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TAIMING ASSURANCE BROKER CO., LTD.

2021 Annual Report

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Disclaimer

Please note that this English annual report is not a word-for-word translation of the Chinese version. In the event of any variance, the Chinese text shall prevail.

I. Spokesperson

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Deputy Spokesperson

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II. Address and telephone number of the headquarters:

Headquarters: 11F., No. 49, Guanqian Rd., Taipei City
Tel: (02) 5558-5988

Address and telephone number of the business locations:

<u>Name</u>	<u>Address</u>	<u>Telephone number</u>
Guanqian	6F.-3, No. 49, Guanqian Rd., Taipei City	02-5582-9988
Chongqing	9F., No.83, Sec. 1, Chongqing S. Rd., Taipei City	02-5581-2888
Keelung	9F., No.148, Xin 1st Rd., Keelung City	02-2421-5399
Taoyuan	14F.-3, No. 191, Yong'an Rd., Taoyuan City	03-337-0528
Hsinchu	6F-2, No. 93, Guanghua Street, Hsinchu City	03-533-0191
Taichung	25F.-2, No. 447, Sec. 3, Wenxin Rd., Taichung City	04-3500-9998
Yunlin	3F., No. 178-18, Gong'an Rd., Huwei Township, Yunlin County	05-6363-900
Chiayi	2F., No.69, Tiyu Rd., Chiayi City	05-223-5268
Chiayi Business Team	4F., No.145, Xingye W. Rd., Chiayi City	05-236-6632
Tainan	5F., No.281, Sec. 2, Fuqian Rd., West Central Dist., Tainan City	06-293-6046
Tainan Business Team	7F., No.283, Sec. 2, Fuqian Rd., West Central Dist., Tainan City	06-293-4288
Kaohsiung	11F.-2, No. 241, Yixin 1st Rd., Qianzhen Dist., Kaohsiung City	07-955-2888
Pingtung	2F., No. 88-15, Guangdong S. Rd., Pingtung City	08-751-1095

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Name: Waterland Securities Co., Ltd.
Address: 15F., No. 188, Sec. 5, Nanjing E. Rd., Taipei City
Web: <https://www.ibfs.com.tw>
Tel: (02)2528-8988

IV. Name of the CPA, name of the CPA firm, address, website, and telephone number for the latest annual financial report:

Name of CPA: Wang-Sheng Lin, Wun-Ya Syu
Name of accounting firm: Deloitte & Touche
Address: 20th Floor, No.100, Songren Road, Shinyi District, Taipei City
Web: <https://www2.deloitte.com>
Tel: (02) 2725-9988

V. The name of exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.**VI. Company Website: <https://www.tabc.com.tw>**

Taiming Assurance Broker Co., Ltd.

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Chapter 1. Letter to Shareholders

Dear Shareholders,

The Company's 2021 annual operating results, 2022 annual business plan, future development strategies, external competitions, and regulatory environment, and overall business environment are described as follows:

I. Operating Results of the Previous Year

(I) Implementation Results of the Business Plan:

In response to the competent authority's policy on digital finance and the impact of COVID-19, the Company has made every effort to promote "iiSafe mobile insurance" in 2021, and jointly promote the long-distance insurance business with insurance companies; it has established the online learning platform "Taiming Digital School", set up online service "Line" for exclusive business, continuously updated and strengthened the business inquiry system, increased online service functions such as online notes, reduced the contact of business colleagues in physical operations to obtain benefits of environmental protection and green energy; in terms of business promotion, it has organized online lucky draw events and live broadcast morning meeting to maintain the Company's activities and training momentum.

The Company attaches great importance to policyholder service, and achieved a policy renewal rate of 98.02% among 13 months by 2021, which demonstrates the Company's policy quality and policyholder service maintenance quality.

The Company has been always focusing on sustainable development, corporate governance and social issues for a long time. It won the Bronze Award in the 14th TCSA Sustainability Report - Finance and Insurance in 2021, making it the only insurance brokerage company winning the award in Taiwan; in 2021, it was nominated for the "Best Social Responsibility Award" of the 22nd +1 Insurance Trust Love in 2021, which affirmed the Company's efforts in social care and public welfare activities.

(II) Budget execution: The Company has not made financial forecast announcements, so it is not applicable.

(III) Financial balance and profitability analysis

In 2021, the Company and its subsidiaries made a consolidated net operating income of NT\$812,570 thousand, consolidated net profit before tax of NT\$92,593 thousand, net profit after tax attributable to owners of the Company of NT\$74,676 thousand, basic earnings per share before tax of NT\$3.7, and the basic earnings per share after tax of NT\$2.98.

As at the end of 2021, the Company's assets amounted to NT\$775,479 thousand, and the shareholders' equity amounted to NT\$569,016 thousand.

(IV) Research development status

1. Digital development: The Company has constantly increased the number of insurance companies associated with the mobile insurance, built online live morning meetings, live broadcasts of business lottery, digital school law compliance training and learning system, as well as business and customer information inquiry service integration system.
2. Service system: The Company has upgraded the 080-service system for policyholders, and adopted the Cisco phone App system. When working at home, calls from policyholders and business colleagues can also be received immediately without interrupting the service.
3. Commodity planning: The Company focuses on commodity professional training, and import LINE@ App to quickly inquire about the differences in terms and conditions to provide policyholders with complete commodity descriptions.

II. Business plan outline of the year

(I) Business strategy of the year

Business promotion policy

The Company entered its 20th anniversary in 2022. With the annual strategic goal of "competitive Taiming", the Company has set up focusing on commodities as its business promotion policy, diversification and professionalism as its training policy to establish the motivation target for salesmen, and facilitate the achievement of marketing and organization achievement plans according to the business system characteristics; launched the promotion strategy version 2.0 and the workplace planning version 3.0 to specifically enhance the overall market competitiveness.

Corporate sustainability responsibility

The Company actively promotes corporate social responsibility and implements the Company's sustainable development. In the fourth quarter of 2021, the Company established the Corporate Sustainable Development Committee to facilitate all departments of the Company to implement corporate sustainable development matters according to their powers and responsibilities, which consists of the Corporate Governance and Risk Management Team, the Customer Relationship Team, the Environmental Sustainability Team, the Employee Care Team, the Social Engagement Team and the Business Partner Team, demonstrating the Company's emphasis on environmental protection, social responsibility and corporate governance (environmental, social and governance, ESG).

(II) Operating target of the year

The Company and its subsidiaries are expected to increase their operating income compared with 2021, and plan to continue to invest in digital development technology construction, and maintain the overall profit target stable.

The Company attaches great importance to the quality of policyholders'

renewal payment, and will maintain the goal of renewal rate in 2021.

The Company's business promotion goal is to increase the manpower for business implementation.

III. Developmental strategies in the future

- (I) Continue to focus on commodity strategies for retirement and coverage planning.
- (II) A diversified development strategy for developing cross-industry channels and digital technology.
- (III) Combined with the cooperation strategy of insurance brokerage and insurance agency companies for developing the territory of Greater China.

IV. Influences from External, Regulatory and Overall Business Environment

(I) External competition environment

In 2021, the insurance market was affected by COVID-19 epidemic and the home-based epidemic prevention measures, which affected the physical sales of salespersons. In addition, due to the lower yields of government bonds, the generally lower declared interest rates, the strong position of the Taiwan dollar against the US dollar, and the prosperity of the capital and real estate markets, the first-year premium incomes of traditional insurance products decreased by 18.4%, while investment products increased by 26%.

In addition, in response to the trend that consumers obtain financial services through the Internet, the competent authority has opened up the application for online insurance companies to promote the research and development of innovative insurance products. To cope with changes in the market and channels, the Company will continue to invest in the construction and relevant training of digital and remote systems, and introduce more professional courses in commodity sales, strengthen the professional core functions of each employee and the functions related to insurance services, so as to provide customers with professional and complete services, and maintain the Company's market advantages.

(II) Regulatory environment

Due to the awareness of consumer protection, norms on fair treatment of customers, protection of aged consumers, protection of persons with disabilities, etc., the whole insurance industry is faced with intensive regulation, and the competent authority is particularly strict in the regulation of business solicitation. Although it causes the legal compliance cost to increase year by year, the Company regards it as a positive influence, and strictly follows the relevant requirements in solicitation process in terms of detailed introduction of products, confirmation of the suitability of customers, making clear the sources of funds, etc., and, in respect of the Company's operation, implement internal control and legal compliance operations, which is

beneficial to the protection of policyholders' rights and interests and shareholders' interests.

(III) Overall business environment

By the end of 2021, due to the strong exchange rate of Taiwan dollar, low interest rate and surge in the stock market, investment commodities have seen substantial growth while traditional commodities have seen decline. Looking forward to 2022, due to the variables of inflation, interest rate hikes in the United States and reduction in investment income, the development of insurance products is probably to switch back to traditional and foreign-currency insurance policies, while property insurances are expected to maintain stable growth with the increase in health awareness in such regards as epidemic prevention insurance and vaccine insurance.

Through professional training, the Company focuses on assurance products and invests resources in digital systems. The Company has a stable capital and financial structure, and will continuously promote business development and grasp opportunities for industry cooperation.

Ladies and gentlemen, wish you good health and all the best.

Chairman of the Board:
Cheng-Chin Lee

Manager:
Yang-Kuo Chen

Accounting Manager:
Hsin-Yi Wen

Chapter 2. Company Profile

I. Date of Incorporation

October 18, 2002

II. Milestones

Year	Milestones
2002	Taiming Assurance Broker Co., Ltd. was established with an actual paid-in capital of 3,000,000. The Company's main business contains life insurance brokerage and property insurance brokerage. Received the Achievement of 97.9% Performance in the past 13 months from TransGlobe Life Insurance Inc.
2005	Signed the academic-industrial collaboration contract with the Department of Insurance and Financial Management at Chihlee University of Technology. Investment in "Ching-Guan Financial Management Consulting Co., Ltd."
2006	Won the IDA International Dragon Award - Corporate Awards
2008	Won the "Outstanding Business Entity with Uniform Invoice" Award from the Ministry of Finance
2009	Won the "Best Insurance Professional of the Year- Support Group Merit Award" from RMIM Inc.
2010	Won the "2010 Taiwan Top Ten Enterprises with Moral Character" from Chinese Humanist Personality Association
2011	Won the "Best Insurance Professional of the Year- Support Group Merit Award" from RMIM Inc.
2012	Won the "2012 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life Won the "2012 Best Persistency Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life Won the "5th Taiwan Insurance Excellence Award - Insurance Broker Excellence Silver Award"
2013	Won the "2013 Best Performance Award, New Contract Entry Quality Award, Health Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life. Won the "Business Quality Management Excellence Award" from TransGlobe. Officially issued the stocks on Taipei Exchange (5878). Officially listed company at emerging stock market on Taipei Exchange (5878).
2014	Won the "2014 Best Performance Award, New Contract Entry Quality Award, Health Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life. Officially registered company at over-the-counter market on Taipei Exchange (5878). Won the "Best Broker Award" from Farglory Life. Investment in "Family Safety CO LTD"

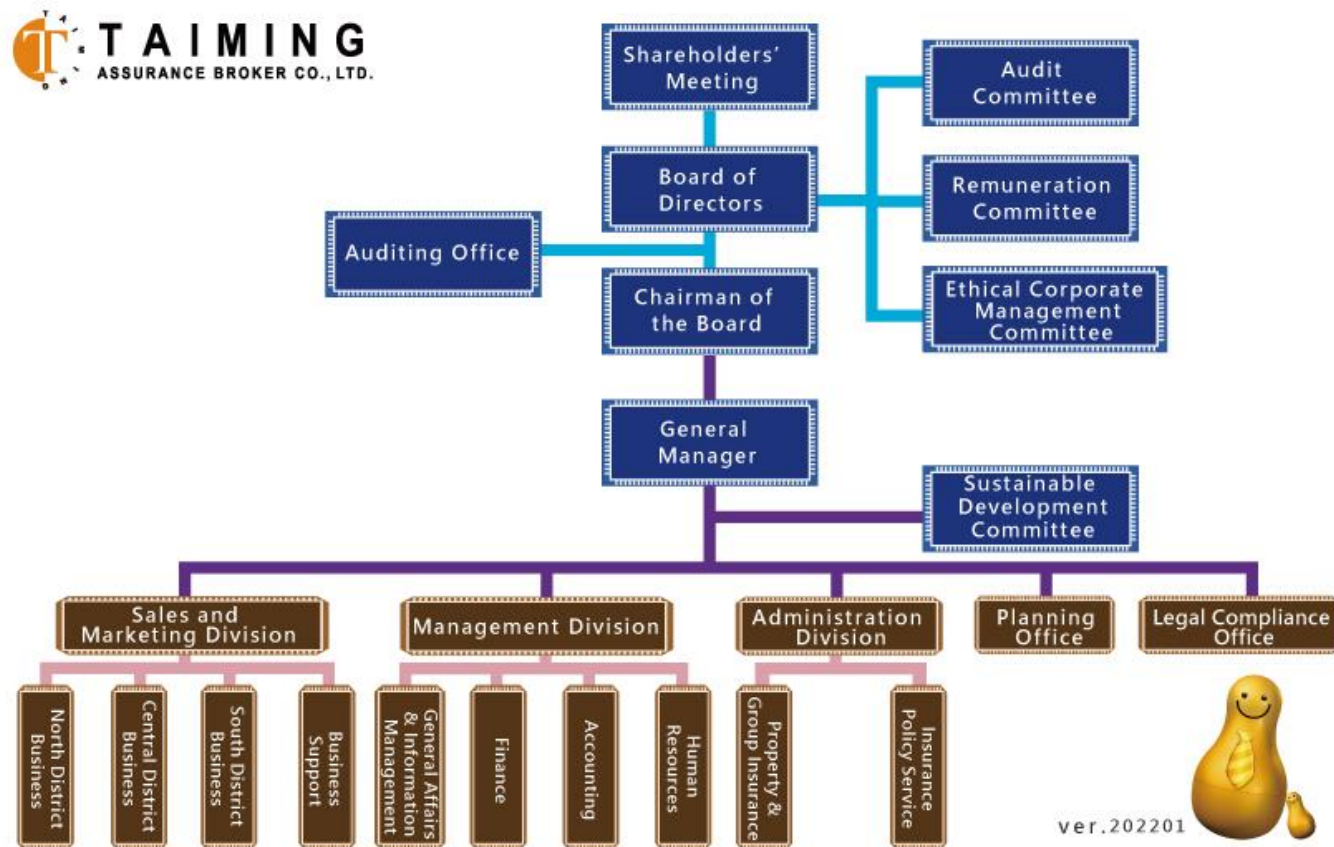
- 2015 Won the "2015 Best Performance Award, New Contract Entry Quality Award, Health Master Award, and Foreign Currency Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life.
Issued the first "Corporate Social Responsibility Report" and was certified by BSI Taiwan.
- 2016 Investment in "Shanghai Lianda Insurance Agency Co., Ltd."
Won the "2016 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from TLG Insurance Co., Ltd.
Won the "2016 Foreign Currency Master Award, Health Master Award, Best Persistency Award and Best Performance of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life
- 2017 Introduced ISMS Information Security Management System and obtained the International Validation of ISO/IEC27001 Information Security issued by BSI (British Standards Association)
Obtained the pre-assessment of BSI for introduction of BS 10012 PIMS personal information management system.
Won the "2017 Insurance Longfeng Award" from RMIM Inc. as the most popular insurance broker among Finance and Insurance Graduate
Won the "Progress Award" and ranked top 20% in the 3rd Corporate Governance Evaluation hosted by Taiwan Stock Exchange and Taipei Exchange
Won the "2017 Quality Brokerage Company" from Farglory Life Insurance.
Won the "2017 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from TLG Insurance.
Won the "2017 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life Insurance.
Won the "2017 Health Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life Insurance.
- 2018 Investment in shares of "Kun Shan Feng Sheng Insurance Agency Co., Ltd."
Started online insurance business
Won the "Outstanding Sustainability Award" from BSI Taiwan.
Won the "Insurance Cyber Security Contribution Award" from BSI Taiwan.
Won the "2018 Insurance Longfeng Award" from RMIM Inc. as the most popular insurance broker among Finance and Insurance Graduate
Ranked top 5% in the 4th Corporate Governance Evaluation hosted by Taiwan Stock Exchange and Taipei Exchange
Received the "2018 Quality Brokerage Company" from Farglory Life.
- 2019 Won the "Outstanding Sustainability Award" from BSI Taiwan.
On Feb. 20th, the Company obtained all the shares and new shares issued with additional capital of "Link-Aim Life Insurance Broker Co., Ltd." through share conversion proposed at the interim meeting of shareholders, taking cash and issuance of common shares as the consideration. The said company has become a 100% owned subsidiary of the Company
Ranked top 20% in the 5th Corporate Governance Evaluation hosted by Taiwan Stock Exchange and Taipei Exchange
Published the fifth CSR Corporate Social Responsibility report
Officially launched the mobile insurance platform
Received the "2019 Quality Brokerage Company" from Farglory Life
- 2020 Received the "2019 CTWANT Club" from CTWANT Company
Won the "2019 Best Performance Award of Coniferin Honorary Assembly as

Brokerage Agent “from Taiwan Life Insurance
 Won the "2019 Health Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life Insurance
 Won the "2019 New Contract Entry Quality Award of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life Insurance
 Won the "2019 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from TLG Insurance
 Won the "Guardian Archangel" from Huashan Social Welfare Foundation
 Taoyuan and Taichung workplace 2.0 completed and started the new era of mobile office
 Won the 2020 Corporate Social Report Bronze Prize of 2020 (13th) Taiwan Corporate Sustainability Awards Finance and Insurance categories
 Received the "2020 Quality Brokerage Company" from Farglory Life.
 "Kun Shan Feng Sheng Insurance Agency Co. Ltd." renamed "Jiangsu Taiming Insurance Agency Co. Ltd." on April 15, 2020
 "Shanghai Lian Da Insurance Agency Co., Ltd." renamed "Shanghai Taiming Insurance Agency Co., Ltd." on April 29, 2020
 2021 Nominated for the Auxiliary Group of the “Best Social Responsibility Award” of the 22nd +1 Insurance Trust Love
 Won the 2021 TCSA Taiwan Sustainability Award, "Corporate Sustainability Report Award - Bronze Award" in the Financial and Insurance Industry Category
 Won the "Guardian Archangel" from Huashan Social Welfare Foundation
 Won the "2021 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent “from Taiwan Life Insurance
 Won the "2021 Foreign Currency Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life Insurance
 Won the "2021 Best Renewal Award of Coniferin Honorary Assembly as Brokerage Agent “from Taiwan Life Insurance
 Won the "2021 Original Premium Excellent Performance" by Shin Kong Life
 Won the “2021 Best Partner Award of Coniferin Honorary Assembly as Brokerage Agent” from China Trust Property Insurance
 Self-built digital learning platform for review through six-hour decree-compliance course
 Start a new era of mobile office, Tainan workplace 2.0 completed

Chapter 3. Corporate Governance Report

I. Organization System

(I) Organizational Structure of the Company



(II) Divisional Scope of Responsibilities

Division	Scope of responsibilities
Auditing Office	Manage the planning and implementation of internal audit activities to assist the Board of Directors and the management to check and evaluate the effectiveness of the internal control system and provide suggestions for improvement in a timely manner.
Legal Compliance Office	Manage legal compliance operations, maintain a clear and appropriate statutory communication, advisory, coordination and communication system, update statutory requirements, conduct regulatory training, money laundering prevention, and Rewards & Disciplinary Committee.
Planning Office	In charge of the promoting business strategy planning and execution project, planning for corporate image, public relations, advertising and project marketing, accelerating execution project, and conducting research and development of products.
Sales and Marketing Division	Manage overall business policies and promote the achievement of business objectives; cooperate with business policy, assist to hold various awards, trainings, activities, meetings and other related work.
Administration Division	To be in charge of the promotion of group insurance business and the planning and implementation of incentive schemes; New contract acceptance and unit assistant management, insured customer service and security change operations.
Management Division	In charge of financial accounting, sales representatives' remuneration management, budget preparation and tracking, stock operations, internal personnel, general affairs and information management.

II. Information on the Directors, Supervisors, General Managers, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches

(I) Directors:

1. Directors' Information (I)

Book closure date: March 28, 2022

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of Office	Date First Elected (Note 3)	Shares held when elected		Current number of shares held		Current Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 4)	Currently Holding Concurrent Posts in the Company and Other Companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remarks (Note 5)
							Shares	Sharehold ing ratio	Shares	Sharehold ing ratio	Shares	Sharehol ding ratio	Shares	Sharehold ing ratio			Title	Name	Relatio nship	
Director	Republic of China	Taiwan Navigator Asset Investment Co., Ltd.	-	May 31, 2019	3	November 7, 2012	9,025,907	36.07%	9,025,907	36.07%	-	-	-	-						
	Republic of China	Representative: Cheng-Chin Lee	Male 61-70 years old	May 31, 2019	3	November 7, 2012	887,874	3.55%	892,887	3.57%	384,274	1.54%	-	-	Studied in Construction Group of Public Engineering Department, China University and Technology 1. Sales Manager of Tianjin Evest Int'l Trading Co., Ltd. 2. Sales Manager, Niche International Futures Company 3. The Congressional Aides of National Assembly 4. Deputy Director of Training Department, MetLife, Inc. Business Marketing Director, MetLife, Inc. Head of Sales and Marketing Division, Headquarter of MetLife, Inc. Manager of Banqiao Communications Department, MetLife, Inc.	1. Chairman of the Company 2. Chairman, Ching-Guan Financial Management Consulting Co., Ltd. 3. Chairman, All Safe Co., Ltd. 4. Legal representative of Shanghai Taiming Insurance Agent Co., Ltd. 5. Legal representative of Jiangsu Taiming Insurance Agent Co., Ltd.	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of Office	Date First Elected (Note 3)	Shares held when elected		Current number of shares held		Current Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 4)	Currently Holding Concurrent Posts in the Company and Other Companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remarks (Note 5)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
	Republic of China	Representative: Jhih-Jieh Wei	Male 51-60 years old	September 6, 2019	3	September 6, 2019	-	-	-	-	-	-	-	-	Master of Business Administration, National University, California, USA. (Master of Business Administration, National University, California, USA) Business Director of A-Data Technology Co., Ltd.	Senior Vice Manager of Electronic Division, Sirtec International Co., Ltd.	None	None	None	None
Director	Republic of China	Cheng-Rong Enterprise Co., Ltd.	-	May 31, 2019	3	June 14, 2013	47,959	0.19%	47,959	0.19%	-	-	-	-			None	None	None	None
	Republic of China	Representative: Mo-Hang Wu	Female 51-60 years old	May 31, 2019	3	May 31, 2019	--	-	-	-	-	-	-	-	EMBA, National Taiwan University Forland Auto Trade Holding Co., Ltd. Representative of Judicial Person Director Representative of Juridical Person Director of Forland Auto Trade Holding Co., Ltd. Legal Representative of Director of Zheng Yang Development Co., Ltd.	Chairman, Jiade Investment Co., Ltd. Director, Yong Xin Development Co., Ltd. Chairman, Navigator Investment Development Co., Ltd. Director, Chow Nobby Enterprises Co., Ltd. Director, Taiwan Navigator Asset Investment Co., Ltd. Chairman, Shan Yue Limited Company Director and legal representative, Peng Cheng Investment Co., Ltd. Chairman and legal representative, New Navigator Investment Co., Ltd.	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of Office	Date First Elected (Note 3)	Shares held when elected		Current number of shares held		Current Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 4)	Currently Holding Concurrent Posts in the Company and Other Companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remarks (Note 5)
							Shares	Sharehold ing ratio	Shares	Sharehold ing ratio	Shares	Sharehol ding ratio	Shares	Sharehold ing ratio			Title	Name	Relatio nship	
																Forland Auto Trade Holding Co., Ltd. Representative of Judicial Person Director At Boutique Hotel Director, legal representative Chairman, Navigator Investment Development Co., Ltd. Representative of Juridical Person Director of Forland Auto Trade Holding Co., Ltd. assigned by Navigator Construction Co., Ltd. Director and legal representative of Zheng Yang Development Co., Ltd.				
Indepen dent Director	Republic of China	Chien-Hsiang Chang	Male 71-80 years old	May 31, 2019	3	May 31, 2019	-	-	-	-	-	-	-	-	Bachelor of Business Administration, National Taiwan University (Taiwan) Director of SIRTEC International Co., Ltd. Supervisor, Taiming Assurance Broker Co., Ltd. General Manager Office of Taiwan Fire & Marine Insurance Co., Ltd. Deputy General Manager and Management Manager General Audit of The Board of Directors Assistant Manager and Manager of Finance Department	None	None	None	None	None

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Elected (Appointed) Date	Term of Office	Date First Elected (Note 3)	Shares held when elected		Current number of shares held		Current Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 4)	Currently Holding Concurrent Posts in the Company and Other Companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remarks (Note 5)
							Shares	Sharehold ing ratio	Shares	Sharehold ing ratio	Shares	Sharehol ding ratio	Shares	Sharehold ing ratio			Title	Name	Relatio nship	
Indepen dent Director	Republic of China	Chuang-Te ng Tsai	Male 61-70 years old	May 31, 2019	3	June 15, 2016	-	-	-	-	-	-	-	-	Graduated from Bank Insurance Department of Feng Chia University Manager, Taiwan Cooperative Bank Deputy Manager, Farmers Bank of China	None	None	None	None	None
Indepen dent Director	Republic of China	Fu-Kuei Huang	Male 61-70 years old	May 31, 2019	3	May 31, 2019	-	-	-	-	-	-	-	-	Department of Accountancy, National Cheng Kung University Financial Assistant Manager, Tailung Capital Inc.	CPA, Shouxin Accounting Firm Independent Director of Taiwan Taomee Co., Ltd.	None	None	None	None

Note 1: For juristic person shareholders, their names and representatives shall be stated (for representatives, the names of juristic person shareholders they represent shall be indicated respectively) and filled in Table 1.

Note 2: Please list actual ages and express them in intersectional manner, e.g., 41-50 years old or 51-60 years old.

Note 3: Please list the first date to take the charge of director or supervisor of the Company, and note with illustrations for any disruption of duty occurred.

Note 4: For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position. Assistant vice president, regardless of job title, should also be disclosed.

Note 5: Where the Chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).

Note 6: The Company established the Audit Committee to replace the Supervisors.

Table 1: Major Shareholders of Institutional Shareholders

Book closure date: March 28, 2022

Name of Judicial Person Shareholders (Note 1)	Substantial Shareholders of Judicial Person Shareholders (Note 2)
Taiwan Navigator Asset Investment Co., Ltd.	Navigator Construction Co., Ltd. (28.12%), Jiade Investment Co., Ltd. (23.43%), Mayer Steel Pipe Corporation (14.06%), Dean Development Co., Ltd. (5.47%), Wanshun Investment Co., Ltd (4.69%), Hsiu-Hsiu Yu (4.69%), Xinliang Investment Co., Ltd (4.69%), The Sincere Company Limited (4.69%), Wending Venture Capital Co., Ltd. (10.16%).
Cheng-Rong Enterprise Co., Ltd.	Jiade Investment Co., Ltd. (34.483%), Chow Nobby Enterprises Co., Ltd. (31.034%), Tong Sheng Development Co., Ltd. (34.483%).

Note 1: For directors and supervisors who are the representatives of juristic person shareholders, the names of the juristic person shareholders shall be disclosed.

Note 2: Fill in the name of the major shareholders of these juristic person shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the substantial shareholder is a judicial person, the following Table II shall be filled.

Note 3: For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed (i.e., name of the investor or donor and their investment or donation ratio).

Table 2: Major shareholders of juristic person shareholders

Book closure date: March 28, 2022

Name of Judicial Person (Note 1)	Substantial Shareholders of Judicial Person (Note 2)
Navigator Construction Co., Ltd.	Jian-Cheng Li (55.86%), Tong Sheng Development Co., Ltd (40.79%), Chao-Tzu Li Chen (0.71%), Chia-Keng Li (2.64%)
Jiade Investment Co., Ltd.	Tai-Hung Li (46.85%), Cheng Yang Investment Development Co., Ltd. (48.85%), Chao-Tzu Li Chen (0.5%), Chia-Keng Li (2.5%), Mo-Hang Wu (1%), Wen-Yung Li (0.3%)

Name of Judicial Person (Note 1)	Substantial Shareholders of Judicial Person (Note 2)
Mayer Steel Pipe Corporation	Yuan Chuan Iron & Steel Co., Ltd. (16.61%), Tzu Chi International Co., Ltd. (8.31%), Miramar Hotel Co., Ltd. (6.58%), Xianda Investment Co., Ltd. (6.99%), Dean Development Co., Ltd. (1.06%), Jian Yu Xing Ye Co., Ltd. (1.14%), Yuan Da Investment Co., Ltd. (1.79%), Dewei Investment Co., Ltd. (1.60%), The Sincere Company Limited (2.15%), Kwong Iee Steel Co., Ltd. (1.45%), FeiHung Chen(0.81%)
Dean Development Co., Ltd.	Dewei Investment Co., Ltd. (32.31%), Deanxin Co., Ltd. (5%), Yuan Chuan Iron & Steel Co., Ltd. (12.38%), The Sincere Company Limited (20.63%), Er Xing Development Co., Ltd. (7.22%), Yi-Yun Hong (6.63%), Miramar Hotel Co., Ltd. (5.73%), Mayer Steel Pipe Corporation (1.27%), TZU-Yi Huang (1.22%)Hsiu-Mei Huang (1.59%)
Wanshun Investment Co., Ltd.	Zhong-Yi Li (8%), Yu-Ying Yang (8%), Yen-Liang Li (45%), Yen-Ying Li (12%), Li Yen-Hung (15%), Yen-Jing Li (12%).
The Sincere Company Limited	Dean Development Co., Ltd. (30.19%), Dexian Co., Ltd. (24.94%), Hong Kong Sincere Company Limited (12.41%),Dewei Investment Co., Ltd. (18.05%), Yi-Yun Hong (2.31%), Yung-Chieh Huang (1.25%), Chun-Wei Huang (1.19%), Cheng-Wei Li (1.17%), Yuhong Investment Co., Ltd. (0.99%)
Xinliang Investment Co., Ltd.	Zhong-Yi Li (9%), Yu-Ying Yang (9%), Yen-Liang Li (17%), Li Yen-Hung (15%), Yen-Jing Li (26%), Yen-Ying Li (24%).
Top Taiwan X Venture Capital Co., Ltd.	SIRTEC International Co., LTD (36%), ELAN Microelectronics Corporation (30%), Taiwan Fire & Marine Insurance Company LTD (24.75%), Taiming Assurance Broker Co., Ltd. (6.75%), Taiwan Navigator Asset Investment Co., Ltd. (2.5%).
Chow Nobby Enterprises Co., Ltd.	Jian-Cheng Li (27.7%), Tai-Hung Li (23.98%), Chia-Keng Li (34.53%), At Boutique Hotel (13.79%)
Tong Sheng Development Co., Ltd.	Jian-Cheng Li (81.02%), Navigator Construction Co., Ltd. (16.95%), Chia-Keng Li (1.69%), Wen-Yung Li (0.34%)

Note 1: If the major shareholder of juristic person shareholders as shown in Table 1 is a juristic person, the name of the juristic person shall be filled.

Note 2: Fill in the name of the major shareholders of these juristic persons (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note 3: For institutional shareholders who are not under the organization of the Company, the name and shareholding of the shareholders shall be disclosed (i.e., name of the investor or donor and their investment or donation ratio).

2. Directors' Information (II)

I. Diversity and Independence of the Board of Directors:

Book closure date: March 28, 2022

Criteria Name	Professional qualifications and experience (Note 1)	Compliance with independence (Note 2)	Number of other Taiwanese public companies concurrently serving as an Independent Director
Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chin Lee	Chairman of the Company Chairman, Ching-Guan Financial Management Consulting Co., Ltd. Chairman, All Safe Co., Ltd. Legal representative of Shanghai Taiming Insurance Agent Co., Ltd. Legal representative of Jiangsu Taiming Insurance Agent Co., Ltd.	Not applicable	0
Taiwan Navigator Asset Investment Co., Ltd. Representative: Jhih-Jieh Wei	Master of Business Administration, National University, California, USA. (Master of Business Administration, National University, California, USA) Business Director of A-Data Technology Co., Ltd. Senior Vice Manager of Electronic Division, Sirtec International Co., Ltd.	Not applicable	0
Cheng-Rong Enterprise Co., Ltd. Designee: Mo-Hang Wu	EMBA, National Taiwan University Forland Auto Trade Holding Co., Ltd. Representative of Judicial Person Director Representative of Juridical Person Director of Forland Auto Trade Holding Co., Ltd. Legal Representative of Director of Zheng Yang Development Co., Ltd.	Not applicable	0

Independent Director: Chien-Hsiang Chang	Bachelor of Business Administration, National Taiwan University (Taiwan) Director of SIRTEC International Co., Ltd. Supervisor, Taiming Assurance Broker Co., Ltd. General Manager Office of Taiwan Fire & Marine Insurance Co., Ltd. Deputy General Manager and Management Manager General Audit of The Board of Directors Assistant Manager and Manager of Finance Department	The independent directors of the company are all in line with the "Public Issuance of Independent Directors Follow the provisions of Article 3, Paragraph 1, Subparagraphs 1 to 8 of the Procedures.Please refer to Disclosure Independence of Independent Directors on page 14-15 for annual report.	0
Independent Director: Fu-Kuei Huang	Graduated from Bank Insurance Department of Feng Chia University Manager, Taiwan Cooperative Bank Deputy Manager, Farmers Bank of China		1
Independent Director: Chuang-Teng Tsai	Department of Accountancy, National Cheng Kung University Financial Assistant Manager, Tailung Capital Inc. CPA, Shouxin Accounting Firm Independent Director of Taiwan Taomee Co., Ltd.		0

II. Diversity and Independence of the Board of Directors:

(I) Diversity of the Board of Directors:

Describe the board's diversity policy, goals and achievement. The diversity policy includes, but is not limited to, the election criteria for directors, the professional qualifications and experience that the Board of Directors should have, the composition or ratio of gender, age, nationality, and culture, etc., and the Company's specific goals and their achievement regarding the previous policy.

The Board of Directors of the Company shall guide the corporate strategies, supervise the management levels, and be responsible for the Company and the shareholders. The various work and arrangement of the Board of Directors on the Company's governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with the provisions of laws and decrees, the Articles of Association or resolutions of the shareholders' meeting.

The 7th term of the Board is composed of 6 directors, including 3 independent directors and 1 female director. The members possess expertise in operating management, leading and decision-making, industrial knowledge, and finances and accounting.

Diversity for Board membership

1. Our female directors account for over 15% or independent directors account for 50% (inclusive).
2. The Company values gender equality in the composition of the Board members. There are at least 1 female director.
3. The proportion of independent directors is 50%; the proportion of female directors is 16.67%; the proportion of directors with employee status: 1/6 (16.67%).
4. Implementation of the diversity of Board members by individual directors

Title	Name	Nationality	Age	Currently holding concurrent posts in the Company	Gender	Operation management	Leadership and decision-making	Industry knowledge	Crisis management	Financial/accounting
Chairman	Cheng-Chin Lee	Republic of China	61-70	V	Male	V	V	V	V	
Director	Jhih-Jieh Wei	Republic of China	51-60		Male	V	V	V	V	
Director	Mo-Hang Wu	Republic of China	51-60		Female	V	V	V	V	V
Independent Director	Chien-Hsiang Chang	Republic of China	71-80		Male	V	V	V	V	V
Independent Director	Fu-Kuei Huang	Republic of China	61-70		Male	V	V	V	V	V
Independent Director	Chuang-Teng Tsai	Republic of China	61-70		Male	V	V	V	V	V

(II) Independence of the Board of Directors: State the number and proportion of independent directors, and explain that the Board of Directors is independent, and explain with reasons whether there are no circumstances as specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, including a statement of the circumstances in which there is spouse or second-degree relative relationship between directors, supervisors or between directors and supervisors.

1. The current Board of Directors (the seventh term) of the Company consists of 6 directors, including 3 independent directors (accounting for 50% of the total number of directors).

2. The 3 independent directors do not have any of the circumstances specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act, and there is no circumstance that the directors are spouses or relatives within the second degree of kinship.

Note 1: Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, their accounting or financial background and work experience should be stated. In addition, whether there is none of the circumstances in the subparagraphs of Article 30 of the Company Act shall be stated.

