

Stock Code: 2850

# **ShinKong Insurance Co., Ltd.**

## **The 2024 Regular Shareholders' Meeting Agenda**



Date: May 27, 2024

Place: 8F., No. 15, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City

# ShinKong Insurance Co., Ltd.

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# **ShinKong Insurance Co., Ltd.**

## **2024 Annual Shareholders' Meeting Procedure**

- I. Call the meeting to order
- II. Chairman's opening statement
- III. Report
- IV. Ratification
- V. Discussion
- VI. Extempore Motions
- VII. Meeting adjourned

# **ShinKong Insurance Co., Ltd.**

## **2024 Annual Shareholders' Meeting Agenda**

Time: 9:00 am, May 27, 2024 (Monday)

Venue: 8th Floor, No. 15, Section 2, Jianguo North Road, Zhongshan District, Taipei City

Method: Physical shareholders' meeting

I.Call the meeting to order (report the total number of shares represented by the attending shareholders)

II.Chairman's opening statement

III.Report

(I)The 2023 business report

(II)The 2023 Audit Committee Review Report

(III)The 2023 report on the distribution of remuneration of employees and directors

IV.Ratification

(I)The Company's 2023 business report and financial statements.

(II)The Company's earnings distribution proposal for 2023.

V.Discussion

(I)Amendments to the Company's "Articles of Incorporation."

VI.Extempore Motions

VII.Meeting adjourned

# Report

## I. 2023 business report

### (I) Business plan implementation results

In 2023, Shinkong Insurance celebrated its 60th anniversary since its establishment. The Company adheres to a prudent operating pace, emphasizing two main pillars: "business quality" and "risk management". In recent years, significant changes in domestic and international political, economic and market environments underscore the importance of real-time risk assessment and rate adequacy. In business operations, the Company moved forward in three dimensions: pursuing excellence by eliminating inferior risks, deepening relationships with high-quality channels, and expanding sources of new business, so the annual written premium reached NT\$24.101 billion, marking a growth of 7.58%. The Company maintained its position as the third-largest player in the market, with stable underwriting profits. In investment respect, under the principle of prudence, the investment structure was flexibly adjusted according to market conditions to enhance the stability of investment returns, contributing to the overall excellent operational performance.

A summary of various operational results is outlined below:

Motor insurance:

Motor insurance constitutes the largest portion of the company's business. In 2023, under a prudent operating strategy by focusing on the importance of risk quality review and rate adequacy, the company, on one hand, made efforts to enhance existing high-quality channels and businesses, on the other hand, continuously adjusted its product portfolio according to market changes while maintaining adequate product rates, aiming to enhance overall underwriting profitability. In 2023, the total written premium for motor insurance reached NT\$12.206 billion, with commendable underwriting profitability performance.

Fire insurance:

In 2023, the company continued to adjust risk appetite by reducing high-exposure businesses while actively pursuing high-quality business opportunities. With a hardening reinsurance market environment, the company committed to rigorous underwriting guideline by ensuring adequate rates to enhance underwriting profitability. The annual growth rate was 22.75% with total written premium of NT\$5.13 billion, consequently elevating its market share in fire insurance to second place within the industry.

Marine insurance:

Despite facing challenges such as high interest rates, inflation, and the Russia-Ukraine conflict, coupled with subdued demand in end markets and inventory adjustments in the industry, resulting in reduced overall import and export volumes, the company's marine insurance still achieved a total written premium of NT\$1.115 billion in the 2023 with a growth rate of 12.06%. The company's market share stood at 9.7%. By adhering to existing strict underwriting guideline as well as actively pursuing high-quality business opportunities, the company adjusted terms and conditions and rates for inferior risks to ensure excellent business quality and underwriting results. Liability insurance:

In 2023, with the domestic market gradually recovering due to the easing of pandemic restrictions and downgrading of preventive measures, the company's casualty insurance experienced steady growth. Adhering to the principle of prudent risk assessment and control, the company continued to review and eliminate poor-performing business lines while actively pursuing high-quality clients. Products such as employer's liability, commercial general liability, and professional liability for architects and engineers all exhibited significant growth. The company achieved a total written premium of NT\$2.033 billion for the year, with a growth rate of 9.65%, surpassing the market average growth rate.

Engineering insurance:

In 2023, driven by the energy transition, various green energy-related projects such as offshore wind power, solar energy, and battery energy storage system witnessed robust growth. Additionally, infrastructure projects such as the Taoyuan railway undergrounding and Kaohsiung Mass Rapid Transit, along with the expansion of high-tech and petrochemical industries, all these surges in construction industry stimulated the engineering insurance market. The company actively participated in various engineering business opportunities by carefully assessing risks and appropriately arranging reinsurance, as a result, the total written premium for the year reached NT\$1.725 billion, with a growth rate of 40.42% and a market share of 15.47%, maintaining its position as the second-largest player in the market.

Accident and health insurance:

In 2023, the company, by actively reviewing the rate adequacy for individual and group personal accident insurance products, the company made adjustment to channels structure and improving terms and conditions for risks with poor combined ratios to enhance operational performance. Furthermore, with gradual ease of domestic and international pandemic control measures, the recovery of tourism market and travel insurance emerging as a leading growth product in the market, the company's total written premium reached NT\$1.888 billion for the year, with a market share of 7.26%.

Investment:

In early 2023, the prevailing economic downturn from the previous year persisted, with revenues of listed companies generally declining. However, the ongoing digestion of inventory in the electronics industry, the emergence of generative AI, and optimistic expectations regarding adjustments to the monetary policies of the Federal Reserve in the United States led to commendable performances in major global stock markets, including Taiwan's. The company adhered to its consistent conservative and prudent investment principles, prioritizing stable long-term investment returns. In addition to continuing investments in assets with stable income, the company also engaged in periodic investments to enhance long-term overall returns

Shinkong Insurance is committed to sustainable business practices. In addition to maintaining excellent operational performance, the company rigorously implements corporate governance measures. It also aligns with national net-zero plans, organizing province-wide beach cleaning activities to promote plastic reduction and environmental protection concepts. The company plans energy-saving goals and continuously promotes green finance initiatives. Proactively establishing friendly service counters, multilingual services, and other barrier-free facilities and practices inclusive financing. Furthermore, it supports social welfare groups by providing volunteers and donations, prioritizing employee health, and enhancing employee welfare. Through these comprehensive efforts, the company sustains a robust competitive advantage.

In 2023, Shinkong Insurance has successively received awards in the Insurance Best Performance Award and the Faith, Hope & Love Awards of Insurance, including recognition for risk management, product development, talent training, and social responsibility. The company has also achieved commendable results in government-sponsored evaluations of corporate governance, fair customer treatment, and differentiated management of compulsory insurance. Furthermore, its credit ratings from A.M. Best, Taiwan Ratings and S&P have remained robust and stable, affirming the company's high-quality performance in operational effectiveness and corporate responsibility across various aspects.

(II) Budget implementation: The Company did not issue financial forecasts that were audited by the independent auditor in 2023; therefore, there was no budget implementation to be reported.

(III) Financial income and expenditure: The Company's operating income was NT\$19,938,669 thousand in 2023, operating cost was NT\$12,723,662 thousand, operating expense was NT\$3,700,296 thousand, operating profit was NT\$3,514,711

thousand, income tax expense was NT\$608,514 thousand, and net income was NT\$2,914,183 thousand.

