><td>Reason for reappointment</td><td colspan="3">To align with parent company’s consolidated financial report preparation and management needs</td></tr>
<tr><td rowspan="3">Was the termination of audit services initiated by the principal or by the CPA</td><td>Contracting Party</td><td>Certified Public Accountant</td><td>Principal</td></tr>
<tr><td>Service terminated by</td><td></td><td>V</td></tr>
<tr><td>Service no longer accepted (continued) by</td><td></td><td></td></tr>
<tr><td>Reasons for issuing opinions other than unqualified opinions in the recent 2 years</td><td colspan="3">None</td></tr>
<tr><td rowspan="4">Whether there was any disagreement between the Company and the insurance industry</td><td rowspan="4">Yes</td><td rowspan="4"></td><td>Accounting principles or practices</td></tr>
<tr><td>Disclosure of financial report</td></tr>
<tr><td>Scope or steps of audit</td></tr>
<tr><td>Others</td></tr>
<tr><td></td><td>None</td><td colspan="2">V</td></tr>
<tr><td></td><td>Explanation</td><td colspan="2"></td></tr>
<tr><td>Other disclosures (Matters that shall be disclosed in Point 4, Item 1, Subparagraph 2, Article 24 of Regulations Governing the Preparation of Financial Reports by Insurance Enterprises)</td><td colspan="3">None</td></tr>
</table>

2) Information relating to the succeeding CPA:

CPA office	Deloitte & Touche Tohmatsa Limited
Names of auditors	LIN, WANG-SHENG. WU, YI-CHUN
Date of appointment	Adopted by the Board of Directors on February 23, 2023
Inquiries and replies relating to the accounting practices or accounting principles of certain transactions, or any audit opinions the auditors were likely to issue on the financial reports prior to appointment	None
Written disagreements from the succeeding auditor against the opinions made by the former CPA	None

3) The former CPA matters that shall be disclosed in Point 3, Item 2, Subparagraph 2, Article 24 of Regulations Governing the Preparation of Financial Reports by Insurance Enterprises of replied: None.