Note 2: Independent directors should state their independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliates; The number and proportion of the Company's shares held by relatives (or in the name of others); whether they serve as directors, supervisors or employees that have a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment of Independent Directors of Public Companies and Matters to be Complied with); the amount of remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(II) Information on directors, supervisors, general manager, deputy general manager, associate manager, and heads of various departments and branches

Book closure date: March 28, 2022

Title (Note 1)	Nationality	Name	Gender	Elected (Appointed) Date	Shares Held		Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 2)	Currently Hold Concurrent Posts in Other Companies	Managers with a Spouse or Second Degree of Kinship			Remarks (Note 3)
					Shares	Sharehold ing ratio	Shares	Shareho lding ratio	Shares	Shareho lding ratio			Title	Name	Relati onship	
President	Republic of China	Yang-Kuo Chen	Male	March 16, 2002	20,039	0.08%	-	-	-	-	Department of Electronic Engineering, Hwa Hsia University of Technology Manager/Director of Education Training Department, ChinFon Life Insurance Director of Sales Department, ChinFon Life Insurance Director of Training Department, MetLife, Inc. Associate Manager of Education Training Department, MetLife, Inc. Deputy General Manager, Southern Taiwan Business Department, Manulife Deputy General Manager, South District, PCA Life Assurance Co., Ltd.	Supervisor, All Safe Co., Ltd.	None	None	None	None
Deputy Manager of the Managem ent Division	Republic of China	Shu-Fen Yang	Female	August 1, 2010	39,839	0.16%	-	-	-	-	Graduated from the Graduate School of Management, Rutgers University, New Jersey, USA Project Manager, Consulting Department, Jianda United CPA Firm Head of Accounting, Taiwan Express Co., Ltd,	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Elected (Appointed) Date	Shares Held		Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 2)	Currently Hold Concurrent Posts in Other Companies	Managers with a Spouse or Second Degree of Kinship			Remarks (Note 3)
					Shares	Sharehold ing ratio	Shares	Shareho lding ratio	Shares	Shareho lding ratio			Title	Name	Relati onship	
Auditing Office Associate Manager	Republic of China	Kun-Lin Hsu	Male	November 1, 2012	3,780	0.02%	-	-	-	-	Graduated from Insurance Graduate School, National Chengchi University Business Director, Associate Manager, and Deputy Manager, Metlife, Inc. Manager and Business Director, Taiming Assurance Broker. General Manager, Hung Hsiang Insurance Broker	None	None	None	None	None
Planning Office Associate Manager	Republic of China	Ching-Wen Lin	Female	July 1, 2016	9,141	0.04%	-	-	-	-	Graduated from Commercial Japanese Department of Yu Da High School of Commerce and Home Economics Director of Business Support Office/Assistant Manager of Administration Division, Manager of Business Support, TABC	None	None	None	None	None
Departme nt of Administr ation Associate Manager	Republic of China	Chang-Wu Chiao	Male	March 1, 2020	-	-	-	-	-	-	Department of Economics, Chinese Culture University General Manager, Panhsin Insurance Broker Assistance Manager of Bank Insurance Department, Farglory Life Assistance Manager, Chailease Insurance Broker Sub-manager of Comprehensive Business Department, Panhsin Bank Senior Section Chief of Group Insurance Department, China Life Insurance	None	None	None	None	None

Title (Note 1)	Nationality	Name	Gender	Elected (Appointed) Date	Shares Held		Shares Held by Spouses and Minor Children		Shares held in the names of others		Main Work (Academic) Experiences (Note 2)	Currently Hold Concurrent Posts in Other Companies	Managers with a Spouse or Second Degree of Kinship			Remarks (Note 3)
					Shares	Sharehold ing ratio	Shares	Shareho lding ratio	Shares	Shareho lding ratio			Title	Name	Relati onship	
Middle Section Sales and Marketin g Division Associate Manager	Republic of China	Chien-Chang Lai	Male	September 1, 2011	-	-	-	-	-	-	Mechanical Engineering Department of Chung Chou University of Science and Technology Director, First Life Insurance Manager of Singfor life Insurance Senior Manager of Manulife Life Insurance Manager/Director/Special Assistant of General Manager and Manager of Business Support Office, TABC	None	None	None	None	None
Departme nt of Administr ation Associate Manager	Republic of China	Shen-Tien Chen	Male	May 5, 2014	42,155	0.17%	-	-	-	-	Graduated from Graduate School of Risk Management and Insurance, National Kaohsiung First University of Science and Technology Section Chief, Taiwan Life Insurance Deputy Manager, TLG Insurance Co., Ltd.	None	None	None	None	None
Sales and Marketing Division Associate Manager	Republic of China	Wei-Cheng Ho	Male	July 1, 2020	-	-	-	-	-	-	Graduated from Economic Department of Tunghai University Sales Director of Cathay Life Insurance Project Manager, Bank Insurance Department, Taiwan Life Insurance Product Manager/Discipline & Guidance Team Leader of SinoPac Life Insurance. Project Manager of Marketing Management Department, Chinatrust Life Insurance	None	None	None	None	None

- Note 1: Information regarding General Manager, Deputy General Manager, senior managers, heads of departments and branches shall be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or senior managers shall be disclosed regardless of job title.
- Note 2: For the experience related to holding the current position, if one has worked in the CPA firm conducting the auditing and attesting business or related company, he/she shall state the job title and responsible position. Assistant vice president, regardless of job title, should also be disclosed.
- Note 3: Where the Chairman of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (for example, increase the number of independent directors, and there shall be more than half of the directors who do not concurrently serve as employees or managers).

III. Remunerations of Directors, Supervisors, General Manager and Deputy General Managers in the Most Recent Year

(I) Remunerations of General Directors and Independent Directors (disclosure of name collectively in a summary way)

December 31, 2021 Unit: NT\$ thousand

Title	Name (Note 1)	Remuneration to directors								Ratio of Total Remuneration to Net Income (%) of A, B, C, and D (Note 10)		Remuneration Paid to Concurrent Employees								Ratio of Total Remuneration to Net Income (%) of A, B, C, D, E, F, and G (Note 10)		Whether receive any remunerat ion from the invested company other than the Company's subsidiari es or from the parent company (Note 11)
		Remuneration (A) (Note 2)		Separation Pay and Pensions (B)		Compensation to Director (C) (Note 3)		Business Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Separation Pay and Pensions (F)		Employee compensation (G) (Discussed) (Note 6)						
		The Company	Companie s in the consolidat ed financial statements (Note 7)	The Company	Companie s in the consolidat ed financial statements (Note 7)	The Company	Companie s in the consolidated financial statements (Note 7)	The Company	Companie s in the consolidat ed financial statements (Note 7)	The Company	Companie s in the consolidat ed financial statements (Note 7)	The Company	Companie s in the consolidat ed financial statements (Note 7)	The Company	Companie s in the consolidat ed financial statements (Note 7)	The Company		Companies in the consolidated financial statements (Note 7)		The Company	Companie s in the consolidat ed financial statements (Note 7)	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Director	Taiwan Navigator Asset Investment Co., Ltd.	-	-	-	-	1,837	1,837	210	235	2,047 2.74	2,072 2.77	2,597	2,597	-	-	-	-	-	-	4,644 6.22	4,669 6.25	None
	Representative: Cheng-Chin Lee (Appointed on May 31, 2019)																					None
	Representative: Jhih-Jieh Wei (Appointed on September 6, 2019)																					None
Director	Cheng-Rong Enterprise Co., Ltd.																					None
	Representative: Mo-Hang Wu (Appointed on May 31, 2019)																					None
Independent Director	Chien-Hsiang Chang (Appointed on May 31, 2019)																					-
Independent Director	Fu-Kuei Huang (Appointed on May 31, 2019)	None																				
Independent Director	Chuang-Teng Tsai (Appointed on May 31, 2019)	None																				

1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the considered factors such as their job responsibilities, risks, and working time:

The Company pays Director remuneration based on the Management Rules of Director Remuneration. The main principles are:

- (1) Offer attendance fee to the attending Directors on the date of Board meetings
- (2) Independent Directors receive transportation fees every month, but do not engage in the annual Director remuneration.

2. Other than disclosure in the above table, remunerations received by company directors for providing services (e.g., providing consulting services as a non-employee) to the Company and companies in the consolidated financial statements in the recent financial statements: None.

Table of range of remuneration

Table of Remuneration Ranges for Directors	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the consolidated financial statements (Note 10) (H)	The Company (Note 8)	Companies in the consolidated financial statements (Note 9) (I)
Less than NT\$ 1,000,000	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Cheng-Chin Lee, Jhih-Jieh Wei, Representative of Cheng-Rong Enterprise Co., Ltd.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Chuang-Teng Tsai	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Cheng-Chin Lee, Jhih-Jieh Wei Representative of Cheng-Rong Enterprise Co., Ltd.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Chuang-Teng Tsai	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Jhih-Jieh Wei Representative of Cheng-Rong Enterprise Co., Ltd.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Chuang-Teng Tsai	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Jhih-Jieh Wei Representative of Cheng-Rong Enterprise Co., Ltd.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Chuang-Teng Tsai,
NT\$1,000,000(inclusive)～ NT\$2,000,000(exclusive)		-	-	-
NT\$2,000,000(inclusive)～ NT\$3,500,000(exclusive)	-	-	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Cheng-Chih Li	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Cheng-Chih Li
NT\$3,500,000(inclusive)～ NT\$5,000,000(exclusive)	-	-		
NT\$5,000,000(inclusive)～ NT\$10,000,000(exclusive)	-	-	-	-
NT\$10,000,000(inclusive)～ NT\$15,000,000(exclusive)	-	-	-	-
NT\$15,000,000(inclusive)～ NT\$30,000,000(exclusive)	-	-	-	-
NT\$30,000,000(inclusive)～ NT\$50,000,000(exclusive)	-	-	-	-
NT\$50,000,000(inclusive)～ NT\$100,000,000(exclusive)	-	-	-	-
More than NT\$ 100,000,000	-	-	-	-
Total	6	6	6	6

- Note 1: The names of directors shall be listed separately (for institutional shareholders, the names and representatives of institutional shareholders shall be listed separately), and the general directors and independent directors shall be listed separately, and the payment amount of each item shall be disclosed collectively. If a director also serves as a General Manager or Deputy General Manager, he/she should fill up this form and the form (3-2-1) or (3-2-2) below.
- Note 2: Remuneration received by a Director in the most recent fiscal year (including Director's salary, job-related allowances, separation pay, various bonuses and incentives).
- Note 3: Fill in the amount of remuneration for directors approved by the board of directors in the most recent year.
- Note 4: Refers to the execution expenses of relevant businesses of directors in the most recent year (including travel expenses, special expenses, allowances, dormitories, car supplies and other material supplies, etc.). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included.
- Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general managers, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included. In addition, the remuneration expenses recognized in accordance with IFRS 2 "Share Base Payment", including the acquisition of employee warrants, new shares restricting employee rights and shares subscribed by participation in capital increase in cash, shall also be included in the remunerations.
- Note 6: For Directors concurrently serving as employees (including the General Manager, Deputy General Manager, other managerial officers and employees) who receive employee remuneration (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.
- Note 7: The total amount of remuneration paid to directors of the Company by all enterprises (including the Company) in the consolidated report should be disclosed.
- Note 8: The total amount of remuneration paid by the Company to each director, the names of directors shall be disclosed in the corresponding range.
- Note 9: The total amount of remuneration paid to each director of the Company by all enterprises (including the Company) in the consolidated report should be disclosed, the name of director shall be disclosed in the corresponding range.
- Note 10: Due to the adoption of IFRS, the net after-tax profit is the net after-tax profit of individual financial reports for the most recent year (2020), amounting to NT\$ 86,844 thousand.
- Note 11: a. This field shall clearly indicate the amount of remuneration received by the Company's Directors from investees other than a subsidiary or the parent company (if not, please fill in "none").
- b. If the director receives remuneration from the invested companies other than the Company's subsidiaries or from the parent company, the said remuneration shall be included in Column J in the remuneration range table. The name of the column shall also be changed to "parent company and all reinvested companies".
- c. Remuneration in this case shall refer to remuneration, rewards (including remunerations of employees, directors, or supervisors), business allowances, and other related payments received by the director of the Company for being a director, supervisor, or manager of the invested companies other than the Company's subsidiaries or the parent company.

* The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of levy.

(III) The remuneration for supervisors (range of remuneration with name disclosure):

The Company has set up the Audit Committee, so it is not applicable.

(III) Remunerations of General Managers and Vice Presidents (disclosure of name collectively in a summary way)

December 31, 2021 Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Separation Pay and Pensions (B)		Bonus and allowance (C) (Note 3) Proposed number		Employees' compensation (D) (Note 4) Proposed number				Ratio of Total Remuneration to Net Income (%) of A, B, C, and D (Note 8)		Whether receive any remuneration from the invested company other than the Company's subsidiaries or from the parent company (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Yang-Kuo Chen	4,124	4,124	-	-	784	784	86	-	86	-	4,994 6.69	4,994 6.69	None
Deputy General Manager	Shu-Fen Yang													

Table of Remuneration Ranges

Ranges of Remuneration Paid to Each General Manager and Deputy General Manager of the Company	Names of president and vice president	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Less than NT\$ 1,000,000	-	-
NT\$ 1,000,000 (inclusive) - NT\$ 2,000,000 (exclusive)	Shu-Fen Yang	Shu-Fen Yang
NT\$ 2,000,000 (inclusive) - NT\$ 3,500,000 (exclusive)	Yang-Kuo Chen	Yang-Kuo Chen
NT\$ 3,500,000 (inclusive) - NT\$ 5,000,000 (exclusive)		
NT\$ 5,000,000 (inclusive) - NT\$ 10,000,000 (exclusive)		
NT\$ 10,000,000 (inclusive) - NT\$ 15,000,000 (exclusive)	-	-
NT\$ 15,000,000 (inclusive) - NT\$ 30,000,000 (exclusive)	-	-
NT\$ 30,000,000 (inclusive) - NT\$ 50,000,000 (exclusive)	-	-
NT\$ 50,000,000 (inclusive) - NT\$ 100,000,000 (exclusive)	-	-
More than NT\$ 100,000,000	-	-
Total	2	2

- Note 1: The name of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, he/she should fill this form and the (1-1) or (1-2) above.
- Note 2: Fill the salary, job-related allowances and separation pay received by the General Manager and Deputy General Manager in the most recent fiscal year.
- Note 3: Fill the number of various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation and vehicle received by the General Manager and Deputy General Manager in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please note the remuneration paid to such driver. However, such remuneration shall not be included. In addition, the remuneration expenses recognized in accordance with IFRS 2 “Share Base Payment”, including the acquisition of employee warrants, new shares restricting employee rights and shares subscribed by participation in capital increase in cash, shall also be included in the remunerations.
- Note 4: Fill in the amount of employee compensation (including shares and cash) that has been approved by the Board of Directors and proposed by the General Manager and Deputy General Manager in the most recent fiscal year. If this amount cannot be estimated, the calculation should base on the ratio of the amount distributed in the previous fiscal year and shall separately present the result in Table 1-3. Net profit refers to the after-tax net income for the most recent fiscal year; for those that have already adopted the IFRS principles, net profit refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year.
- Note 5: The total amount of all the remuneration paid to the Company's General Manager and Deputy General Manager by the companies listed in its consolidated financial statements (including the Company) shall be disclosed.
- Note 6: The name of each General Manager and Deputy General Manager should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the General Manager and Deputy General Manager by the Company.
- Note 7: The total amount of all the remuneration paid to each General Manager and Deputy General Manager of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each General Manager and Deputy General Manager shall be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.
- Note 8: Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.
- Note 9: a. The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's General Managers and Deputy General Managers shall be stated clearly in this column (please specify "none" if there is no remuneration).
- b. If the President or a Vice President of the Company receives remuneration in connection with the re-invested business other than the subsidiary, the remuneration received by the President or Vice President from the re-invested business other than the subsidiary or the parent company into Column E of the remuneration range form, and the title of the column shall be changed to “parent company and all re-invested businesses”.
- c. Remuneration in this case shall refer to remuneration, rewards (including remunerations of employees, directors, or supervisors), business allowance, and other related payments received by the General Manager or Deputy General Manager of the Corporation for being a director, supervisor, or manager of the invested companies other than the Company's subsidiaries or the parent company.
- * The content of remuneration disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of levy.
- * The amount of remuneration disclosed in this table is calculated based on the estimated and accrual basis.

(IV) Names of Managerial Officers Provided with Employee's Remunerations and State of Payments

December 31, 2021 Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount (Note 2)	Total	Proportion to Earnings After Tax (%)
Manager (Note 3)	President	Yang-Kuo Chen	-	385	385	0.52%
	Deputy General Manager	Shu-Fen Yang				
	Associate Manager	Kun-Lin Hsu				
	Associate Manager	Shen-Tien Chen				
	Associate Manager	Ching-Wen Lin				
	Associate Manager	Chien-Chang Lai				
	Associate Manager	Chang-Wu Chiao				
	Associate Manager	Wei-Cheng Ho				
	Accounting Manager	Hsin-I Wen				

Note 1: Names and positions shall be listed individually, and the amount of profit distributed shall be disclosed collectively.

Note 2: Fill in the amount of employee compensation (including shares and cash) that has been approved by the Board of Directors and proposed by the managerial officers in the most recent fiscal year. If this amount cannot be estimated, the calculation should base on the ratio of the amount distributed in the previous fiscal year. Net income refers to the after-tax net income for the most recent fiscal year; for those that have already adopted the IFRS principles, net income refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year.

Note 3: The scope of application for the term "managerial officer" shall follow the approved document with Ref. No. Tai Tsai Cheng San Tzu 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

- (1) General Manager and its equivalent
- (2) Deputy General Manager and its equivalent
- (3) Associate Manager and its equivalent
- (4) Supervisor of Finance Department
- (5) Supervisor of Accounting Department
- (6) Other Personnel Authorized to Manage the Company's Affairs and Sign for Approval

Note 4: Directors, general manager and deputy general manager who receive employee rewards (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

* The amount of remuneration disclosed in this table is calculated based on the estimated and accrual basis.

(V) Compare and explain the analysis of the total remuneration paid to the Company's directors, supervisors, general manager and deputy general managers in the most recent two years by the Company and all companies in the consolidated financial statements as a percentage of the net profit after tax of the individual or separate financial reports, and explain the relevance among remuneration policies, standards and portfolio, remuneration determination process, operating performance and future risks.

1. The ratios of total remuneration paid by the Company and all companies in the consolidated statements to the Directors, Supervisors, General Manager and Deputy General Manager of the Company in the last two years to net after-tax profit of the individual or individual financial statements are respectively as follows:

Items Title	Ratio of total remuneration to net after-tax profit in 2021		Ratio of total remuneration to net after-tax profit in 2020	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors (including independent directors)	5.42%	5.45%	4.97%	4.98%
Supervisor	Not Applicable	Not Applicable	Not Applicable	Not Applicable
President and vice president	6.69%	6.69%	5.54%	5.54%

Remarks: (1) The net after-tax profit in 2021 amounted to NT\$ 74,676 thousand, while that in 2020 amounted to NT\$ 86,844 thousand.

(2) Directors' remuneration do not include remuneration for concurrent employee

2. Policies, standards and combination for the payment of remuneration of Directors, and the relevance of procedures for determining remuneration to business performance and future risks:

(1) Policies, standards and combination for the payment of remuneration:

Director (including Independent Director) remuneration is pursuant to the Articles of Association and the Management Rules of Director Remuneration. The main principles are:

- a. Offer attendance fee to the attending Directors on the date of Board meetings
- b. Independent Directors receive transportation fees every month, but do not engage in the annual Director remuneration.
- c. If a director serves as an employee concurrently, other than receiving the attendance fee and director remuneration, their salary as an employee should follow the relevant regulations of the Company.
- d. Based on the engagement of the company business, contribution, and the common level of counterparts in the industry. The Company will consider the directors attending the Board meeting in person, or engaging in functional committees like Remuneration Committee and Audit Committee, and the risks they have to take as the criteria for distributing remuneration.

(2) Procedures for determining remuneration:

- a. For the remuneration of the Chairman and Directors (including Independent Directors), it shall be handled under the Articles of Association. If the year gains profit, no more than 5% shall be distributed as Director remuneration. If the Company has a deficit, the amount shall be set aside to cover the loss. The remuneration to the directors shall only be paid in cash.
- b. The Directors' fixed remuneration shall be handled according to the Management Rules of Director Remuneration.

(3) Business performance and future risks

The remuneration of the Directors of the Company is determined in accordance with the Articles of Association, based on the Company's profit for the year, and is therefore closely related to the operating performance. According to the evaluation items set out in the "Measures for Evaluating the Performance of the Board of Directors and Functional Committees" by the Company, the remuneration shall be determined by the operational engagement of individual directors and their contribution to the company. Performance evaluation mainly focus on the five main aspects of the Board as a whole and the six main aspects assessed by individual Directors:

Five aspects: the participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control

Six aspects: alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control

3. Policies, standards and combination for the payment of remuneration of managers, and the relevance of procedures for determining remuneration to business performance and future risks:

(1) Policies, standards and combination for the payment of remuneration:

The remuneration structure mainly includes monthly salary, performance bonus, year-end bonus and employee compensation:

- a. The salary system refers to the industry standard and items such as professional title, rank, academic (experience), professional ability and responsibilities
- b. Performance bonuses are based on managers' performance evaluation items, which include financial indicators (such as comprehensive consideration of target achievement rate, operating efficiency, contribution, etc.) and non-financial indicators (such as: assisting the Company to obtain special certification, whether there is a moral hazard event or other risk event that has a negative impact on the Company's image, goodwill, improper internal management, personnel malpractice, etc.).
- c. The number of year-end bonuses and employee remuneration is based on their contribution to the Company's operations and the achievement rate and management indicators set by the employee performance management method to evaluate the performance of the current year, as the payment standard, and the Compensation and Remuneration Committee will make recommendations, which will be issued after the approval of the Board of Directors.

(2) Procedures for determining remuneration:

- a. Employees' remuneration is subject to the provisions of the Company's Articles of Incorporation. If the Company has a profit in the year, it should allocate 1% to 5% as employees' remuneration (employees include internal managers), but when the Company still has accumulated losses, it should reserve the amount first to make up for the losses.
- b. The year-end bonus is determined based on the annual operating performance.

(3) Business performance and future risks

The employees' remuneration of the Company (employees including internal managers) is provided according to the Company's Articles of Incorporation and based on the Company's profitability, so it is closely related to operating performance. In addition, the Remuneration Committee of the Company conducts annual salary inspections according to their powers, regularly reviews the rationality of salary and remuneration, and the convener reports to the Board of Directors.

IV. Operations of Corporate Governance

(I) Operations of the Board of Directors

The Board of Directors held 7 meetings in the most recent year (A). The attendance and appearance of directors were as follows:

(01/01/2021-12/31/2021)

Title	Name (Note 1)	Times of in person attendance (w/o voting rights) (B)	Number of attendances by proxy Proxy Attendance	Rate of actual attendance (w/o voting rights) (%) [B/A] (Note 2)	Remarks
Chairman	Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chin Lee	7	0	100%	None
Director	Taiwan Navigator Asset Investment Co., Ltd. Representative: Jhih-Jieh Wei	7	0	100%	None
Director	Cheng-Rong Enterprise Co., Ltd. Designee: Mo-Hang Wu	7	0	100%	None
Independent Director	Chien-Hsiang Chang	6	1	85.71%	None
Independent Director	Chuang-Teng Tsai	7	0	100%	None
Independent Director	Fu-Kuei Huang	7	0	100%	None

Other required disclosure:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of independent directors and the Company's actions in response to the opinions of independent directors shall be stated:

(I) Items specified in Article 14-3 of the Securities and Exchange Act: The Company has established an Audit Committee, so it is not applicable.

Date of meeting (period)	Proposal Content	All independent directors' opinions and the follow-up
02/25/2021 (The 11th meeting of the 7th term of the Board of Directors)	1.2020 Internal Audit Report 2.2020 Remuneration of employees and directors 3.Declaration of the internal control system of the Company in 2020 and the declaration of internal control system for preventing money laundering and combating terrorism of the Company in 2020. 4.CPA independence evaluation report. 5.CPA fee in 2021	Proceed upon approval of all independent directors
04/29/2021 (The 12th meeting of the 7th term of the Board of Directors)	1.Capitalization in cash of Jiangsu Taiming Insurance Agency Co., Ltd. invested by the Company. 2.Revised some provisions of the "Measures for the Administration of Salary and Remuneration of Directors".	Proceed upon approval of all independent directors

Date of meeting (period)	Proposal Content	All independent directors' opinions and the follow-up
05/28/2021 (The 13th meeting of the 7th term of the Board of Directors)	1. Director remuneration in 2020.	Proceed upon approval of all independent directors
07/01/2021 (The 14th meeting in the 7th term of the Board of Directors)	1. Profit distribution in cash dividend in 2020, deciding on the ex-dividend date and other relevant matters	Proceed upon approval of all independent directors
10/28/2021 (The 16th meeting of the 7th term of the Board of Directors)	1. Establishment of the "Risk Management Policy and Procedures" of the Company. 2. Proposed to acquire part of the land of the building where the Company currently owns its own immovable property. 3. Other adjustments to the non-audit projects appointed to Deloitte & Touche in 2021	Proceed upon approval of all independent directors
12/29/2021 (The 17th meeting of the 7th term of the Board of Directors)	1. Ratio of remuneration to Directors and employees in 2021. 2. 2022 Audit Plan. 3. To amend certain articles of the Company's "Internal Control System".	Proceed upon approval of all independent directors

(II) In addition to the preceding matter, other resolutions of the Board of Directors on which independent directors have dissenting opinions or qualified opinions, and that are documented or issued through written statements: None.

II. Directors abstain from voting as a result of voting proposals, and the name of the Directors, the content of the proposal, reasons for recusal due to conflict of interests and the results of voting counts shall be stated:

Date of meeting (period)	Directors that should avoid this proposal	Proposal Content	Causes for Avoidance	Voting
04/29/2021 (The 12th meeting of the 7th term of the Board of Directors)	Cheng-Chin Lee Chairman	Draft proposal on manager performance bonus in 2020.	Parties to the proposal	He voluntarily withdrew and did not participate in the voting when discussing and voting on this proposal.

III. The evaluation cycle and period, evaluation scope, method and evaluation content of the Board of Directors' self-evaluation (evaluation among directors at the same level), and fill in Schedule II Evaluation Implementation of the Board of Directors: refer to the schedule for the details of the evaluation of the Board of Directors.

IV. Objectives of strengthening the functions of the Board of Directors in current and recent years (e.g., establishment of Audit Committee, improvement of information transparency, etc.) and evaluation of performance:

1. The Company has formulated the succession plan for the Succession Plan for Board Members

and Key Management Personnel to strengthen the implementation of the functions of the Board of Directors.

- 2.The performance evaluation of the Company's Directors and Functional Committee in 2021 is completed.
- 3.The Company has taken out liability insurance for all Directors and reported its insurance status before January 15 each year in accordance with regulations.
- 4.The Company uses the information observatory and the company website to expose the Company's important regulations, financial reports and major resolutions to improve information transparency.
- 5.The Company has established the "Rules of Procedure for Board of Directors Meetings" to strengthen the implementation of the functions of the Board of directors.
- 6.Handle the shareholder proposals. Shareholders who are entitled to submit proposals may apply for a proposal to the Company for review within the period. The Company will convene a Board of Directors' meeting in accordance with the relevant regulations. In 2021, there were no other shareholder proposals except shareholders nominated directors and candidates for independent directors.
- 7.The Company has established the "Ethical Corporate Management Committee" to strengthen the implementation of the Board of directors and build an ethical corporate culture.

Note 1: For directors who are juristic persons, the name of institutional shareholders and their representatives should be disclosed.

Note 2: (1) Where a Director or a Supervisor resigns before the end of the fiscal year, the Remark column shall be filled with the Director's or Supervisor's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of Board of Directors' meetings held and the actual attendance in person during the period during his/her term of office.

- (2) When the election of directors and supervisors is held before the end of the year, the names of both the incoming and outgoing directors and supervisors shall be listed in the remark column with annotations specifying whether the directors and supervisors are outgoing, incoming or re-elected, as well as the date of the election. The actual attendance rate (%) shall be calculated based on the number of meetings held during the member's service term in the Board of Directors' meeting and the number of actual attendances of this member.

Schedule: Implementation of the evaluation of Board of Directors

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope of evaluation (Note 3)	Evaluation methods (Note 4)	Evaluation content (Note 5)
Executed in each year.	1/1/2021- 12/31/2021 Performance Evaluation	1.The entire Board 2.Individual directors (including independent directors) 3.Functional Committees (including the Remuneration Committee, the Audit Committee, and the Ethical Corporate Management	1.Self-evaluation by the Board of Directors 2.Self-evaluation by the directors 3.Evaluation among directors at the same level	1. The performance evaluation indicators of the Board of Directors include but are not limited to the following: The degree of participation in the operation of the company, the improvement of the quality of the Board of Directors' decision-making, the compositions and structure of the Board of Directors, the selection

		Committee)		<p>and continuous improvement of directors, internal control, etc.</p> <p>2. The performance evaluation indicators of individual board members include but are not limited to the following: The Company's goals Missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control</p> <p>3. The performance evaluation indicators of the functional committees include but are not limited to the following: The degree of participation in the operation of the company, understanding of the responsibilities of functional committees, quality of the functional committees' decision-making, compositions of the functional committee and selection of members, internal control, etc.</p>
Executed in each three years	11/1/2020-10/31/2021 Performance Evaluation	The entire Board	Appoint external professional institutions and experts	<p>1. Composition of the Board of Directors,</p> <p>2. Guidance of the Board of Directors,</p> <p>3. Authorization of the Board of Directors,</p> <p>4. Supervision of the Board</p>

				of Directors, 5. Communication of the Board of Directors, 6. Self-discipline of the Board of Directors, 7. Internal control and risk management 8. Other related board meetings and support systems.
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On March 7, 2022, the Board of Directors of the Company submitted the performance evaluation results of the Board of Directors and functional committees for 2021. The description is as follows:

1. The total average score of the performance evaluation by the Board of Directors, the self-evaluation by each director and the performance evaluation by peer directors was 94.61 points, and the ratings were all excellent.
2. In 2021, the total average score of all peer evaluations by the Salary and Compensation Committee was 95.67, and the rating was excellent.
3. In 2021, the total average score of all peer evaluations by the Audit Committee was 93.33, and the rating was excellent.
4. In 2021, the total average score of all peer evaluations by the Ethical Corporate Management Committee was 91, and the rating was excellent.

Note 1: Fill out the evaluation cycle for the evaluation of the Board of Directors such as once every year.

Note 2: Fill out the cycle for the evaluation of the Board of Directors, e.g., evaluation of the performance from January 1 to December 31, 2021.

Note 3: The scope of evaluation covers the evaluation of the performance of the Board of Directors, individual Directors, and functional committees.

Note 4: Methods of evaluations include the self-evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5: The contents of the evaluation shall include at least the following items:

- (1) Performance evaluation of the Board of Directors: The evaluation shall include at least the "participation in the operations of the Company", "improvement of the quality of the Board of Directors' decision making", "composition and structure of the Board of Directors", "election and continuing education of the Directors", "and "internal control".
- (2) Performance evaluation of individual Directors: The evaluation shall include at least the "familiarity with the goals and missions of the Company", "knowledge of the duties of Directors", "degree of participation in the Company's operations", "management of internal relations and communication", "professional and continuous education of Directors", and "internal control".
- (3) Performance evaluation of functional committees: Degree of participation in the Company's operations, knowledge of the duties of the functional committee, improvement in the quality of functional committee decisions, functional committee composition and election of members, and internal control.

(II) Operations of the Audit Committee

1. The Company has set up an Audit Committee to replace the Supervisors in accordance with the provisions of the Securities Exchange Act on December 24, 2013. The Audit Committee is composed of all independent directors, with one independent director elected as the convener and chairman of the meeting. After the members of the Audit Committee were re-elected by the Directors at the Company's regular meeting of shareholders on May 31, 2019, the term of office of the members of the 3rd Audit Committee is from May 31, 2019 to May 30, 2022.

In order to implement the corporate governance spirit, the Audit Committee operates in accordance with the "Audit Committee Organization Rules" with the supervision on the following matters as the main purpose:

- (1) Proper presentation of the Company's financial statements
- (2) Selection and dismissal of CPAs and their independence and performance
- (3) Effective implementation of company internal control
- (4) The company complies with the relevant laws and regulations
- (5) Control of existing or potential risks of the company

2. The key emphasis in work for the Audit Committee in 2021 are as follows:

- (1) Review the financial reports for 2020 and the financial reports of the first quarter to the third quarter of 2021.
- (2) Appointment of CPAs for 2021 and review of fees remuneration.
- (3) According to the completion of various professional service indicators in 2021 and the evaluation results of the financial and audit directors, the statement of independence issued by the accounting firm of the CPA is taken as the basis for the independence and performance evaluation of the CPA in 2020.
- (4) To establish or amend procedures for acquiring or disposing of assets, engaging in derivative transactions, making capital loans and endorsements in accordance with subparagraph 1 of Article 36 of the Securities Exchange Act.
- (5) Items that involve the Directors' own interests.
- (6) Review of significant asset transactions.
- (7) Review of the amendment to the articles of Internal Control System
- (8) Appointment of Accounting Manager
- (9) Understanding of the audit result and communication with the audit manager to understand the internal control condition
- (10) Communication with the managers to understand the business operation of the Company
- (11) Other significant matters set forth by the Company or the competent authority.

3. A total of six (A) meetings were held by the Audit Committee in the most recent year (2021). The attendance of Independent Directors was as follows:

Title	Name	Attendance in person Times (B)	Number of attendances by proxy Proxy Attendance	Rate of Attendance in Person (%) [B/A] (Note 2)	Remarks
Independent Director	Chien-Hsiang Chang	6	0	100%	None
Independent Director	Fu-Kuei Huang	6	0	100%	None
Independent Director	Chuang-Teng Tsai	6	0	100%	None

Note 1: If an Independent Director resigns before the end of the year, the resignation date shall be specified in the Note column. The percentage of attendance in person (%) shall be calculated based on the number of meetings held by the audit committee and the number of actual attendances during the term of service.

Note 2: If an Independent Director is elected before the end of the year, incoming and outgoing Independent Directors shall be listed accordingly, and the Note column shall indicate whether the status of an Independent Director is "outgoing," "incoming," or "re-elected," and the date of re-election. The actual attendance rate (%) shall be calculated based on the number of meetings held during the member's term in the Audit Committee and the number of actual attendances of this member.

Other required disclosure:

I. If the operation of the audit committee falls under any of the following circumstances, the meeting date and period of the Audit Committee, the content of the proposals, the independent directors' objections, reservations or major recommendations, the results of the Audit Committee's resolutions, and the Company's comments on the Audit Committee's opinions shall be stated.

(I) Items listed in Article 14-5 of the Securities and Exchange Act:

Board of Directors Date of meeting (Period)	Proposal Content	Audit Committee Resolution	Company's response to the comments of the Audit Committee
02/25/2021 (The 11th meeting of the 7th term of the Board of Directors)	1.Business Report of 2020 2.Financial Report of 2020 3.Draft of the Company's earnings distribution in 2020 4.Declaration of the internal control system in 2020 and the declaration of internal control system for preventing money laundering and combating terrorism in 2020. 5.CPA independence evaluation report. 6.CPA fee in 2021	Approved by all attending members of the Audit Committee after discussion.	Submitted to the Board; Approved by all attending Directors after discussion.
04/29/2021 (The 12th meeting of the 7th term of the Board of Directors)	1.The Company's consolidated financial statements for the first quarter of 2021. 2.Capitalization in cash of Jiangsu Taiming Insurance Agency Co., Ltd. (hereinafter "Jiangsu Taiming") invested by the Company.	Approved by all attending members of the Audit Committee after discussion.	Submitted to the Board; Approved by all attending Directors after discussion.
07/01/2021 (The 14th meeting in the 7th term of the Board of Directors)	1.To amend some articles of the Company's Corporate's Charter.	Approved by all attending members of the Audit Committee after discussion.	Submitted to the Board; Approved by all attending Directors after discussion.

Board of Directors Date of meeting (Period)	Proposal Content	Audit Committee Resolution	Company's response to the comments of the Audit Committee
07/29/2021 (The 15th meeting in the 7th term of the Board of Directors)	3.The Company's consolidated financial statements for the second quarter of 2021. 4.All Safe Co., Ltd., invested by the Company using the equity method, intends to renew the lease of part of the office space on the 11th floor, No. 49, Guanqian Rd., Taipei City from the Company.	Approved by all attending members of the Audit Committee after discussion.	Submitted to the Board; Approved by all attending Directors after discussion.
10/28/2021 (The 16th meeting of the 7th term of the Board of Directors)	1.The Company's consolidated financial statements for the third quarter of 2021. 2.Establishment of the "Risk Management Policy and Procedures" of the Company. 3.Proposed to acquire part of the land of the building where the Company currently owns its own immovable property. 4.Other adjustments to the non-audit projects appointed to Deloitte & Touche in 2021	Approved by all attending members of the Audit Committee after discussion.	Submitted to the Board; Approved by all attending Directors after discussion.
12/29/2021 (The 17th meeting of the 7th term of the Board of Directors)	1.To amend certain articles of the Company's "Internal Control System". 2.To amend some articles of the Company's Articles of Incorporation. 3.The Company intends to renew the lease of the office space on the 11th floor, No. 49, Guanqian Rd., Taipei City from the related party Taiming Assurance Broker Co., Ltd..	Approved by all attending members of the Audit Committee after discussion.	Submitted to the Board; Approved by all attending Directors after discussion.

(II) Other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee in addition to the above: None.

II. In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the proposal, reasons for recusal due to conflict of interests and voting outcomes should be stated: None

III. The Independent Director has direct communication channels with the internal audit Director and the CPA, and the communication is good and there is no objection.

The internal auditing officer reports to the Audit Committee, the Board of Directors, and independent directors on the audit status and improvement at least once a quarter, and strengthens the audit work in accordance with the instructions and suggestions of independent directors to ensure the effectiveness of the Company's internal control system.