(IV) Profitability analysis

Analysis item		2022	2023
Profitability	Return on assets	4.56%	6.40%
	Return on equity	13.23%	17.91%
	Net Investment Income Ratio	1.54%	2.05%
	Return on investment	1.42%	1.88%
	Combined ratio	90.24%	84.89%
	Retained expense ratio	34.75%	32.31%
	Retained loss ratio	55.49%	52.58%
	Earnings per share (NT\$)	6.34	9.22

(V) Research & development status

1. Insurance product research & development:

Liability insurance and other property insurances are the two main new products developed this year with the purpose of enhancing market competitiveness and business growth momentum. The Company continues to maintain compliance with laws and regulations in a competitive market in order to take into account the interests and rights of consumers and the supervision requirements of the competent authority. The existing products are with the flexibility of adjustment at any time in response to the external environment in order to provide customers with prompt protection and stabilize the competitiveness of the existing channels.

2. Financial actuarial research:

The Company continues to conduct research, evaluation, and analysis on various issues related to capital reserve this year. And actively participate in tasks of the IFRS 17 inter-departmental task force according to the latest standards issued in the International Financial Reporting Standards (IFRSs). Apart from continuing to carry out the system development, System Integration Testing (SIT) and User Acceptance Testing (UAT) of IFRS17 Insurance Contract Liability related to calculation models, we will continue to evaluate the financial effects, also start planning parallel testing, and respond to the adjustments to relevant operating procedures related to IFRS17 in order to meet the supervision purpose of the government authority in strengthening the capital reserve of the insurance industry and smoothly linking to the international market.

### 3. Risk evaluation study

As global climate change intensifies, countries have gradually established regulatory frameworks to assess the impact of climate change on industries. In order to keep pace with globalization, the Company focuses on establishing Business Continuity Management System. We used the result of Business Impact Analysis for both the headquarters and branch offices to build Business Continuity Plan. This plan is designed to address various physical risks associated with climate change, such as typhoons and droughts, and strengthen emergency response mechanism for operational recovery in the face of significant disruptions.

Chairman: Wu, Hsin-Hung

Manager: Ho, Ying-Lan

Accounting Officer: Ya-Fang Tseng

## **II. The 2023 Audit Committee's Review Report**

### **Audit Committee's Review Report**

**The Board has duly prepared the Company's business report, financial statements and earning distribution proposal for 2023, in which the financial statements have been duly audited and verified by Certified Public Accountants Daniel Hsu and James C Huang of Ernst & Young, who have issued the audit report. The aforementioned statements and reports have been duly reviewed by the Audit Committee and prove free of discrepancy. The present Report is duly in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for verification.**

**To ShinKong Insurance Co., Ltd., the 2024 Annual Shareholders' Meeting**

**Audit Committee Convener:**

**Chou Hsien-Tsai**

**March 11, 2024**

### **III.The 2023 Report on the distribution of remuneration of employees and directors**

- Description: 1. According to Article 27, Paragraph 1 of the company's Articles of Incorporation: "If there is any profit generated during the year, the Company shall appropriate and distribute remuneration to employees and Directors according to the following items. However, if there remains accumulated loss, the Company shall reserve funds for making up the loss in advance. I. Employee's remuneration shall not be less than 1%. II. Director's remuneration shall not be higher than 2%..."
2. The distribution of the Director's remuneration is for an amount of NT\$54,835,326 and the employee's remuneration (including managers) is for an amount of NT\$204,214,318 in cash.

## Ratification

### Proposal 1

Proposed by the Board

Subject: The Company's 2023 business report and financial statements are submitted for ratification.

- Description: 1. The Company had the 2023 balance sheet, comprehensive income statement, statement of shareholders equity, statement of cash flows, and business reports (including international insurance business branches) prepared, which were approved in the 6<sup>th</sup> Board meeting of the 21<sup>th</sup> session of the Board on March 11, 2024. Also, the aforementioned reports were reviewed by the Audit Committee.
2. The aforementioned financial statements were audited by CPAs Daniel Hsu and **James C Huang** of Ernst & Young Certified Public Accountants, with an independent auditor's report issued.
  3. Please refer to pages 3 to 7 and Attachment I on pages 12 to 17 of this Handbook for the business report, independent auditor's report, and financial statements.
  4. Submitted for ratification.

Resolution:

### Proposal 2

Proposed by the Board

Subject: The Company's 2023 statement of earnings distribution is presented for ratification.

- Description: 1. The Company's 2023 statement of earnings distribution was resolved in the 6<sup>th</sup> Board meeting of the 21<sup>th</sup> session of the Board on March 11, 2024, and audited by the Audit Committee according to the law.
2. In the Company's 2023 final accounts, the net income amounted to NT\$2,914,183,454. After deducting the legal reserve of NT\$582,130,257 according to the Company's Articles of Incorporation, appropriating special reserve – net special provision of NT\$747,865,413, appropriating special reserve – individual travel safety insurance accidental death and disability provision of NT\$3,209,701, and adding the re-measured defined benefit plan recovery of NT\$3,532,168 and the unappropriated earnings of 2022 of NT\$3,081,374, The distributable earnings of the current period are NT\$1,580,527,289. And then prepared to distribute cash dividends NT\$4.99 per share. The Company intends to propose the 2023 earnings distribution plan. Please refer to Attachment II on page 18 of this Handbook.
  3. Submitted for ratification.

Resolution:

## **Discussion**

Proposal 1

Proposed by the Board

Subject: (I) Amendments to the Company's "Articles of Incorporation" are presented for discussion and approval.

Description: 1. Amendments were made to the Company's "Articles of Incorporation" in accordance with Letter Jin-Guan-Bao-Cai-Zi No. 1110442912.

2. Please refer to Attachment III on pages 24 to 26 and Appendix I on pages 27 to 31 of this Handbook for the Company's "Articles of Incorporation" Amendment List and the amended provisions.

3. Submitted for discussion and approval.

Resolution:

**Extempore motions**

**Meeting adjourned**

## **Attachment I**

### **Independent Auditor's Report Independent Auditors' Report Translated from Chinese**

**To: ShinKong Insurance Co., Ltd.**

#### **Opinion**

We have audited the accompanying balance sheets of ShinKong Insurance Co., Ltd.(the "Company") as of December 31 2023 and 2022, and the related statements of comprehensive income for the years ended 31 December 2023 and 2022, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the financial statements, including the summary of significant accounting policies.

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, and its financial performance and cash flows for the years ended 31 December 2023 and 2022 in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

#### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other responsibilities in accordance with the Norm. Based on our audits, 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 2023 financial statement. 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.

### Actuarial Calculation of Insurance Liability Reserves

The estimate of the insurance reserve is highly dependent on the subjective judgment of the internal actuarial experts of the Company. The actuarial assumptions are highly sensitive and the actuarial calculation of the insurance liability reserve is complex. Therefore, we have decided that it is a key audit matter. Our auditing procedures include, but are not limited to, obtaining an understanding of the internal controls relevant to the actuarial calculations of the insurance liability reserve, including the process of applying the assumptions and methods used by the experts engaged by the management, and the process by which the management reviews the actuarial results. This process includes a sampling review of the insurance liability reserve calculation source data, and engaging the internal actuarial experts to assist in reviewing and evaluating the actuarial assumptions and models, as well as the actuarial judgments made by the Company, including evaluating if various reserve assumptions and calculation methods are reasonable, and if the compulsory insurance complies with the regulations of the competent authorities. We also consider the appropriateness of the disclosures of insurance liabilities in Notes IV.14, V and VI.13 of the Financial Statements.