Communication between the Audit Committee, independent directors, and the internal auditing officer is summarized as below:

Date	Method	Counterparty	Content	Independent directors' suggestions and the Company's response
02/25/2021	Audit Committee	Auditing officer	Reported on 2020 Internal Control Statement and Internal Control Statement for Preventing Money Laundering and Combating Terrorism Financing	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
			Reported on the implementation of the internal audit plan for 2020	
		CPAs	Explained and discussed the audit items and results of the 2020 financial statements	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
04/29/2021	Audit Committee	Auditing officer	Reported on the implementation of the internal audit plan for the first quarter of 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPAs	Audit of the consolidated financial statements for the first quarter of 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
07/29/2021	Audit Committee	Auditing officer	Reported on the implementation of the internal audit plan for the second quarter of 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPAs	Audit of the consolidated financial statements for the second quarter of 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions

10/28/2021	Audit Committee	Auditing officer	Reported on the implementation of the internal audit plan for the third quarter of 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPAs	Audit of the consolidated financial statements for the third quarter of 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
12/29/2021	Audit Committee	Auditing officer	Passed the audit plan for 2022	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPAs	Communicated on the audit procedures of audit standard bulletin applicable for the financial statements for 2021	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions

(III) Implementation of corporate governance and the Deviations from the Practice Principles for TWSE/TPEX Listed Companies, and the Reasons

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
I. Does the Company follow “Taiwan Corporate Governance Implementation” to establish and disclose its corporate governance practices?	✓		The Company has established the "Corporate Social Responsibility Best Practice Principles" in accordance with the "Practice Principles for TWSE/TPEX Listed Companies", which was approved by the board of directors on December 24, 2013, and after successive amendments to the provisions in accordance with laws and regulations, were published on the Market Observation Post System and the Company's website for observance.	No discrepancy
II. Shareholding structure & shareholders' rights (I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the	✓		(I) The Company entrusts a stock agency to handle shareholder related matters. Proposals discussed at the shareholders' meeting is provided with appropriate time for the shareholders to speak. For	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
internal procedure?			non-disputed and feasible proposals, the Company accepts the opinions widely and improves them, but the disputed proposals are resolved by voting according to the rules of procedure.	
(II) Does the Company maintain a register of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	✓		(II) The Company appoints a stock agency to handle shareholder-related affairs, and masters the major shareholders and ultimate controllers according to the shareholder register of the stock agency; The Company reports the shareholdings of directors, managers and major shareholders holding more than 10% of the shares on a monthly basis.	No discrepancy
(III) Does the Company establish and enforce risk control and firewall systems with its affiliated businesses?	✓		(III) The assets and financial management between the Company and the related companies are subject to independent rights and responsibilities, and there are relevant provisions such as "Operation Rules for Related Party Transaction Management", "Regulations Governing Endorsement Method", "Regulations Governing Method of Capital Loan for Others" and "Supervision and Management Method of Subsidiaries" to establish a risk control and firewall mechanism with the related enterprises.	No discrepancy
(IV) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	✓		(IV) The Company has formulated the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Operating Procedure of Internal Major Information Processing and Prevention of Insider Trading Management" to establish a good internal major information processing and disclosure mechanism, and prohibit insiders from using unpublished information on the market to trade securities.	No discrepancy
III. Composition and responsibilities of the Board of Directors (I) Does the Board of Directors	✓		(I) The Board of Directors of the Company shall guide the corporate strategies, supervise the	No

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
formulate diversity policies, specific management objectives and implement them?			<p>management levels, and be responsible for the Company and the shareholders. The various work and arrangement of the Board of Directors on the Company's governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with the provisions of laws and decrees, the Articles of Association or resolutions of the shareholders' meeting.</p> <p>Diversity for Board membership</p> <p>1. Our female directors account for over 15% or independent directors account for 50% (inclusive).</p> <p>2. The Company values gender equality in the composition of the Board members. There are at least 1 female director.</p> <p>3. The implementation of Board diversity (Note 2):</p> <p>The 7th term of the Board is composed of 6 directors, including 3 independent directors and 1 female director. The members possess expertise in operating management, leading and decision-making, industrial knowledge, and finances and accounting.</p> <p>4. The independent directors account for 50%.</p> <p>The female director accounts for 16.67%.</p> <p>Proportion of Directors as employees: 1/6 (16.67%)</p> <p>5. Individual directors has implemented the board diversity policy, which has been disclosed in the investment section of the Company's official website. For details, please refer to page 19-21 of the annual report (Note 2).</p>	discrepancy
(II) In addition to the legally-required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		<p>(II) The Board of Directors of the Company has set up the Remuneration Committee, the Audit Committee and the Ethical Corporate Management Committee in accordance with the law. In order to actively promote corporate social responsibility and implement the Company's sustainable development policy, the Company's Board</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
(III) Does the Company establish the Procedures for Performance Evaluation of the Board of Directors and evaluation mode, and conduct performance evaluation on the Board of Directors on a regular basis every year, and report the results of performance evaluation to the Board of Directors, and apply the results for reference in respect of individual Directors' remuneration and nomination for reappointment?	✓		<p>of Directors approved the establishment of the "Corporate Sustainable Development Committee" on October 28, 2021. The committee is responsible for the overall planning of the Company's overall corporate social responsibility policy, the formulation of strategic goals, the tracking of implementation status, and the preparation and issuance of the annual ESG sustainability report.</p> <p>(III) The Company has formulated the "Performance Evaluation Measures of the Board of Directors", and submitted it to the Board of Directors for adoption. The performance evaluation of the Board of Directors and its members shall be performed at least once a year. The Company completed the performance evaluation of the 7th Board of Directors and board members before the end of December 2021, and submitted the evaluation results at the 18th meeting of the 7th Board of Directors on March 7, 2022, and disclosed the results on the Company website. In order to implement corporate governance and improve the function of the Board of Directors, the Company has formulated the "Director (Functional Committee) Performance Evaluation Method"; and revised it in February 2019 to provide that the performance evaluation of directors should be in compliance with the regulations, including at least one evaluation performed by an external expert team every three years. In 2021, the Company commissioned the China Corporate Governance Association to conduct the board performance evaluation by external experts. The evaluation period and evaluation aspects are as follows: Evaluation period: November 01, 2020 to October 31, 2021. Evaluation aspects and covered content: The</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
(IV) Does the company regularly evaluate the independence of CPAs?	✓		<p>evaluation was divided into eight aspects, including the composition, guidance, authorization, supervision, communication, self-discipline, internal control and risk management of the Board of Directors, and other relevant board meetings and support systems. Questionnaires and field interviews were used for evaluation.</p> <p>(IV) The Board of Directors of the Company regularly assesses the independence of the CPA and the assessment procedures are as follows:</p> <p>(1) View the CPA's personal resume.</p> <p>(2) The CPA has not served as a supervisor or manager in each Company or has had significant impact on job and conflict of interest.</p> <p>(3) The Company has not continuously appointed certificate services to the CPA for seven years.</p> <p>(4) The Company has obtained an independent declaration issued by CPA each year.</p> <p>(5) The CPA did not involve litigation or correction by the competent authority.</p> <p>(6) Scale and reputation of the CPA's accounting firm.</p> <p>(7) The results of the independent evaluation of CPAs are collected annually through the questionnaire of CPA competency.</p> <p>After the Company's management and head of audit participated in the evaluation, all CPAs met the independence standards, which were submitted to the Audit Committee and the Board of Directors on March 7, 2022 for review, which passed the 2022 annual performance and independence evaluation of CPAs, all of which met the independence evaluation standards. After passing the review, the CPAs were appointed.</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
IV. Whether the TWSE/TPEX listed companies are equipped with competent and appropriate number of corporate governance personnel, and specify the head of corporate governance to be responsible for corporate governance related matters (including but not limited to providing data required by Directors and Supervisors in the execution of business, assisting Directors and Supervisors to comply with laws and regulations, handling relevant matters of meetings of the Board of directors and shareholders' meeting in accordance with laws, and preparing records for the Board of Directors and shareholders' meetings, etc.)?	✓		<p>I. The Company approved the appointment of the General Manager, Yang-Kuo Chen, to be the head of Corporate Governance on the board meeting on April 19, 2019. The General Manager has more than three years of experience in the management of business affairs, legal affairs and financial affairs in the public company. Under his administration, there is a management office fully responsible for relevant affairs of corporate governance, and assist in providing the information required by the Directors for the implementation of business and meeting, so as to protect the shareholders' rights and strengthen the functions of Board of Directors.</p> <p>(I) The relevant areas of corporate governance are as follows:</p> <ol style="list-style-type: none"> 1. Implement compliance with statutory requirements and improve internal management. 2. Carry out works related to the shareholders' meetings. 3. Carry out works related to the Board of Directors and Audit Committee. 4. Maintain the information and disclosure on the Company's website in English. 5. Information and results related to the Company's financial, operational and corporate governance. 6. Handle the performance evaluation of the Board of Directors and functional committees and report to the Board of Directors. <p>(II) Execution of business related to corporate governance in 2021:</p> <ol style="list-style-type: none"> 1. Implement compliance with statutory requirements and improve internal management. 2. Carry out works related to the shareholders' meetings. 3. Carry out works related to the Board of Directors and Audit Committee. 4. Maintain the information and disclosure 	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			<p>on the Company's website in English.</p> <p>5. Information and results related to the Company's financial, operational and corporate governance.</p> <p>6. Handle the performance evaluation of the Board of Directors and functional committees and report to the Board of Directors.</p> <p>II. For the training of the head of corporate governance in 2021, please refer to page 55 of the Annual Report.</p>	
V. Does the Company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company has spokesperson and acting spokesperson, and has set up a stakeholder area on the Company's website to facilitate the communication channels with stakeholders, and collect major issues that stakeholders are concerned about. Communication with stakeholders is good	No discrepancy
VI. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		We have appointed Waterland Securities Co., Ltd. as our registrar for our shareholders' meetings.	No discrepancy
VII. Information disclosure				
(I) Has the company established a website to disclose information on financial operations and corporate governance?	✓		(I) The Company has a company website (http://www.tabc.com.tw), and a dedicated person is responsible for maintaining and updating important financial, business information and corporate governance information at any time for the reference of shareholders and stakeholders.	No discrepancy
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of company information, implementing a spokesman system, and placing judicial person briefings on the company website)?	✓		(II) The Company has an English website (https://www.tabc.com.tw/Default_en.aspx), and has set up a system of spokespersons and proxy spokespersons to speak on behalf of the Company, and designated personnel for collection of company information and disclosure of them in real time, including information on corporate briefings, etc., and disclosure of major information about the Company in both Chinese and English on the stock exchange's Market Observation Post System.	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and announce and report the financial reports and operating conditions for the first, second and third quarters in each month before the specified deadline?		✓	(III) The Company announces and declares financial reports and revenue for each month in advance of the prescribed time limit.	No obvious discrepancy
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)?	✓		<ol style="list-style-type: none"> 1. The Company attaches importance to the rights and interests of employees, has set up a "Staff Welfare Committee", and the monthly allocation of staff welfare funds, regular staff welfare activities, each year have detailed welfare planning and budget, to enhance the loyalty of employees. 2. Investor relations: The Company attaches importance to shareholders' equity, and immediately announces financial, business and material information on the Market Observation Post System. 3. Supplier relations: The Company has relevant management rules for suppliers, and establishes a long-term close relationship with the suppliers based on a win-win principle for achieving sustainable growth with mutual trust and mutual benefit. 4. Stakeholder relations: The Company has established various good and smooth communication channels, adheres to the principle of good faith, and acquit ourselves to our corporate social responsibilities to protect the rights and interests of interested parties. 5. The training of directors has been conducted in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" of the Taiwan Stock Exchange Co., Ltd. The details of the further education of the directors and managers' participation in corporate governance of relevant further education are 	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			<p>referred to on page 74-75.</p> <p>6. Implementation of risk management policies and risk measurement standards: In accordance with the market economic environment and the company's business objectives, the Company shall pay attention to the relevant risk measurement and limit, and set up the "Operation Rules for Related Party Transaction Management", "Regulations Governing Endorsement Method", "Regulations Governing Method of Capital Loan for Others", "Supervision and Management Method of Subsidiaries", "Operating Procedure of Internal Major Information Processing and Prevention of Insider Trading Management" and other relevant provisions for compliance.</p> <p>In the case of major bills, they are evaluated and analyzed by appropriate authorities and responsible departments and implemented according to the resolutions of the Board of Directors, so as to implement the supervision mechanism and control the implementation of various risk management.</p> <p>The Company regularly carries out internal control evaluation for each department as a preventive control, and the Board of Directors Auditing Office carries out audit control and other related operations.</p> <p>7. Implementation of Customer Policy: The Company adheres to the business philosophy of "Caring for Customers". It not only continuously optimizes administrative procedures to improve customer satisfaction, but also pays more attention to interaction with customers. It regularly conducts customer telephone interviews and handles customer complaints actively and quickly. The toll-free hotline 080 is provided to handle customer issues.</p> <p>8. The Company is insured against Directors' liability insurance.</p> <p>9. The Company has disclosed corporate governance information, the structure and</p>	

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			independence of the Board of Directors, the operation of the Board of Directors, the further education of Directors and other items in accordance with relevant regulations, and regularly disclosed them on the Market Observation Post System as required by the competent authority.	

IX. Please state the improved situation in relation to the results of the corporate governance assessment issued by the governance center of the Taiwan Stock Exchange Corporation in its recent annual report, and propose priorities and measures for those that have not been improved.

1. The Company has obtained excellent results of 6%~20% of all TPEx listed companies in the corporate governance evaluation for 5 consecutive years since 2017.

2. Improvements: In order to spread the schedule of the shareholders' meeting and facilitate shareholders' participation in the shareholders' meeting, the Company has held an ordinary shareholders' meeting before the end of May since 2019.

3. Priority enhancements and measures:

Develop an intellectual property management plan linked to operational objectives, disclose the implementation status on the Company's website, and report to the Board of Directors at least once a year.

A specific dividend policy is disclosed in the annual report

Note 1: The status of operations, whether "yes" or "no" is checked, should be stated in the Summary/Description column.

Note 2: Diversity of the Board of Directors:

Title	Name	Nationality	Age	Currently holding concurrent posts in the Company	Gender	Operation management	Leadership and decision-making	Industry knowledge	Crisis management	Financial/accounting
Chairman	Cheng-Chin Lee	Republic of China	61-70	V	Male	V	V	V	V	
Director	Jhih-Jieh Wei	Republic of China	51-60		Male	V	V	V	V	
Director	Mo-Hang Wu	Republic of China	51-60		Female	V	V	V	V	V
Independent Director	Chien-Hsiang Chang	Republic of China	71-80		Male	V	V	V	V	V
Independent Director	Fu-Kuei Huang	Republic of China	61-70		Male	V	V	V	V	V
Independent Director	Chuang-Teng Tsai	Republic of China	61-70		Male	V	V	V	V	V

Note 3: Training of the head of corporate governance

Training Date	Training Agency	Course Name	Training Hours
08/18/2021	Securities & Futures Institute	[5G key technologies and application opportunities]	3
08/25/2021	Securities & Futures Institute	Climate mitigation and adaptation to promote sustainable competitiveness	3
11/24/2021	Accounting Research and Development Foundation	How to Effectively Play the Function of the Head of Corporate Governance	3
12/08/2021	Accounting Research and Development Foundation	How to Properly Exercise Functions and Powers of Independent Directors from the Perspective of the Responsibility of Securities and Exchange Act - Also on the Audit Committee	3
Total training hours in 2021			12

(IV) The composition, functions and operation of the Remuneration Committee.

The Remuneration Committee is composed of the entire independent directors and operates pursuant to the Charter of Remuneration Committee. It shall fulfill the duties listed below as a prudent administrator and propose any advice to the Board of Directors for discussion.

(1) Regular review of the Remuneration Committee charter and suggestions for revision.

(2) Stipulation and regular review on policies, systems, standards, and structures of compensation and performance evaluation of directors and managers.

(3) Regular evaluation and stipulation on the compensation of directors and managers.

1. Information on Members of the Remuneration Committee

Title (Note 1)	Criteria	Professional qualifications and experience (Note 2)	Compliance with independence (Note 3)	Number of other public companies where the individual concurrently serves as a member of the remuneration Committee
	Name			
Independent Director	Chuang-Teng Tsai	Please refer to page 14 to page 15 and page 19 to 21 for information on directors (1) & (2) in Schedule 1	Please refer to page 14 to page 15 and page 19 to 21 for information on directors (1) & (2) in Schedule 1	0
Independent Director (Convener)	Chien-Hsiang Chang			0
Independent Director	Fu-Kuei Huang			1

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of the members of the Remuneration Committee. If they are independent directors, please refer to Appendix 1 on page 00 for the information related to directors and supervisors (1). For title, please identify whether the person is an Independent Director or other (if a convener, please specify).

Note 2: Professional qualifications and experience: describe the professional qualifications and experience of individual Remuneration Committee members.

Note 3: Condition of independence: state that the members of the Remuneration Committee meet the conditions of independence, including but not limited to whether the members, their spouses, or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares of the Company held by the members, their spouses, or relatives within the second degree of kinship (or in the name of others); whether they act as directors, supervisors or employees in a company that has a specific relationship with the Company (refer to Article 6, paragraph 1, subparagraphs 5~8 of the Measures for the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed on the Stock Exchange or Trading at the Business Office of a Securities Firm); the amount of remuneration received from the Company or its affiliates for providing business, legal, financial, accounting and other services in the past two years.

Note 4: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2. Information on the operations of the Remuneration Committee:

(1) The Company's Remuneration Committee consists of three (3) members.

(2) The term of office of the 3rd term of members: May 31, 2019 to May 30, 2022. The Remuneration Committee convened 7 meetings in the most recent year. The qualification and attendance of members are as follows:

(01/01/2021~12/31/2021)

Title	Name	Times of Actual Attendance (B)	Times of proxy attendance	Rate of Attendance in Person (%) [B/A]	Remarks
Convenor	Chien-Hsiang Chang	6	0	85.71%	None
Members	Chuang-Teng Tsai	7	0	100%	None
Members	Fu-Kuei Huang	7	0	100%	None

Other required disclosure:

- (1) In case that the Board of Directors does not adopt or amend the recommendations made by the Audit Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions of the Remuneration Committee by the Company shall be disclosed (for example, if the remuneration approved by the Board of Directors is better than that of the Remuneration Committee, the discrepancies and related reasons shall be stated): None.
- (2) In the case of any objection or reservation made by a member to a decision of the Remuneration Committee, the date, date, contents of the proposal, all member opinions and the handling of member opinions shall be clearly stated: none.

Note 1: Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

Note 2: If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members should be listed accordingly, and the "remark" column should indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. The rate of attendance in person (%) shall be calculated based on the number of meetings for Remuneration Committee and the number of attendances in person during his term.

3. The date, stage, content of the proposal, result of the resolution of the Remuneration Committee, and the Company's treatment of the opinion of the Remuneration Committee.

Remuneration Committee	Proposal Content	Resolution Result	The company's handling of the Remuneration Committee's suggestions.
3rd Term the 11th meeting (02/25/2021)	<ul style="list-style-type: none"> ● Proposal for the performance evaluation for Directors and Functional Committees in 2020. ● Discussion on the remuneration to employees and directors in 2020. ● Discussion on the proposal for overall KPI (key performance indicator) execution results in 2020. 	All members of the committee voted in favor of the proposal without dissent.	The proposal was submitted to the Board of Directors and approved by all attending directors.
3rd Term 12th meeting (04/29/2021)	<ul style="list-style-type: none"> ● Discussion of manager bonus in 2020. ● Discussed the revision of some provisions of the "Measures for the Administration of Salary and Remuneration of Directors". ● Discussed the revision of some provisions of the "Measures on Approval Authority". ● Discussed the formulation of the Company's "Measures for the Appointment and Dismissal, Evaluation and Salary of Auditors". 	All members of the committee voted in favor of the proposal without dissent	The proposal was submitted to the Board of Directors and approved by all attending directors.
3rd Term 13th meeting (05/28/2021)	<ul style="list-style-type: none"> ● Discussion of Director remuneration distribution in 2020. ● Proposal of payment of bonus at Dragon Boat Festival in 2020. 	All members of the committee voted in favor of the proposal without dissent	The proposal was submitted to the Board of Directors and approved by all attending directors.
3rd Term 14th meeting (07/01/2021)	<ul style="list-style-type: none"> ● Draft amount of manager salary adjustment in 2021. 	All members of the committee voted in favor of the proposal without dissent	The proposal was submitted to the Board of Directors and approved by all attending directors.
3rd Term 15th meeting (07/29/2021)	<ul style="list-style-type: none"> ● Discussion on the proposal of payment of bonus at Mid-Autumn Festival in 2021. 	All members of the committee voted in favor of the proposal	The proposal was submitted to the Board of Directors and approved by

		without dissent	all attending directors.
3rd Term 16th meeting (10/28/2021)	<ul style="list-style-type: none"> ● Discussion on the proposed distribution of manager's remuneration in 2020. 	All members of the committee voted in favor of the proposal without dissent	The proposal was submitted to the Board of Directors and approved by all attending directors.
3rd Term 17th meeting (12/29/2021)	<ul style="list-style-type: none"> ● The assessment results of external experts on the performance of the Board of Directors for 2021. ● Discussion on the proposed proportion of directors' remuneration and employees' remuneration in 2021. ● Discussion on the proposal for the overall KPI in 2022. ● Discussion on proposal for the principle of year-end bonus payment and the proposed payment in 2021. 	All members of the committee voted in favor of the proposal without dissent	The proposal was submitted to the Board of Directors and approved by all attending directors.

(V) Implementation of the promotion of sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE or TPEX Listed Companies

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Summary/Description (Note 2)													
I. Does the company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle senior management, and the supervision of the Board of Directors?	✓		<p>I. In order to actively promote corporate social responsibility and implement the Company's sustainable development policy, the Company's Board of Directors approved the establishment of the Corporate Sustainable Development Committee on October 28, 2021, in which the General Manager serves as the chairman, the Deputy General Manager serves as the deputy chairman, and there are 6 members.</p> <p>The Corporate Sustainable Development Committee reports to the Board of Directors at least once a year on the Company's overall corporate social responsibility policy, formulation of strategic goals, implementation tracking, and the compilation and issuance of the annual ESG sustainability report.</p> <p>The business responsibilities of the executive group are as follows</p> <table><tr><th>Working group</th><th>Responsibilities</th><th>Working plan</th></tr><tr><td>Corporate governance and risk management group</td><td>Integration and implementation of the corporate governance system</td><td>Strengthen corporate governance Risk management Focus on shareholders' rights and interests Information disclosure and transparency</td></tr><tr><td>Customer relationship group</td><td>Responsible for providing customer service complaint handling</td><td>Respect customer privacy Personal data protection Safeguard customer rights Fair customer reception principle</td></tr><tr><td>Employee care group</td><td>Planning and implementation of employee selection, education, retention and other employment</td><td>Compensation and welfare system planning Promotion of harmonious labor relations Building a healthy workplace</td></tr></table>	Working group	Responsibilities	Working plan	Corporate governance and risk management group	Integration and implementation of the corporate governance system	Strengthen corporate governance Risk management Focus on shareholders' rights and interests Information disclosure and transparency	Customer relationship group	Responsible for providing customer service complaint handling	Respect customer privacy Personal data protection Safeguard customer rights Fair customer reception principle	Employee care group	Planning and implementation of employee selection, education, retention and other employment	Compensation and welfare system planning Promotion of harmonious labor relations Building a healthy workplace	No discrepancy
Working group	Responsibilities	Working plan														
Corporate governance and risk management group	Integration and implementation of the corporate governance system	Strengthen corporate governance Risk management Focus on shareholders' rights and interests Information disclosure and transparency														
Customer relationship group	Responsible for providing customer service complaint handling	Respect customer privacy Personal data protection Safeguard customer rights Fair customer reception principle														
Employee care group	Planning and implementation of employee selection, education, retention and other employment	Compensation and welfare system planning Promotion of harmonious labor relations Building a healthy workplace														

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Summary/Description (Note 2)													
			<table><tr><td></td><td>policies of the Company</td><td></td></tr><tr><td>Environmental sustainability team</td><td>Planning and implementation of environmental policies, strategies, goals and action plans</td><td>Promote environmental protection policies Energy saving and carbon reduction Greenhouse gas reduction Save water Resource recovery and waste management Green procurement</td></tr><tr><td>Social engagement group</td><td>Responsible for planning and implementing policies, goals and action plans for social engagement</td><td>Implement public welfare programs Promote public welfare activities Participate in the public welfare activities of society and the community</td></tr><tr><td>Business partner group</td><td>Plan and execute business policies, goals and action plans</td><td>Business system review and revision Promotion and execution of business activities Business solicitation behavior management</td></tr></table>		policies of the Company		Environmental sustainability team	Planning and implementation of environmental policies, strategies, goals and action plans	Promote environmental protection policies Energy saving and carbon reduction Greenhouse gas reduction Save water Resource recovery and waste management Green procurement	Social engagement group	Responsible for planning and implementing policies, goals and action plans for social engagement	Implement public welfare programs Promote public welfare activities Participate in the public welfare activities of society and the community	Business partner group	Plan and execute business policies, goals and action plans	Business system review and revision Promotion and execution of business activities Business solicitation behavior management	
	policies of the Company															
Environmental sustainability team	Planning and implementation of environmental policies, strategies, goals and action plans	Promote environmental protection policies Energy saving and carbon reduction Greenhouse gas reduction Save water Resource recovery and waste management Green procurement														
Social engagement group	Responsible for planning and implementing policies, goals and action plans for social engagement	Implement public welfare programs Promote public welfare activities Participate in the public welfare activities of society and the community														
Business partner group	Plan and execute business policies, goals and action plans	Business system review and revision Promotion and execution of business activities Business solicitation behavior management														
II.Have the Company conducted risk assessment on environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (Note 2)	✓		<p>I.On October 28, 2021, the "Risk Management Policies and Procedures" were approved by the Board of Directors, which provides that the Corporate Sustainability Development Committee shall report the implementation status to the Board of Directors at least once a year. This procedure applies to the management levels and organizations of the Company and its subsidiaries.</p> <p>II.The risk management category of the Company is aimed at the three major issues of environment (E), society (S) and corporate governance (G). According to the Company's risk management policies and procedures, it covers strategy, operation, finance, hazards, information security, and regulatory compliance and other risks, and assess the risks of each issue in accordance with the principle of materiality.</p> <p>III. Operation of risk management in 2021 The Board of Directors approved the</p>	No discrepancy												

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description (Note 2)	
			<p>establishment of the Risk Management Policy and Procedures.</p> <p>The Board of Directors has passed a resolution to formulate the organizational procedures of the Corporate Sustainable Development Committee and set up the Corporate Sustainable Development Committee to manage the overall risk management of the Company.</p> <p>The Corporate Sustainable Development Committee reports to the Board on the business responsibilities performed by the Risk Management Team.</p>	
<p>III. Environmental issues</p> <p>(I) Has the company established a suitable environmental management system based on its industrial characteristics?</p>	✓		<p>(I) The Company implements information security management, adopts the "Plan-Do-Check-Act" (PDCA) management model, and has established an information security management system (ISMS) that meets the requirements of the "ISO/IEC 27001" international standard. It creates a reliable information system environment and implements and promotes information security management operations. We hope to strengthen information security management through the spirit of continuous innovation to ensure the confidentiality, integrity and availability of customer data and company information assets.</p>	No discrepancy
<p>(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?</p>	✓		<p>(II) The Company continues to improve the efficiency of resource use, including paperless operations, comprehensive and consistent promotion of insurance application and remote insurance application, promotion and implementation of photocopying paper recycling and full</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description (Note 2)	
			introduction of online form application operations.	
(III) Has the Company assessed the current and future potential risks and opportunities of climate change, and taken relevant countermeasures?	✓		(I) The Company regards climate change as an important issue in the sustainable operation of the Company, and is committed to building colleagues' awareness of environmental protection, and implement the Company's environmental protection measures to jointly care about environmental protection issues and protect the earth from everyday's life.	No discrepancy
(IV) Has the Company collected statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management policies?	✓		(IV) The company is a financial enterprise and has no self-planned products. It keeps advocating economical use of water to all employees, and implements water-saving measures to reduce the impact on the environment. It has comprehensively applied the electronic form application process, the electronic document system sign-off process and the promotion action insurance e-service to reduce the use of paper. For detailed energy saving and carbon reduction plans and implementation results, please refer to the Company's official website. http://www.tabc.com.tw/investors.aspx?ID=43 Energy saving and carbon reduction).	No discrepancy
IV. Social issues (I) Has the Company formulated relevant management policies and procedures in accordance with	✓		(I) In order to fulfill its corporate social responsibilities and protect the basic human rights of employees and all stakeholders, the Company supports and voluntarily abides by the United Nations Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and	No discrepancy

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description (Note 2)	
relevant laws and international human rights conventions?			Human Rights, the United Nations Global Covenant and the Convention of the United Nations International Labor Organization as well as other international human rights related conventions. To implement the above declarations and fully reflect the responsibility to respect and protect human rights, the Company has established human rights management policies and specific plans, which can be found on the Company's official website (http://www.tabc.com.tw/ Important rules and regulations).	
(II) Does the Company formulate and implement reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?	✓		(II) According to the Company's Articles of Incorporation, if the Company makes any profit in the current year, the Company shall appropriate 1% to 5% as employee remuneration, and the employee remuneration may be paid in stocks or cash. In addition, the Company conducts performance appraisal for employees every year, pays performance bonus to share the earnings with employees.	No discrepancy
(III) Does the Company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?	✓		(III) The Company regularly implements public safety inspections, labor safety training courses and irregular health inspections every year to provide employees with a safe and healthy working environment.	No discrepancy

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description (Note 2)	
(IV) Has the Company established effective career development and training plans for its employees?	✓		(IV)The Company provides various professional on-the-job education and training, digital learning courses for its employees, and provides training subsidies to encourage them to study outside.	No discrepancy
(V) Does the Company follow relevant laws and international standards, and formulate relevant policies and complaint procedures for the protection of consumer or customer rights and interests regarding issues such as customer health and safety, customer privacy, marketing and labeling of products and services?	✓		(V)The Company has a service department to provide services to customers and deal with problems raised by customers, and has dedicated personnel to assist in handling customer complaints. Customers can use the toll-free line or email as a communication channel to safeguard their interests. In addition, the Company has set up a special zone for stakeholders on the website. They can contact the Company at any time by telephone, letter and e-mail.	No discrepancy
(VI) Has the company formulated a supplier management policy, requiring suppliers to follow relevant norms on issues such as environmental protection, occupational safety and health, or labor rights, and how does it work?	✓		(VI)The Company has set up the "Supplier and Procurement Management Measures" and "Implementation of CSR of Suppliers", which have been disclosed on the Company's website.	No discrepancy

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description (Note 2)	
V. Does the Company prepare sustainable development report and other reports that disclose non-financial information by following international reporting standards or guidelines? Has the Company received assurance or certification of the aforesaid reports from a third-party accreditation institution?	✓		The Company attaches great importance to corporate social responsibility. In 2020, it released the 7th Corporate Social Responsibility Report (CSR Report), also known as the Sustainability Report (ESG Report). With Taiming Insurance Brokerage Enterprise CSR Report, Taiming became the only one insurance brokerage enterprise that has been verified and audited by an independent third party in this regard, and has been awarded the GRI Standards & AA1000 International Standard Independent Assurance Statement for 7 consecutive years; in the future, we will continue to release the report every year to regularly disclose operating results other than financial performance to the outside world, and take action to practice the corporate vision of sustainable management.	No discrepancy
VI. If the Company has established its own sustainable development practice principles according to the "Sustainable Development Best Practice Principles", please provide detailed information on the discrepancies between its operations and the prescribed best practices: No material discrepancy.				
<p>VII. Other important information that facilitate the understanding of the implementation of sustainable development:</p> <p>In response to the sustainable development goals of the United Nations in (SDGs1) poverty eradication, (SDGs3) health and well-being, (SDGs4) high-quality education and (SDGs15) terrestrial ecology, the Company has donated to Huashan Social Welfare Foundation for three consecutive years to care for the elderly for 3 consecutive years, advocated our employees and the public to donate blood for 10 consecutive years, cooperated with Chihlee University of Technology in a scholarship system for 16 consecutive years, as well as rewarding poor students, caring for children in resettlement institutions and remote communities, helping people with spinal cord injuries and supporting farmers in Maple Tree Community, giving back to the society with heart, and managing sustainable happiness.</p>				

Evaluation Item	Operations (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description (Note 2)	
<p>Note 1: If "Yes" under the "Status of Operations" is ticked off, please explain the key policies, strategies, and measures adopted and their implementation results; if "No" is ticked off, please give the reason and specify related policies, strategies, and measures to be adopted in the future.</p> <p>Note 2: If the Company has prepared a CSR report, the operation situation may indicate the method of referring to the CSR report and the index page number instead.</p> <p>Note 3: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the company's investors and other stakeholders.</p>				

(VI) Implementation of ethical corporate management, deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", and reasons for deviation:

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>I. Formulating policies and plans for Ethical Corporate Management</p> <p>(I) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and thorough implementation of such policies?</p>	✓		<p>(I) The Company approved the Ethical Corporate Management Best Practice Principles through resolution of the board meeting on Apr. 29th, 2016 and disclosed such principles on the Market Observation Post System and the Company's website. The Company's Directors are highly disciplined.</p> <p>If the proposals by the Board of Directors are of interest to the Directors themselves or the corporates they are representing, and are jeopardizing the Company's interests, those Directors only make statements and provide answers but not participate in the discussion and voting. During discussion and voting, they shall be evaded and can't represent other Directors to exercise their voting rights.</p>	No discrepancy
<p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs</p>	✓		<p>(II) The Company formulated the "Ethical corporate Management Policies, Procedures and Conduct Guidance" and submitted them to the Board of directors for Approval on Dec. 26th, 2019. The Company regularly organizes relevant education training and promotion for employees every year to ensure that all employees of the Company can comply with this standard.</p>	No discrepancy

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p> <p>(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs on a regular basis?</p>			<p>(III) In order to prevent the occurrence of non-ethical operation, the Company has formulated the "Ethical corporate Management Policies, Procedures and Conduct Guidance", and reduced the risk of various types of non-ethical operation through internal control and routine auditing.</p>	No discrepancy
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	✓		<p>(I) The Company has formulated the "Supplier and Procurement Management Measures" to avoid any business transactions with any dishonest agents, suppliers, customers or other business dealing entities. Once any dealing entity is found with dishonest behaviors, the Company employees shall immediately stop any business interactions with such an entity and categorize it as the dishonored account in order to implement the Company's ethical corporate management policies.</p>	No discrepancy
<p>(II) Has the Company set up a dedicated unit under the</p>	✓		<p>(II) In order to improve the management of ethical corporate</p>	No discrepancy

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>Board of Directors to promote ethical corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</p> <p>(III) Does the Company have a conflict-of-interest prevention policy, provide appropriate representation channels, and implement them?</p>	✓		<p>management, the Legal Compliance Office is designated as the responsible unit for ethical corporate management to be responsible for the formulation and implementation of ethical corporate management policies and preventive measures. On December 29, 2021, the Board of Directors submitted the report on the implementation of ethical management for 2021, and announced the implementation on the Company's website.</p> <p>(III) The Company has formulated the “Ethical Corporate Management Best Practice Principles”, the “Procedures for Ethical Management and Guidelines for Conduct”, and the policies to prevent conflicts of interests.</p> <p>In addition, the Company's personnel who are present at the board meeting shall take avoidance measures in accordance with Article 16 of the Company's "Rules of Procedure for Board of Directors Meetings" concerning the regulations for avoidance of directors on interests they have an interest in the proposal listed by the Board of Directors.</p>	No discrepancy

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
(III) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	✓		(III) The Company has established an effective accounting system and internal control system. The internal auditors will also evaluate the high-risk activities listed in the annual audit plan and prepare the audit results into an audit report which will be submitted to the Audit Committee for review and directors attending the board meeting on a regular basis. In addition, departments are required to self-evaluate their internal control systems each year to ensure the effectiveness of the design and implementation.	No discrepancy
(V) Does the Company regularly hold internal and external educational training on ethical corporate management?	✓		(V) The Legal Compliance Office of the Company promotes the training, publicity and education on ethnic corporate management training for all colleagues, and holds the education and training for the ethnic corporate management on a regular basis every year. The education and training situation in 2021 are revealed in the "Corporate Governance" section of the Company's official website.	No discrepancy
III. Implementation of the Company's Whistleblowing System (I) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?	✓		(I) The Company has formulated the "Measures to Deal with Cases of Illegal and Immoral or Dishonest Behaviors", specified the prosecution channels and special units for accepting the cases, and set up the whistleblower mailbox on the company website.	No discrepancy

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
(II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	✓		(II) The Company has established "Measures to Deal with Cases of Illegal and Immoral or Dishonest Behaviors", which has set out standard investigation procedures and confidentiality mechanism.	No discrepancy
(III) Does the Company take measures to protect the whistleblower against inappropriate disciplinary actions?	✓		(III) The Company has established "Measures to Deal with Cases of Illegal and Immoral or Dishonest Behaviors" and a confidentiality mechanism to protect the whistleblower against inappropriate disciplinary actions.	No discrepancy
III. Strengthening Information Disclosure Does the Company disclose the contents of the ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		Please refer to the corporate governance of the Company's official website and the Market Observation Post System for the relevant provisions of the Company's Code of Ethical Corporate Management.	No discrepancy
V. Where the Company has stipulated its own best practices on ethical corporate management according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the operation and the principle taken by the Company. The Company's "Ethical Corporate Management Principles" and the related policies for ethical corporate management are based on "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.". There is no difference between the operation and the established principles.				
VI. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., banks review the company's corporate conduct and ethics policy). The Company is in compliance with the Company Act, the Securities and Exchange Act, relevant regulations for TWSE/TPEX listed companies, and other legal regulations related to business activities. The Company will always pay attention to the development of relevant				

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
standards for ethical corporate management, and review the Company’s regulations such as "Corporate Governance Practices", “Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct".				

Note: Reasons for checks of "Yes" or "No" of status should be specified in "Summary Description" column.

(VII) Where a company has established a code of corporate governance and relevant regulations, it should disclose its enquiry methods:

The Company maintains a corporate governance section on its official website, which provides investors with access to the Company's corporate governance rules and relevant regulations, such as "Rules of Shareholders' Meetings", "Code of Corporate Governance Practices", "Code of Corporate Social Responsibility Practices", "Code of Conduct for Ethical Management Committee", "Procedures for Ethical Management Policies and Guidelines for Conduct", "Audit Committee Charter", "Operating Procedures for Handling Material Inside Information and Preventing Insider Trading", "Risk Structure of Information Security", etc., all of which are available on the corporate website: <https://www.tabc.com.tw>.

(VIII) Other important information to facilitate better understanding of the Company's corporate governance activities may be disclosed here:

1. The Company applied for a self-built legal compliance course system in November 2020. After on-site inspection of information security, the Company obtained the approval of the self-built system for legal compliance in January 2021. This demonstrates the Company's strength in addition to the application of financial technology in mobile insurance, and affirmed the development potential of digital training and the management ability of information security; the Company will use the technical tools of marketing and training as the support to lay a foundation for the rapid development of business promotion and recruitment.
2. In order to implement corporate governance and improve the function of the Board of Directors, the Company has formulated the "Director (Functional Committee) Performance Evaluation Method"; and revised it in February 2019 to provide that the performance evaluation of directors should be in compliance with the regulations, including at least one evaluation performed by an external expert team every three years.

In 2021, the Company commissioned the China Corporate Governance Association, a corporate legal person, to conduct the performance evaluation of the board of directors by external experts. The evaluation period was: from November 1, 2020 to October 31, 2021.

4. The information regarding further education of the Company's Directors in 2021 and up to the date of publication of the annual report:

Title	Name	Training Date	Organizer	Course Name	Training Hours
Chairman	Cheng-Chin Lee	12/23/2021	Securities & Futures Institute	Talking about corporate tax governance and tax technology solutions from the perspective of ESG trends and the epidemic environment	3
		08/19/2021	Securities & Futures Institute	Impact of AVM on management decision-making	3
Director	Jhih-Jieh Wei	11/05/2021	Taiwan Corporate Governance Association	IFRS 17 Practical Analysis of Property and Casualty Insurance	3
		11/05/2021	Taiwan Corporate Governance Association	Money laundering prevention legal system and the latest practical analysis	3
Director	Mo-Hang Wu	11/05/2021	Taiwan Corporate Governance Association	Money laundering prevention legal system and the latest practical analysis	3
		11/05/2021	Taiwan Corporate Governance Association	IFRS 17 Practical Analysis of Property and Casualty Insurance	3
Independent Director	Chuang-Teng Tsai	07/16/2021	Securities & Futures Institute	Transaction Analysis and Case Study of Related Persons of Directors and Supervisors	3
		07/14/2021	Securities & Futures Institute	Sharing Practices in Corporate Mergers and Acquisitions	3

Independent Director	Chien-Hsiang Chang	08/25/2021	Securities and Futures Institute	Climate mitigation and adaptation to promote sustainable competitiveness	3
		08/04/2021	Securities and Futures Institute	Case study on financial statement fraud	3
Independent Director	Fu-Kuei Huang	09/07/2021	Securities and Futures Institute	Corporate Governance 3.0 from the Perspective of Inspection and Adjustment	3
		08/11/2021	Securities and Futures Institute	Relevant Norms and Operational Practices of the Audit Committee	3

(IX) Implementation of Internal Control System

1. Internal Control Statement

Taiming Assurance Broker Co., Ltd.
Statement of Internal Control System

Date: March 7, 2022

The internal control system of the Company in 2021, based on the results of self-assessment, is hereby stated as follows:

- I. The Company fully understands that the establishment, implementation, and maintenance of Internal Control System (ICS) are the responsibilities of the Company's Board of Directors and managerial officers, and have established the said system accordingly. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency of our reporting, and compliance with applicable rulings, laws and regulations.
- II. All ICS are bound by natural limitations and regardless of the robustness of designs, effective ICS can only provide reasonable assurance for the three objectives listed above. Efficacy of the ICS will also change with the changing environment or context. Nevertheless, our internal control system contains self-monitoring mechanisms, and TABC takes immediate remedial actions in response to any identified deficiencies.
- III. The Company will refer to the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as "ICS Regulations") to identify assessment items for determining the effectiveness of ICS as well as the performance of design and implementation of the system. The internal control system used in the "Handling Guidelines" is used to determine the item. According to the process of management control, the internal control system is divided into five components: 1. Environment Control, 2. Risk Assessment, 3. Control Operation, 4. Information and Communication, and 5. Supervision Operation. Each constituent element includes a number of categories. Please refer to "Handling Regulations" for the aforementioned categories.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2021, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This Statement shall be a major content of the Company's annual report and prospectus, and shall be publicly disclosed. If any of the contents disclosed above is found to be false, with concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the Board on March 7, 2022, where 0 of the 6 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Taiming Assurance Broker Co., Ltd.

Chairman of the Board: Cheng-Chih Li (signature)

President: Yang-Kuo Chen (signature)

Taiming Assurance Broker Co., Ltd.

Statement of Internal Control System

Date: March 7, 2022

The internal control system of the Company from January 1 to December 31, 2021, based on the results of self-assessment, is hereby stated as follows:

- VIII. The Company acknowledges that the establishment, implementation and maintenance of an internal control system is the responsibility of the board of directors and management personnel of the Company, and the Company has established such a system. The objective is to provide reasonable assurance of the achievement of the objectives of operational soundness, reliability of financial reporting and compliance with relevant codes and regulations.
- IX. All ICS are bound by natural limitations and regardless of the robustness of designs, effective ICS can only provide reasonable assurance for the three objectives listed above. Efficacy of the ICS will also change with the changing environment or context. Nevertheless, our internal control system contains self-monitoring mechanisms, and TABC takes immediate remedial actions in response to any identified deficiencies.
- X. The Company determined the effectiveness of the design and implementation of the Company's internal control system in accordance with the provisions of the "Regulations Governing the Implementation of Internal Control and Audit System and Business Solicitation System of Insurance Agent Companies and Insurance Broker Companies" (hereinafter referred to as the "Implementation Measures") issued by the Financial Supervisory Commission. The internal control system shall include at least the following constituent elements: 1. Control environment, 2. Risk assessment, 3. Control operation, 4. Information and communication, 5. Supervision operation.
- XI. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- XII. Based on the findings of such evaluation, the Company believes that the above-mentioned internal control system, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.
- XIII. This Statement shall be a major content of the Company's annual report and prospectus, and shall be publicly disclosed. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- XIV. This Statement was approved by the Board on March 7, 2022, where 0 of the 6 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

XV. Sincerely,

Financial Supervisory Commission

Declarant

Chairman of the Board: Cheng-Chih Li	(signature)
President: Yang-Kuo Chen	(signature)
Auditor: Kun-Hsi Hsu	(signature)
Compliance Personnel: Chi-Keng Lo	(signature)

2. CPA review report on the internal control system: None.

(X) Penalties imposed on the Company and its internal staff, penalties imposed on its internal staff, and any status of improvements made in the internal control system, major deficiencies and improvements in the most recent year up to the publication date of this annual report: None.

(XI) Important resolutions of the Shareholders' Meeting and the Board of Directors in the most recent year up to the publication date of this annual report.

The company held the 2021 Annual General Meeting of Shareholders on July 1, 2021. Important resolutions and implementation (originally scheduled to be postponed on May 28, 2021 due to the impact of COVID-19):

Important Resolutions	Implementation
1. Approved the Company's 2020 business report and financial statements.	Proceeded according to the content of the resolution.
2. Approved the Company's 2020 surplus distribution proposal.	On the boarding meeting held on July 1, 2021, June 24 of the same year was set to be the ex-dividend date to distribute cash dividend of NT\$80,077,770. The distribution was completed on July 30.
3. Approved the amendment of the Company's Rules of Shareholders' Meeting	The Company has handled the relevant operations according to the amended procedures and disclosed them on the Company's website.
4. Approved the amendment of the Company's "Director Election Procedures" to "Director Election Procedures" and some provisions.	The Company has handled the relevant operations according to the amended procedures and disclosed them on the Company's website.

Important resolutions by the Board of Directors in 2021 as of the publication of the annual Report:

Date of meeting (period)	Important resolution content
02/25/2021 (The 11th meeting of the 7th term of the Board of Directors)	1. Implementation of 2020 Internal Audit Report 2. 2020 remuneration of employees and directors 3. The Company's 2020 internal control system statement and 2020 annual statement on the internal control system for preventing money laundering and combating terrorism. 4. CPA independence evaluation report. 5. CPA fee in 2021.
04/29/2021 (The 12th meeting of the 7th term of the Board of Directors)	1. Capitalization in cash of Jiangsu Taiming Insurance Agency Co., Ltd. invested by the Company. 2. Revised some provisions of the Company's "Board Performance Evaluation rules".

Date of meeting (period)	Important resolution content
05/28/2021 (The 13th meeting of the 7th term of the Board of Directors)	Director remuneration in 2020.
07/01/2021 (The 14th meeting in the 7th term of the Board of Directors)	Profit distribution in cash dividend in 2020, deciding on the ex-dividend date and other relevant matters
10/28/2021 (The 16th meeting of the 7th term of the Board of Directors)	1. Establishment of the” Risk Management Policy and Procedures “of the Company. 2. Proposed to acquire part of the land of the building where the Company currently owns its own immovable property. 3. Other adjustments to the non-audit projects appointed to Deloitte & Touche in 2021.
12/29/2021 (The 17th meeting of the 7th term of the Board of Directors)	1. Ratio of remuneration to directors and employees in 2021. 2. 2022 Audit Plan. 3. To amend certain articles of the Company's "Internal Control System".

(XII) Major content for the resolution with any dissenting opinions or stated in a written statement made by directors or supervisors in the recent year and as of the date of annual financial report: None.

(XIII) In the recent year and as of the date of Annual Report, a summary of the resignations and dismissals of the chairman, president, accounting supervisor, financial supervisor, internal auditing supervisor and R&D supervisor: None.

V. CPA Fee Information

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit Period by CPA	Audit Fees	Non-Audit Fees	Total	Remarks
Deloitte & Touche	Wang-Sheng Lin	01/01/2021~12/31/2021	1,370	230	1,600	Non-audit public expenses: Tax visa and public expenses and read the annual report of the shareholders meeting.
	Wun-Ya Syu					

Note: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period shall be listed separately, and the reason for replacement shall be stated in the Remarks column, and the information on audit and non-audit fees paid in sequence shall be disclosed. Non-audit fees should be annotated to explain its service content.

- (I) If there is any change of CPA or CPA firm in the current year, and the CPA fee is less than the previous year, the amount and the service detail shall be stated: None.
- (II) If the audit fee decreases by more than 10% compared with the previous year, the amount, proportion and reason for the decrease of the audit fee shall be disclosed: 2021 audit fee is re-divided into two parts: audit and tax visa and annual report review. The annual audit fee is consistent with the amount of the audit fee in 2020.

VI. Information of CPA Replacement

None.

VII. The Company's Chairman of the Board, General Manager, or any Manager Who is Responsible for Finance or Accounting Matters Who Have Been Serving in a CPA's Firm and Its Related Companies within the Past Year Shall Disclose Their Name, Position and Term of Office in the CPA Firm of the CPA or Its Related Companies

None.

VIII. In the most recent year and up to the date of publication of the annual report, transfer of shares and changes in hypothecation of shares held by Directors, managers and shareholders who hold more than 10% of the shares

(I) Changes in the Shares of Directors, Managers and Substantial Shareholders

Unit: Shares

Title (note 1)	Name	2021		2022 as of March 28	
		Number of shares held Increase (decrease)	Number of pledged shares Increase (decrease)	Number of shares held Increase (decrease)	Number of pledged shares Increase (decrease)
Representative of corporate director/major shareholder	Taiwan Navigator Asset Investment Co., Ltd.	-	-	-	-
Representative of Judicial Person Director	Cheng-Chin Lee	5,013	-	-	-
Representative of Judicial Person Director	Jhih-Jieh Wei	-	-	-	-
Judicial Person Director	Cheng-Rong Enterprise Co., Ltd.	-	-	-	-
Representative of Judicial Person Director	Mo-Hang Wu	-	-	-	-
Independent Director	Chien-Hsiang Chang	-	-	-	-
Independent Director	Fu-Kuei Huang	-	-	-	-
Independent Director	Chuang-Teng Tsai	-	-	-	-
Manager	Yang-Kuo Chen	-	-	-	-
Manager	Shu-Fen Yang	-	-	-	-
Manager	Kun-Lin Hsu	-	-	-	-
Manager	Shen-Tien Chen	-	-	-	-
Manager	Chien-Chang Lai	(2,076)	-	-	-
Manager	Ching-Wen Lin	-	-	-	-
Manager	Chang-Wu Chiao	-	-	-	-
Manager	Kai-Ling Fan	-	-	-	-
Manager	Wei-Cheng Ho	-	-	-	-
Accounting Manager	Hsin-Yi Wen	3,000	-	-	-

Note 1: Shareholders who hold more than ten (10) percent of the Company's shares shall be noted as major shareholders and listed separately.

Note 2: Counterparties involved in equity transfer or pledging of equity are related parties and shall be listed in the following table.

(II) Equity transfer information: The counterparty of the equity transfer or equity pledge is not a related person, so there is no such information.

Name (Note 1)	Reasons of share transfer (Note 2)	Trading date	Trading counterpart	Relationship between trading counterpart and the Company, directors, supervisors, manager and shareholders who hold more than 10% of the Company's shares	Number of Shares	Trading Price

Note 1: Fill the name of the Company's directors, supervisors, managerial officers and shareholders with shareholding percentage exceeding ten (10) percent.

Note 2: Fill either "Acquisition" or "Disposal".

(III) The transfer of shares or hypothecation of shares: None.

IX. Information regarding the top 10 shareholders in terms of number of shares held, who are related parties or each other's spouses and relatives within the second degree of kinship

As of March 28, 2022 (stock transfer beginning date at the shareholder's regular meeting) Unit: Share; %

Name (Note 1)	Shares Held in Person		Shares Held by Spouse and Minor Children		Shares Held in the Name of Other Persons		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3)		Remarks
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Name (or Name)	Relationship	
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.07	-	-	-	-	None	None	None
Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chin Lee	892,887	3.57	384,274	1.54	-	-	1. Han-Chieh Li 2. Yang-Lung Kuo 3. Hsiu-Chen Lin	1. Elder Sister's Spouse 2. Elder Brother-in-Law of the Spouse 3. Spouses	None
Taiwan Navigator Asset Investment Co., Ltd. Representative: Jhih-Jieh Wei	-	-	-	-	-	-	None	None	None
Han-Chieh Li	1,851,082	7.40	-	-	-	-	Cheng-Chin Lee	Younger brother of the Spouse	None
Ching Chung Interior Decoration Design Co., Ltd.	1,570,000	6.27	-	-	-	-	None	None	None
Ching Chung Interior Decoration Design Co., Ltd. Representative: Pei-Chin Li	1,311	0.00	-	-	-	-	None	None	None
Taiwan Fire & Marine Insurance Co., Ltd.	1,271,180	5.08	-	-	-	-	None	None	None

Taiwan Fire & Marine Insurance Co., Ltd. Representative: Tai-Hong Li			-	-	-	-	None	None	None
Cheng-Chin Lee	892,887	3.57	-	-	-	-	1. Han-Chieh Li 2. Yang-Lung Kuo 3. Hsiu-Chen Lin	1. Elder Sister's Spouse 2. Elder Brother-in-Law of the Spouse 3. Spouses	None
Chen-Han Ko	732,910	2.93	-	-	-	-	None	None	None
Yuan-Fang Tien	623,796	2.49	-	-	-	-	None	None	None
Yang-Lung Kuo	602,588	2.41	-	-	-	-	Cheng-Chin Lee	Younger Brother-in-Law of the Spouse	None
Chen-Jou Kao	551,210	2.22					None	None	None
Jian-An Chen	404,927	1.62	-	-	-	-	None	None	None

X. The number of shares held by the company, its Directors, supervisors, managers and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, and the comprehensive shareholding ratio shall be calculated on a consolidated basis

Reinvestment in Other Companies	Total equity stake held				Unit: shares; %	
	Investment in the Company		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Total Ownership	
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio
-	-	-	-	-	-	-

Note: Investee Accounted for Using Equity Method

Chapter 4. Funding Status

I. Capital and Shares

(I) Source of Capital

Unit: thousand shares/NT\$ thousand

Month Year	Par Value (NT\$)	Authorized Share Capital		Paid-Up Capital		Remarks		
		Shares (In thousand shares)	Amount (NT\$ thousand)	Shares (In thousand shares)	Amount (NT\$ thousand)	Source of Capital (NT\$ thousand)	Equity-Settled Share-Based Payment	Others
July 2010	NT\$ 10	15,000	150,000	13,200	132,000	Increment of Cash	-	Note 1
July 2011	NT\$ 10	15,000	150,000	13,900	139,000	Increment of Cash	-	Note 2
July 2012	NT\$ 10	15,000	150,000	14,800	148,000	Increment of Cash	-	Note 3
July 2013	NT\$ 10	20,000	200,000	17,184	171,840	Earned surplus turned capital increase of 11,840 and Cash increment of 12,000	-	Note 4
November 2014	NT\$ 46	20,000	200,000	18,800	188,000	Increment of Cash 16,160	-	Note 5
September, 2015	NT\$ 10	30,000	300,000	23,688	236,880	Surplus transferred capital increase 48,880	-	Note 6
Jun. 2019	NT\$ 10	30,000	300,000	25,024	250,243	Consolidated capital increase 13,363		Note 7

Note 1: Taipei City Government Change Registration Number: 09986632010

Note 2: Taipei City Government Change Registration Number: 10086220500

Note 3: Taipei City Government Change Registration Number: 10186255800

Note 4: Taipei City Government Change Registration Number: 10286289700

Note 5: Taipei City Government Change Registration Number: 10389753800

Note 6: Taipei City Government Change Registration Number: 10487453400

Note 7: Taipei City Government Change Registration Number: 10850522710

Unit: Shares

Type of Stock	Authorized Share Capital			Remarks
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered Ordinary Shares	25,024,303	4,975,697	30,000,000	Stocks of TPEx-Listed Company

VIII. Shareholding Structure

As of March 28, 2022 (Book closure date)

Shareholder Structure Number	Government Agencies	Financial Institutions	Other Juristic Persons	Personal	Foreign Institutions and Foreigners	Total
Number of Persons	-	1	20	1,716	2	1,739
Number of Shares Held	-	1,271,180	11,160,335	12,450,788	142,000	25,024,303
Shareholding ratio	-	5.08%	44.60%	49.75%	0.57	100.00%

(III) Shareholding diversification

As of March 28, 2022

(Book closure date)

Nominal Amount
of Each Share = NT\$ 10

Class of Shareholding	Number of Shareholders	Number of Shares Held	Shareholding Percentage (%)
1~999	461	88,311	0.35
1,000~5,000	1,077	1,984,990	7.92
5,001~10,000	104	759,097	3.03
10,001~15,000	19	236,666	0.95
15,001~20,000	17	292,690	1.17
20,001~30,000	14	347,417	1.39
30,001~40,000	12	427,446	1.71
40,001~50,000	6	267,957	1.07
50,001~100,000	8	539,819	2.16
100,001~200,000	4	565,127	2.26
200,001~400,000	7	1,988,296	7.95
400,001~600,000	2	956,137	3.82
600,001~800,000	3	1,959,294	7.83
800,001~1,000,000	1	892,887	3.57
1,000,001 or more	4	13,718,169	54.82
Total	1,739	25,024,303	100.00

IX. List of major shareholdersAs of March 28, 2022
(Book closure date)

Ownership Name of Major Shareholder	Number of Shares Held	Shareholding ratio (%)
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.07
Han-Chieh Li	1,851,082	7.40
Ching Chung Interior Decoration Design Co., Ltd.	1,570,000	6.27
Taiwan Fire & Marine Insurance Co., Ltd.	1,271,180	5.08
Cheng-Chin Lee	892,887	3.57
Chen-Han Ko	732,910	2.93
Yuan-Fang Tien	623,796	2.49
Yang-Lung Kuo	602,588	2.41
Chen-Jou Kao	551,210	2.20
Jian-An Chen	404,927	1.62

X. Information on Market Price, Net Value, Surplus and Capital Bonus Per Share

Unit: NTD; Thousand shares

Items		Year	2020-Consolidated	2021-Consolidated	Current year as of May 28, 2022 (Note 8)
Market price per share (Note 1)	Highest		49.30	49.80	48.2
	Lowest		43.00	45.30	46.5
	Average		46.18	47.93	47.47
Net Worth per Share (Note 2)	Before Distribution		22.08	22.74	
	After Distribution		18.88	19.74	
Earnings Per Share	Weighted average number of shares		25,024	25,024	
	Earnings Per Share (Note 3)	Before retrospective application	3.47	2.98	
		After retrospective application	3.47	2.98	
Dividends per Share	Cash dividend		3.20	3.0 (Note 9)	
	Stock Dividends	Stock Dividend from Retained Earnings	-	-	
		Capital Surplus Distribution	-	-	
	Accumulated unpaid dividends		-	75,073 (Note 9)	
Analysis of return on investment	Price-to-Earnings Ratio (Note 5)		13.31	16.08	
	Price-to-Dividend Ratio (Note 6)		14.43	15.98	
	Cash dividend yield (Note 7)		6.93%	6.26%	

* Where surplus or capital surplus are used for additional share placements, information on retroactively adjusted market prices and cash dividends based on the number of shares issued shall also be disclosed.

Note 1: List the highest and lowest market price of common shares for each fiscal year and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2: Please fill these rows based on the number of shares that have been issued at the end of the fiscal year and the distribution plan approved at the Board Meeting or Shareholders' Meeting in the subsequent fiscal year.

Note 3: If there was any retroactive adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note 4: If there is any requirement for issuing equity securities that require undistributed dividends for the current year to be accumulated to the annual distribution of the retained earnings, it shall separately disclose the accumulated undistributed dividends as of that year.

Note 5: Price/earnings ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year.

Note 8: As of the date of publication of the annual report, there is no financial report of the first quarter of 2022 audited or reviewed by the CPAs.

Note 9: The dividend was resolved by the Board meeting on March 07, 2022. The number shall be updated after the resolution in the Annual Shareholders' Meeting in May 2022.

(VI) Dividend Policy and Implementation

1. Dividend policy stipulated in the Company's Articles of Incorporation:

If there is a surplus in the Company's annual final accounts, it shall first be provided to pay taxes, make up for the accumulated losses, and withdraw 10% as the statutory surplus reserve. However, when the statutory surplus reserve has reached the Company's total paid-in capital, it

is not required to continue to withdraw.

If there is still surplus, the Board of Directors shall draw up a plan for distribution of surplus, and if the distribution of surplus is distributed in cash, Article 228-1 and paragraph 5 of Article 240 of the Company Act shall apply.

The plan shall be reported to the shareholders' meeting without submitting to shareholders.

In the volatile business environment, the Company is still in the growth stage. In response to future expansion plans, shareholder dividends may be paid in the form of both cash and stock, of which the ratio of cash dividends to total dividends shall not be less than 40%. However, the shareholders' meeting may have to adjust it according to the actual situation.

2. The Proposed Distribution of Dividends at this Shareholders' Meeting

Taiming Assurance Broker Co., Ltd.

Table of Distribution of Profits

For the Year 2021

Unit: NT\$

Item	Amount	
	Subtotal	Total
Undistributed earnings at beginning of this period		16,993,144
Net income after tax	74,676,270	
Remeasurement of defined benefit plan recognized in the retained earnings	38,072	
The net income after tax for the year and other profit items other than said net income are included in this year's undistributed earnings.		74,714,342
Legal reserve appropriated (10%)		(7,471,434)
Reversal of special reserve appropriated by law		5,492,227
Retained earnings available for distribution for this period		89,728,279
Distributable item:		
Cash dividend (NT\$3 per share)		(75,072,909)
Undistributed earnings at the end of the period		14,655,370

Note:

1. Priority is given to the distribution of earnings for 2021, followed by the earnings for 2020 or before.
2. The cash dividends are calculated up to NT\$ 1. Decimal points are rounded down and the uncounted shares in fractions of NT\$ 1 is recognized in "other income".
3. Two percent of the total amount is allocated as employee bonuses and distributed in cash in the amount NT\$1,836,967.
Two percent of the total amount is allocated as bonuses to Directors and distributed in cash in the amount NT\$1,836,967.
4. The distribution of dividends of the Company is calculated based on the total number of 25,024,303 shares outstanding.
5. If the number of outstanding shares is affected by the subsequent buyback of shares of the Company, equity conversion, or other reasons, resulting in the change of the shareholder dividend ratio and the need for correction, a proposal shall be submitted to the shareholders' meeting for full authorization of the Chairman of the Board to handle said matter.

Chairman: Cheng-Chin Lee Manager: Yang-Kuo Chen Accounting Manager: Hsin-Yi Wen

(VII) The impacts of issuing stock grants in this Shareholder's Meeting on the Company's operational performance and dividend per share: None.

(VIII) Remuneration of employees and directors

1. The percentage or scope of remuneration of employees and directors are set forth in the Articles of Association

(1) The remuneration of Directors of the Company is determined in accordance with Article 16 of the Company's articles of association. The Company's Directors are determined with reference to the Company's operations and their contributions. The Company is authorized to authorize the Board of Directors to fix the remuneration.

(2) If the Company has profits in a fiscal year, it shall set aside 1% to 5% of the profits as employee compensation and not more than 5% of the profits as director compensation. However, if the Company has accumulated losses, the earnings shall be reserved to make up for the losses first. The remuneration of employees referred to in the preceding paragraph shall be paid in stock or cash, while the Director shall only be paid in cash. The payouts of employee bonus and director compensations shall be determined by the Board of Directors meeting attended by more than two-third of all board members present and agreed upon by no less than one-half of the members present and reported at the shareholder's meeting.

(3) The remuneration of the managers of the Company shall be handled in accordance with Article 17 of the articles of association.

(4) The scope and amount of remuneration of Directors and managers of the Company shall be submitted to the Remuneration Committee for discussion and approval before being submitted to the Board of Directors for resolution.

2. Accounting treatment for the difference between the estimated amount of remuneration of employees and Directors in the current period, the calculation basis of the number of shares allotted with stock dividends and the actual amount allotted and the estimated amount
Accounting treatment when the allotment amount is different from the estimated amount
The Company's remuneration of employees and directors is calculated by pre-tax net profit of the current year before deducting the remuneration of employees and directors in proportion. If there is any difference between the amount of remuneration of employees and Directors on the approved annual financial reports and the amount resolved by the Board meeting or the Shareholders' meeting, the differences will be treated as changes in accounting estimates, and adjusted in the next year.

3. Approved distribution of remuneration by the Board of Directors

(1) The amount of remuneration paid to employees, directors and supervisors in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed

At the 11th meeting of the 7th Board of Directors on February 25, 2021, the Company discussed and approved the consideration of NT\$2,154,111 for employees and bonus of NT\$2,154,111 to directors for 2020, totaling NT\$4,308,222. Both payments will be made

in cash and will be executed after the approval of this shareholders' meeting. The sum stated above conformed to the sum recognized for the fiscal year.

- (2) Ratio of employees' remuneration allocated in stock to the total of after-tax net profit in the current parent company only or individual financial report and the employee compensation: None

4. The actual distribution of the remuneration of the employees and the directors in the previous year (including the number of shares, amount and share price).

Where there is any difference between the remuneration of the employees, directors and supervisors and that of the recognized, the reasons for the difference and the treatment situation shall be stated

The Company's staff and directors' remuneration distribution in 2020 was approved by the Shareholders' Meeting on July 1, 2021.

The distribution is as follows: staff remuneration NT\$2,154,111 and directors' remuneration NT\$2,154,111, which has no discrepancy with the amount recognized in the financial statements in 2020.

Unit: NT\$

	Actual distribution resolved by the shareholders' meeting	Proposed distribution resolved by the Board of Directors	Discrepancy	Reason for the description
I. Distribution Status	(Cash)	(Cash)		
1. Employee Bonus	2,154,111	2,154,111	0	None
2. Remuneration of Directors	2,154,111	2,154,111	0	None

(IX) The company buys back the shares of the Company: None.

II. Issuance of Corporate Bonds

None.

III. Preferred Stock Handling

None.

IV. Overseas Depository Receipt Shares

None.

V. Employee Stock Option Certificate Handling Situation

None.

VI. New Shares with Restricted Employee Rights

None.

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions

None.

VIII. The State of Implementation of The Company's Capital Allocation Plans

None.

Chapter 5. Operations Overview

I. Business activities

(I) Scope of Business

1. The main business:

H602011 Life Insurance Brokerage
H602021 Property Insurance Brokerage

2. Operating proportion:

Proportion of Total Business Volume in the Past Two Years

Units: NT\$ thousand

Operating Income	2020		2021	
	Amount	Share Percentage	Amount	Share Percentage
Life Insurance Brokerage Income	457,107	49.98%	333,339	41.02%
Renewed brokerage income	201,316	22.01%	216,254	26.61%
Commission, fees and other income	181,775	19.88%	163,946	20.18%
Property insurance brokerage and other income	74,332	8.13%	99,031	12.19%
Total operating revenue	914,530	100.00%	812,570	100.00%

3. The Company's current products (services):

The current insurance products under the agency of the Company are as follows:

- (1) Personal insurance products sold by brokers: personal life insurance, personal injury insurance, personal health insurance, annuity insurance, group insurance and investment insurance, etc.
- (2) Property insurance products sold by brokers include: fire insurance, automobile insurance, liability insurance, injury insurance, health insurance and other property insurances, etc.
- (3) The Company has set up a network insurance platform to provide self-service insurance services for the insured.
- (4) The Company has developed a mobile insurance APP system that is convenient for clerks to use, speeds up the policy process and conforms to the social trend of paperless environmental protection.
- (5) The Company has developed a legal compliance platform that provides online courses for sales members, Learning is not limited by time and space.
- (6) Implement the LINE@ App for salesmen to review product details and the complete information of insurance customers

4. Planned development of new product (service):

(1) Insurance products are legally developed by insurance companies: Not applicable.

(2) Planned development of new service:

- A. Continue to upgrade the administrative integration platform dedicated to salespersons and introduce electronic policy import function.
- B. Connect the intelligent e-system for mobile insurance and marketing support in series
- C. Expand the number of insurance companies in the mobile insurance platform.
- D. Import the insurance demand analysis function, and the salesperson can analyze the demand for the insured to provide suitable product recommendations.

(II) Industry Overview

1. Current Status and Development of the Industry;

Article 9 of the Insurance Act: The term "insurance broker" as used in this Act means a person who, on the basis of the interests of the insured, negotiates an insurance contract or provides related services and collects a commission or compensation. The insurance broker industry has been booming in recent years. According to the data of the insurance development center (Table 1 and Table 2) as at the date of publication of this annual report, the number of insurance practitioners in China has reached 399,338 in 2020, of which 139,644 are registered in the insurance broker company, accounting for 34.97%, an increase of 0.15% compared to the last year.

As of the date of publication, according to the statistics of Taiwan Insurance Institute, the insurance brokerage premium income in 2020 amounted to NT\$328.1 billion, accounting for approximately 9.79% of the total insurance premium income of NT\$3,352.1 billion. In terms of property and life insurance, the 2020 premium income of the life insurance sector is NT\$ 3,164 billion, NT\$295.1 billion of which came from insurance brokers (9.33% of the life insurance market); the premium income of the property insurance is NT\$188.1 billion, NT\$32.9 billion of which came from insurance broker (17.52% of the property insurance market); Insurance brokerage property and life insurance premiums accounted for 26.85% of the total premium market share; insurance brokerage property and life insurance premiums accounted for 26.85% of the total premium market share. As for commission income, insurance brokerage industry throughout the year totaled NT\$ 25.7 billion, in which life insurance accounted for NT\$ 21.08 billion, while non-life insurance accounted for another NT\$ 4.59 billion. From the above data, the insurance brokerage industry is growing rapidly, playing an increasingly important role in Taiwan's insurance industry.

In 2021, the premium income of life insurance dropped to NT\$2,971.1 billion, a decrease of 6.1% compared with that in 2020, while the premium income of property and casualty insurance was NT\$207.4 billion, an increase of 10.3%, showing that life insurance and property insurance are affected by changes in commodity structure and the impact of COVID-19 epidemic. In 2021, the overall premium income decreased by about 5.2%, and the performance still remained stable.

Table 1. Insurance Sector Statistics

Unit: Person; NT\$ million

Year	Number of Insurance Companies	Number of Employees	Sales Representatives	Number of Office Staff	Premium Income		Insurance Sector Total Premium
					Property insurance	Life insurance	
2012	57	335,027	293,629	41,398	120,483	2,478,348	2,598,831
2013	56	336,430	295,414	41,016	124,904	2,583,532	2,708,436
2014	54	351,208	309,057	42,151	132,220	2,771,130	2,903,350
2015	54	367,036	324,091	42,945	136,119	2,926,677	3,062,796
2016	54	370,476	325,195	45,281	145,962	3,133,358	3,279,320
2017	54	384,432	338,363	46,069	156,712	3,420,233	35,769,45
2018	55	391,591	344,979	46,613	165,611	3,511,559	3,677,170
2019	54	381,483	368,468	41,107	177,130	3,466,688	3,643,818
2020	53	399,338	385,741	40,957	188,111	3,163,965	3,352,076
2021	53	Note	Note	Note	207,448	2,971,096	3,178,544

※ Source: Taiwan Insurance Institute

Note: As of the printing date of this annual report, Taiwan Insurance Institute has not updated the data of 2020 as of the date of publication.

Table 2: Insurance Brokerage Statistics

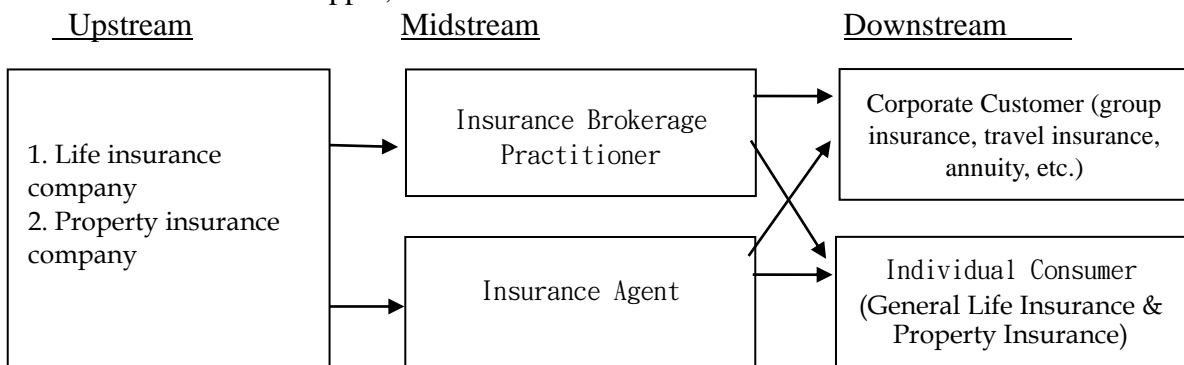
Unit: person; NT\$thousand

Year	Number of Insurance Companies	Insurance Sales Representatives	Market Share (%)		Written Premiums		Commission Income	
			Property insurance	Life insurance	Property insurance	Life insurance	Property insurance	Life insurance
2012	503	116,057	20.52	16.76	24,724,470	415,327,237	3,316,518	25,675,600
2013	495	120,978	22.50	18.51	28,097,450	478,238,743	3,458,329	26,784,259
2014	488	120,764	19.74	20.29	26,101,507	562,279,203	3,409,251	34,142,540
2015	493	131,370	18.35	19.34	24,975,260	566,095,141	3,577,423	39,781,609
2016	490	137,351	16.51	12.52	24,105,271	392,265,680	3,331,933	28,330,918
2017	485	111,618	18.26	10.15	28,611,385	347,015,788	3,660,049	20,487,730
2018	476	121,105	14.32	10.16	23,709,742	356,906,312	3,730,790	20,180,026
2019	487	133,601	16.29	9.83	28,848,989	340,822,142	4,155,681	22,853,720
2020	483	139,644	17.52	9.33	32,955,430	295,125,417	4,589,378	21,079,944
2021	Note	Note	Note	Note	Note	Note	Note	Note

※Source: Taiwan Insurance Institute

Note: As of the printing date, Taiwan Insurance Institute only updates the insurance broker business statistics to 2020.