### Valuation of Financial Instruments Measured at Fair Value

The fair value measurement of the Company's financial instruments are mainly based on publicly quoted prices in active markets. As frequent changes in the fair value of financial instruments have a significant effect on the Financial Statements, we have determined that this process is a key audit matter. Our auditing procedures include, but are not limited to: evaluating and testing the effectiveness of internal

controls, relevant to the fair value of financial instruments, including the processes and methods established by management to maintain appropriate fair values, and the process by which management reviews the results of these evaluations. The recorded fair values are randomly checked on a sampling basis for the accuracy of the quoted prices in active markets. We also consider the appropriateness of the disclosures of fair value information in Notes IV.6, VI.3, VI.4 and VII.11 of the Financial Statements.

### **Responsibilities of Management and Those Charge with Governance of 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 Enterprises and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing of the financial statements, the management is responsible for assessing the ability to continue as a going concern of the Company, 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.

The charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

### **Auditors' Responsibilities for 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 the audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatements 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 appropriate audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the dated of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the accompanying notes, 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 charge with governance, we determine those matters that were of most significance in the audit of 2023 financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young, Taiwan

The competent authorities approved the processing of financial reports of the public company

Auditing and Certification No. :

(93) Chin-Kuan-Certificate-Zi No. 0930133943

(97) Chin-Kuan-Certificate-Zi No. 0970038990

**CPA:**

**Hsu Daniel**

**Huang James**

**March 11, 2024**

#### Notice to Readers

The accompanying financial statements are intended only to present the financial positions, 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.

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd

Balance Sheets

As at December 31, 2023 and December 31, 2022

Unit: NTD thousands

Assets		December 31, 2023		December 31, 2022		
Code	Account titles	Note	Amount	%	Amount	%
11000	Cash and cash equivalents	IV、VI、VII	\$11,549,324	25	\$10,852,136	25
12000	Accounts receivable	IV、VI、VII	2,192,574	5	1,598,331	4
14110	Financial assets at fair value through profit or loss	IV、VI、VII	7,210,252	15	6,747,161	15
14145	Financial assets at amortized cost	IV、VI、VII	12,224,923	26	11,149,971	25
14180	Other financial assets - net amount	IV、VI、VII	299,779	1	-	-
14190	profit or loss	IV、VI、VII	1,363,941	3	1,352,772	3
14200	Investment property	IV、VI	2,544,635	5	2,561,706	6
15000	Reinsurance contract assets	IV、VI	7,368,012	16	7,530,740	17
16000	Property, plant, and equipment	IV、VI	1,166,760	2	1,146,939	3
16700	Right-of-use assets	IV、VI	16,157	-	33,204	-
17000	Intangible assets	IV、VI	19,169	-	22,846	-
17800	Deferred income tax assets	IV、VI	158,122	-	212,032	-
18000	Other assets	VI	915,110	2	796,848	2
1XXXX	Total assets		\$47,028,758	100	\$44,004,686	100

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)

ShinKong Insurance Co., Ltd

Balance Sheets (continue)

As at December 31, 2023 and December 31, 2022

Unit: NTD thousands

Code	Liabilities and equity Account titles	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
21000	Accounts Payables	VI、VII	\$3,099,150	7	\$2,691,211	6
21700	Current income tax liabilities	IV、VI	328,091	1	168,798	-
23200	Financial liabilities at fair value through profit or loss	IV、VI、VII	30,933	-	249,174	1
23800	Lease liabilities	IV、VI	16,570	-	33,836	-
24000	Insurance liabilities	IV、VI	25,594,328	54	25,503,894	58
27000	Reserve for liabilities	IV、VI	51,076	-	47,837	-
28000	Deferred tax liabilities	IV、VI	41,658	-	36,699	-
25000	Others		348,123	1	243,282	1
2XXXX	Total liabilities		29,509,929	63	28,974,731	66
31000	Capital stock	VI	3,159,633	7	3,159,633	7
32000	Capital reserves	IV、VI	64,800	-	64,800	-
33000	Retained earnings					
33100	Legal reserve	IV	4,059,965	9	3,651,093	8
33200	Special reserve	IV	7,255,823	15	6,504,748	15
33300	Undistributed earnings	VI	2,162,657	4	1,214,500	3
34000	Other equity	VI	815,951	2	435,181	1
3XXXX	Total equity		17,518,829	37	15,029,955	34
	Total Liabilities and Equity		\$47,028,758	100	\$44,004,686	100

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)  
ShinKong Insurance Co., Ltd.  
Statement of Comprehensive Income  
January 1 to December 31, 2023 and 2022  
(Expressed in Thousands of New Taiwan dollars, except for Earnings Per Share)

Unit: NTD thousands

Code	Account titles	Notes	2023		2022	
			Amount	%	Amount	%
41000	Operating revenues:					
41110	Written premiums	IV、VII	\$24,100,986	121	\$22,402,424	118
41120	Reinsurance premium income	IV、VII	668,942	3	710,725	4
41100	Premium revenues		24,769,928	124	23,113,149	122
51100	Less: Reinsurance premiums ceded	IV、VII	(5,619,429)	(28)	(4,530,827)	(24)
51310	Unearned premium reserve net change	IV、VII	(482,933)	(2)	(630,942)	(3)
41130	Retained earned premium		18,667,566	94	17,951,380	95
41300	Reinsurance commission income	VII	332,097	2	281,148	2
41400	Income from handling fees		39,822	-	40,034	-
41500	Net gain from investment		849,118	4	618,172	3
41510	Interest revenue		537,858	3	364,795	2
41521	Gain (loss) on financial assets and liabilities at fair value through profit or loss		589,033	3	(1,491,116)	(8)
41526	Net gains from derecognition of financial assets at amortized cost		(39,132)	-	5,386	-
41527	Realized gain on financial assets at fair value through other comprehensive profit or loss		40,555	-	57,822	-
41550	Profit or loss from foreign exchange		5,419	-	552,704	3
41570	Profit or loss from investment property	VI	76,028	-	83,201	-
41585	Expected credit impairment loss and reversal gain on investment	VI	(4,115)	-	1,929	-
41600	Profit or loss reclassified using the overlay approach	VI	(356,528)	(2)	1,043,451	6
41800	Other operating revenue		50,066	-	39,872	-
	Total operating revenues		19,938,669	100	18,930,606	100
51000	Operating cost:					
	Insurance claims and benefits		(13,012,092)	(65)	(11,390,344)	(60)
41200	Less: Benefits & Claims Recovered from reinsurers		3,328,229	16	2,225,393	12
51260	Retained claims and benefits		(9,683,863)	(49)	(9,164,951)	(48)
51300	Other insurance liabilities net change		(119,604)	(1)	(458,632)	(2)
51500	Commission expense	VII	(2,835,746)	(14)	(2,990,908)	(16)
51800	Other operating cost		(84,449)	-	(90,913)	(1)
	Total operating cost		(12,723,662)	(64)	(12,705,404)	(67)
58000	Operating expenses:					
58100	Business expense	VI	(3,282,952)	(16)	(3,338,017)	(18)
58200	Administrative expenses	VI	(386,330)	(2)	(404,225)	(2)
58300	Employee training expense		(6,681)	-	(4,263)	-
58400	Expected credit impairment reversal from non-investments		(24,333)	-	(18,053)	-
	Total operating expenses		(3,700,296)	(18)	(3,764,558)	(20)
61000	Operating revenues		3,514,711	18	2,460,644	13
59000	Non-operating revenues and expenses		7,986	-	13,172	-
62000	Income from continuing operations before tax		3,522,697	18	2,473,816	13
63000	Income tax expense	IV、VI	(608,514)	(3)	(470,246)	(2)
66000	Net income		2,914,183	15	2,003,570	11
83000	Other comprehensive income	VI				
83100	The items that are not re-classified as profit or loss					
83110	Reevaluation of determined benefit plan		(4,415)	-	50,990	-
83180	Incomes tax related to titles not subject to reclassification		883	-	(10,198)	-
83190	Evaluation of the capital gain/loss from equity instrument at fair value through comprehensive income statement as other comprehensive income		1,828	-	(114,440)	-
83200	Items that may be re-classified subsequently under profit or loss					
83290	Capital gain/loss of debts instrument at fair value through comprehensive income statement as other comprehensive income		28,007	-	(128,320)	(1)
83295	Other comprehensive income reclassified using the overlay approach		356,528	2	(1,043,451)	(6)
83280	Income tax related to items possibly be reclassified		(5,593)	-	25,655	-
	Other Comprehensive income in current period (net after tax)		377,238	2	(1,219,764)	(7)
85000	Total comprehensive income in current period		\$3,291,421	17	\$783,806	4
	Earnings per share					
97500	Basic earnings per share (denominated in New Taiwan dollars)	VI	\$9.22		\$6.34	

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)  
ShinKong Insurance Co., Ltd.  
Statement of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousands

Item	Capital stock	Capital reserves	Retained earnings			Other equity		Total equity
			Legal reserve	Special reserve	Undistributed earnings	Unrealized gain on financial assets measured at fair value through other comprehensive profit or loss	Other comprehensive income reclassified using the overlay approach	
Balance as of January 1, 2022	\$3,159,633	\$64,800	\$3,200,891	\$5,669,201	\$1,466,970	\$90,869	\$1,604,868	\$15,257,232
The 2021 appropriation and distribution of earnings								
Appropriation of Legal reserve	-	-	450,202	-	(450,202)	-	-	-
Common Stocks cash dividends distributed	-	-	-	-	(1,011,083)	-	-	(1,011,083)
Appropriation of Special reserves	-	-	-	833,464	(833,464)	-	-	-
Appropriation of Special reserves-Personal Travel Insurance Accidental Death and Disability Reserve	-	-	-	2,083	(2,083)	-	-	-
Net income in January 1 to December 31, 2022	-	-	-	-	2,003,570	-	-	2,003,570
Other comprehensive income in January 1 to December 31, 2022	-	-	-	-	40,792	(217,105)	(1,043,451)	(1,219,764)
Total comprehensive income in current period	-	-	-	-	2,044,362	(217,105)	(1,043,451)	783,806
Balance as of December 31, 2022	\$3,159,633	\$64,800	\$3,651,093	\$6,504,748	\$1,214,500	\$(126,236)	\$561,417	\$15,029,955
Balance as of January 1, 2023	\$3,159,633	\$64,800	\$3,651,093	\$6,504,748	\$1,214,500	\$(126,236)	\$561,417	\$15,029,955
The 2022 appropriation and distribution of earnings								
Appropriation of Legal reserve	-	-	408,872	-	(408,872)	-	-	-
Common Stocks cash dividends distributed	-	-	-	-	(802,547)	-	-	(802,547)
Appropriation of Special reserves	-	-	-	747,865	(747,865)	-	-	-
Appropriation of Special reserves-Personal Travel Insurance Accidental Death and Disability Reserve	-	-	-	3,210	(3,210)	-	-	-
Net income in January 1 to December 31, 2023	-	-	-	-	2,914,183	-	-	2,914,183
Other comprehensive income in January 1 to December 31, 2023	-	-	-	-	(3,532)	24,242	356,528	377,238
Total comprehensive income in current period	-	-	-	-	2,910,651	24,242	356,528	3,291,421
Balance as of December 31, 2023	\$3,159,633	\$64,800	\$4,059,965	\$7,255,823	\$2,162,657	\$(101,994)	\$917,945	\$17,518,829

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

(English Translation of Financial Statements Originally Issued in Chinese)  
ShinKong Insurance Co., Ltd.  
Statements of Cash Flows  
January 1 to December 31, 2023 and 2022

Unit: NTD thousands

Item	2023	2022
Cash flow from operating activities:		
Income from continuing operations before tax	\$3,522,697	\$2,473,816
Adjusted Items:		
Revenue, expense and loss		
Depreciation expenses	81,722	82,813
Amortization expenses	22,153	23,844
Net income on financial assets and liabilities at fair value through profit and loss	(589,033)	1,491,116
Net income on financial assets at fair value through other comprehensive profit or loss	(40,555)	(57,822)
Derecognise of financial assets at amortized cost	39,132	(5,386)
Interest expenses	581	694
Interest revenue	(537,858)	(364,795)
Various insurance liabilities net change	602,537	1,089,574
Expected credit impairment loss and reversal gain/loss on investment	4,115	(1,929)
Expected credit impairment reversal from non-investments	24,333	18,053
Losses (gains) from adoption of overlay approach	356,528	(1,043,451)
Profit or loss from disposal and scrapping of property and equipment	29	(749)
Profit or loss from disposal of investment property	-	(5,029)
Other	(11)	-
Changes in assets/liabilities related to business activities		
Decrease (increase) of accounts receivable	(516,822)	364,210
Decrease (increase) of financial assets measured at fair value through profit or loss	(293,107)	609,504
Decrease (increase) of financial assets measured at fair value through other comprehensive profit or loss	18,623	(207,141)
Increase in financial assets at amortized cost	(1,117,926)	(4,201,991)
Increase of other financial assets	(300,000)	-
Decrease (increase) of reinsurance contracts assets	(372,452)	53,565
Increase of other assets	(128,884)	(70,423)
Increase (decrease) of payables	407,939	(203,011)
Provisions decrease	(1,176)	(20,453)
Other liabilities increase	104,841	40,110
Cash inflow from operating activities	1,287,406	65,119
Interest received	459,622	336,525
Dividend received	240,924	284,678
Interest paid	(186)	(104)
Income tax paid	(395,062)	(508,204)
Net cash inflow from operating activities	1,592,704	178,014
Cash flows from investment activities:		
Purchase of property and equipment	(74,080)	(72,176)
Disposal of property and equipment	-	870
Disposal of investment property	-	14,383
Purchase of intangible asset	(2,756)	(7,354)
Net cash outflows used in investing activities	(76,836)	(64,277)
Cash flows from financing activities:		
Cash dividends paid	(802,547)	(1,011,083)
Repayment of the principal portion of lease liabilities	(16,133)	(17,178)
Net cash outflows from financing activities	(818,680)	(1,028,261)
Increase (decrease) of cash and cash equivalents in current period	697,188	(914,524)
Balance of cash and cash equivalents at the beginning of period	10,852,136	11,766,660
Balance of cash and cash equivalents at the ending of period	\$11,549,324	\$10,852,136