2. Correlation between upper, middle and lower downstream sectors:



The Company belongs to insurance brokerage industry. Regarding the upstream and downstream affiliations of the industry, the upstream is life or property insurance companies; midstream is insurance brokers and insurance agents; downstream is corporate juridical persons or customers.

The Company belongs to the midstream sector, and its main business is selling insurance company products signed and cooperated according to law. The subordinate representatives explain the characteristics and terms of each insurance product according to the interests of the insured, and plan the appropriate policies according to the suitability of the customer to meet the risk requirements.

The Company will deliver the solicited insurance policies and relevant documents to the

insurance company.

3. Product development trends and competition

According to the statistics of the Life Insurance Association, in 2021, life insurance products showed a trend that the growth of investment-type insurance products was greater than that of traditional insurance products.

The main reasons were:

- (1) Government bond yields fell, and interest rates announced in each month of 2021 generally fell or remained unchanged, which reduced the market advantage of traditional insurance policies. At the beginning of 2021, annual premium income decreased by 18.4% compared with 2020.
- (2) In 2021, due to the strong appreciation of the Taiwan dollar against the US dollar, and the influence of the capital market of US stocks and Taiwan stocks, investment products were favored by insured customers, and the premium amount increased by 26% compared with that in 2020.

If statistics are based on the sales premiums of various life insurance channels in 2021, the market share of each competing channel is as follows:

Statistical table of sources of annual premium income of life insurance industry from January to early December in 2021

Unit: NT\$ million

Source	Life insurance company	Bank brokerage agency and insurance agency	Traditional insurance brokerage agency and insurance agency	Total
Premium income	255,306	391,199	85,020	731,526
Percentage (%)	34.90	53.48	11.62	100

Source: Life Insurance Association of the Republic of China

(III) Technology and R&D Overview:

1. Facing changes in current economic situation, changes in social structure, and modifications or issuance of new regulations, the Company will continuously improve business performance and employees' professional quality. Also, the Company will strengthen insurance customer services in order to achieve goals such as business development, stable profitability, and sustainable operation.

- (1) Improve the Quality of Administrative Platform

In order to upgrade the insurance operating system and improve administrative staff's efficiency, the Company leveraged forms to facilitate data analysis.

Salesman operating system is integrated with LINE@ app, official letter and sales performance inquiry functions to help salesmen get the latest information from the Company.

The Company adopted online approval system to increase the administrative efficiency for employees to instantly approve application forms or official letters.

(2) Training High-Quality Business Personnel

Through systematic professional training and dedicated courses on market dynamics and changes in product trends, a quality business team is created and more professional managers are developed. Special topic lectures are held time to time for the insured, so that the public can receive financial service information without gaps. This enhances the professional knowledge of consumers to make them have the ability to plan golden retirement life for customers themselves, and become all-round insurance planners.

(3) Comprehensive value-adding services

In the part of customer rights and benefits, the Company sets up a special line for customer protection services, and has a complete and sound "Procedures for Handling Complaints of the Insured", and provides free legal counsel when necessary.

The Company will gather legal and tax related experts to provide professional advisory services to support salesmen's professional capabilities and resolve customer tax issues.

2. Research and development staff and their qualifications: The Company is in insurance brokerage sector and therefore is not applicable.

3. R&D expenses in the recent 5 years: The Company is in insurance brokerage sector, so it is not applicable.

4. Technologies or products successfully developed in the recent 5 years: As the Company is in insurance brokerage sector, this item is not applicable.

(IV) Long-Term and Short-Term Business Development Plans

1. Short-term business development plans:

A. Train professional sales teams with online and face-to-face courses

The Company will make annual professional face-to-face course plan in advance, have Live streaming of taxation courses, and online courses to train professional team.

B. Build comprehensive online Fintech platform

The Company will build five main systems for salesmen:

- (1) Marketing resource inquiry
- (2) Portfolio analysis system
- (3) Business organization and administrative inquiry system
- (4) Mobile insurance app
- (5) Online learning space breaking the limitation of time and space

C. The Company will promote workplace 2.0. After the Taoyuan and Taichung spaces were redecorated in 2020, in 2021, the Company will design and decorate Tainan workspace to introduce the mobile office comparable to the coffee shop to enable business colleagues to have a comfortable workplace and provide a warm environment to customers, and diversify the workplace to create the largest economic scale and attract young business partners to join the Company.

D. The Company will set up a commodity research and development group to select the combination of commodities that are beneficial and perfect for the insured from various insurance companies. The members of the group will study the commodity terms, scope of insurance claims and declared interest rate in an all-round way to provide the best resources for business colleagues to promote.

2. Long-Term Business Development Plans:

A. As FinTech is on the rise, the competent authority has announced the full adoption of electronic insurance policies and the electronic passbook within two years; In 2021, the Life Insurance Association of the Republic of China also launched the “Security/Claims Alliance Chain”, which provides insurance customers with insurance services using the insurance technology sharing platform. After the insurance customers apply for claims or changes in security, the insurance companies of other alliance are notified via the system, indicating that technology is gradually changing the insurance market, and rapidly adapting to market changes and embracing technology has become the winning factor in the future. The Company has planned to integrate the relevant system with its own and offers services from the cloud.

B. The Company is committed to become the most professional retirement brand, guarantee the retired lives of insured elderly, and take into account the needs of the elderly annuity and medical care. Through the establishment of the brand and the recruitment of elite team, the Company targets on the young adults, advocating early planning for the different stage of their lives for the prospect of retiring with security.

II. Market and Production & Marketing Overview

(I) Market Analysis

1. Sales (provision) regions for the Company's main products (services)

Units: NT\$ thousand; %

Year Items	2020		2021	
	Amount	%	Amount	%
Domestic sales	914,530	100.00	812,570	100.00
Foreign Sales	-	-	-	-
Total	914,530	100.00	812,570	100.00

2. Market share:

Based on the statistics of commission income of insurance brokerage industry of China in 2021 and 2020 issued by the Insurance Industry Development Center, the market share of commission income of the Company is listed as follows

Units: NT\$ thousand; %

Year Item	2020		2021	
	Property	Life insurance	Property	Life
Total commission	4,589,378	21,079,944	Note 2	Note 2
Taiming	74,332	840,198	99,031	713,539
Market Shares	1.62%	3.99%	-%	-%

Note 1: Total commission income data source: Taiwan Insurance Institute

Note 2: As the printing date of this annual report, Taiwan Insurance Institute has not updated the data of 2020 as of the date of publication.

3. Future Market Supply & Demand Situation and Growth:

- (1) According to the statistics of Taiwan Insurance Institute, the number of insurance brokerages dropped over the ten years from 562 to 483 in 2020. Among them, the number of brokerages covering both life and property insurance was only 311. This indicates that under the strict legal compliance regulations, increasing capital, and market condition, small and mid-size brokerages merged and became large-scale insurance brokerages.
- (2) According to the population statistics of the Ministry of the Interior, in 2021, Taiwan's population was about 23.375 million, 186 thousand less than the previous year; the newborn population reached new low in its history, only 154 thousand, with the population showing a negative growth for the second time; Compared with the development of medical technology, the proportion of the elderly population is higher, and the demands for insurance such as retirement, medical care and long-term care will increase in the future. In order to provide the insurance customers with security, the Company will combine the retirement medical product portfolio and provide services in the future, and the demand for insurance will continue to grow.

4. Competitive Niches:

- (1) Regularly disclose financial status to improve the Company's financial transparency.
- (2) The Company owns many insurance products from partnered insurance companies, which provides insurance buyers with professional services as well as one-stop shopping needs. In the meantime, the Company maintains friendly relationship with industry peers to capture the latest market dynamics and information.
- (3) The management team of the Company adheres to the strict management and operation management, which can not only strengthen the service quality of the business team, but also take transparency in financial reporting and information reporting, and cooperate with internal audit and internal control system and law and edict system, which makes the Company stand out in the competitive insurance brokerage industry.
- (4) The increase in unmarried population, change in demographics, and lengthened average life expectancy all caused more aging population year by year. This phenomenon benefits business expansion in healthcare, long-term care and pension schemes.

5. Favorable and unfavorable factors affecting the Company's development prospects and countermeasures:

(1) Favorable Factors

Despite married or unmarried, the entire society is keener on recognizing the issue of retirement because of lengthened average life expectancy, meaning that life after retirement is longer. Moderate reminders on the preparation of expected retirement life easily ring a bell and introduce the concept of retirement insurance schemes to insurance buyers. The Company tailors the golden retirement life for the insured and provides its professional and high-quality "retirement planning", which is the most important action to contribute to the society. Therefore, we cultivate more professional managers and expect to plan exclusive retirement security for more insured.

(2) Unfavorable Factors

1. Taiwan's insurance penetration is the world's first, with a high national insurance coverage rate and a slow growth in the future.
2. Due to the changes in the structure of insurance products and the impact of IFRS 17 international accounting standards and legal compliance, the product portfolio changed, while the sales selection of products was reduced, making it hard for insurance sales.

(3) Coping Strategies

1. Increase the professional quality of tax laws and asset inheritance, provide comprehensive portfolio planning for insurance customers, replace short-term products with long-term retirement protection products, and focus on long-term sales.
2. Increase the market coverage with the overall development of the Greater China market.
3. Collaborate and develop with insurance brokers.

(II) Usage and manufacturing processes of the Company's main products

1. Modern society is full of risks and uncertainty, which often impact on our lives and property. The major function of insurance is to diversify potential risks to everyone through the way of self-help, so that an individual avoids the unaffordable impact when accidents happen. Hence, insurance products provides stability to individuals, families and the society.
2. The Company shall, after signing a contract to sell the products of the insurance company, solicit insurance policies from customers through the solicitors of the company, and deliver the insurance policies and relevant documents to the insurance company. The insurance brokerage sector explains the characteristics and terms of each insurance product according to the interests of the insured, so that the insured can insure the appropriate insurance according to the individual needs, thus ensuring the protection of the individual's future medical treatment and retirement.

(III) Supply Status of Primary Raw Materials: N/A.

(IV) The names of customers who accounted for more than 10% of sales for any given year within the last two years, their purchase amount and proportion, and reasons for changes (increase or decrease) in sales:

1. The name of the supplier which has accounted for more than 10% of the total purchase amount in any of the recent two years and the amount and proportion of the purchase amount, and the reasons for the increase or decrease
The Company is in insurance brokerage sector and has no purchase supplier.

2. Information on the major customers of goods sold in the latest two years:

This Customer of Goods Sold Is an Insurance Company That Provides Insurance Products for Our Brokerage Sales

Units: NT\$ thousand; %

Items	2020				2021				Q1 2022 (not applicable)			
	Name	Amount	Ratio of Net Sales for the Year (%)	Relationships with the issuer	Name	Amount	Ratio of Net Sales for the Year (%)	Relationships with the issuer	Name	Amount	Ratio of Net Sales for the Year (%)	Relationships with the issuer
							Note 2				Note 3	
1	TransGlobe Life Insurance Inc.	234,577	25.65	None	TransGlobe Life Insurance Inc.	210,300	25.88	None				
2	Farglory Life Insurance Inc.	160,065	17.50	None	Farglory Life Insurance Inc.	131,641	16.20	None				
3	-	-	-	None	Chubb Group	84,146	10.36	None				
	Others	519,888	56.85	None	Others	386,483	47.56	None				
	Net Sales	914,530	100.00	None	Net Sales	812,570	100.00	None				

Note 1: List the name of customers who account for more than 10% of the total sales of goods and their amount and proportion of sales of goods in the most recent two years. However, if the name of customers or counterparties who are individuals or non-related parties cannot be revealed due to contractual agreements, their code shall be indicated.

Note 2: Cause of increase/decrease: the popularity of insurance products launched by insurance companies varies from year to year, which will affect the increase or decrease of operating income ratio.

Note 3: As of the date of publication of the Annual Report, if financial information of the Company that are publicly listed or whose shares are traded over the counter has recently been audited or reviewed by CPAs, such information shall be disclosed.

As of the publishing date, there was no financial information audited by CPAs for 2022 Q1.

(V) Production volume and value in recent two years: Not applicable as the Company is an insurance brokerage that only agents insurance products for selling, so there is no volume of manufacture

(VI) Sales volume and value in recent two years:: The service payment received by the Company varies with the service type of individual cases, so it cannot be analyzed by table of sales volume and value.

III. Employee Information

Employee statistics in the past two years up to publication date

March 28, 2022

Unit: Person; age; %

Year		2020	2021	Current Fiscal Year Up To March 28, 2022
Number of Employees	Total staff	41	38	38
	Business unit staff	19	21	20
	Total (Note)	60	59	58
Average age		42	43	43
Average Years of Service		7	9	9
Education distribution ratio (%)	Ph.D.	0	0	0
	Master	8.3	8.5	8.6
	University/College	76.7	76.3	75.9
	Senior High School	15.0	15.2	15.5
	Under Senior High School	0	0	0

Note: Fill information for the current fiscal year as of the publication date of this annual report. The annual report discloses that the number of employees does not include the number of directors of non-concurrent employees.

In 2021, the number of directors of non-concurrent employees is 5.

IV. Information Regarding Environmental Protection Expenditure

In the most recent years as of the publication date of this annual report, the losses incurred due to the environment pollution (including compensation and environmental protection audit results that violated environmental protection laws and regulations, the date of disciplinary action, the disciplinary official letter number, the provision of laws violated, the content of laws violated, and the content of disciplinary action), current and future estimated amounts that may occur, and responding measures. If it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated: None.

V. Labor Management Relations

(I) List the employee benefit measures, further education, training, retirement system and its implementation, as well as the agreements between labor and management and various employee rights protection measures of the company as follows:

1. Employee Welfare and Implementation Status:

The Company formulated the Employee Work Rules in accordance with international regulations and government labor laws, and regards employees as the greatest value of the Company. In addition, an Employee Welfare Committee has been set up in accordance with the Employee Welfare Fund Ordinance. The welfare provided by the Company include:

(1) Employee group insurance.

(2) Birthday gift money, Mid-Autumn festival and Dragon Boat Festival bonus, year-end

- bonus and performance bonus.
- (3) Marriage and fertility gift money, funeral solatium and injury solatium.
- (4) Employee health check.
- (5) Irregular activities including birthday party, festivities and employee trip, etc.
- (6) Menstruation leaves with pay, family care leave, maternity leave, paternity leave, parental leave. Rules of Leave with Pay were enacted.
- (7) Encourage further education by providing subsidy.

2. Further Education and Training:

The Company provides equal training opportunities to its employees regardless of gender. In 2021, the average training hours of each internal staff member was 17.2 hours. Where, the average training hours for male colleagues is 25.8 hours, and the average training hours for female colleagues is 14.25 hours. The courses are described as follows:

- (1) Internal training: At irregular meetings of each unit, the unit head will conduct professional function teaching and special function courses, such as: information security, insurance regulations, and publicity of laws and regulations of the competent authority. At the same time, the Company combines physical and online courses in response to COVID-19.
- (2) External training: A regular annual subsidy of NT\$4,000 per person for education and training, and back-office partners can freely arrange courses for further study according to their job duties and career planning.
- (3) The number of education and training hours of back-office colleagues, according to the number of training hours and gender ratio

Classification	Category	Total hours of training (h)		Average hours of training per person (h)	
		Male	Female	Male	Female
Manager (Associate Manager or above or holding important positions mainly)	Internal training	46	30	6.6	10
	External training	97	2020	13.9	36.3
Non-Manager	Internal training	88	460	11	11.2
	External training	156	28	19.5	0.7

Note: Average training hours per person at each gender level = Total training hours at each gender level/number of employees at each gender level in the current year.

3. Retirement system and implementation status:

- (1) Based on the Labor Standards Act, the Company regularly appropriates labor retirement reserves under a dedicated account at Taiwan Bank, also retains the services of an actuary to assess labor pension reserves and to provide a detailed report for assurance of

sufficient reserves.

- (2) Under the Labor Pension Statutes ordinance, for those who choose the new system, the company may allocate no less than 6% of their monthly labor wages to their labor pension fund account and may also handle retirement-related matters under the Labor Pension Statutes ordinance.
- (3) The company formulates its retirement system in accordance with the "Labor Standard Laws" and "Labor Pension Statutes".

4. Employer/employee agreement and maintenance of various employee rights:

(1) Agreements between labor and management

All regulations of the Company are in accordance with the Labor Standard Laws, which sets rules for staff to follow. Up to now, there has been a harmonious labor management relation.

In order to coordinate labor management relations, promote labor management cooperation and enhance work efficiency, representatives from both sides of the labor and management are invited to hold labor and management meetings on a regular basis, and the minutes and implementation of the meetings are published.

(2) Employee Equity Protection Measures:

The Company complies with the internationally recognized human rights standards such as the International Bill of Human Rights and the International Convention on Human Rights, and complies with the Labor Standards Act, the Law of Gender Equality in Employment Act and the Labor Safety and Health Act, as well as the local regulations of each business location, and respects and treats all employees with equal opportunities. In 2020, the Company did not have any cases of harassment, discrimination or intimidation in the workplace.

The Company established the Labor-Management Committee in accordance with the Labor Standards Act. 2020 marked as the third term of the Committee. The committee members are elected by all employees. The members discuss and resolve issues with the management team in the quarterly meeting. The total number of employees covered by collective bargaining agreements is 100%.

The Company has workplace sexual harassment prevention measures, complaints and disciplinary measures and pays attention to gender equality, in order to protect the equity of the Company's staff.

- (II) List the losses suffered as a result of labor disputes in the most recent year and up to the date of publication of the annual report, and disclose the estimated amounts and countermeasures that may occur now and, in the future, if it cannot be reasonably estimated, it shall state the fact that it cannot be reasonably estimated:

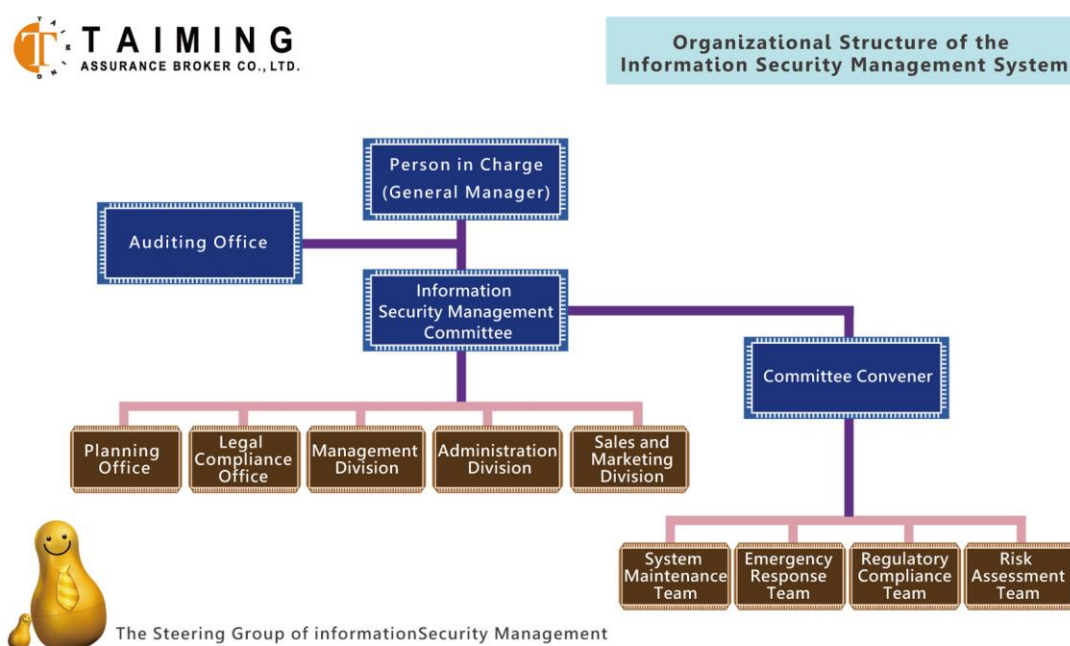
The relationship between management and labor has been harmonious over the years, thus no labor disputes.

VI. Information security management:

- (I) The information security risk management framework, the information security policy, the specific management plan and the resources invested in the information security management, etc.:

1. Information security risk management framework

In order to improve the management of information security, the Company established the "Information Security Management Committee" in December 2016, which is responsible for reviewing the information security governance policies of all operating locations and supervising the operation of information security management. It is hoped to, through the management, planning, supervision or promotion of professional information security units, build a comprehensive information security protection mechanism and enhance the good information security awareness of employees, regularly assess information security risks and report to the Board of Directors. The recent date of reporting to the Board of Directors is October 28, 2021. The organizational structure of the Company's Information Security Management Committee is as follows:



2. Information security policy

In order to put information security management into place, the Company implements information security management, adopts the "Plan-Do-Check-Act" (PDCA) management model, and has established an information security management system (ISMS) that meets the requirements of the "ISO/IEC 27001" international standard. It creates a reliable information system environment and implements and promotes information security management operations. We hope to strengthen information security management through the spirit of continuous innovation to ensure the confidentiality, integrity and availability of customer data and company information assets.

3. Specific management plan for information security management

The Company has established information asset management standards, formulated the principles to be followed for the classification, grading, labeling and processing of information assets, and manages various information asset management and operation methods accordingly. It is used to protect various information assets and avoid damage caused by human negligence, intentional or natural disasters and other risks.

The Company has established an Information Security Management Committee to

coordinate, manage, and supervise all information security businesses of the group. It simulates the social engineering techniques commonly used by hackers from time to time, and conducts "email social engineering drills" for employees. In addition to revealing the patterns of information attacks and promoting the colleagues to be more vigilant, more importantly, this is to make information security awareness an instinct of employees.

In terms of information security management, the Company carries out white hat hacker vulnerability scanning, mobile insurance information security inspection, system improvement, and regular password update to ensure that every customer's personal information delivered to Taiming can be fully covered. During the reporting period, the number of complaints related to violation of customer privacy rights or loss of customer data that have been confirmed is zero.

In addition, the Company provides relevant information security publicity and education and training courses. Through the operation of the Information Security Committee and the implementation of the information security policy, it provides a safe and secure information security environment and protects the information security of the Company's various services. The follow-up goal is to continuously improve the information security system of each operating base, strengthen the information security protection network, and consolidate and strengthen the information security joint defense mechanism. In the future, in addition to the expansion of information security talents, it plans to carry out training and certification work to make the Company's information security completer and more trustworthy in terms of manpower and capabilities.

4. Resources invested in information security management

The Company prepares an appropriate budget every year to upgrade the system, network and monitoring backup equipment, which is guided and inspected by a professional information security consulting company every year, and obtains ISMS ISO27001 certification, PIMS certification import and 2022 certification work.

In the face of known and unknown information security threats, the Company has also purchased information security insurance of NT\$ 10 million since 2019, thereby reducing enterprise's operational risks and taking responsibility for all concerned parties, so as to achieve dual protection of information security.

- (II) List the losses suffered due to major information security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures: None.

VII. Important Contracts

Nature of Contract	The principal	Contract Start/End Date	Main Content	Restrictive Covenants
Broker Contract	Global Life Insurance	November 9, 2002 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Hontai Life Insurance	December 01, 2002 (Automatic Renewal) January 1, 1999 (Automatic Renewal) January 1, 2013 (Automatic Renewal) December 1, 2014 (Automatic Renewal) January 1, 2017 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	China Life Insurance	January 1, 2004 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Farglory Life Insurance	March 1, 2005 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Fubon Life Insurance	May 26, 2005 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Shin Kong Life Insurance	July 25, 2005 (Automatic Renewal) January 1, 2011 (Automatic Renewal) February 1, 2013 (Automatic Renewal) December 15, 2014 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Chubb Group (Note 1)	September 1, 2006 (Automatic Renewal) October 1, 2013 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Taiwan Life Insurance (Note 2)	January 5, 2012 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Bank Taiwan Life Insurance	April 2, 2008 (Automatic Renewal) October 22, 2008 (Automatic Renewal) December 25, 2012 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	AIA Life Insurance	May 17, 2011 (Automatic Renewal) March 1, 2014 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Cigna Life Insurance	March 11, 2013 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Allianz Life Insurance	February 1, 2007 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Yuanta Life Insurance	January 1, 2016 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Cathay Life Insurance	August 1, 2016 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Prudential Life Insurance	April 13, 2018 (Automatic Renewal) January 1, 2021 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Want Want Union Insurance Company (Note 3)	December 15, 2004 (Automatic Renewal) July 1, 2011 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Tokio Marine Nawa Insurance	April 1, 2008 (Automatic Renewal) March 4, 2016 (Automatic Renewal) November 6, 2019 (Automatic Renewal) July 10, 2020 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Fubon Property Insurance	January 1, 2007 (Automatic Renewal) March 16, 2012 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Cathay Century Insurance Co., Ltd.	September 30, 2010 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Taiwan property insurance	03/07/2011-03/07/2014 February 17, 2014 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Chubb Property Insurance	March 1, 2007 (Automatic Renewal) September 1, 2009 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Taian Insurance	December 9, 2008 (Automatic Renewal)	Solicitation of Property Insurance	-

Nature of Contract	The principal	Contract Start/End Date	Main Content	Restrictive Covenants
			Insurance	
Broker Contract	CTBC Insurance (Note 4)	April 2, 2010 (Automatic Renewal) December 10, 2010 (Automatic Renewal) December 6, 2017 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Chung Kuo Insurance	September 29, 2010 (Automatic Renewal) August 11, 2011 (Automatic Renewal) January 27, 2014 (Automatic Renewal) April 6, 2016 (Automatic Renewal) November 9, 2020 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Nan Shan General Insurance (Note 5)	October 9, 2003 (Automatic Renewal) March 1, 2011 (Automatic Renewal) January 1, 2012 (Automatic Renewal) October 20, 2017 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	South China Insurance	December 14, 2009 (Automatic Renewal) December 14, 2012 (Automatic Renewal) December 14, 2015 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	MSIG Mingtai Insurance	January 25, 2011 (Automatic Renewal) October 1, 2020 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	The First Insurance	April 20, 2012 (Automatic Renewal) February 25, 2014 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Shinkong Insurance	November 25, 2009 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Nan Shan Life Insurance	August 04, 2008 (Group Insurance - Automatic) June 30, 2010 (Group Insurance - Automatic)	Solicitation of Group Insurance	-
Broker Contract	BNP Paribas Cardif	June 25, 2014 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Ho Tai Property Insurance (Note 6)	August 1, 2014 (Automatic Renewal) August 1, 2016 (Automatic Renewal) Nov. 15th, 2019 (Automatic Renewal) November 9, 2020 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	AIG Asia Pacific Insurance	September 1, 2016 (Automatic Renewal)	Solicitation of Property Insurance	-
Share Conversion Contract	Link-aim Life Insurance Broker Co., Ltd.	Signing Date December 27, 2018	The parties shall agree on the matters of share conversion.	-

Note 1: Formerly Zhong Tai Life Insurance, it was officially renamed Chubb Group on September 6, 2016.

Note 2: Formerly Chinatrust Life Insurance, it was officially renamed Taiwan Life Insurance on September 6, 2016.

Note 3: The original Union Insurance Company, on July 1, 2011 renamed as Want Want Union Insurance Company and signed a memorandum.

Note 4: Formerly TLG Insurance. It was renamed CTBC Insurance on January 1, 2021.

Note 5: The memorandum was signed on September 1, 2008 by the former Central Property Insurance, which was renamed AIA Life Insurance. On March 1, 2011, it was renamed as Mei Ya Property Insurance, and on September 1, 2016, it was renamed as Nan Shan General Insurance.

Note 6: Formerly Zurich Property Insurance, it was renamed as Ho Tai Property Insurance on March 1, 2017.

Chapter 6. Overview of Financial Status

I. Condensed Balance Sheet and Composite Income Sheet for the Last Five Years

(I) Financial Information Adopting International Financial Reporting Standards:

Consolidated Condensed Balance Sheet:

Units: NT\$ thousand

Year		Financial information in the most recent five fiscal years (Note 1)				
		2017	2018	2019	2020	2021
Items						
Current assets		361,713	406,367	425,848	424,677	404,434
Financial Assets Measured at Cost		104,000	-	-	-	-
Immovable Property and Equipment		48,601	47,458	52,492	51,638	49,449
Net Amount of Real Estate Investment		68,672	68,308	67,944	67,580	67,216
Intangible Assets		-	-	-	-	-
Other Assets		13,011	125,584	263,229	256,790	254,380
Total Assets		595,997	647,717	809,513	800,685	775,479
Current Liabilities	Before Distribution	111,097	154,785	201,018	193,085	160,090
	After Distribution	186,898	223,602	276,091	273,163	(Note 2)
Non-current Liabilities		20,964	40,971	72,246	55,071	46,373
Total Liabilities	Before Distribution	132,061	195,756	273,264	248,156	206,463
	After Distribution	207,862	264,573	348,337	328,234	(Note 2)
Equity Attributable to Owners of Parent Company		463,936	446,388	536,249	552,529	569,016
Share Capital		236,880	236,880	250,243	250,243	250,243
Capital Reserve		51,892	51,892	92,500	92,500	92,500
Reserved Surplus	Before Distribution	176,652	189,537	203,600	215,279	209,915
	After Distribution	100,851	120,720	128,527	135,201	(Note 2)
Other Equity		(1,488)	(31,921)	(10,094)	(5,493)	16,358
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	5,573	-	-	-
Equity		463,936	451,961	536,249	552,529	569,016
Total		388,135	383,144	461,176	472,451	(Note 2)

Note 1: The financial information of the last five years has been audited and certified by CPAs.

Note 2: The distribution of 2021 earnings was approved by the 18th meeting of the 7th term of Board of Directors on March 7, 2022 and was proposed to the 2022 general shareholders' meeting for resolution.

2. Parent Company Only Condensed Balance Sheet:

Units: NT\$ thousand

Year Items		Financial information in the most recent five fiscal years (Note 1)				
		2017	2018	2019	2020	2021
Current Assets		361,379	399,285	351,241	349,191	336,488
Financial Assets Measured at Cost		104,000	-	-	-	-
Investments accounted for using the equity method		5,358	5,776	120,499	119,715	119,045
Immovable Property and Equipment		48,601	46,955	44,783	47,062	46,567
Net Amount of Real Estate Investment		68,672	68,308	67,944	67,580	67,216
Intangible Assets		-	-	-	-	-
Other Assets		7,983	120,338	170,860	167,217	169,749
Total Assets		595,993	640,662	755,327	750,765	739,065
Current Liabilities	Before Distribution	111,093	153,303	155,717	150,128	128,742
	After Distribution	186,894	222,120	230,790	230,206	(Note 2)
Non-Current Liabilities		20,964	40,971	63,361	48,108	41,307
Total Liabilities	Before Distribution	132,057	194,274	219,078	198,236	170,049
	After Distribution	207,858	263,091	294,151	278,314	(Note 2)
Equity Attributable to Owners of Parent Company		463,936	446,388	536,249	552,529	569,016
Capital		236,880	236,880	250,243	250,243	250,243
Capital Reserve		51,892	51,892	92,500	92,500	92,500
Reserved Surplus	Before Distribution	176,652	189,537	203,600	215,279	209,915
	After Distribution	100,851	120,720	128,527	135,201	(Note 2)
Other Equity		(1,488)	(31,921)	(10,094)	(5,493)	16,358
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	463,936	446,388	536,249	552,529	569,016
	After Distribution	388,135	377,571	461,176	472,451	(Note 2)

Note 1: The financial information of the last five years has been audited and certified by CPAs.

Note 2: The 2021 earnings allocation was approved on the 18th meeting of the 7th term of the Board of Directors on March 7, 2022, and is subject to resolution at the shareholders' meeting in 2022.

3. Consolidated Concise Composite Comprehensive Income:

Units: NT\$ thousand

Year Items	Financial Information for the Most Recent 5 Years (Note 1)				
	2017	2018	2019	2020	2021
Operating Income	655,617	720,606	863,520	914,530	812,570
Gross Operating Profit	164,010	178,758	189,142	198,661	176,402
Operating Gains (Losses)	80,826	75,987	85,471	103,135	85,156
Non-operating income and expenses	23,996	8,051	2,626	5,840	7,437
Net profit before tax	104,822	84,038	88,097	108,975	92,593
Net income from continuing operations in the current period	89,701	64,870	67,512	86,844	74,676
Loss of closed unit	-	-	-	-	-
Net profit (loss) for the period	89,701	64,870	67,512	86,844	74,676
Other Comprehensive Income (Loss), After Tax	(1,691)	(31,138)	21,884	4,509	21,889
Total Comprehensive Income in the Current Period	88,010	33,732	89,396	91,353	96,565
Net profit attributable to: Owners of the parent company	89,701	75,806	74,501	86,844	74,676
Net Income Attributable to Non-Controlling Interests	-	(10,936)	(6,989)	-	-
Consolidated gains (losses) attributable to: Owners of the parent company	88,010	45,131	96,279	91,353	96,565
Consolidated gains (losses) attributable to: Non-controlling interests	-	(11,399)	(6,883)	-	-
Earnings Per Share (NT\$)	3.79	3.2	3.04	3.47	2.98

Note 1: The financial information of the last five years has been audited and certified by CPAs.

4. Parent Company Only Concise Composite Comprehensive Income:

Units: NT\$ thousand

Year Items	Financial Information for the Most Recent 5 Years (Note 1)				
	2017	2018	2019	2020	2021
Operating Income	655,559	714,467	726,599	718,716	595,382
Gross Operating Profit	163,972	177,290	168,220	158,986	143,226
Operating Gains (Losses)	80,818	90,605	82,235	74,579	62,809
Non-operating income and expenses	24,004	4,369	10,393	28,774	25,365
Net profit before tax	104,822	94,974	92,628	103,353	88,174
Net income from continuing operations in the current period	89,701	75,806	74,501	86,844	74,676
Loss of closed unit	-	-	-	-	-
Net profit (loss) for the period	89,701	75,806	74,501	86,844	74,676
Other Comprehensive Income (Loss), After Tax	(1,691)	(30,675)	21,778	4,509	21,889
Total Comprehensive Income in the Current Period	88,010	45,131	96,279	91,353	96,565
Net Income Attributable to Owners of Parent Company	89,701	75,806	74,501	86,844	74,676
Net Income Attributable to Non-Controlling Interests	-	-	-	-	-
Consolidated gains (losses) attributable to: Owners of the parent company	88,010	45,131	96,279	91,353	96,565
Consolidated gains (losses) attributable to: Non-controlling interests	-	-	-	-	-
Earnings Per Share (NT\$)	3.79	3.2	3.04	3.47	2.98

Note 1: The financial information of the last five years has been audited and certified by CPAs.

Name and Audit Opinion of The CPA For the Past Five Years:

1. Names of Certified Public Accountants over the past five fiscal years and audit opinions

Audit Year	Auditing CPA Firm	Auditing CPA	Audit Opinion
2017	Deloitte & Touche	Wang-Sheng Lin, Cheng-Hsiu Yang	Unqualified Opinion
2018	Deloitte & Touche	Wang-Sheng Lin, Cheng-Hsiu Yang	Unqualified opinion
2019	Deloitte & Touche	Wang-Sheng Lin, Wun-Ya Syu	Unqualified opinion
2020	Deloitte & Touche	Wang-Sheng Lin, Wun-Ya Syu	Unqualified opinion
2021	Deloitte & Touche	Wang-Sheng Lin, Wun-Ya Syu	Unqualified opinion

2. In case of any change of accountant in the last five years, the company, the former and succeeding accountants and the reasons for the change shall be listed:

In accordance with the internal position adjustment of Deloitte & Touche, the Company's CPAs will be replaced by Wang-Sheng Lin and Wun-Ya Syu from the first quarter of 2019.

II. Financial Analysis for the Most Recent 5 Years

(I) Adopting International Financial Reporting Standards:

1. Consolidated financial analysis:

<div>Year</div> <div>Analysis Item</div>		Financial information in the most recent five years				
		2017	2018	2019	2020	2021
Financial Structure (%)	Ratio of Liabilities to Assets	22.16	30.22	33.76	30.99	26.62
	Ratio of long-term capital to immovable property, plant and equipment	997.72	1,026.93	1159.21	1,176.65	1,244.49
Solvency (%)	Current Ratio (%)	325.58	262.54	211.85	219.94	252.63
	Quick Ratio (%)	324.55	261.27	210.97	218.74	250.62
	Interest Coverage Ratio	-	-	-	-	-
Operating Performance	Receivables Turnover Rate (Times)	6.60	7.62	7.32	7.24	7.86
	Average Collection Days	55	48	50	50	46
	Inventory Turnover (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Payables Turnover Rate (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average Days for Sale	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Real Estate and Equipment Turnover Rate (Times)	13.73	15.16	17.28	17.57	16.09
	Total Asset Turnover Rate (Times)	1.09	1.16	1.19	1.14	1.03
Profitability Capacity	Rate of Return on Assets (%)	14.89	10.43	9.27	10.79	9.48
	Rate of Return on Equity (%)	19.59	14.17	13.66	15.95	13.32
	Ratio of Net Profit Before Tax to Paid-Up Capital (%)	44.25	35.48	35.20	43.55	37.00
	Net Profit Margin (%)	13.68	9	7.82	9.5	9.19
	Earnings Per Share (NT\$)	3.79	3.20	3.04	3.47	2.98
Cash Flow	Cash Flow Ratio (%)	85.00	46.82	32.05	60.49	70.64
	Cash Flow Adequacy Ratio (%)	155.31	122.21	117.40	112.11	117.23
	Cash Flow Reinvestment Ratio (%)	5.44	(0.94)	(1.36)	11.97	9.03
Degree of Leverage	Degree of Operating Leverage	1.95	2.18	2.06	1.85	2.04
	Degree of Financial Leverage	1.00	1.00	1.00	1.00	1.00

Reasons for changes in various financial ratios in the most recent two fiscal years:
Cash reinvestment ratio: due to the increase in net cash flow from operating activities.