(Please refer to Notes to the Financial Statements)

Chairman: WU, HSIN-HUNG

President: HO, YING-LAN

Accounting Supervisor: TSENG, YA-FANG

**Attachment II**

**ShinKong Insurance Co., Ltd.**  
**Statement of Earning Distribution**  
**For the year of 2023**

Unit: NT\$

Summary	Amount
<b>Unappropriated Earnings at the beginning of the period</b>	3,081,374
Add: Net income	2,914,183,454
Minus: Appropriated 20% Legal reserve	(582,130,257)
Minus: Appropriated Special reserve – Special provision	(856,756,977)
Minus: Appropriated Special reserve –Personal Travel Insurance Accidental Death and Disability Reserve	(3,209,701)
Add: Recovered Special reserve –Special provision	108,891,564
Minus: Appropriated Remeasurements of Defined Benefit Plan	(3,532,168)
<b>Distributable earnings</b>	1,580,527,289
Distribution Items	
Shareholder dividend: 315,963,300 shares (Cash Dividend of NT\$4.99 per share)	1,576,656,867
<b>Unappropriated Earnings at the end of the period</b>	3,870,422

Note: (I) The earnings distribution proposal is calculated in accordance with the “unconditionally rounding down to the nearest dollar” method.

(II) The Chairman will be authorized to schedule the dividend distribution date separately after the 2023 earnings distribution proposal is passed in the regular shareholders' meeting.

(III) The earnings distribution will be implemented with the current earnings first and then the unappropriated earnings of previous years for the insufficient amount, if any, in that order.

(IV) If the number of shares outstanding is affected by the purchase of the Company’s shares or the transfer of treasury shares to employees in the future that causes changes in the shareholder’s dividend ratio or needs to be revised in response to the objective circumstances, the shareholders’ meeting is proposed to have the Board authorized to deal with the matter.

(V) The appropriation and collection of special reserve - special provision is based on the provisions of Article 15, of the “Rules Governing the Appropriation of Reserves by Insurance Enterprises.”

(VI) The appropriation of special reserve – individual travel safety insurance accidental death and disability provision was made according to the FSC Order No. 10904939031 issued on October 29, 2020.

Chairman: Wu, Hsin-Hung      Manager: Ho, Ying-Lan      Accounting Officer: Ya-Fang Tseng

**Attachment III****ShinKong Insurance Co., Ltd.****“Articles of Incorporation” Amendment List**

Amended provision	Current provision	Description
<p>Article 27-1: When the Company has earnings from the final account for the year, it shall pay taxes, compensate losses, and appropriate 20% of the balances as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the paid-in capital of the Company.</p> <p>Then, the Company shall appropriate or revers the special surplus reserve according to the law; when there are still remaining balances, they may be combined with the accumulated unappropriated earnings at the beginning of the period and the adjustments to the unappropriated earnings at the end of the year, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders’ meeting for determination.</p> <p>To comply with the sustainable development of the Company, improve financial planning, increase the capita use efficiency, and protect the interests of investors, the Company adopts the remaining dividend policy, which primarily appropriates the earning for distribution according to the requirements in the preceding paragraph after measuring the annual capital requirement with</p>	<p>Article 27-1: When the Company has earnings from the final account for the year, it shall pay taxes, compensate losses, and appropriate 20% of the balances as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the capital of the Company.</p> <p>Then, the Company shall appropriate or revers the special surplus reserve according to the law; when there are still remaining balances, they may be combined with the accumulated unappropriated earnings at the beginning of the period and the adjustments to the unappropriated earnings at the end of the year, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders’ meeting for determination.</p> <p>To comply with the sustainable development of the Company, improve financial planning, increase the capita use efficiency, and protect the interests of investors, the Company adopts the remaining dividend policy, which primarily appropriates the earning for distribution according to the requirements in the preceding paragraph after measuring the annual capital requirement with</p>	<p>Cooperate with the Amendment of the decree</p>

Amended provision	Current provision	Description
<p>reference to the capital budget plan of the Company in the future; the ratio of dividend distribution in cash, in principle, shall be no less than 25% of the total dividends.</p> <p>However, when laws and regulations or the competent authority otherwise state the requirements or restrictions regarding the distribution of dividends, the Company shall comply with such requirements and shall not be restricted by the requirements in the preceding paragraph.</p>	<p>reference to the capital budget plan of the Company in the future; the ratio of dividend distribution in cash, in principle, shall be no less than 25% of the total dividends.</p> <p>However, when laws and regulations or the competent authority otherwise state the requirements or restrictions regarding the distribution of dividends, the Company shall comply with such requirements and shall not be restricted by the requirements in the preceding paragraph.</p>	
<p>Article 30: The Articles were established on March 20, 1963. The 1<sup>st</sup> amendment was made on March 23, 1964. The 2<sup>nd</sup> amendment was made on March 30, 1968. The 3<sup>rd</sup> amendment was made on April 8, 1969. The 4<sup>th</sup> amendment was made on October 6, 1977. The 5<sup>th</sup> amendment was made on June 15, 1978. The 6<sup>th</sup> amendment was made on April 28, 1981. The 7<sup>th</sup> amendment was made on October 19, 1981. The 8<sup>th</sup> amendment was made on May 16, 1984. The 9<sup>th</sup> amendment was made on June 13, 1985. The 10<sup>th</sup> amendment was made on June 11, 1991. The 11<sup>th</sup> amendment was made on November 30, 1994. The 12<sup>th</sup> amendment was made on May 3, 1996. The 13<sup>th</sup> amendment was made on May 1, 1997. The 14<sup>th</sup> amendment was made on June 16, 1999. The 15<sup>th</sup> amendment was</p>	<p>Article 30: The Articles were established on March 20, 1963. The 1<sup>st</sup> amendment was made on March 23, 1964. The 2<sup>nd</sup> amendment was made on March 30, 1968. The 3<sup>rd</sup> amendment was made on April 8, 1969. The 4<sup>th</sup> amendment was made on October 6, 1977. The 5<sup>th</sup> amendment was made on June 15, 1978. The 6<sup>th</sup> amendment was made on April 28, 1981. The 7<sup>th</sup> amendment was made on October 19, 1981. The 8<sup>th</sup> amendment was made on May 16, 1984. The 9<sup>th</sup> amendment was made on June 13, 1985. The 10<sup>th</sup> amendment was made on June 11, 1991. The 11<sup>th</sup> amendment was made on November 30, 1994. The 12<sup>th</sup> amendment was made on May 3, 1996. The 13<sup>th</sup> amendment was made on May 1, 1997. The 14<sup>th</sup> amendment was made on June 16, 1999. The 15<sup>th</sup> amendment was</p>	<p>Added the date and number of the amendment</p>