Note 1: Financial information for each year has been audited by CPAs.

Note 2: At the end of this table of the annual report, the following calculation formula should be listed:

1. Financial Structure

(1) Liabilities to Assets Ratio = Total Liabilities / Total Assets.

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Current Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Current Asset / Current Liability.

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities

(3) Interest Coverage Ratio = Net Profit before Tax and Interest/Interest Expenses.

3. Operating ability

(1) Turnover rate of receivables (including accounts receivable and notes receivable arising from the operation) = Net sales / Average balance of receivables (including accounts receivable and notes receivable arising from the operation) for each period.

(2) Average Collection Days = 365/Receivables Turnover Rate.

(3) Inventory Turnover Rate = Cost of Sales/Average Inventory.

(4) Payable (including accounts payable and business-related notes payable) turnover ratio = net sales revenue/average balance of payable of the period (including accounts payable and business-related notes payable).

(5) Average Days for Sale = 365/Inventory Turnover Rate.

(6) Property, plant, and equipment turnover rate = Net sales/Average net property, plant, and equipment.

(7) Total Asset Turnover Rate = Net Sales/Average Total Assets.

4. Profitability

(1) Return on assets = [Net income + Interest expenses × (1-Tax rate)] / Average total assets.

(2) Return on equity = net income after tax/average equity

(3) Net profit ratio = After-tax profit or loss / Net sales.

(4) Earnings per share = (net gain or loss attributable to owners of the parent company - preferred stock dividend) / weighted average number of shares outstanding.

5. Cash flow

(1) Cash flow ratio = net operating cash flow/current liabilities.

(2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years/ (capital expenditures + inventory increase + cash dividend) for the most recent five years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities – cash dividend)/ (gross fixed assets value + long-term investment + other assets + working capital).

6. Leverage:

(1) Operating leverage = (Net operating income - Variable operating costs and expenses) / Operating profit

(2) Financial leverage = Operating interest / (Operating interest - Interest expense).

Note 4: Special attention shall be paid to the following matters when using the calculation formula to earning per share above:

1. Based on the weighted average number of shares of common stock, rather than the number of issued shares at the end of the year.

2. If the company conducted cash capital increase or transaction of treasury stock, the circulation period should be considered and the weighted average number of shares calculated.

3. If the Company conducted capital increase by retained earnings or capital surplus, it shall retrospectively adjust the earnings per share for the past fiscal year and the semi-annual earnings ratio, without considering the issuance period of the capital increase.

4. If the special shares are non-convertible cumulative special shares, the dividend of current year (whether paid or not) shall be deducted from the net profit after tax or increase the net loss after tax. If the preferred stocks are

non-cumulative in nature, the dividend of the preferred stocks shall be deducted from the net after-tax profit if there is net after-tax profit; If it is a loss, it needs not be adjusted.

Note 5: Special attention should be paid to the following matters when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flows.
2. Capital expenditure is the annual cash outflow of capital investment.
3. The increase in inventory is included only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it is counted as zero.
4. Cash dividends include cash dividends from common stock and preferred stocks.
5. The gross property, plant, and equipment refer to the total value of property, plant, and equipment minus accumulated depreciation.

Note 6: The issuer shall classify the operating costs and operating expenses as fixed or variable in accordance with their nature. If it involves estimation or subjective judgment, attention should be paid to its reasonableness and consistency.

Note 7: If the Company's shares have no par value or a par value other than NT\$10, any calculation that involves the paid-in capital ratio shall be replaced with the equity ratio attributable to the owner of the parent company, as shown in the balance sheet.

2. Parent Company Only financial analysis:

<div> <div>Year</div> <div>Analysis Item</div> </div>		Financial information in the most recent five years				
		2017	2018	2019	2020	2021
Financial Structure (%)	Ratio of Liabilities to Assets	22.16	30.22	33.76	30.99	23.01
	Ratio of long-term capital to immovable property, plant and equipment	997.72	1,026.93	1159.21	1,176.65	1,310.63
Solvency (%)	Current Ratio (%)	325.58	262.54	211.85	219.94	261.37
	Quick Ratio (%)	324.55	261.27	210.97	218.74	259.25
	Interest Coverage Ratio	-	-	-	-	-
Operating Performance	Receivables Turnover Rate (Times)	6.60	7.62	7.32	7.24	7.60
	Average Collection Days	55	48	50	50	48
	Inventory Turnover (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Payables Turnover Rate (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average Days for Sale	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Real Estate and Equipment Turnover Rate (Times)	13.73	15.16	17.28	17.57	12.72
	Total Asset Turnover Rate (Times)	1.09	1.16	1.19	1.14	0.80
Profitability Capacity	Rate of Return on Assets (%)	14.89	10.43	9.27	10.79	10.02
	Rate of Return on Equity (%)	19.59	14.17	13.66	15.95	13.32
	Ratio of Net Profit Before Tax to Paid-Up Capital (%)	44.25	35.48	35.20	43.55	35.24
	Net Profit Margin (%)	13.68	9	7.82	9.5	12.54
	Earnings Per Share (NT\$)	3.79	3.20	3.04	3.47	2.98
Cash Flow	Cash Flow Ratio (%)	85.00	46.82	32.05	60.49	65.42
	Cash Flow Adequacy Ratio (%)	155.31	122.21	117.40	112.11	104.80
	Cash Flow Reinvestment Ratio (%)	5.44	(0.94)	(1.36)	11.97	1.34
Degree of Leverage	Degree of Operating Leverage	1.95	2.18	2.06	1.85	2.24
	Degree of Financial Leverage	1.00	1.00	1.00	1.00	1.00

Reasons for changes in various financial ratios in the most recent two fiscal years:

Cash flow ratio: due to the increase in net cash flow from operating activities.

Note 1: Financial information for each year has been audited by CPAs.

Note 2: At the end of this table of the annual report, the following calculation formula should be listed:

1. Financial Structure

(1) Liabilities to Assets Ratio = Total Liabilities / Total Assets.

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Current Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Current Asset / Current Liability.

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities

(3) Interest Coverage Ratio = Net Profit before Tax and Interest/Interest Expenses.

3. Operating ability

(1) Turnover rate of receivables (including accounts receivable and notes receivable arising from the operation) = Net sales / Average balance of receivables (including accounts receivable and notes receivable arising from the operation) for each period.

(2) Average Collection Days = 365/Receivables Turnover Rate.

(3) Inventory Turnover Rate = Cost of Sales/Average Inventory.

(4) Payable (including accounts payable and business-related notes payable) turnover ratio = net sales revenue/average balance of payable of the period (including accounts payable and business-related notes payable).

(5) Average Days for Sale = 365/Inventory Turnover Rate.

(6) Property, plant, and equipment turnover rate = Net sales/Average net property, plant, and equipment.

(7) Total Asset Turnover Rate = Net Sales/Average Total Assets.

4. Profitability

(1) Return on assets = [Net income + Interest expenses × (1-Tax rate)] / Average total assets.

(2) Return on equity = net income after tax/average equity

(3) Net profit ratio = After-tax profit or loss / Net sales.

(4) Earnings per share = (net gain or loss attributable to owners of the parent company - preferred stock dividend) / weighted average number of shares outstanding.

5. Cash flow

(1) Cash flow ratio = net operating cash flow/current liabilities.

(2) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years/ (capital expenditures + inventory increase + cash dividend) for the most recent five years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities – cash dividend)/ (gross fixed assets value + long-term investment + other assets + working capital).

6. Leverage:

(1) Operating leverage = (Net operating income - Variable operating costs and expenses) / Operating profit

(2) Financial leverage = Operating interest / (Operating interest - Interest expense).

Note 4: Special attention shall be paid to the following matters when using the calculation formula to earning per share above:

1. Based on the weighted average number of shares of common stock, rather than the number of issued shares at the end of the year.

2. If the company conducted cash capital increase or transaction of treasury stock, the circulation period should be considered and the weighted average number of shares calculated.

3. If the Company conducted capital increase by retained earnings or capital surplus, it shall retrospectively adjust the earnings per share for the past fiscal year and the semi-annual earnings ratio, without considering the issuance period of the capital increase.

4. If the special shares are non-convertible cumulative special shares, the dividend of current year (whether paid or not) shall be deducted from the net profit after tax or increase the net loss after tax. If the preferred stocks are non-cumulative in nature, the dividend of the preferred stocks shall be deducted from the net after-tax profit if there is net after-tax profit; If it is a loss, it needs not be adjusted.

Note 5: Special attention should be paid to the following matters when measuring cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flows.

2. Capital expenditure is the annual cash outflow of capital investment.

3. The increase in inventory is included only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it is counted as zero.

4. Cash dividends include cash dividends from common stock and preferred stocks.

5. The gross property, plant, and equipment refer to the total value of property, plant, and equipment minus accumulated depreciation.

Note 6: The issuer shall classify the operating costs and operating expenses as fixed or variable in accordance with their nature. If it involves estimation or subjective judgment, attention should be paid to its reasonableness and consistency.

Note 7: If the Company's shares have no par value or a par value other than NT\$10, any calculation that involves the paid-in capital ratio shall be replaced with the equity ratio attributable to the owner of the parent company, as shown in the balance sheet.

III. Audit Committee's Review Report of the Most Recent Annual Financial Report

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, and Distribution of Profits to the Audit Committee, among which the Financial Statements have been audited by Wang-Sheng Lin and Wen-Ya Hsu, CPAs of Deloitte & Touche, who issued an audit report accordingly.

The Business Report, Financial Statements, and Distribution of Profits have been reviewed and determined to be correct and accurate by the Audit Committee of TABC. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report on behalf of all members of the committee to the 2021 Annual General Shareholders' Meeting for ratifications.

Sincerely,

2022 Annual General Shareholders' Meeting of TABC

Convener of the Audit Committee: Chien-Hsiang Chang

March 7, 2022

IV. Financial Statements in the Most Recent Fiscal Year

2021 Consolidated Financial Statements

Refer to the attachment.

V. 2021 Parent Company Only Financial Statements

Refer to the attachment.

VI. The impact on the financial position of the Company in the event of financial turnover difficulties in the most recent year and up to the date of publication of the annual report of the company and its related companies
None.

Chapter 7. Review and Analysis of Financial Position and Financial Performance and Risk Items

I. Financial Position

Consolidated Balance Sheet with the Comparison of the Most Recent Two Years

Unit: NT\$ thousand; %

Items \ Year	2021	2020	Difference	
			Amount	%
Current assets	404,434	424,677	(20,243)	-5%
Non-current Assets	371,045	376,008	(4,963)	-1%
Total Assets	775,479	800,685	(25,206)	-3%
Current Liabilities	160,090	193,085	(32,995)	-17%
Non-Current Liabilities	46,373	55,071	(8,698)	-16%
Total Liabilities	206,463	248,156	(41,693)	-17%
Equity Attributable to Owners of Parent Company	569,016	552,529	16,487	3%
Retained earnings	209,915	215,279	(5,364)	-2%
Other equity interests	16,358	(5,493)	21,851	-398%
Total Equity	569,016	552,529	16,487	3%

Major reasons for changes in assets, liabilities, and shareholders' equity, as well as related effects in the most recent two fiscal years. If such effects are significant, response measures should be elaborated:

(I) Analysis on reasons for change of increase or decrease ratio (none if change of increase or decrease ratio does not reach 20%)

Other equity changes: mainly due to the valuation profits of financial assets measured at fair value through other comprehensive gains and losses.

(II) Impact:

The changes in the financial position of the Company in the past two years are caused by normal operating activities and have no material impact.

(III) Future Contingency Plan:

None.

II. Financial Performance

Consolidated Comprehensive Income with the Comparison of the Recent Two Years

Unit: NT\$ thousand; %

<div> <div>Year</div> <div>Items</div> </div>	2021	2020	Difference	
			Amount	%
Operating revenue	812,570	914,530	(101,960)	-11%
Operating costs	636,168	715,869	(79,701)	-11%
Gross profit	176,402	198,661	(22,259)	-11%
Operating expenses	91,246	95,526	(4,280)	-4%
Net operating profit	85,156	103,135	(17,979)	-17%
Non-operating income and expenses	7,437	5,840	1,597	27%
Net profit before tax	92,593	108,975	(16,382)	-15%
Income tax expense	17,917	22,131	(4,214)	-19%
Net profit for the period	74,676	86,844	(12,168)	-14%
Net Income Attributable to Owners of the Company	74,676	86,844	(12,168)	-14%
<p>Material changes over the most recent 2 fiscal years in operating revenue, operating income, and income before tax; forecast the company's expected sales volume and provide the basis for the forecast; and describe the possible impact of such changes upon the company's financial and business affairs, and how the company plans to respond:</p> <p>(I) Analysis on reasons for change of increase or decrease ratio (none if change of increase or decrease ratio does not reach 20%) Non-operating income and expense: Due to the increase in financial asset evaluation benefits.</p> <p>(II) Anticipated sales volume in the next year and its basis In the future, the Company will continue to expand recruitment and increase retirement insurance policies to protect customers and increase the amount of insurance, and it is expected that the revenue will continue to grow steadily in the future.</p> <p>(III) Impact The Company's financial performance in recent two years is good, without significant impact.</p> <p>(IV) Future contingency plan: None.</p>				

III. Cash flow

Analysis of changes in cash flow and improvement plans for liquidity shortage in the most recent fiscal year, and cash liquidity analysis in the coming fiscal year

(I) Analysis of current year's cash flow changes

Cash Flow Analysis

Unit: NT\$ thousand

Cash and Cash Equivalents at Beginning of Year (A)	Net Cash Flow from Operating Activities Throughout the Year (B)	Net Cash Inflow (Outflow) From Investment and Financing Activities Throughout the Year (C)	Cash Surplus (Inadequacy) Amount (A+B+C)	Remedial measures for expected cash inadequacy	
				Investment Plan	Financing Plan
94,490	113,088	(122,224)	85,354	None	None

Analysis description is as follows:

1. Operating activities: The net cash inflow from operating activities in this year is NT\$ 113,088 thousand, which is caused by the increase in net profit before tax in this year.
2. Investing activities: The net cash outflow from investing activities in this year is NT\$ 20,234 thousand, which is mainly due to the capital increase through cash for Jiangsu Taiming Assurance Broker Co., Ltd. and workplace renovation and rent.
3. Financing activities: The net cash outflow for financing activities in this year is NT\$ 101,990 thousand, which is due to the cash dividend distribution and rent liability payment.

(II) Improvement plan of cash inadequacy: Not applicable.

(III) Analysis of cash liquidity in the next year:

Cash and Cash Equivalents at Beginning of Year (A)	Net Cash Flow from Operating Activities Throughout the Year (B)	Net Cash Inflow (Outflow) From Investment and Financing Activities Throughout the Year (C)	Cash Surplus (Inadequacy) Amount (A+B+C)	Remedial measures for expected cash inadequacy	
				Investment Plan	Financing Plan
85,354	147,000	(97,230)	135,124	None	None

Analysis description is as follows:

1. Operating activities: It is estimated that operating income will grow steadily, so that operating activities can still generate net cash inflows.
2. Investing activities: Net cash outflows from investing activities are due to increase in equity method investments and workplace decoration of units.
3. Financing activities: Financing activities are mainly due to the estimated payment of cash dividends and the repayment of the principal of lease liabilities (payment of rent).

Improvement plan for estimated cash shortfall: It is estimated that the net cash inflow from operating activities is sufficient to cover the net cash outflow, so there is no improvement plan.

IV. Significant Capital Expenditure and its Impact on the Company's Financial Operations in the Most Recent Fiscal Year

(I) Utilization of major material expenditures, sources of capital and nature of capital expenditures to be invested in the next five years: None.

(II) Anticipated possible benefits: N/A.

V. Reinvestment Policy for The Most Recent Fiscal Year, The Main Reasons for The Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, And Investment Plans for The Coming Year

1. The Company adopts a stable management policy for the reinvestment business policy, and operates independently; the Company adopts the "Investment Cycle", "Administration Procedures for Supervision and Management of Subsidiaries" and the "Procedures for Acquisition or Disposal of Assets" of the internal control system as the standards for the operation and management of the reinvestment business. Each sub-investment enterprise shall report its financial data to the Company regularly according to the regulations, so that the Company can know its financial business status in a timely manner.
2. In 2021, the investment gains or losses recognized using equity method was approximately NT\$ 13,871 thousand, and the investment profit was stable.
3. In the future, the Company will invest in the reinvested companies by participating in capitalization in cash or by having the reinvested companies to raise funds by themselves according to the needs of its operation expansion.

VI. Risk Matters Shall Be Analyzed and Evaluated for the Following Matters in the Most Recent Year and Up to the Date of Publication of the Annual Report

(I) Impacts of interest rate, fluctuation in exchange and inflation on corporate gains and losses and future countermeasures:

1. Impact on Interest Rate Changes

The Company's interest income mainly comes from financial bond incomes and current bank deposits, accounting for a low proportion of annual gains/losses; currently there is no bank borrowing, and the interest expense arising from lease liabilities, etc. is only NT\$413 thousand, accounting for only 0.74% of the Company's net profit, and it is expected that future changes in interest rates will have limited impact on the Company's overall operations and gains/losses.

2. Impact on Exchange Rate Changes

The sales of the Company are mainly based on the domestic market, and most of the offered prices are quoted in NT\$. Therefore, the trend of international foreign currency has limited impact on the gain or loss of the Company; Although exchange rate changes will affect the market's sales trend of Taiwan dollar or foreign currency policies, the Company's agency products cover both Taiwan dollar and foreign currency products, and can provide policyholders with suitable products depending on exchange rate changes, so there is no significant impact.

3. Impact on Inflation

The Company has long-term cooperative manufacturers for all main procurement items, so the inflation situation does not cause a significant influence on the Company's gain or loss, but the Company will still observe the price level changes at any time, timely adjust the asset allocation to reduce the impact of inflation.

The Company will adopt the prudent and conservative risk management principles to timely assess and respond to the changes in interest rate and exchange rate and the situation of inflation in the future.

- (II) Policies for engaging in high-risk, highly leveraged investments, funds and loans, endorsements and derivatives trading, main reasons for profit or loss and future countermeasures:

The Company focuses on the operation of its own business and is not engaged in high-risk, highly leveraged investments. If the Company or its subsidiaries need to make capital loans to others or endorse and carry out derivative transactions due to business needs, the policies and corresponding measures set out in the Company's "Operation Management Method of Capital Loan for Others", "Regulations Governing the Endorsement", and "Operating Procedure for Acquisition and Disposal of Assets" will be carried out.

- (III) Future R&D plans and R&D expenditure expected to be invested:

1. In response to the development of financial technology, the Company expects that the proportion from profits will be invested in the mobile insurance application system, digital learning system, electronic policy linkage system and marketing integrated auxiliary sales system in the future.
2. Increase off-site backup equipment room equipment and uninterruptible power supply system to ensure that the Company's operations are not interrupted.
3. Information security data access audit mechanism to avoid customer losses caused by the leakage of sensitive personal information.

- (IV) The impact of important domestic and foreign policies and laws on the Company's financial business and countermeasures:

1. The competent authority has been tightening up the regulations on consumer protection, information security, money-laundering prevention, combating the financing of terrorism and fair hospitality. The authority has been requesting the businesses to establish stringent monitoring systems, which has also brought certain level of pressure to the businesses. In response, the Company has set up internal control and audit and legal compliance systems to stay updated to the latest laws and regulations. We have also launched education and training programs on compliance and implemented annual compliance audit as part of our preventive and monitoring practices.
2. The Company complies with national policies and decrees, and relevant units can pay attention to the changes of important policies and laws at any time, and cooperates and adjusts the internal system and business activities of the Company to ensure the smooth

operation of the Company, and takes appropriate strategies to reduce the impact of changes of important policies and laws at home and abroad on the Company's financial business.

3. In 2020 and as of the date of publication of this Annual Report, the Company's finance and business have not been subject to material influences from changes in important domestic or international policies or relevant laws.

(V) The impact of important domestic and foreign policies and laws on the Company's financial business and countermeasures:

The Company adjusts its business strategy at any time in response to changes in the technology environment, so as to maintain the competitiveness of the Company and reduce the impact on its financial and business.

(VI) Effects of changes of corporate image on the Company's crisis management and countermeasures:

The Company focuses on the development of its own business, and has long been concerned about social responsibility, adheres to the concept of sustainable development, and actively participates in various public welfare activities. So far, there has been no incident that could affect the corporate image or violate laws and regulations.

(VII) Expected benefits from business combination, possible risks and countermeasures: None.

(VIII) Expected benefits and potential risks associated with Capacity Expansion and the Response Measures: Not applicable.

(IX) Risks and countermeasures encountered in the purchase or sales of goods:

The Company is in insurance brokerage sector. The income of insurance business comes from the insurance company. There is no specific main target of sales, so there is no risk of concentration of sales. On the other hand, based on the characteristics of the sector, the company has no purchase situation.

(X) Directors, supervisors, or major shareholders holding more than 10% of the company's shares, in terms of the impact, risks and countermeasures of the transfer or change of ownership on the company: None.

(XI) Impact of the change of management right on the company, possible risks and countermeasures: None.

(XII) Any material litigation, non-litigation, or administrative litigation, or any material litigation, non-litigation, or administrative litigation that may be a material impact on the Company's and the Company's Directors, supervisors, General Managers, persons in charge, and major litigation, non-litigious, or administrative disputes that have a significant impact on the Company's and the Company's Directors, the amount of the underlying assets, and the handling of the relevant activities as of the publication date of

this annual report: None.

(XIII) Information security risk assessment:

The Company has introduced the information security management system, and adopted the ISO/IEC 27001: Information Security Management System (ISMS) issued by BSI British Standards Institute, which is an international verification institution, and the third-party verification certificate to demonstrate that the information security protection mechanism has been in line with the international standards and specifically demonstrate the performance and determination to embrace the era of insurance technology and improve information security.

The Company will build a joint defense system for financial fund security to improve the protection energy of financial system for fund security. We will follow the cycle of Plan-Do-Check-Act (PDCA) cycle process management mode, continuously monitors and reviews management performance to ensure the confidentiality, integrity and availability of information with institutionalized, documented and systematic management mechanism. In addition, we will strengthen the management of the system and network, establish the system development, design, security control mechanism, implement the standard operation procedures and other more than 300 security projects, and we will advocate and educate and train the staff through information security platform, so that the staff can understand and be familiar with the information security management system. Meanwhile, we will continue to strengthen all personnel, processes and management methods, and establish a solid capital security internal control system to provide customers with more safe and efficient services.

(XVI) Other Material risks and response measures:

In 2021, due to the spread of COVID-19, the global economic development was faced with a huge impact. The sudden decrease in operating income, the scheduling of capital flows, and personal health and safety have all caused shocks and pressures to enterprises and individuals. This unanticipated risk shows the importance of risk control and insurance protection. With the successful development of vaccines and getting epidemic under control, the demand for insurance will also explode and grow; and when the risk of face-to-face transactions and training increases, technological tools without physical contact will be more valued in the future, which the Company has already developed first. The Company will uphold the concept of insurance as the cornerstone of social stability, continue to advocate the importance of insurance for all customers in the greater China region, and will continue to be committed to the innovative development of financial technology to assist business colleagues in their services to the insured.

VII. Other Important Items

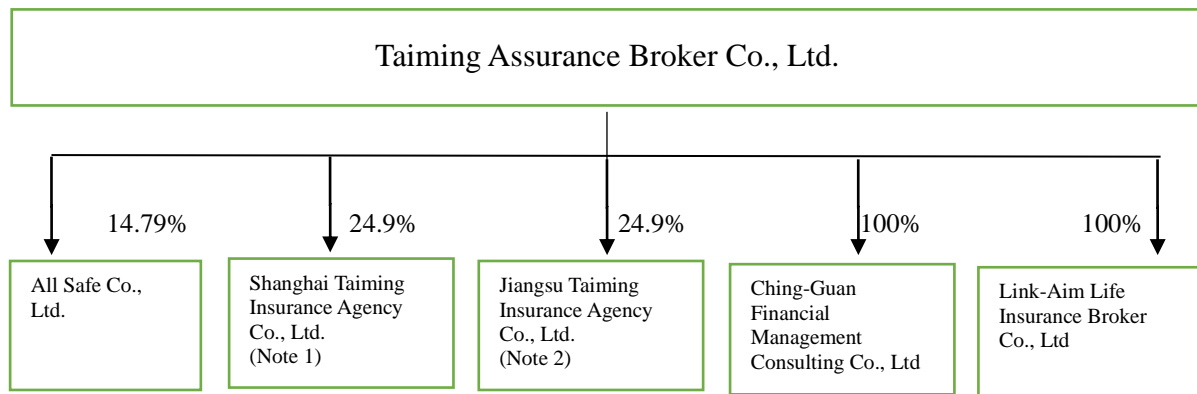
None.

Chapter 8. Special Notes

I. Information on Affiliates

(I) Consolidated business report of associates

1. Organization Chart of Related Companies



Note 1: Shanghai Taiming Insurance Agency Co., Ltd., formerly Shanghai Lianda Insurance Agency Co., Ltd., renamed in 2020.

Note 2: Jiangsu Taiming Insurance Agency Co. Ltd., formerly Kun Shan Feng Sheng Insurance Agency CO., LTD., renamed in 2020.

2. Basic Information of Affiliates

December 31, 2021, Unit: NT\$ thousand

Name of the Enterprise	Date of Incorporation	Address	Paid-in Capital	Major Business or Production Items
All Safe Co., Ltd.	March 23, 2011	11F., No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City	NT\$ 55,000	Information software Services
Shanghai Taiming Insurance Agency Co., Ltd.	December 12, 2004	Room 401, Building 8, No. 456, Xiaomugiao Rd., Xuhui District, Shanghai	RMB\$ 3,000	Insurance agency
Jiangsu Taiming Insurance Agency Co., Ltd.	April 13, 2009	Room 1508, Building 2, Jitian International Plaza, No. 999, Bailu South Road, Development Zone, Kunshan City	RMB\$10,000	Insurance agency
Ching-Guan Financial Management Consulting Co., Ltd.	June 5, 2003	11F., No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City	NT\$ 1,000	Investment Advisory
Link-aim Life Insurance Broker Co., Ltd.	March 30, 2015	15/F, No. 573, Qingping Road, Pingtung, Anping District, Tainan City	NT\$ 30,000	Insurance broker

3. Information on the same shareholders of companies that are considered to have a controlling and subordinate relation: None.

4. The industry covered by the business of the overall related enterprise: The Group is mainly engaged in the insurance agency and brokering business.

5. Information on the directors and general managers of related enterprise:

Unit: Thousands of shares; %

Name of the Enterprise	Title	Name or Representative	Number of Shares Held by the Company	
			Number of Shares	Shareholding Ratio
All Safe Co., Ltd.	Chairman	Cheng-Chin Lee	8,135	14.79
Shanghai Taiming Insurance Agency Co., Ltd.	Chairman of the Board & Legal Representative	Cheng-Chin Lee	Note	24.9
Jiangsu Taiming Insurance Agency Co., Ltd.	Chairman of the Board & Legal Representative	Cheng-Chin Lee	Note	24.9
Ching-Guan Financial Management Consulting Co., Ltd.	Chairman	Cheng-Chin Lee	100	100
Link-aim Life Insurance Broker Co., Ltd.	Chairman	Jian-An Chen	3,000	100

Note: It is a limited liability company and therefore no shares are issued.

6. Operating Status of Related Enterprises

December 31, 2021; Unit: NT\$ thousand/ 1,000 shares

Reinvestment in Other Companies	Main Business	Investment Cost	Carrying Amount of Investments at End of Period	Investment Shares		Market price	Accounting Treatment Method	Most Recent Annual Return on Investment		Number of Company Shares Held
				Number of Shares	Equity Ratio			Investment Gains or Losses	Distribution Dividend	
All Safe Co., Ltd.	Information software Services	8,135	2,901	814	14.79	Not Applicable	Equity Method	(828)	-	None
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	2,928	(1,428)	Note	24.9	Not Applicable	Equity Method	(1,143)		None
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	12,061	(1,420)	Note	24.9	Not Applicable	Equity Method	(1,729)		None
Ching-Guan Financial Management Consulting Co., Ltd.	Management Consultancy	900	89	100	100	Not Applicable	Equity Method	(60)	-	None
Link-aim Life Insurance Broker Co., Ltd.	Insurance broker	120,000	116,055	3,000	100	Not Applicable	Equity Method	17,631	17,100	None

(II) Consolidated Financial Statements of Affiliates

Statement of Consolidated Financial Statements of Affiliates

For the year 2021 (from January 1 to December 31, 2021), the Company's entities that are required to be included in the consolidated financial statements of associates under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the parent-subsidary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the relevant information required to be disclosed for the consolidated financial statements of associates has been fully disclosed in the aforementioned parent-subsidary consolidated financial statements. Consequently, a separate set of consolidated financial statements of associates is not prepared.

Sincerely,

Company name: Taiming Assurance Broker Co., Ltd.

Person in Charge: Cheng-Chih Li

March 7, 2022

(III) Report of related companies
Not Applicable.

II. For the most recent year and up to the date of publication of the annual report, the status of private offering of marketable securities

None.

III. For the most recent year and up to the date of publication of the annual report, the status of holding or disposing of the Company's shares by a subsidiary

None.

IV. Other Matters That Require Additional Description

None.

V. In the most recent year and up to the date of publication of the annual report, the following items shall be specified in case of any significant impact on shareholders' equity or securities prices as set forth in Subparagraph 2 of Paragraph 3 of Article 36 of the Securities Exchange Act

None.

**Taiming Assurance Broker Co., Ltd.
and Its Subsidiaries**

**Consolidated Financial Statements for the Years
Ended December 31, 2021 and 2020 and
Independent Auditors' Report**

Address: 11F, No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City
Tel.: (02)5558-5988

Representation Letter

For the year ended December 31, 2021 (from January 1 to December 31, 2021), the Company's entities that are required to be included in the consolidated financial statements of associates under the "Criteria Governing Preparation of Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those required to be included in the parent-subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the relevant information required to be disclosed for the consolidated financial statements of associates has been fully disclosed in the aforementioned parent-subsidiary consolidated financial statements. Consequently, a separate set of consolidated financial statements of associates is not prepared.

Sincerely,

Company Name: Taiming Assurance Broker Co., Ltd.

Chairman Cheng-Chin Lee

March 7, 2022

Independent Auditors' Review Report

Taiming Assurance Broker Co., Ltd.,

Audit Opinion

We have reviewed the consolidated balance sheets of Taiming Assurance Broker Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the years ended December 31, 2021 and 2020 and the relevant consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies "(collectively referred to as the financial statements)".

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and for the years then ended, and its consolidated financial performance and its consolidated cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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 Financial Supervisory Commission (FSC) of the Republic of China.

Basis for Audit Opinion

We conducted our audits 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. Our responsibility under those standards are further described in the section of "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements". We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2021 based on our professional judgment. These matters were addressed in our audit of the consolidated financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the consolidated financial statements of the Group for the year ended December 31, 2021 are stated as follows

Income recognition

Key audit matters

The Group operating revenue for 2021 totaled NT\$812,570 thousand, in which, NT463,464 thousand were commissions for the first year premium and renewed annual premium from the top 10 insurance companies, accounting for 57% of the total revenue.

After identifying the performance obligations of contracts with the customers, the Group decides relevant transaction prices and allocates the transaction prices to the performance obligations, and recognizes revenue when performance obligations are met. The transaction prices of the relevant contracts are calculated using the information system based on calculation factors, such as the premium of the brokerage insurance products and the commission rate agreed with insurance companies. Therefore, the correctness and authenticity of the calculation of the commission revenue from the first year premium and renewed annual premium from the top ten insurance companies recognized are listed as the key audit matters.

The accounting policy on commission revenue recognition is shown in Note 4.

Audit procedures

1. Identify the relevant internal control mechanism built by the management for correct calculation of commission revenue and observe how it operates.
2. Obtain the commission details of the life insurance and group insurance policies of the top ten insurance companies from the policy information system to confirm the completeness of the data, select samples, and verify them with the statement details provided by these insurance companies or recalculate to check whether they are consistent with the commissions that include the transaction prices received.
3. Review the calculation table of the transaction prices allocated to each performance obligation and check if the allocation method and logic are consistent.

Other matter

The Company has also compiled Standalone Financial Statements for the years ended December 31, 2021 and 2020, and they have also received our unqualified audit opinion for your reference.

Responsibilities of the management and governance bodies for the consolidated financial statements

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the management is responsible for assessing the ability of the Group in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governance bodies of the Group (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China.

We also performed the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group. We are responsible for the guidance, supervision, and implementation of the Group's audit and for forming the audit opinion of the Group.

The matters communicated between us and the governance bodies include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided governance bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governance bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2021. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche

CPA

Wang-Sheng Lin

CPA

Wun-Ya Syu

Financial Supervisory Commission

Approval Document No.

FSC Letter Jin-Guan-Zheng-Shen No.

1060023872

Securities and Futures Bureau Approval

Document No.