Amended provision	Current provision	Description
<p>made on June 16, 1999. The 16<sup>th</sup> amendment was made on July 23, 1999. The 17<sup>th</sup> amendment was made on January 27, 2000. The 18<sup>th</sup> amendment was made on May 15, 2000. The 19<sup>th</sup> amendment was made on April 30, 2001. The 20<sup>th</sup> amendment was made on May 22, 2002. The 21<sup>th</sup> amendment was made on June 11, 2004. The 22<sup>th</sup> amendment was made on June 10, 2005. The 23<sup>th</sup> amendment was made on June 20, 2006. The 24<sup>th</sup> amendment was made on June 13, 2008. The 25<sup>th</sup> amendment was made on June 17, 2010. The 26<sup>th</sup> amendment was made on June 10, 2011. The 27<sup>th</sup> amendment was made on June 15, 2012. The 28<sup>th</sup> amendment was made on June 14, 2014. The 29<sup>th</sup> amendment was made on June 20, 2014. The 30<sup>th</sup> amendment was made on June 8, 2016. The 31<sup>th</sup> amendment was made on June 10, 2020. The 32<sup>th</sup> amendment was made on May 27, 2022. The 33<sup>th</sup> amendment was made on May 25, 2023. The 34<sup>th</sup> amendment was made on May 27, 2024.</p>	<p>made on June 16, 1999. The 16<sup>th</sup> amendment was made on July 23, 1999. The 17<sup>th</sup> amendment was made on January 27, 2000. The 18<sup>th</sup> amendment was made on May 15, 2000. The 19<sup>th</sup> amendment was made on April 30, 2001. The 20<sup>th</sup> amendment was made on May 22, 2002. The 21<sup>th</sup> amendment was made on June 11, 2004. The 22<sup>th</sup> amendment was made on June 10, 2005. The 23<sup>th</sup> amendment was made on June 20, 2006. The 24<sup>th</sup> amendment was made on June 13, 2008. The 25<sup>th</sup> amendment was made on June 17, 2010. The 26<sup>th</sup> amendment was made on June 10, 2011. The 27<sup>th</sup> amendment was made on June 15, 2012. The 28<sup>th</sup> amendment was made on June 14, 2014. The 29<sup>th</sup> amendment was made on June 20, 2014. The 30<sup>th</sup> amendment was made on June 8, 2016. The 31<sup>th</sup> amendment was made on June 10, 2020. The 32<sup>th</sup> amendment was made on May 27, 2022. The 33<sup>th</sup> amendment was made on May 25, 2023.</p>	

## **Appendix I (Before amendment)**

### **ShinKong Insurance Co., Ltd.**

#### **Articles of Incorporation**

##### **Chapter I General Principles**

- Article 1: The Company is named “SHINKONG INSURANCE CO., LTD.”
- Article 2: The businesses operation of the Company is as follows: H501021 Property insurance business
- Article 3: The Company’s head office is in Taipei City, and the Company may apply to the government authority for approval, when necessary, to establish branches throughout the country and abroad. The establishment and cancellation of branches shall be resolved by the Board.
- Article 4: The announcement of the Company shall be made in accordance with the provisions of the Company Act.

##### **Chapter II Shares**

- Article 5: The capital stock of the Company amounts to NT\$5 billion, with 500 million shares issued at NT\$10 par; also, the Board is authorized to issue stock shares in installments.
- Article 6: The Company’s shares are all registered, signed or sealed by a director who represents the Company and certified under the laws before issuance. The Company issuing the shares may be exempted from printing any share certificate but shall register the issued shares with a central securities depository and clearing institution.
- Article 7: The Company’s share affairs processing operations shall be handled in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” and relevant laws and regulations.
- Article 8: This Article is deleted.
- Article 9: The book closure date for the transfer of the Company’s shares is scheduled 60 days prior to the annual shareholders’ meeting, 30 days prior to the extraordinary shareholders’ meeting, or five days prior to the Company’s distributing dividends, bonuses, and other benefits.

##### **Chapter III Shareholders’ Meeting**

- Article 10: There are two types of shareholders’ meetings: annual shareholders’ meetings and extraordinary shareholders’ meetings. Unless otherwise provided by the Company Act, it shall be convened by the Board. The annual shareholders’ meeting shall be convened at least once a year and shall be convened within six months after the end of each fiscal year. A special meeting will be convened lawfully when necessary. The annual shareholders’ meeting notice shall specify the date, place and reason for convening the meeting with all shareholders notified 30 days in advance or 15 days in advance if it is for an extraordinary shareholders’ meeting. The shareholders’ meeting notice can be made electronically with the consent of the counterparty. For shareholders who hold less than 1,000 shares of registered stock, the shareholders’ meeting notice may be replaced by a public announcement. The shareholders’ meeting of the Company may be made by way of video conference or other methods announced by the central competent authority.

- Article 11: A shareholder who cannot attend the shareholders' meeting for reasons may issue a proxy to have an agent attend the meeting instead. When one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- Article 12: A shareholders' meeting is chaired by the chairman of the board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the vice chairman shall act in place of the chairman; if the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the chairman shall appoint one director to act as chair. Where the Chairman does not make such a designation, the Directors shall select from among themselves one person to serve as chairperson.
- Article 13: The Company's shareholders shall be entitled to one vote for each share held. However, the above shall not apply to those who are restricted or have no voting rights listed in Article 179, Paragraph 2 of the Company Act.
- Article 14: Unless otherwise provided by the Company Act, the resolutions of the shareholders' meeting shall be with the attendance of shareholders who represent more than half of the total number of issued shares and shall be executed with the approval of more than half of the voting rights of the shareholders present.  
If the quorum is not met as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted with the consent of the attending shareholders that represent more than half of the voting rights; also, all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month.  
For the tentative resolutions reached in the Shareholders' Meeting as stated in the preceding paragraph, if the attending shareholders represent one-third or more of the total number of issued shares, it shall be deemed as the resolution of the proposal stated in the first paragraph with the consent of the attending shareholders that represent more than half of the voting rights.
- Article 15: The resolutions of the shareholders' meeting shall be recorded in the minutes. The production and distribution of the minutes shall be handled in accordance with Article 183 of the Company Act.

#### **Chapter IV Board of Directors**

- Article 16: The Company has nine to fifteen directors to organize the Board who are selected by the shareholders' meeting from the list of Director candidates. The term of office is three years, and they may be reelected.  
The number of Independent Directors on the Board shall not be less than three persons and shall not be less than one-fifth of the number of directors. The selection and appointment of Directors shall be processed in accordance with the candidate nomination system as stated in Article 192-1 of the Company Act. The nomination of candidates and announcement of Directors will be handled in accordance with the Company Act, Securities and Exchange Act, and relevant laws and regulations.
- Article 17: The Board shall have a chairman of the board elected among the directors. A Board meeting is chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the chairman, the Vice Chairman shall act in place of the

Chairman; if the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman or there is no Vice Chairman designated, the Chairman shall appoint one Director to act as the chairperson.

Where the Chairman does not make such a designation, the Directors shall select from among themselves one person to serve as the chairperson.

Directors may commission other Directors to attend the Board meeting with a proxy issued that illustrates the scope of authorization for the convening matters. The aforementioned proxy is limited to one person.

The Board may have one Vice Chairman and one residing Director appointed. The Vice Chairman and residing Director shall be elected among the Directors.

Article 18: The functions and powers of the Board are as follows:

- I. Approval of regulations
- II. Decision of business policy
- III. Approval of budget and final account
- IV. Draft of the earnings distribution
- V. Draft of capital increase and decrease
- VI. Decision of buying/selling or mortgaging real estate
- VII. Other laws and regulations, Articles of Incorporation, and the powers conferred by the Shareholders' Meeting

Article 18-1: Remunerations to the Company's Directors for performing their duties, regardless of profit or loss. The Board is authorized to determine the remunerations according to the degree of participation in operations, the value contributed by them, and with reference to the general remuneration standard of the industry.

The Company may purchase liability insurance for Directors regarding the compensation responsibility they assumed according to the law for the scope of their business execution within the term of office of Directors.

Article 19: The Board meets once every quarter, unless otherwise provided by the Company Act; the meeting is to be convened by the chairman of the board. The reason for convening the board meeting shall be specified in the notice that is to be issued to all Directors seven days in advance. But a meeting can be called at any time when there is an emergency. The meeting notice in the preceding paragraph can be made in writing, fax, or electronically.

The resolution reached at the Board meeting, unless otherwise provided by the Company Act, shall be with the attendance of more than half of the Directors, and agreed by more than half of the Directors present; also, the minutes of the meeting shall be signed or sealed by the chairperson.

#### **Chapter V Audit Committee and other functional committees**

Article 20: The Company has an Audit Committee formed by all Independent Directors, with one of them acting as the convener and at least one of them with accounting or financial expertise.

The Company may set up other functional committees lawfully.

Article 21: The powers of the Audit Committee are as follows:

- I. Enact or amend the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.
- II. Evaluate the effectiveness of the internal control system.
- III. Enact or amend the Procedures for the Acquisition or Disposal of Assets, derivatives transactions, loaning of funds, endorsements or guarantees for others, and other material financial acts in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- IV. Matters involving the interests of the Directors

- V. Significant asset or derivatives transactions
- VI. Significant loaning of funds, endorsements, or guarantees
- VII. Offering, issuance, or private placement of equity securities
- VIII. Appointment, dismissal or remuneration of certified public accountants
- IX. Appointment and dismissal of financial, accounting or internal audit supervisors
- X. Annual financial report and semi-annual financial report
- XI. Other major matters stipulated by the Company or the government authorities

Article 22: The aforementioned exercise of powers by other functional committees and other matters to be complied with shall be handled in accordance with relevant laws and regulations and the Company's Articles of Incorporation.

#### **Chapter VI Managers**

Article 23: The Company has a general manager appointed who will take orders from the Chairman of the board to manage the business and may have several deputy general managers appointed to assist with the tasks. In addition, the general manager appoints the Compliance Officer, who is responsible for the Company's litigation operation.

Article 24: The appointment and dismissal of the general manager and deputy general managers are carried out with the presence of more than half of the Directors and resolved by more than half of the Directors present.

#### **Chapter VII Accounting**

Article 25: The Company's fiscal year is from January 1 to December 31 each year. The Board, at the end of each fiscal year, shall compile the following reports for the ratification of the shareholders' meeting in accordance with the legal procedure.

- I. Business report
- II. Financial statements
- III. Proposal for the distribution of earnings and appropriation for making up losses

Article 26: The Company's dividends are handled in accordance with the "Regulations for Administration of Insurance Enterprises," but the Company shall not have dividends paid with the capital when there is no profit made.

Article 27: The Company may apply the profits, if any, for the distribution of remunerations to employees and Directors as follows: However, if there remains accumulated loss, the company shall reserve funds for making up the loss in advance.

- I. Employee remuneration shall not be less than 1%.
- II. Director remuneration shall not be more than 2%.

The remuneration to employees is paid in the form of stock shares or cash. The remuneration to Directors is paid in the form of cash, which is to be carried out by the Board with the presence of more than two-thirds of the Directors and resolved by more than half of the Directors present; also, it should be reported to the shareholders' meeting.

Article 27-1: When the Company has earnings from the final account for the year, it shall pay taxes, compensate losses, and appropriate 20% of the balances as the statutory surplus reserve; however, this shall not apply when the statutory surplus reserve has reached the capital of the Company. Then, the Company shall appropriate or reverse the special surplus reserve according to the law; when there are still remaining balances, they may be combined with the accumulated unappropriated earnings at the beginning of the period and the adjustments to the unappropriated earnings at the end of the

year, and the Board shall prepare the proposal for earning distribution and submit it to the shareholders' meeting for determination.

To comply with the sustainable development of the Company, improve financial planning, increase the capita use efficiency, and protect the interests of investors, the Company adopts the remaining dividend policy, which primarily appropriates the earning for distribution according to the requirements in the preceding paragraph after measuring the annual capital requirement with reference to the capital budget plan of the Company in the future; the ratio of dividend distribution in cash, in principle, shall be no less than 25% of the total dividends.

However, when laws and regulations or the competent authority otherwise state the requirements or restrictions regarding the distribution of dividends, the Company shall comply with such requirements and shall not be restricted by the requirements in the preceding paragraph.

### **Chapter VIII Annex**

Article 28: This Article is deleted.

Article 29: Matters not specified in the Articles of Incorporation shall be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 30: The Articles were established on March 20, 1963. The 1<sup>st</sup> amendment was made on March 23, 1964. The 2<sup>nd</sup> amendment was made on March 30, 1968. The 3<sup>rd</sup> amendment was made on April 8, 1969. The 4<sup>th</sup> amendment was made on October 6, 1977. The 5<sup>th</sup> amendment was made on June 15, 1978. The 6<sup>th</sup> amendment was made on April 28, 1981. The 7<sup>th</sup> amendment was made on October 19, 1981. The 8<sup>th</sup> amendment was made on May 16, 1984. The 9<sup>th</sup> amendment was made on June 13, 1985. The 10<sup>th</sup> amendment was made on June 11, 1991. The 11<sup>th</sup> amendment was made on November 30, 1994. The 12<sup>th</sup> amendment was made on May 3, 1996. The 13<sup>th</sup> amendment was made on May 1, 1997. The 14<sup>th</sup> amendment was made on June 16, 1999. The 15<sup>th</sup> amendment was made on June 16, 1999. The 16<sup>th</sup> amendment was made on July 23, 1999. The 17<sup>th</sup> amendment was made on January 27, 2000. The 18<sup>th</sup> amendment was made on May 15, 2000. The 19<sup>th</sup> amendment was made on April 30, 2001. The 20<sup>th</sup> amendment was made on May 22, 2002. The 21<sup>th</sup> amendment was made on June 11, 2004. The 22<sup>th</sup> amendment was made on June 10, 2005. The 23<sup>th</sup> amendment was made on June 20, 2006. The 24<sup>th</sup> amendment was made on June 13, 2008. The 25<sup>th</sup> amendment was made on June 17, 2010. The 26<sup>th</sup> amendment was made on June 10, 2011. The 27<sup>th</sup> amendment was made on June 15, 2012. The 28<sup>th</sup> amendment was made on June 14, 2014. The 29<sup>th</sup> amendment was made on June 20, 2014. The 30<sup>th</sup> amendment was made on June 8, 2016. The 31<sup>th</sup> amendment was made on June 10, 2020. The 32<sup>th</sup> amendment was made on May 27, 2022. The 33<sup>th</sup> amendment was made on May 25, 2023.

## Appendix I I

### ShinKong Insurance Co., Ltd.

#### Rules of Procedures for Shareholders' Meetings

##### Article 1

Except for otherwise stated in laws or regulations or Articles of Incorporation, the rules of procedures for shareholders' meetings of the Company shall be subject to the requirements under the Rules.

##### Article 2

Except for otherwise stated in laws or regulations, shareholders' meetings of the Company shall be convened by the Board.