Tai-Cai-Zheng-Liu No. 0920123784

March 7, 2022

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese version shall prevail.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 85,354	11	\$ 94,490	12
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	137,800	18	114,601	14
1120	Financial assets at fair value through other comprehensive income-current (Notes 4 and 8)	42,456	5	38,979	5
1140	Contract assets - current (Notes 4 and 18)	43,481	6	57,756	7
1170	Notes and accounts receivable (Notes 4, 9, and 26)	91,172	12	115,581	15
1200	Other receivables	961	-	951	-
1470	Other current assets	3,210	-	2,319	-
11XX	Total current assets	<u>404,434</u>	<u>52</u>	<u>424,677</u>	<u>53</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income -non-current (Notes 4 and 8)	131,606	17	113,230	14
1550	Investments accounted for using equity method (Notes 4 and 10)	2,901	-	4,042	1
1560	Contract assets - non-current (Notes 4, and 18)	15,879	2	22,514	3
1600	Property and equipment (Notes 4 and 11)	49,449	6	51,638	7
1755	Right-of-use asset assets (Notes 4, 12, and 26)	20,125	3	33,851	4
1760	Investment property (Notes 4 and 13)	67,216	9	67,580	8
1805	Goodwill (Notes 4 and 24)	68,537	9	68,537	9
1840	Deferred income tax assets (Notes 4 and 21)	2,075	-	2,096	-
1920	Guarantee deposits paid (Note 26)	9,942	1	10,183	1
1990	Other non-current assets (Notes 4 and 16)	3,315	1	2,337	-
15XX	Total non-current assets	<u>371,045</u>	<u>48</u>	<u>376,008</u>	<u>47</u>
1XXX	Total assets	<u>\$ 775,479</u>	<u>100</u>	<u>\$ 800,685</u>	<u>100</u>
Code	Liabilities and Equity	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current liabilities				
2150	Notes payable	\$ -	-	\$ 237	-
2200	Other payables (Note 14)	133,110	17	153,625	19
2230	Current income tax liabilities (Notes 4 and 21)	7,021	1	11,102	1
2280	Lease liabilities - current (Notes 4, 12, and 26)	11,254	2	19,644	3
2399	Other current liabilities	8,705	1	8,477	1
21XX	Total current liabilities	<u>160,090</u>	<u>21</u>	<u>193,085</u>	<u>24</u>
	Non-current liabilities				
2550	Provisions – non-current (Notes 4 and 15)	10,152	1	10,394	1
2570	Deferred income tax liabilities (Notes 4 and 21)	125	-	109	-
2580	Lease liabilities - non-current (Notes 4, 12, and 26)	9,141	1	14,648	2
2610	Long-term payables (Note 14)	23,599	3	29,125	4
2645	Guarantee deposit received	508	-	508	-
2650	Credit balance of investments under equity method (Note 10)	2,848	1	287	-
25XX	Total non-current liabilities	<u>46,373</u>	<u>6</u>	<u>55,071</u>	<u>7</u>
2XXX	Total liabilities	<u>206,463</u>	<u>27</u>	<u>248,156</u>	<u>31</u>
	Equity attributable to owners of parent (Notes 4 and 17)				
3110	Share capital of ordinary shares	250,243	32	250,243	31
3200	Capital surplus	92,500	12	92,500	12
	Retained earnings				
3310	Legal reserve	112,716	14	104,041	13
3320	Special reserve	5,493	1	10,094	1
3350	Undistributed earnings	91,706	12	101,144	13
3300	Total retained earnings	209,915	27	215,279	27
3400	Other equity interests	16,358	2	(5,493)	(1)
31XX	Total equity attributable to owners of the parent	<u>569,016</u>	<u>73</u>	<u>552,529</u>	<u>69</u>
3XXX	Total equity	<u>569,016</u>	<u>73</u>	<u>552,529</u>	<u>69</u>
	Total liabilities and equity	<u>\$ 775,479</u>	<u>100</u>	<u>\$ 800,685</u>	<u>100</u>

The accompanying notes are a part of the Consolidated Financial Statements.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

However, the unit of earnings per share is in New Taiwan Dollars

Code		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 18, and 26)	\$ 812,570	100	\$ 914,530	100
5000	Operating cost (Notes 19 and 26)	<u>636,168</u>	<u>79</u>	<u>715,869</u>	<u>78</u>
5950	Gross profit	<u>176,402</u>	<u>21</u>	<u>198,661</u>	<u>22</u>
	Operating expenses (Notes 19 and 26)				
6100	Selling and marketing expenses	2,812	-	8,355	1
6200	Administrative expense	<u>88,434</u>	<u>11</u>	<u>87,171</u>	<u>10</u>
6000	Total operating expenses	<u>91,246</u>	<u>11</u>	<u>95,526</u>	<u>11</u>
6900	Net operating profit	<u>85,156</u>	<u>10</u>	<u>103,135</u>	<u>11</u>
	Non-operating income and expenses				
7010	Other income (Note 19)	8,280	1	7,351	1
7020	Other gains and losses (Note 19)	3,270	-	3,206	-
7050	Finance costs	(413)	-	(643)	-
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	(<u>3,700</u>)	<u>-</u>	(<u>4,074</u>)	<u>-</u>
7000	Total non-operating income and expenses	<u>7,437</u>	<u>1</u>	<u>5,840</u>	<u>1</u>
7900	Net income before tax	92,593	11	108,975	12
7950	Income tax expenses (Notes 4 and 21)	<u>17,917</u>	<u>2</u>	<u>22,131</u>	<u>2</u>
8200	Net profit for the year	<u>74,676</u>	<u>9</u>	<u>86,844</u>	<u>10</u>
	Other comprehensive income				

(Continued on the next page)

(Continued from the previous page)

Code		2021		2020	
		Amount	%	Amount	%
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	48	-	(\$ 115)	-
8316	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	21,853	3	4,546	-
8349	Income tax relating to items that are not reclassified	(10)	-	23	-
		<u>21,891</u>	<u>3</u>	<u>4,454</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operation	(2)	-	55	-
		<u>(2)</u>	<u>-</u>	<u>55</u>	<u>-</u>
8300	Other comprehensive income (net, after tax)	<u>21,889</u>	<u>3</u>	<u>4,509</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 96,565</u>	<u>12</u>	<u>\$ 91,353</u>	<u>10</u>
	Net profit attributable to:				
8610	Owners of the company	\$ 74,676	9	\$ 86,844	10
8620	Non-controlling interests	-	-	-	-
8600		<u>\$ 74,676</u>	<u>9</u>	<u>\$ 86,844</u>	<u>10</u>
	Total comprehensive income attributable to:				
8710	Owners of the company	\$ 96,565	12	\$ 91,353	10
8720	Non-controlling interests	-	-	-	-
8700		<u>\$ 96,565</u>	<u>12</u>	<u>\$ 91,353</u>	<u>10</u>
	Earnings per share (Note 22)				
9750	Basic	<u>\$ 2.98</u>		<u>\$ 3.47</u>	
9850	Diluted	<u>\$ 2.98</u>		<u>\$ 3.46</u>	

The accompanying notes are a part of the Consolidated Financial Statements.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the parent							
							Other equity items		
		Share capital of ordinary shares	Capital surplus	Retained earnings		Undistributed earnings	Exchange differences on translation of the financial statements of foreign operation	Unrealized gains (losses) on equity instruments at FVTOCI	Total equity
Code				Legal reserve	Special reserve				
A1	Balance as of January 1, 2020	\$ 250,243	\$ 92,500	\$ 96,629	\$ 31,921	\$ 75,050	(\$ 201)	(\$ 9,893)	\$ 536,249
	Appropriations and distribution of 2019 earnings								
B1	Appropriated as legal reserve	-	-	7,412	-	(7,412)	-	-	-
B3	Appropriated as special reserve	-	-	-	(21,827)	21,827	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(75,073)	-	-	(75,073)
D1	2020 net income	-	-	-	-	86,844	-	-	86,844
D3	2020 other comprehensive Income (loss) after tax	-	-	-	-	(92)	55	4,546	4,509
D5	Total comprehensive income (loss) for 2020	-	-	-	-	86,752	55	4,546	91,353
Z1	Balance as of December 31, 2020	250,243	92,500	104,041	10,094	101,144	(146)	(5,347)	552,529
	Appropriations and distribution of 2020 earnings								
B1	Legal reserve	-	-	8,675	-	(8,675)	-	-	-
B3	Appropriated as special reserve	-	-	-	(4,601)	4,601	-	-	-
B5	Cash dividend	-	-	-	-	(80,078)	-	-	(80,078)
D1	2021 net income	-	-	-	-	74,676	-	-	74,676
D3	2021 Other comprehensive Income (loss) after tax	-	-	-	-	38	(2)	21,853	21,889
D5	Total comprehensive income (loss) for 2021	-	-	-	-	74,714	(2)	21,853	96,565
Z1	Balance as of December 31, 2021	\$ 250,243	\$ 92,500	\$ 112,716	\$ 5,493	\$ 91,706	(\$ 148)	\$ 16,506	\$ 569,016

The accompanying notes are a part of the Consolidated Financial Statements.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

Code		2021	2020
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 92,593	\$ 108,975
A20010	Income and expenses		
A20100	Depreciation expenses	27,787	28,403
A20200	Amortization expenses	1,211	484
A20300	Loss on (gain on reversal of) bad debts	134	(233)
A20400	Net gain on financial assets at fair value through profit or loss	(3,223)	(3,221)
A20900	Finance costs	413	643
A21200	Interest income	(2,168)	(2,336)
A21300	Dividend income	(4,159)	(2,866)
A22300	Share of profit or loss of the associates and joint ventures using equity method	3,700	4,074
A29900	Profit (loss) of lease modification	(6)	(111)
A29900	Other income	(2)	(13)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	20,910	(8,724)
A31150	Notes receivable and accounts receivable	24,409	21,497
A31180	Other receivables	738	1,297
A31220	Prepaid pension cost	(95)	(99)
A31240	Other current assets	(891)	(564)
A32130	Notes payable	(237)	207
A32180	Other receivables	(26,041)	(8,395)
A32200	Provisions	(242)	(298)
A32230	Other current liabilities	228	(3,009)
A33000	Cash inflows from operations	135,059	135,711
A33500	Income tax paid	(21,971)	(18,917)
AAAA	Net cash inflows from operating activities	<u>113,088</u>	<u>116,794</u>

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Code		2021	2020
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(\$ 734)
B00100	Acquisition of financial assets at fair value through profit or loss	(65,000)	(30,000)
B00200	Disposal of financial assets at fair value through profit or loss	45,024	28,967
B01800	Acquisition of investment using equity method	-	(5,291)
B02700	Acquisition of property and equipment	(3,898)	(5,617)
B03700	Decrease (increase) in guarantee deposits paid	241	(21)
B06700	Increase in other non-current assets	(2,046)	(1,779)
B07500	Interest received	1,286	1,391
B07600	Dividends received	<u>4,159</u>	<u>2,866</u>
BBBB	Net cash outflow from investing activities	(<u>20,234</u>)	(<u>10,218</u>)
	Cash flows from financing activities		
C03100	Decrease in guarantee deposits received	-	2
C04020	Repayment of the principal portion of lease liabilities	(21,912)	(22,167)
C04500	Cash dividends issued	(<u>80,078</u>)	(<u>75,073</u>)
CCCC	Net cash outflow from financing activities	(<u>101,990</u>)	(<u>97,238</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(9,136)	9,338
E00100	Balance of cash and cash equivalents, at beginning of year	<u>94,490</u>	<u>85,152</u>
E00200	Balance of cash and cash equivalents at end of year	<u>\$ 85,354</u>	<u>\$ 94,490</u>

The accompanying notes are a part of the Consolidated Financial Statements.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Notes to Consolidated Financial Statements

For the Years Ended December 31, 2021 and 2020

(Unless otherwise stated, the unit shall be thousands of New Taiwan Dollars)

1. Company History

Taiming Assurance Broker Co., Ltd. (hereinafter referred to as "the Company") was formally established in October 2002 in accordance with the provisions of the Company Act. Its main business operations are life insurance and property insurance brokerage, and the insurance broker's professional liability insurance and the Company's insurance broker's guarantee insurance have been insured and the deposit has been made according to the regulations. The Company's shares have been listed and traded on the Taipei Exchange (TPEX) since October 28, 2014.

The consolidated financial statements are expressed in the Company's functional currency.

2. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Company's board of directors on March 7, 2022.

3. Application of Newly Issued and Amended Standards and Interpretations

- a. (I)Initial application of 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 Financial Supervisory Commission (FSC).

The application of the amended IFRSs endorsed and issued into effect by the FSC does not have material impact on the Group's accounting policies:

- b. IFRSs endorsed by the FSC and applied in 2022

New/Revised/Amended Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020"	January 1, 2022(Note 1)
Amendments to IFRS 3 - "Reference to the Conceptual Framework"	January 1, 2022(Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022(Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022(Note 4)

Note 1: The amendment to IFRS 9 applies prospectively to modifications of terms of or exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41

“Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoption of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendment applies to business combination with the acquisition date in the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendment applies to property, plant and equipment that are in line with the location and condition necessary for them to be capable of operating in the manner expected by the management on or after January 1, 2021.

Note 4: The amendment applies to the contracts with the obligations not fully fulfilled as of January 1, 2022.

As of the date the consolidated financial statements were approved for release, the Group assessed that no significant impact will not incur due to the application of other standards and interpretations on its financial position and financial performance.

c. IFRSs issued by IASB but not yet endorsed by the FSC

New/Revised/Amended 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
IFRS17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023(Note 2)
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023(Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023(Note 4)

Note 1: Unless otherwise specified, each of the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after each said date.

Note 2: The amendments are applied prospectively for the annual reporting period beginning on or after January 1, 2023.

Note 3: The amendments are applied to changes in accounting estimates and in accounting policies occurring the annual reporting period beginning on or after January 1, 2023.

Note 4: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred income tax on temporary differences in lease and decommissioning obligations at January 1, 2022.

As of the date the consolidated financial statements were approved for release, the Group is continuously assessing the possible impact of the application of other standards and interpretations on its 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 consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and entered into effect by the FSC.

b. Basis of preparation

The consolidated financial statements are prepared on the basis of historical costs, except for financial instruments measured at fair value and present value of defined benefit obligations less the net defined benefit liabilities recognized at the fair value of the plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

- 1) Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
- 2) Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
- 3) Level 3 inputs: Unobservable inputs for assets or liabilities.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets realized within 12 months after the balance sheet date; and
- 3) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- 1) Liabilities that are due for settlement within 12 months after the balance sheet date;
and
- 2) Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements contain the financial reports of the Company and the individual entities (subsidiaries) controlled by the Company. The consolidated statements of comprehensive income has included the operating gain or loss of the acquired or disposed subsidiary from the date of acquisition or the date of disposal in the current period. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the Group. At the time of the preparation of consolidated financial statements, all transactions, account balances, gains and expense losses between individual entities have been eliminated. The total comprehensive income of subsidiaries is attributable to the owners and non-controlling interests of the Company, even if the non-controlling interests thus become deficit balance.

Where the change of ownership interest of the Group in subsidiaries does not result in the loss of control, it is treated as an equity transaction. The carrying amounts of the Group and non-controlling interests have been adjusted to reflect changes in their relative interests in the subsidiaries. The difference between the adjusted amount of the non-controlling interest and the fair value of the consideration paid or received is directly recognized as an interest and belongs to owners of the Company.

When the Group loses control over a subsidiary, the gains and losses from disposal is the difference between the following two items: (1) the sum of the fair value of the consideration received and the fair value of the residual investment in such a former subsidiary at the date of loss of control; and (2) the sum of the carrying amount of the assets (including goodwill), liabilities, and non-controlling interests of the former subsidiary at the date when control is lost. In addition, the accounting treatment of all amounts recognized in other comprehensive income in relation to the subsidiary shall be on the same basis as that required for the Group to directly dispose of the relevant assets or liabilities.

The residual investment in the former subsidiary shall be regarded as the original amount recognized at the fair value on the loss of control date.

Please refer to Note 20 "subsidiaries" and Table II for details of subsidiaries, shareholding ratio, and main business.

e. Business combinations

The acquisition method is applied to business combinations. Acquisition costs are listed in the period of its incurrence and service.

Goodwill is measured at the aggregate of the fair value of the consideration transferred, the amount of non-controlling interest in the acquiree, and the acquisition-date fair value of the acquiree's interest in the acquiree over the net fair value of the identifiable assets acquired, and liabilities assumed at the date of acquisition.

Non-controlling interests that have current ownership interest in the acquiree and have the right to enjoy the net assets of the acquiree in proportion at the time of liquidation are measured at fair value. Other non-controlling interests are measured at fair value.

f. Foreign Currency

In preparing each entity's financial statements, transactions in currencies other than each entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When preparing the consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollar. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income, attributable to owners of the Company and non-controlling interests, respectively.

g. Investments in associates

Associates refer to those enterprises that are not subsidiaries but have significant influence on the Group.

The Group adopts the equity method for the investment in associates.

Under the equity method, investments in associates are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of its associates. The Company also recognizes the changes in the Company's share of the equity of associates based on the percentage of ownership.

Any excess of acquisition cost over the Group's share of an associate's or a joint venture's identifiable assets and liabilities measured at the fair value on the date of acquisition is recognized as goodwill. The goodwill shall be included in the carrying amount of the investment but not allowed for amortization. If the Group's share of the net fair value of the identifiable assets and liabilities exceeds the acquisition cost, the excessive amount is recognized immediately in profit or loss.

When the associate issues new shares, if the Group fails to subscribe according to the shareholding ratio, resulting in the change of shareholding ratio and the increase or decrease of the net equity value of the investment, the capital surplus shall be recognized based on the increase or decrease as changes in the net value of equity of the associate under equity method and investment under equity method. However, if the ownership interest of the related enterprise is reduced due to the failure to subscribe or acquire the shares in proportion to the shareholding ratio, the amount recognized in other comprehensive income related to the related enterprise shall be reclassified in proportion to the reduction, and the accounting treatment shall be based on the same basis as the direct disposal of related assets or liabilities by the related enterprise; the adjustment such as referred to in the preceding paragraph shall debit capital surplus, but uses the Equity Method of investment capital surplus produced by lack of balance, the balance debit to retained earnings.

When the Group's share of losses on an associate equals or exceeds its interest in the associate (including any carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of

the investment. Any reversal of that impairment loss is recognized only to the extent that the recoverable amount of the investment subsequently increases.

The Group ceases to adopt the equity method on the day when its investment ceases to be an associate, and its retained equity in the original associate is measured at fair value. The fair value and the difference between the disposal price and the carrying amount of the investment on the day when the equity method ceases to be adopted are recognized in profit or loss. In addition, the accounting treatment of all amounts recognized in other comprehensive income in relation to the associate shall be based on the same basis that the associate must follow if the associate directly disposes of the relevant assets or liabilities.

h. Property and equipment

Property and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

Except for the private land which is not depreciated, property and equipment are depreciated using the straight-line method over their useful lives. Each significant part is depreciated separately. The Group shall conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, while applying the effect of changes in accounting estimates prospectively.

When derecognizing property and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

i. Investment property

Investment property is property held for rent or capital appreciation or both. Investment property also includes land that has not yet been determined for future use.

Self-owned investment property is initially measured at cost (including transaction costs) and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment property is carried out on a straight-line basis.

In the event of the derecognition of investment property, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

j. Goodwill

The value of goodwill received through business combinations has to be shown as the amount of goodwill recognized on the acquisition date and subsequently evaluated as cost less accumulated impairment loss.

To evaluate impairment, goodwill is distributed among various cash-generating units or cash-generating unit groups ("cash-generating units") which the Group expects to benefit from business combinations.

The carrying amount and recoverable amount of the cash-generating units, to which goodwill is allocated, are compared every year (and whenever there are signs of impairment) as impairment testing on the units. If the goodwill was obtained by the cash-generating unit through a merger in the current year, an impairment test shall be conducted prior to the end of the current year. If the recoverable amount of a cash-generating unit to which goodwill is allocated is lower than its carrying amount, the impairment loss is firstly added to the carrying amount of the cash-generating unit that got goodwill allocated. Next, the carrying amount of other assets within the cash-generating unit is reduced in proportion to the reduction of the carrying amount of each of the assets. Any impairment loss is recognized directly as profit or loss. Loss in impairment of goodwill cannot be reversed subsequently.

When disposing a certain operation within the cash-generating unit to which goodwill is allocated, the amount of goodwill related to the disposed operation is included in the carrying amount of the operation to determine the gain or loss on disposal.

k. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using straight-line method over the useful lives. The Group conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

When derecognizing intangible assets, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in loss or profit.

l. Impairment of property and equipment as well as right-of-use assets, investment property, and intangible assets (excluding goodwill)

The Group assesses if there are any signs of possible impairment in property and equipment as well as right-of-use assets, investment property, and intangible assets at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or cash-generating unit, which was not recognized as impairment loss in prior years. The impairment loss reversed is recognized in profit or loss.

m. Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instruments.

In the initial recognition, financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

a) Measurement types

Financial assets held by the Group are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

i. Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are mandatorily measured at FVTPL. Financial assets mandatorily at FVTPL include investments in equity instruments not designated by the Group to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at FVTOCI.

Such assets are measured at fair value, of which any dividends and interest accrued are recognized in other income, and remeasurement gains or losses

are recognized in other gains or losses. Please refer to Note 24 for the determination of fair value.

ii. Financial assets measured at amortized cost

When the Group's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- i) Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- ii) The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and equivalent cash and accounts receivable measured at amortized cost) are measured at the amortized cost of the total carrying amount determined by the effective interest method after the initial recognition, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except in the following two cases, interest income is calculated by multiplying the effective interest rate by the gross carrying amount of a financial asset.

- i) For the purchased or originated credit-impaired financial asset, the interest income is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortization of financial assets.
- ii) For financial asset that is not a purchased or originated credit-impaired but subsequently becomes a credit-impaired financial asset, the interest income is calculated by multiplying the effective interest rate by the amortized cost of financial assets.

The cash equivalents include highly liquid time deposits which can be converted into imprest cash at any time within 3 months from the date of acquisition and have little risk of value change, which is used to meet short-term cash commitments.

iii. Investment in equity instruments at FVTOCI

The Group may, upon initial recognition, make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Group's right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

b) Impairment of financial assets and contract assets

The Group assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on the expected credit loss at each balance sheet date.

Accounts receivable are recognized in allowance loss based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Group, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- i. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- ii. It is overdue for more than 30 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The Company recognizes an impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at FVTOCI in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Group are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is recognized in profit or loss.

3) Financial liabilities

a) Subsequent measurement

The Company's all financial liabilities are measured at amortized cost in the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

n. Provisions

The amount recognized in provision is based on the risk and uncertainty of the obligation, and is the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are measured by the discounted present value of the estimated cash flow of the settlement obligation.

Where a part or all of the expenditure required to satisfy the provisions is expected to be reimbursed to the other party and is almost certain to be received and the amount can be reliably measured, the reimbursement shall be recognized in assets.

o. Income recognition

After the Group identifies its performance obligations in contracts with customers, it allocates the transaction costs to each obligation in the contracts and recognizes revenue upon completion of performance obligations.

In the case of a contract for the transfer of products or services and the receipt of a consideration with an interval of less than one year, the transaction price shall not be adjusted for the significant financial component.

Operating income comes from commissions earned by brokers from selling life and property insurance products of various insurance companies. Revenues and accounts receivable recognized by the Group for the sale of a non-multi-year line of underwriters upon completion of underwriting by the insurance company. The amount of revenue recognized from the sale of multi-year insurance products includes the consideration for the change in a consideration resulting from the renewal of the policy in history, the recognition of revenue and contract assets over the years, and the transfer of accounts receivable upon completion of the remaining obligations.

p. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis during the relevant lease period. The lease negotiation with a lessee is handled as a new lease from the effective date of the lease modification.

When a lease simultaneously include land and building elements, the Group classifies them as finance lease or operating lease based on whether most risks and rewards from ownership of the elements have been transferred to the lessee. Lease payments are apportioned to land and buildings in proportion to the fair value of land and building lease rights on the contract establishment date. If lease payments can be apportioned reliably to these two elements, each element is treated according to the applicable lease classification. If lease payments cannot be allocated reliably between the two elements, the entire lease is classified under finance lease. If both elements clearly

meet the standards of operating leases, the entire lease is classified under operating lease.

2) The Group as lessee

Except that payments for leases of low-value assets and short-term leases to which exemption is applicable are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease start date.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the standalone balance sheets.

A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful life, or to the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments, including fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If changes in the index or rate used to determine the lease payment over the lease term lead to changes in future lease payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

The Group has negotiated rents directly related to Coronavirus disease (COVID-19) with the lessor, and adjusted rents due before June 30, 2022, resulting in a decrease in rents; these negotiations have not significantly changed other lease terms. The Group has opted to adopt a practical expedient approach to all rental negotiations that meet the above-mentioned conditions. It does not assess whether the negotiation is a lease modification, but instead recognizes the reduction in lease payments in profit or loss

(accounted for operating costs and rental expenses under administrative expenses), and a corresponding reduction in lease liabilities.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which they are incurred.

q. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment using specific borrowings prior to the occurrence of capital expenditures in accordance with the requirements is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Employee benefits

1) Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2) Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized as expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and remeasurement) is calculated based on the projected unit credit method. The service cost (including the service cost for the current period) and the net interest of net defined benefit liabilities (assets) are recognized as employee benefit expenses as they occur. The remeasurement (including actuarial gains and losses, changes in the effect of the asset ceiling, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss.

The net defined benefit liabilities (assets) are the deficit (surplus) of the defined benefit pension plan. The net defined benefit assets may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

3) Termination benefits

The Company will recognize the termination benefits liability when it is no longer able to revoke the termination benefits offer or recognize the relevant restructuring costs (whichever is earlier).

s. Income taxes

Income tax expenses are the sum of current income tax and deferred income tax.

1) Current income tax

The Group determines the current income (loss) in accordance with the laws and regulations established by each income tax filing jurisdiction area, and calculates the payable (recoverable) income tax based on it.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via a resolution at the shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2) Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

Deferred income tax liabilities are generally recognized in respect of all taxable temporary differences, while deferred income tax assets are recognized when there is a possibility that tax may be provided for the use of the taxable income resulting from a deductible temporary difference.

Taxable temporary differences relating to investee subsidiaries are recognized as deferred income tax liabilities, except where the Company can control the point at which the temporary difference reverses and where it is likely that the temporary difference will not reverse in the foreseeable future. The deductible temporary difference relating to such investment shall be recognized as a deferred income tax asset only to the extent that it is likely to have sufficient taxable income to realize the temporary difference and to the extent that it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be re-examined at each balance sheet date and reduced in respect of those assets for which there is no longer likely to be sufficient tax to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and the carrying amount shall be adjusted upward where it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that

would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

5. Critical Accounting Judgments, Assumptions, and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Group takes into account the possible impact of the COVID-19 pandemic in its critical accounting estimates, and the management will constantly review the estimates and basic assumptions. If an amendment to estimates only affects the current period, it shall be recognized in the period of said amendment; if an amendment to accounting estimates affects the current year and future periods, it shall be recognized in the period of said amendment and future periods.

6. Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 187	\$ 187
Checking accounts and demand deposits	<u>85,167</u>	<u>94,303</u>
	<u>\$ 85,354</u>	<u>\$ 94,490</u>

7. Financial assets at FVTPL - current

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Mandatorily at FVTPL</u>		
Fund beneficiary certificate	\$ 82,705	\$ 59,122
Bank debentures	<u>55,095</u>	<u>55,479</u>
	<u>\$ 137,800</u>	<u>\$ 114,601</u>

8. Financial assets at FVTOCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Investment in equity instruments	<u>\$ 42,456</u>	<u>\$ 38,979</u>
<u>Non-current</u>		
Investment in equity instruments	<u>\$ 131,606</u>	<u>\$ 113,230</u>

Investment in equity instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Domestic Investment		
Domestic unlisted equity		
Sirtec International Co., Ltd	\$ 22,654	\$ 22,058
Taichung Commercial Bank Co., Ltd.	<u>19,802</u>	<u>16,921</u>
	<u>\$ 42,456</u>	<u>\$ 38,979</u>
<u>Non-current</u>		
Domestic Investment		
Unlisted equity		
TOP TAIWAN X VENTURE CAPITAL CO., LTD.	\$ 68,364	\$ 62,863
Chengding Venture Capital Co., Ltd.	<u>63,242</u>	<u>50,367</u>
	<u>\$ 131,606</u>	<u>\$ 113,230</u>

The Group invested in the above-mentioned ordinary shares for medium- to long-term strategic purposes, and expected to make profits in a long term. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believed that recognizing the short-term fair value fluctuations of such investments in profit and loss would be inconsistent with the aforementioned long-term investment strategy.

The Group recognized dividend income of NT\$4,159 thousand and NT\$2,866 thousand for 2021 and 2020, respectively, of which NT\$ 0 and NT\$ 0 related to the investments were derecognized for the years then ended, and NT\$4,159 thousand and NT\$2,866 thousand related to the investments that are still held as of December 31, 2021 and 2020, respectively.

9. Notes receivable and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 1,837	\$ 259
Accounts receivable	<u>89,335</u>	<u>115,322</u>
	<u>\$ 91,172</u>	<u>\$115,581</u>

The average credit period of the Group for the provision of services is 30 days from the invoice issuance date. When determining the recoverability of accounts receivable, the Group will review any changes in the credit quality of accounts receivable from the original credit date to the balance sheet date one by one at the balance sheet date to ensure that the uncollectible receivables have been listed as impairment losses as appropriate; the management of the Group believes that the Group's credit risk is not material.

The Group has no overdue receivables, and its loss allowance for bad debts as at December 31, 2021 and 2020 after evaluation is both NT\$ 0.

The Company adopts the simplified method of IFRS 9 to recognize the accounts receivable as the allowance for losses in accordance with the lifetime ECLs during the term of duration. It considers customers' past default records and current financial and industrial economic positions. Due to the historical experience of credit loss of the Group, there is no significant difference in the types of loss among different customer groups. Therefore, the ECL rate is only based on the number of overdue days of accounts receivable.

10. Investments accounted for using the equity method (credit balance)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Associates that are not individually material		
All Safe Co., Ltd.	\$ 2,901	\$ 3,729
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>-</u>	<u>313</u>
	<u>\$ 2,901</u>	<u>\$ 4,042</u>
Shanghai Taiming Insurance Agency Co., Ltd.	(\$ 1,428)	(\$ 287)
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>(1,420)</u>	<u>-</u>
	<u>(\$ 2,848)</u>	<u>(\$ 287)</u>

<u>Company Name</u>	<u>Percentage of ownership and voting rights</u>		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Description</u>
All Safe Co., Ltd.	14.79%	14.79%	—
Shanghai Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	1
Jiangsu Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	2

- The company changed its company name from "Shanghai Lian Da Insurance Agency Co., Ltd." to "Shanghai Taiming Insurance Agency Co., Ltd." on April 29, 2020.
- The company changed its name from ".Kun Shan Feng Sheng Insurance Agency Co. Ltd." to "JJiangsu Taiming Insurance Agency Co. Ltd." on April 15, 2020.

Summary information on associates that are not individually material

	<u>2021</u>	<u>2020</u>
Share owned by the Group		
Net Income from continuing operations	(\$ 3,700)	(\$ 4,074)
Other comprehensive income	<u>(2)</u>	<u>55</u>
Total comprehensive income	<u>(\$ 3,702)</u>	<u>(\$ 4,019)</u>

For relevant information on the main business, main place of business, and country where the company is registered for the aforementioned associates, please refer to Table II "Information on Investees" and Table III "Information on Investment in Mainland China" for details.

The shares of profit or loss and other comprehensive income under the equity method are recognized based on the financial statements of the associates audited by CPAs during the same period.

11. Property and equipment

	Private land	Building	Other equipment	Leasehold improvements	Total
<u>Cost</u>					
Balance as of January 1, 2020	\$ 21,460	\$ 27,634	\$ 23,619	\$ 24,048	\$ 96,761
Additions	-	-	2,112	3,505	5,617
Balance as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 25,731</u>	<u>\$ 27,553</u>	<u>\$102,378</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2020	\$ -	\$ 7,301	\$ 19,008	\$ 17,960	\$ 44,269
Depreciation expenses	-	936	2,550	2,985	6,471
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 8,237</u>	<u>\$ 21,558</u>	<u>\$ 20,945</u>	<u>\$ 50,740</u>
Net amount as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 19,397</u>	<u>\$ 4,173</u>	<u>\$ 6,608</u>	<u>\$ 51,638</u>
<u>Cost</u>					
Balance as of January 1, 2021	\$ 21,460	\$ 27,634	\$ 25,731	\$ 27,553	\$102,378
Additions	-	-	163	3,735	3,898
Disposal	-	-	-	(423)	(423)
Balance as of December 31, 2021	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 25,894</u>	<u>\$ 30,865</u>	<u>\$105,853</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2021	\$ -	\$ 8,237	\$ 21,558	\$ 20,945	\$ 50,740
Depreciation expenses	-	936	1,774	3,377	6,087
Disposal	-	-	-	(423)	(423)
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 9,173</u>	<u>\$ 23,332</u>	<u>\$ 23,899</u>	<u>\$ 56,404</u>
Net amount as of December 31, 2021	<u>\$ 21,460</u>	<u>\$ 18,461</u>	<u>\$ 2,562</u>	<u>\$ 6,966</u>	<u>\$ 49,449</u>

In the year of 2021 and 2020, as there is no sign of impairment, the Group did not conduct impairment assessment.

Depreciation expenses are calculated on a straight-line basis according to the following useful lives:

Building	15 to 30 Years
Leasehold improvements	3 to 5 Years
Other equipment	2 to 10 Years

12. Lease agreements

a. Right-of-use assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of right-of-use assets		
Building	\$ 17,835	\$ 33,648
Transportation equipment	<u>2,290</u>	<u>203</u>
	<u>\$ 20,125</u>	<u>\$ 33,851</u>
	<u>2021</u>	<u>2020</u>
Additions of right-of-use assets	<u>\$ 8,413</u>	<u>\$ 6,156</u>
Depreciation expenses of right-of-use assets		
Building	\$ 20,580	\$ 20,754
Transportation equipment	<u>756</u>	<u>814</u>
	<u>\$ 21,336</u>	<u>\$ 21,568</u>

b. Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of lease liabilities		
Current	<u>\$ 11,254</u>	<u>\$ 19,644</u>
Non-current	<u>\$ 9,141</u>	<u>\$ 14,648</u>
Interest expense – lease obligations payable	<u>\$ 411</u>	<u>\$ 630</u>

The ranges of discount rates for lease liabilities are listed below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Building	1.25% ~ 1.60%	1.25% ~ 1.60%
Transportation equipment	1.41%	1.60%

c. Material leasing activities and terms

The Group has leased certain buildings for office use for a term of 2-5 years. Upon the termination of the lease term, the Group does not have preferential rights to acquire the land and buildings leased, and it is agreed that the Group shall not sublease or transfer all or part of the underlying assets leased without the consent of the lessor.

In 2021, due to the severe impact of the Coronavirus disease (COVID-19) pandemic on the market economy, the Group negotiated the building lease agreement with Taiwan Fire & Marine Insurance Company, Ltd. that the rental amount has been partially reduced during the period of the national epidemic alert standard at the third-level since May 18, 2021, but the longest is not more than three months. From January 1, 2021 to December 31, 2021, the Group recognized the impact of the above-mentioned rental reduction of

NT\$499 thousand (accounted for reduction of rental expenses under operating costs and administrative expenses).

d. Other lease information

	December 31, 2021	December 31, 2020
Short-term lease expenses	\$ 90	\$ 83
Lease expenses of low-value assets	\$ 782	\$ 757
Total cash (outflow) from leases	(\$ 22,784)	(\$ 23,007)

All lease commitments during the lease terms beginning after the balance sheet date are as follows:

	December 31, 2021	December 31, 2020
Lease commitments	\$ 11,636	\$ -

13. Investment property

	Land	Building	Total
<u>Cost</u>			
Balance as of January 1, 2020	\$ 65,730	\$ 5,459	\$ 71,189
Additions	-	-	-
Balance as of December 31, 2020	\$ 65,730	\$ 5,459	\$ 71,189
<u>Accumulated depreciation</u>			
Balance as of January 1, 2020	\$ -	\$ 3,245	\$ 3,245
Depreciation expenses	-	364	364
Balance as of December 31, 2020	\$ -	\$ 3,609	\$ 3,609
Net amount as of December 31, 2020	\$ 65,730	\$ 1,850	\$ 67,580
<u>Cost</u>			
Balance as of January 1, 2021	\$ 65,730	\$ 5,459	\$ 71,189
Additions	-	-	-
Balance as of December 31, 2021	\$ 65,730	\$ 5,459	\$ 71,189
<u>Accumulated depreciation</u>			
Balance as of January 1, 2021	\$ -	\$ 3,609	\$ 3,609
Depreciation expenses	-	364	364
Balance as of December 31, 2021	\$ -	\$ 3,973	\$ 3,973
Net amount as of December 31, 2021	\$ 65,730	\$ 1,486	\$ 67,216

The lease terms for investment property leases are 2 to 5 years. The lessee have no preferential right to purchase the investment property at the end of the lease term.

The total amount of lease payments to be collected in the future for investment property in operating lease is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
1st year	\$ 1,270	\$ 1,570
2nd year	<u>-</u>	<u>-</u>
	<u>\$ 1,270</u>	<u>\$ 1,570</u>

Depreciation of investment property is depreciated on a straight-line basis according to the following useful lives:

Building	15 Years
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In 2020 and 2021, due to the severe impact of the COVID-19 pandemic on the market economy, the Company agreed to reduce some of the lease contracts by NT\$609 thousand in total.

The fair value of investment property is measured at Level 3 inputs by independent appraisers. The valuation is based on the comparative approach and income approach. The fair values as of December 31, 2021 and 2020 were NT\$96,710 thousand and NT\$91,068 thousand, respectively. The important unobservable inputs adopted included discount rate of 2.17% and 2.17%, respectively.

14. Other payables and long-term payables

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Commissions and bonuses payable	\$123,816	\$149,147
Salaries and year-end bonuses payable	12,358	12,074
Remuneration payable to employees and directors	3,899	4,595
Provident fund of voluntary contribution payable to business representatives	10,152	10,394
Others	<u>6,484</u>	<u>6,540</u>
	<u>\$156,709</u>	<u>\$182,750</u>
Other payables - current	\$133,110	\$153,625
Long-term payables - non-current	<u>23,599</u>	<u>29,125</u>
	<u>\$156,709</u>	<u>\$182,750</u>

15. Provisions - non-current

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Provident fund reserve - voluntary contribution by company	<u>\$ 10,152</u>	<u>\$ 10,394</u>

The changes of provident fund reserve are as follows:

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 10,394	\$ 10,692
Increase	1,591	1,059
Payment	(1,833)	(1,357)
Ending balance	<u>\$ 10,152</u>	<u>\$ 10,394</u>

16. Post-employment benefit plans

a. Defined contribution plan

The Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Group makes monthly contributions to individual pension accounts at 6% of employees' monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is the defined benefit pension plan under the management of the government of R.O.C. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes an amount, which equals to 2% of each employee's total monthly salary and wage, which is deposited by the Supervisory Committee of Business Entities' Labor Retirement Reserve in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plan are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	\$ 1,551	\$ 1,566
Fair value of plan assets	(<u>2,175</u>)	(<u>2,046</u>)
Net defined benefit assets	(<u>\$ 624</u>)	(<u>\$ 480</u>)

The changes of net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
January 1, 2020	<u>\$ 1,382</u>	<u>(\$ 1,879)</u>	<u>(\$ 497)</u>
Service cost			
Interest expense (income)	<u>14</u>	<u>(19)</u>	<u>(5)</u>
Recognized in profit or loss	<u>14</u>	<u>(19)</u>	<u>(5)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(55)	(55)
Actuarial (gain) loss - changes in demographic assumptions	9	-	9
Actuarial (gain) loss - changes in financial assumptions	122	-	122
Actuarial (gain) loss - experience adjustments	<u>39</u>	<u>-</u>	<u>39</u>
Recognized in other comprehensive income	<u>170</u>	<u>(55)</u>	<u>115</u>
Contributions from the employer	<u>-</u>	<u>(93)</u>	<u>(93)</u>
December 31, 2020	<u>1,566</u>	<u>(2,046)</u>	<u>(480)</u>
Service cost			
Interest expense (income)	<u>8</u>	<u>(11)</u>	<u>(3)</u>
Recognized in profit or loss	<u>8</u>	<u>(11)</u>	<u>(3)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(25)	(25)
Actuarial (gain) loss - changes in demographic assumptions	30	-	30
Actuarial (gain) loss - changes in financial assumptions	(61)	-	(61)
Actuarial (gain) loss - experience adjustments	<u>8</u>	<u>-</u>	<u>8</u>
Recognized in other comprehensive income	<u>(23)</u>	<u>(25)</u>	<u>(48)</u>
Contributions from the employer	<u>-</u>	<u>(93)</u>	<u>(93)</u>
December 31, 2021	<u>\$ 1,551</u>	<u>(\$ 2,175)</u>	<u>(\$ 624)</u>

Due to the pension plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.