The Company shall prepare the electronic files of the notice to convene the shareholders' meeting, proxy form, as well as reasons and descriptions related to the proposals for ratification, the proposal for discussion, election or dismissal of Directors, and other proposals, and upload such files to the MOPS 30 days or 15 days before the annual shareholders' meeting or the extraordinary shareholders' meeting, respectively. Also, the Company shall prepare the electronic files of the meeting handbook and supplementary information of the shareholder's meeting and submit them to the MOPS 21 days or 15 days before the annual shareholders' meeting or the extraordinary shareholders' meeting, respectively. The meeting handbook and supplementary information of the shareholder's meeting shall be duly prepared 15 days before the shareholders' meeting for shareholders to claim; they shall be placed at the Company and the professional stock affairs agency appointed by the Company and shall be distributed at the site of the shareholders' meeting.

The notice and announcement shall set out the reason for convening the meeting: When agreed by the counterparty, the notice may be made via electronic methods.

The election or dismissal of Directors, changes in Articles of Incorporation, capital reduction, application for the delisting, non-competition of Directors, capital increase from earning, capital increase from reserves, dissolution, merger, a spin-off of the Company, or matters under subparagraphs in paragraph 1, Article 185 of the Company Act, and matters stated in Article 26-1, Article 43-6 of the Securities and Exchange Act, Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be stated in the reason for convening the meeting, and the major content shall be described; such matters shall not be proposed as extempore motions.

When the reason for convening the shareholders' meeting has set out the re-election of Directors and stated the date of assuming office, after the completion of the re-election at the shareholders' meeting, the same meeting may not alter the date of assuming office through extempore motions or other methods.

Shareholders holding 1% of the total issued shares and above may make up to one proposal for the annual shareholders' meeting of the Company; any proposals more than one proposal will not be included in the agenda. Furthermore, the Board shall exclude proposals made by shareholders that have circumstances stated in subparagraphs of paragraph 4, Article 172-1 of the Company Act.

The Company shall announce the acceptance of shareholders' proposals, written or electronic acceptance method, acceptance venue, and acceptance period before the book closure date prior to the convening of the annual shareholders' meeting; the acceptance period shall not be less than ten days.

Any proposal made by a shareholder shall be up to 300 words; the part exceeding 300 words will not be included in the proposal. The proposing shareholder shall attend the annual shareholders' meeting in person or by engaging a proxy and participate in the discussion of the proposal.

The Company shall notify the proposing shareholder of the handling results before the notice date for the convening of the shareholders' meeting, and the proposal stated hereof shall be specified on the meeting notice. For shareholders' proposals not included in the agenda, The Board shall describe the reason why such proposals were not included in the agenda.

#### Article 3

For each Shareholders' Meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company five days before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 4

The venue for a Shareholders' Meeting shall be the premises of the Company or a place easily accessible to shareholders and suitable for a Shareholders' Meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the Independent Directors with respect to the place and time of the meeting.

#### Article 5

The Company shall specify in its Shareholders' Meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked, and a sufficient number of suitable personnel shall be assigned to handle the registrations.

Shareholders and their proxies (collectively, "shareholders") shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of Directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a Shareholders' Meeting. When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

#### Article 6

If a Shareholders' meeting is convened by the Board, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the Chairman; if there is no Vice Chairman or the Vice Chairman also is on leave or for any reason unable to exercise the powers of the Vice Chairman, the Chairman shall appoint one of the Directors to act as the chairperson, or, if there are no Directors appointed, a Director shall be elected among themselves to act as the chairperson.

When a Director serves as the chairperson, as referred to in the preceding paragraph, the Director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply to a representative of a juristic person Director that serves as the chairperson.

If a Shareholders' meeting is convened by a party with the power to convene but other than the Board, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 7

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

#### Article 8

Attendance at Shareholders' meetings shall be calculated based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairperson shall call the meeting to order at the appointed meeting time and announce information related to number shares with no voting rights and attendance. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairperson shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution, and another shareholders' meeting shall be convened within one month.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article 9

If a shareholders' meeting is convened by the Board, the meeting agenda shall be set by the Board. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board.

The chairperson may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed and call for a vote.

#### Article 10

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

#### Article 11

Voting at a shareholders' meeting shall be calculated based on the number of shares.

With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the Taiwan competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 12

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholders' meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic means. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is, therefore, advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Memorandum and Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the number of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to the vote. When anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

#### Article 13

The election of Directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as Directors and the numbers of votes with which they were elected, and the names of those not elected as Directors and the numbers of votes they received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Taiwan Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 14

Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting, and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the weights counted); where there is an election of Directors, the number of weighted votes received by each candidate shall be disclosed.

Such records shall be retained for the duration of the existence of the Company.

#### Article 15

On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable Taiwan laws or regulations or under Taiwan Stock Exchange Corporation (Taipei Exchange) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

#### Article 16

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

#### Article 17

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Taiwan Company Act.

#### Article 18

The Rules were implemented after being approved by the shareholders' meeting; the same shall apply upon any amendment.

Approved at the extraordinary shareholders' meeting  
on 1994.11.30

Amended at the annual shareholders' meeting on  
2002.05.22

Amended at the annual shareholders' meeting on  
2008.06.13

Amended at the annual shareholders' meeting on  
2016.06.08

Amended at the annual shareholders' meeting on  
2020.06.10

Established at the annual shareholders' meeting on  
2021.07.13

## Appendix III

### ShinKong Insurance Co., Ltd.

#### Directors' Shareholdings

- 1.The Company's paid-in capital amounted to NT\$3,159,633,000, with 315,963,300 shares issued.
- 2.All Directors should hold a total of 12,638,532 shares mandatorily.
- 3.According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two or more independent directors are elected, the shareholding ratio of all directors other than the Independent Directors is reduced to 80%.
- 4.As of the book closure date of the shareholders' meeting (March 29, 2024), the number of shares held by individual directors and all Directors recorded in the shareholder registry meets the shareholding ratio specified in Article 26 of the Securities Exchange Act.

Job title	Name	Elected date	Tenure	The number of shares held and the shareholding ratio recorded in the shareholder registry on the book closure date	
				Shares	Shareholding ratio
Chairman	Representative of Haung En Co., Ltd.: WU, HSIN-HUNG	2023.05.25	Three years	4,514,986	1.43%
Director	Representative of Haung En Co., Ltd.: WU,TONG-SHENG	2023.05.25	Three years		
Vice chairman	Representative of Cheng Qian Co., Ltd.: HSIEH MENG-HSIUNG	2023.05.25	Three years	1,326,339	0.42%
Director	Representative of Ji Zhen Co., Ltd.: LI WEN-TSUNG	2023.05.25	Three years	3,486,000	1.10%
Director	Representative of Chaojia Investment Co., Ltd. : CHANG,MAO-SONG	2023.05.25	Three years	1,683,708	0.53%
Director	Representative of Mao Wei Investment Co., Ltd.: WU,TONG-SHANG	2023.05.25	Three years	20,000	0.01%
Director	Shin Kong Medical Foundation Representatives: HUNG, TZU-JEN	2023.05.25	Three years	1,428,920	0.45%
Director	Ho, Ying-Lan	2023.05.25	Three years	1,222,000	0.39%
Independent Director	Tsai-Shih-Chi	2023.05.25	Three years	26	0.00%
Independent Director	Yen, Chang-Shou	2023.05.25	Three years	0	0.00%
Independent Director	Wang, Jui-Yu	2023.05.25	Three years	0	0.00%
Total shareholding of the Board				13,771,979	4.36%