- 2) Interest risk: A decrease in the interest rate will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect the net defined benefit liability.
- 3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.75%	0.5%
Expected salary increase rate	2.0%	2.0%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate		
Increase by 0.25%	(\$ <u>58</u>)	(\$ <u>63</u>)
Decrease by 0.25%	\$ <u>61</u>	\$ <u>66</u>
Expected salary increase rate		
Increase by 0.25%	\$ <u>59</u>	\$ <u>64</u>
Decrease by 0.25%	(\$ <u>57</u>)	(\$ <u>61</u>)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the following year	\$ <u>93</u>	\$ <u>93</u>
The average duration of the defined benefit obligation	15.3years	16.3years

17. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Number of authorized shares (in thousands)	<u>30,000</u>	<u>30,000</u>
Authorized capital stock	<u>\$300,000</u>	<u>\$300,000</u>
Number of shares issued and fully paid (in thousands)	<u>25,024</u>	<u>25,024</u>
Issued share capital	<u>\$250,243</u>	<u>\$250,243</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

b. Capital surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Premium of shares issued	\$ 43,134	\$ 43,134
Consolidated excess	46,637	46,637
<u>May be used to offset a deficit only</u>		
Changes of associates and joint ventures accounted for under the equity method	<u>2,729</u>	<u>2,729</u>
	<u>\$ 92,500</u>	<u>\$ 92,500</u>

1) Such capital surplus may be used to offset the deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (up to a certain percentage of the Company's paid-in capital once a year).

c. Retained earnings and dividend policy

Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, setting aside 10% of the remaining profit as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be adopted by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved at the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of remuneration to employees and to directors as set forth in the

Company's Articles of Incorporation, refer to Note 19(5) "remuneration to employees and to directors".

As the current industrial environment is constantly changing, in response to the future operation expansion plan, the dividends to shareholders may be paid in the forms of cash and stock. The proportion of cash dividends in the total dividends shall be no less than 50%, but the shareholders' meeting may adjust it according to the actual situation.

Appropriation of earnings to legal reserve shall be made until the legal reserve reaches the total of the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash.

The Company set aside and reversed a special reserve in accordance with the FSC Letters Jin-Guan-Zheng-Fa No. 1010012865, Jin-Guan-Zheng-Fa No. 1010047490, and Jin-Guan-Zheng-Fa No. 1030006415, as well as the directive, entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The distribution of earnings for 2020 and 2019, which were proposed and approved in the annual shareholders' meetings on July 1, 2021 and May 27, 2020, respectively, were as follows:

	Earnings distribution plan		Dividends per share (NTD)	
	2020	2019	2020	2019
Legal reserve	\$ 8,675	\$ 7,412	\$ -	\$ -
Special reserve	(4,601)	(21,827)	-	-
Cash dividend	80,078	75,073	3.2	3.0

The proposal for earnings distribution for 2021 put forth by the Company's board of directors on March 7, 2022 is as follows:

	Earnings distribution plan	Dividends per share (NTD)
Legal reserve	\$ 7,471	\$ -
Special reserve	(5,492)	-
Cash dividend	75,073	3.0

The distribution of earnings for 2021 is pending the resolution of the annual shareholders' meeting to be held on XX (mm), XX (dd), 2022.

18. Income

	2021	2020
Customer contract income		
Commission income	<u>\$ 812,570</u>	<u>\$ 914,530</u>

For the sale of multi-year insurance products by the broker of the Group, the broker may, in addition to the initial commission income, receive the commission income on renewal of the policy upon completion of the premium payment in the following year. Therefore, the amount of the revenue recognized by the Group for 2021 and 2020 under the IFRS15 "Revenue from Customer Contracts" includes the consideration for the changes arising from the historical renewal of the policy.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Contract balance</u>		
Accounts receivable (Note 9)	<u>\$ 89,335</u>	<u>\$ 115,322</u>
Contract assets - current	\$ 43,481	\$ 57,756
Contract asset s- non-current	<u>15,879</u>	<u>22,514</u>
	<u>\$ 59,360</u>	<u>\$ 80,270</u>

The changes of contract assets are as follows:

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 80,270	\$ 71,546
Reclassified to accounts receivable	(57,756)	(48,824)
Increase	<u>36,846</u>	<u>57,548</u>
Ending balance	<u>\$ 59,360</u>	<u>\$ 80,270</u>

19. Net income from continuing operations

a. Other income

	<u>2021</u>	<u>2020</u>
Interest income	\$ 2,168	\$ 2,336
Rental Income	1,953	2,149
Dividend income	<u>4,159</u>	<u>2,866</u>
	<u>\$ 8,280</u>	<u>\$ 7,351</u>

b. Other gains (losses)

	<u>2021</u>	<u>2020</u>
Gains on financial assets at FVTPL	\$ 3,223	\$ 3,221
Other income and expenditure - net	<u>47</u>	(<u>15</u>)
	<u>\$ 3,270</u>	<u>\$ 3,206</u>

c. Depreciation and amortization

	<u>2021</u>	<u>2020</u>
Right-of-use assets	\$ 21,336	\$ 21,568
Property and equipment	6,087	6,471
Investment property	364	364
Other non-current assets - intangible assets	<u>1,211</u>	<u>484</u>
	<u>\$ 28,998</u>	<u>\$ 28,887</u>

Aggregate depreciation expenses by function		
Operating costs	\$ 20,820	\$ 20,905
Operating expenses	<u>6,967</u>	<u>7,498</u>
	<u>\$ 27,787</u>	<u>\$ 28,403</u>

Aggregate amortized cost by function		
Operating costs	\$ 235	\$ 194
Operating expenses	<u>976</u>	<u>290</u>
	<u>\$ 1,211</u>	<u>\$ 484</u>

d. Employee benefits expenses

	<u>2021</u>	<u>2020</u>
Employee benefits expenses		
Salary expenses	\$ 52,764	\$ 52,524
Labor and health insurance expenses	4,914	4,447
Pension expenses	2,380	2,257
Remuneration to directors	4,097	4,344
Other employee benefits expenses	<u>1,118</u>	<u>2,571</u>
Total employee benefits expenses	<u>\$ 65,273</u>	<u>\$ 66,143</u>
Aggregated by Function		
Operating expenses	<u>\$ 65,273</u>	<u>\$ 66,143</u>

e. Remuneration to employees and directors

The Company shall allocate 1% to 5% of the profit before tax, before deducting remuneration to employees and directors, as remuneration to employees and no more than 5% as remuneration to directors. Remuneration to employees and directors for 2021 and 2020 was resolved by the board of directors on March 7, 2022 and February 25, 2021, respectively.

Estimated ratio

	<u>2021</u>	<u>2020</u>
Remuneration to employees	2%	2%
Remuneration to directors	2%	2%

Amount

	<u>2021</u>	<u>2020</u>
Bonus for employees	\$ 1,837	\$ 2,154
Remuneration to directors	1,837	2,154

If there is any change in the amount after the publication of the annual consolidated financial statements were approved for release, the differences will be recorded as a change in the accounting estimate and accounted for in the next year.

There is no difference between the amount actually distributed as remuneration to employees and to directors for 2020 and 2019 and the amounts recognized on the consolidated financial statements for 2020 and 2019.

For information on the Company's remunerations to employees and directors as resolved by the board of directors, please visit the Market Observation Post System (MOPS) of Taiwan Stock Exchange.

f. Others

	2021	2020
Commission expenditure	\$583,944	\$665,658
Provident fund expenses	<u>1,591</u>	<u>1,059</u>
	<u>\$585,535</u>	<u>\$666,717</u>
Aggregated by Function		
Operating costs	<u>\$585,535</u>	<u>\$666,717</u>

20. Subsidiary

a. Subsidiaries included in consolidated financial statements

The main body of the consolidated financial statements is as follows:

Name of Company	Name of Subsidiary	Nature of Business	Percentage of ownership	
			2021 December 31	2020 December 31
Taiming Assurance Broker Co., Ltd.	Ching-Guan Financial Management Consulting Co., Ltd.	Financial Management	100	100
Taiming Assurance Broker Co., Ltd.	Link-aim Life Insurance Broker Co., Ltd.	Insurance brokerage	100	100

b. Subsidiaries not included in consolidated financial statements: None.

21. Income tax on continuing operations

a. Major components of income tax expenses recognized in profit or loss are as follows:

	2021	2020
Current income tax		
Generated during the year	\$ 17,742	\$ 21,274
Surtax on undistributed earnings	139	673
Adjustments in respect of prior years	9	54
Deferred income tax		
Generated during the year	<u>27</u>	<u>130</u>
Income tax expenses recognized in profit or loss	<u>\$ 17,917</u>	<u>\$ 22,131</u>

The adjustment to accounting income and income tax expenses is as follows:

	2021	2020
Net income before tax from continuing operations	<u>\$ 92,593</u>	<u>\$108,975</u>
Income tax expenses calculated at statutory tax rate for net profit before tax	\$ 18,531	\$ 21,807
Tax exemption income	(762)	(403)
Surtax on undistributed earnings	139	673
Adjustments in respect of current	<u>9</u>	<u>54</u>

income tax expenses of prior years		
Income tax expenses recognized in profit or loss	<u>\$ 17,917</u>	<u>\$ 22,131</u>
b. Income tax recognized in other comprehensive income		
	<u>2021</u>	<u>2020</u>
Deferred income tax		
Generated during the year		
- Remeasurement of defined benefit plans	<u>(\$ 10)</u>	<u>\$ 23</u>
c. Current income tax liabilities		
	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax liabilities		
Income tax payable	<u>\$ 7,021</u>	<u>\$ 11,102</u>

d. Deferred tax assets and liabilities

The changes of deferred tax assets and liabilities are as follows:

2021

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred tax assets				
Temporary differences				
Provisions	\$ 2,079	(\$ 49)	\$ -	\$ 2,030
Allowance for bad debts	<u>17</u>	<u>28</u>	<u>-</u>	<u>45</u>
	<u>\$ 2,096</u>	<u>(\$ 21)</u>	<u>\$ -</u>	<u>\$ 2,075</u>
Deferred tax liabilities				
Temporary differences				
Defined benefit pension plan	\$ 96	\$ 19	\$ 10	\$ 125
Cumulative compensated absences	<u>13</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
	<u>\$ 109</u>	<u>\$ 6</u>	<u>\$ 10</u>	<u>\$ 125</u>

2020

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Others	Ending balance
Deferred tax assets					
Temporary differences					
Provisions	\$ 2,138	(\$ 59)	\$ -	\$ -	\$ 2,079
Allowance for bad debts	<u>64</u>	<u>(47)</u>	<u>-</u>	<u>-</u>	<u>17</u>
Cumulative compensated absences	<u>(8)</u>	<u>(5)</u>	<u>-</u>	<u>13</u>	<u>-</u>
	<u>\$ 2,194</u>	<u>(\$ 111)</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 2,096</u>
Deferred tax liabilities					
Temporary differences					
Defined benefit pension plan	\$ 100	\$ 19	(\$ 23)	\$ -	\$ 96
Cumulative compensated absences	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
	<u>\$ 100</u>	<u>\$ 19</u>	<u>(\$ 23)</u>	<u>\$ 13</u>	<u>\$ 109</u>

e. Income tax approval status

The filings of the Company's profit-seeking enterprise income tax up to 2019 have been approved by the tax collection agency.

22. Earnings per share

	Unit: NT\$ per share	
	2021	2020
Basic earnings per share	\$ 2.98	\$ 3.47
Diluted earnings per share	\$ 2.98	\$ 3.46

Is used to calculate the earnings per share and the weighted average number of ordinary shares as follows:

Net income for the year

	2021	2020
Net profit attributable to owners of the company/the earnings calculated as diluted earnings per share	\$ 74,676	\$ 86,844

Number of Shares

	Unit: In thousand shares	
	2021	2020
Weighted average number of ordinary shares used to calculate basic earnings per share	25,024	25,024
The effect of potential ordinary share with dilutive effect:		
Remuneration to employees	61	64
Weighted average number of ordinary shares used to calculate diluted earnings per share	25,085	25,088

If the Group may choose to pay its employees in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee remuneration will be paid in stock, and the weighted average number of outstanding shares in circulation will be included when the potential ordinary shares have dilutive effect, so as to calculate the diluted earnings per share. The dilutive effect of these ordinary shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee remuneration by the shareholders' meeting in the following year.

23. Capital risk management

The Group carries out capital management to ensure that it can continue to operate under the premise of optimizing the balance of debt and equity, so as to maximize the return on shareholders' equity. The overall strategy of the Group has not changed significantly since its establishment.

The capital structure of the Group consists of the equity (i.e. share capital, capital surplus, retained earnings and other equity items) attributable to owners of the Company.

The Group is not subject to any other external capital requirements.

24. Financial instruments

- a. Fair value information - financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair value.

- b. Fair value information - financial instruments measured at fair value on a recurring basis

- 1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 82,705	\$ -	\$ -	\$ 82,705
Bank debentures	-	55,095	-	55,095
Total	<u>\$ 82,705</u>	<u>\$ 55,095</u>	<u>\$ -</u>	<u>\$ 137,800</u>

Financial assets at FVTOCI

Investment in equity instruments				
- Domestic listed equity	\$ 42,456	\$ -	\$ -	\$ 42,456
- Domestic unlisted equity	-	-	131,606	131,606
Total	<u>\$ 42,456</u>	<u>\$ -</u>	<u>\$ 131,606</u>	<u>\$ 174,062</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 59,122	\$ -	\$ -	\$ 59,122
Bank debentures	-	55,479	-	55,479
Total	<u>\$ 59,122</u>	<u>\$ 55,479</u>	<u>\$ -</u>	<u>\$ 114,601</u>

Financial assets at FVTOCI

Investment in equity instruments				
- Domestic listed equity	\$ 38,979	\$ -	\$ -	\$ 38,979
- Domestic unlisted equity	-	-	113,230	113,230
Total	<u>\$ 38,979</u>	<u>\$ -</u>	<u>\$ 113,230</u>	<u>\$ 152,209</u>

- 2) Reconciliation on financial instruments measured by Level 3 fair value

2021

Financial assets	Financial assets at FVTOCI Equity instruments
Opening balance	\$ 113,230
Recognized in other comprehensive income (unrealized gains or losses measured at FVTOCI)	18,376
Ending balance	<u>\$ 131,606</u>
Current unrealized other gains or losses recognized in profit or loss	<u>\$ -</u>

2020

Financial assets	Financial assets at FVTOCI Equity instruments
Opening balance	\$ 105,355
Recognized in other comprehensive income (unrealized gains or losses measured at FVTOCI)	7,875
Ending balance	<u>\$ 113,230</u>
Current unrealized other gains or losses recognized in profit or loss	<u>\$ -</u>

3) The valuation technique and Level 2 fair value inputs

Type of financial instruments	Valuation technique and inputs
Domestic bond investment	Cash flow discount method: Discounted based on the market rate reflecting the current similar products and credit rating at the end of the bond issuer's term.

4) The valuation technique and Level 3 fair value inputs

Domestic unlisted (non-OTC) equity investment is based on the asset method, and the overall market value of the individual assets and individual liabilities covered by the subject is assessed to reflect the overall value of the enterprise or business. The significant non-observable inputs used are the 10% discount of liquidity and minority interests. If the other inputs remain unchanged, the 1% increase in the liquidity discount will reduce the fair value as of December 31, 2021 and 2020 by NT\$1,462 thousand and NT\$1,132 thousand, respectively.

c. Type of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Measured at FVTPL	\$137,800	\$114,601
Financial assets at amortized cost (Note 1)	187,429	221,205
Financial assets at FVTOCI	174,062	152,209
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	157,217	183,495

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance includes financial liabilities measured at amortized cost, such as notes payable, other payables, other receivables, long-term payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The main financial instruments of the Group include equity investment, notes receivable and accounts receivable, notes payable and accounts payable, and other payables. The financial management department of the Group provides services to the business units, coordinates the operation of the domestic financial market, and supervises and manages the financial risks related to the operation of the Group by analyzing the internal risk reports of the risks according to the degree and breadth of risks. Such risks include market risk (including interest rate risk and other price risk), credit risk, and liquidity risk. The Company's important financial plans are reviewed by the Audit Committee and the Board of Directors in accordance with relevant norms and internal control systems. The financial department of the Company strictly abides by the relevant financial operating procedures regarding overall financial risk management and division of authorities and responsibilities when implementing the financial plans.

1) Market risk

a) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Group with exposure to interest rate risk at the balance sheet dates are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Interest rate risks with fair value		
- financial assets	\$ 55,095	\$ 55,479
Interest rate risks with cash flow		
- financial assets	79,596	91,016

Sensitivity analysis

The sensitivity analysis below is prepared based on the exposure of non-derivative instruments to the interest rate risk at the balance sheet date. In reporting the interest rate to the management of the Group, the rate of change adopted is 100 basis points increase or decrease in the interest rate, which also represents the management's evaluation of reasonable possible change scope of interest rate.

If interest rate increases/decreases by 100 basis points, with other variables held constant, the Group's income before tax will increase/decrease by NT\$1,347 thousand and NT\$1,465 thousand for 2021 and 2020, respectively, which is mainly because of the changes in the Group's current bank demand deposits

with floating interest rates and changes in the fair value of debt instruments with fixed interest measured at FVTPL.

b) Other price risk

The Company is exposed to the equity price risk arising from the investment in securities.

Sensitivity analysis

If the equity price rises/falls by 1%, the pre-tax other comprehensive income for 2021 and 2020 will increase/decrease by NT\$1,741 thousand and NT\$1,522 thousand due to changes in the fair value of financial assets measured at FVTOCI.

2) Credit risk

Credit risk refers to risk that causes a financial loss to the Group due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the maximum credit risk (regardless of collateral or other credit enhancement instruments, and the maximum amount of irrevocable exposure) that the Group may be exposed to, which may cause financial losses to the Group due to a counterparty's failure to perform its obligations and the financial guarantees provided by the Group mainly comes from the carrying amount of financial assets recognized in the consolidated balance sheet.

3) Liquidity risk

The Group supports the group-wide business operations and reduces the impact of cash flow fluctuations through appropriate management and the maintenance of sufficient positions cash and cash equivalents. The Group's management supervises the use of bank financing facilities and ensures compliance with the loan contract terms.

25. Related-party transactions

The transactions, account balances, income and expenses between the Company and its subsidiaries (which are related parties of the Company) are all eliminated upon consolidated, so they are not disclosed in this note.

The relationship with the Group during the period covered by the financial statements is as follows:

a. Name of related party and relationship

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Taiwan Fire & Marine Insurance Company Ltd.	Substantive Related Party
All Safe Co., Ltd.	Investee Accounted for Using Equity Method
Jian-An Chen	Chairman of the Subsidiary
Major management personnel	Chairman of the Board, General Managers, Managers, and directors

b. Operating income

Category/Name of Related Party	2021	2020
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 22,798</u>	<u>\$ 10,667</u>

c. Receivables from related parties

Accounting Items	Category/Name of Related Party	December 31, 2021	December 31, 2020
Notes receivable and accounts receivable	Substantive Related Party		
	Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 1,260</u>	<u>\$ 1,003</u>

d. Administrative expense

Category/Name of Related Party	2021	2020
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 18</u>	<u>\$ 18</u>

e. Lease agreements (lessee)

Category/Name of Related Party	2021	2020
<u>Acquisition of right -of-use assets</u>		
Chairman of the Subsidiary		
Jian-An Chen	<u>\$ -</u>	<u>\$ 2,134</u>

Accounting Items	Category/Name of Related Party	December 31, 2021	December 31, 2020
Lease liabilities	Substantive Related Party		
	Taiwan Fire & Marine Insurance Company Ltd.	\$ 2,305	\$ 11,095
	Chairman of the Subsidiary		
	Jian-An Chen	<u>807</u>	<u>1,870</u>
		<u>\$ 3,112</u>	<u>\$ 12,965</u>

Category/Name of Related Party	2021	2020
<u>Interest expenses</u>		
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	\$ 92	\$ 220
Chairman of the Subsidiary		
Jian-An Chen	<u>16</u>	<u>10</u>
	<u>\$ 108</u>	<u>\$ 230</u>
<u>Rental Expenses</u>		
Major management personnel	<u>\$ 90</u>	<u>\$ 90</u>

f. Guarantee deposits paid

Accounting Items	Category/Name of Related Party	December 31, 2021	December 31, 2020
Guarantee deposits paid	Chairman of the Subsidiary Jian-An Chen	\$ 180	\$ 180

g. Lease agreements (lessor)

Operating lease

The total amount of lease payments received in the future is summarized as follows:

Category/Name of Related Party	December 31, 2021	December 31, 2020
Investee Accounted for Using Equity Method All Safe Co., Ltd.	\$ 70	\$ 70

The total rental income is summarized as follows:

Category/Name of Related Party	2021	2020
Investee Accounted for Using Equity Method All Safe Co., Ltd.	\$ 102	\$ 102

h. Other gains or losses

Category/Name of Related Party	2021	2020
Substantive Related Party Taiwan Fire & Marine Insurance Company Ltd.	\$ 93	\$ -

i. Major management remuneration information

	2021	2020
Short-term employee benefits	\$ 22,442	\$ 19,881

The remuneration to directors and other major management personnel shall be determined by the Remuneration Committee in accordance with individual performance and market trends and then sent to the Board of Directors for resolution.

26. Information on foreign-currency-denominated assets and liabilities with significant influence

The following information is expressed in aggregate in foreign currencies other than the functional currencies of each entity of the Group, and the disclosed exchange rate refers to the conversion rate of such foreign currencies into functional currencies. Foreign currency assets with significant influence are as follows:

	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign Currency Assets</u>						
<u>Non-Monetary Items</u>						
Investments accounted for using the equity method						
CNY	\$	-	\$	\$	83	\$ 313
Credit balance of investments accounted for using the equity method						
CNY		6.45	2,848		66	287

27. Additional Disclosures

- a. Information on material transactions and (II) investees:
 - 1) Financings provided to others (None)
 - 2) Endorsements/guarantees provided to others (None)
 - 3) Marketable securities held at the end of period (excluding investments in subsidiaries, related enterprises, and joint ventures) (Table I)
 - 4) Accumulated purchase or disposal of individual marketable securities equal to or in excess of NT\$300 million or 20% of paid-in capital. (None)
 - 5) Acquisition of property at cost in excess of NT\$300 million or 20% of paid-in capital (None)
 - 6) Disposal of property at cost in excess of NT\$300 million or 20% of paid-in capital (None)
 - 7) Purchases or sales to related parties of at least NT\$100 million or 20% of paid-in capital: (None)
 - 8) Accounts receivable from related parties equal to or in excess of NT\$100 million or 20% of paid-in capital (None)
 - 9) Derivative financial instrument transactions (None)
 - 10) Others: Business relationships and important transactions between parent company and subsidiaries, and the amounts (None)
 - 11) Information on investees (Table II)
- b. Information on Investment in Mainland China
 - 1) Information on any investees in mainland China: The name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table III)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
 - a) Purchase amount and percentage, and the ending balance and percentage of payables.
 - b) Sales amount and percentage, and the ending balance and percentage of receivables.
 - c) Property transaction amount and the resulting profit or loss.
 - d) Ending balance of endorsement, guarantee, or collateral provided and purposes.
 - e) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.

- f) Other transactions having a significant impact on profit or loss or financial position of the period, such as providing or receiving services.
- c. Information on major shareholders: Name of shareholders with a shareholding ratio of 5% or more, the amount, and proportion of shares held: (Table IV)

28. Segment information

Information provided to key business decision makers to allocate resources and evaluate the performance of each segment, with the emphasis on each type of product or service delivered or provided.

The Group mainly engages in life insurance brokerage and property insurance brokerage business, which can be classified to a single segment. The information of profit and loss, assets, and liabilities of each segment is consistent with that in the financial statements. Please refer to the consolidated balance sheet and consolidated income statement for details.

Major customer information

Of the total operating revenue of NT\$812,570 thousand and NT\$914,530 thousand in 2021 and 2020, respectively, the amounts of NT\$210,300 thousand and NT\$234,577 thousand were from the largest customer of the Group.

Individual customers from whom at least 10% of net revenue of the Group is generated are as follows:

	2021	2020
TransGlobe Life Insurance	\$ 210,300	\$ 234,577
Farglory Life Insurance Inc.	131,641	160,065
Chubb Life Insurance	<u>84,146</u>	<u>Note</u>
	<u>\$ 426,087</u>	<u>\$ 394,642</u>

Note: The amount of revenue does not amount to 10% of the Group's total revenue.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries
Table I

Marketable Securities Held at the End of the Period

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Issuer of Marketable Securities	Financial Statement Account	End of Period				Note
				Unit (1,000)s/ (1,000) Shares	Carrying Amount	Shareholding Ratio %	Fair Value	
Taiming Assurance Broker Co., Ltd.	<u>Fund beneficiary certificate</u>							
	Fuh Hwa Rui Neng No. 2 Balance Fund	None	Financial assets at FVTPL - current	3,000	\$ 33,793	-	\$ 33,793	
	Fuh Hwa Rui Hwa Fund	"	"	1,931	20,855	-	20,855	
	Fuh Hwa Patronus Fund	"	"	1,092	20,137	-	20,137	
	Yuanta Taiwan High-yield Leading Company Fund	"	"	500	7,920		7,920	
	<u>Domestic Bank Debentures</u>							
	P06 Taichung Bank 2	None	Financial assets at FVTPL - current	-	45,063	-	45,063	
	P06 O-Bank 2	"	"	-	10,032	-	10,032	
	<u>Domestic listed stocks</u>							
	Sirtec International Co., Ltd	Substantive Related Party	Financial assets at FVTOCI - current	798	22,654	0.77%	22,654	
	Taichung Bank	None	"	1,637	19,802	0.04%	19,802	
	<u>Domestic unlisted stocks</u>							
	TOP TAIWAN X VENTURE CAPITAL CO., LTD.	Substantive Related Party	Financial assets at FVTOCI - non-current	5,400	68,364	6.75%	68,364	
	Chengding Venture Capital Co., Ltd.	None	"	5,000	63,242	3.70%	63,242	

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries**Table II**

Information on Investees

2021

Unit: In Thousands of New Taiwan Dollars/Thousand Shares

Name of Company	Name of Investee	Location	Main Business Item	Original Investment Amount		End of the Period			Investee Gain (Loss)	Investment Gain (Loss) Recognized In the Current Period	Note
				End of Current Period	End of Last Year	Number of Shares	Percentage	Carrying Amount			
Taiming Assurance Broker Co., Ltd.	Ching-Guan Financial Management Consulting Co., Ltd.	Taipei City	Management Consultancy	\$ 900	\$ 900	100	100.00	\$ 89	(\$ 60)	(\$ 60)	Subsidiary
	All Safe Co., Ltd.	Taipei City	Information Software Services	8,135	8,135	814	14.79	2,901	(5,595)	(828)	
	Link-aim Life Insurance Broker Co., Ltd.	Tainan City	Life insurance and property insurance brokerage business	120,000	120,000	3,000 (Note 2)	100.00	116,055 (Note 3)	17,631	17,631	Subsidiary

Note 1: The subsidiaries above have been incorporated into the consolidated financial statements and the relevant investments and gains and losses have been eliminated.

Note 2: The par value of each ordinary share issued by Link-Aim Life Insurance Broker Co., Ltd. was changed to NT\$10, as Articles of Incorporation of the company were changed in the fourth quarter of 2019.

Note 3: The carrying amount includes the investment gains recognized under the equity method of NT\$17,631 thousand and the deduction of the distributed cash dividend of NT\$17,100 thousand.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Table III

Information on Investment in Mainland China
2021
Unit: (Unless otherwise stated, the unit shall be thousands of New Taiwan Dollars)

Name of Investee	Main Business Item	Paid-in Capital	Investment Method (Note 1)	Beginning of the Current Period Outward Remittance of Cumulative Investment from Taiwan	Amount of Investment Remitted or Recovered During the Current Period		End of Current Period Outward Remittance of Cumulative Investment from Taiwan	Investee Gain or loss for the period	Shareholdin g Ratio of the Company's Direct or Indirect Investments	Investment Recognized Gains and Losses (Note 2)	Investment at the End of the Period Carrying Amount	Up to the Current Period Repatriated Income from Investment	Note
					Outward Remittance	Recovered							
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 3,000 thousand	(1)	\$ 2,928	\$ -	\$ -	\$ 2,928	(\$ 4,590)	24.9	(\$ 1,143) (C)	(\$ 1,428)	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 10,000 thousand	(1)	12,061	-	-	12,061	(6,944)	24.9	(1,729) (C)	(1,420)	-	

Cumulative Outward Remittance from Taiwan at the End of the Period Investment Amount in Mainland China	Investment Commission, MOEA Approved Investment Amount	Investment Ceiling in Mainland China in accordance with Investment Commission, MOEA
CNY 3,362 thousand (NT\$14,989 thousand)	US\$ 493 thousand	NT\$341,410thousand

Note 1: Investment methods can be divided into the following three categories, simply mark the category:

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through a third region company (please specify the investment company in the third region).
- (3) Other methods.

Note 2: In the column of Gain or Loss on Investment:

- (1) If there is no investment gain or loss in preparation, it shall be noted.
- (2) The basis of recognition of investment gains and losses shall be noted in the following three categories.
 - A. Financial statements audited by an international CPA firm in partnership with a CPA firm of the Republic of Chin
 - B. Financial statements audited by CPAs of parent company in Taiwan.
 - C. Others.

Note 3: In accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the limit is 60% of the net value.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Major Shareholder Information

December 31, 2021

Name of Major Shareholder	Ownership	
	Number of Shares Held	Percentage
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.06%
Han-Chieh Li	1,851,082	7.39%
Ching Chung Interior Decoration Design Co., Ltd.	1,570,000	6.27%
Taiwan Fire & Marine Insurance Co., Ltd.	1,271,180	5.07%

Note: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. The share capital recorded in the Company's financial statements and the actual number of shares, for which electronic registration and delivery were completed, may not be consistent due to different bases of preparation and calculation.

Taiming Assurance Broker Co., Ltd.

Parent Company Only Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report

Address: 11F, No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City
Tel.:(02)55585988

Independent Auditors' Review Report

Taiming Assurance Broker Co., Ltd.,

Audit Opinion

We have reviewed the parent company only balance sheets of Taiming Assurance Broker Co., Ltd. (the "Company") for the years ended December 31, 2021 and 2020 and the relevant parent company only statements of comprehensive income, changes in equity, and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies "(collectively referred to as the financial statements)".

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020 and for the years then ended, and its individual financial performance and its individual cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Audit Opinion

We conducted our audits 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. Our responsibility under those standards are further described in the section of "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements". 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 we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the Company for the year ended December 31, 2021 based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the parent company only financial statements of the Company for the year ended December 31, 2021 are stated as follows

Income recognition

Key audit matters

The Company's operating revenue for 2021 totaled NT\$595,382 thousand, in which, NT\$315,186 thousand were commissions for the first year premium and renewed annual premium from the top 10 insurance companies, accounting for 53% of the total revenue.

After identifying the performance obligations of contracts with the customers, the Company decides relevant transaction prices and allocates the transaction prices to the performance obligations, and recognizes revenue when performance obligations are met. The transaction prices of the relevant contracts are calculated using the information system based on calculation factors, such as the premium of the brokerage insurance products and the commission rate agreed with insurance companies. Therefore, the correctness and authenticity of the calculation of the commission revenue from the first year premium and renewed annual premium from the top ten insurance companies recognized are listed as the key audit matters.

The accounting policy on commission revenue recognition is shown in Note 4.

Audit procedures

1. Identify the relevant internal control mechanism built by the management for correct calculation of commission revenue and observe how it operates.
2. Obtain the commission details of the life insurance and group insurance policies of the top ten insurance companies from the policy information system to confirm the completeness of the data, select samples, and verify them with the statement details provided by these insurance companies or recalculate to check whether they are consistent with the commissions received.
3. Review the calculation table of the transaction prices allocated to each performance obligation and check if the allocation method and logic are consistent.

Responsibilities of the management and governance bodies for the parent company only financial statements

The responsibilities of the management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters,

and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governance bodies of the Company (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatement may arise from frauds or errors. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards generally accepted in the Republic of China.

We also performed the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Company.

The matters communicated between us and the governance bodies include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided governance bodies with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governance bodies, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2021. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche

CPA Wang-Sheng Lin

CPA Wun-Ya Syu

Financial Supervisory Commission
Approval Document No.
FSC Letter Jin-Guan-Zheng-Shen No.
1060023872

Securities and Futures Bureau Approval
Document No.
Tai-Cai-Zheng-Liu No. 0920123784

March 7, 2022

Notice to Reader:

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese version shall prevail.

Taiming Assurance Broker Co., Ltd.

Parent Company Only Balance Sheets
December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 46,707	6	\$ 58,761	8
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	137,800	19	114,601	16
1120	Financial assets at fair value through other comprehensive income-current (Notes 4 and 8)	42,456	6	38,979	5
1140	Contract assets - current (Notes 4 and 18)	36,834	5	45,908	6
1170	Notes and accounts receivable (Notes 4, 9, and 24)	68,787	9	87,887	12
1200	Other receivables	1,185	-	1,238	-
1470	Other current assets	2,719	1	1,817	-
11XX	Total current assets	<u>336,488</u>	<u>46</u>	<u>349,191</u>	<u>47</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	131,606	18	113,230	15
1550	Investments accounted for using equity method (Notes 4 and 10)	119,045	16	119,715	16
1560	Contract assets - non-current (Notes 4, and 18)	14,282	2	18,976	3
1600	Property and equipment (Notes 4 and 11)	46,567	6	47,062	6
1755	Right-of-use assets (Notes 4 and 12)	12,914	2	25,208	3
1760	Investment property (Notes 4 and 13)	67,216	9	67,580	9
1840	Deferred income tax assets (Notes 4 and 20)	2,071	-	2,093	-
1920	Guarantee deposits paid	5,814	1	5,861	1
1990	Other non-current assets (Notes 4 and 16)	3,062	-	1,849	-
15XX	Total non-current assets	<u>402,577</u>	<u>54</u>	<u>401,574</u>	<u>53</u>
1XXX	Total assets	<u>\$ 739,065</u>	<u>100</u>	<u>\$ 750,765</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2150	Notes payable	\$ -	-	\$ 237	-
2220	Other payables (Note 14)	108,359	14	120,595	16
2230	Current income tax liabilities (Notes 4 and 20)	5,406	1	7,417	1
2280	Lease liabilities – current (Notes 4 and 12)	7,515	1	14,613	2
2399	Other current liabilities	7,462	1	7,266	1
21XX	Total current liabilities	<u>128,742</u>	<u>17</u>	<u>150,128</u>	<u>20</u>
	Non-current liabilities				
2550	Provisions – non-current (Notes 4 and 15)	10,152	1	10,394	1
2570	Deferred income tax liabilities (Notes 4 and 20)	125	-	109	-
2580	Lease liabilities – non-current (Notes 4 and 12)	5,598	1	10,944	2
2610	Long-term payables (Note 14)	22,076	3	25,866	3
2645	Guarantee deposit received	508	-	508	-
2650	Credit balance of investments under equity method (Note 10)	2,848	1	287	-
25XX	Total non-current liabilities	<u>41,307</u>	<u>6</u>	<u>48,108</u>	<u>6</u>
2XXX	Total liabilities	<u>170,049</u>	<u>23</u>	<u>198,236</u>	<u>26</u>
	Equity (Notes 4 and 17)				
3110	Share capital of ordinary shares	250,243	34	250,243	34
3200	Capital surplus	92,500	13	92,500	12
	Retained earnings				
3310	Legal reserve	112,716	15	104,041	14
3320	Special reserve	5,493	1	10,094	1
3350	Undistributed earnings	91,706	12	101,144	14
3300	Total retained earnings	209,915	28	215,279	29
3400	Other equity interests	16,358	2	(5,493)	(1)
3XXX	Total equity	<u>569,016</u>	<u>77</u>	<u>552,529</u>	<u>74</u>
	Total liabilities and equity	<u>\$ 739,065</u>	<u>100</u>	<u>\$ 750,765</u>	<u>100</u>

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

However, the unit of earnings per share is in New Taiwan Dollars

Code		2021		2020	
		Amount	%	Amount	%
4000	Operating income (Notes 4, 18, and 24)	\$ 595,382	100	\$ 718,716	100
5000	Operating cost (Notes 19 and 24)	<u>452,156</u>	<u>76</u>	<u>559,730</u>	<u>78</u>
5950	Gross profit	<u>143,226</u>	<u>24</u>	<u>158,986</u>	<u>22</u>
	Operating expenses (Notes 19 and 24)				
6100	Selling and marketing expenses	2,812	-	8,355	1
6200	Administrative expense	<u>77,605</u>	<u>13</u>	<u>76,052</u>	<u>11</u>
6000	Total operating expenses	<u>80,417</u>	<u>13</u>	<u>84,407</u>	<u>12</u>
6900	Net operating profit	<u>62,809</u>	<u>11</u>	<u>74,579</u>	<u>10</u>
	Non-operating income and expenses				
7010	Other income (Note 19)	8,326	1	7,393	1
7020	Other gains and losses (Note 19)	3,459	1	3,475	-
7050	Finance costs	(291)	-	(496)	-
7070	Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	<u>13,871</u>	<u>2</u>	<u>18,402</u>	<u>3</u>
7000	Total non-operating income and expenses	<u>25,365</u>	<u>4</u>	<u>28,774</u>	<u>4</u>
7900	Net income before tax	88,174	15	103,353	14
7950	Income tax expenses (Note 4 and 20)	<u>13,498</u>	<u>3</u>	<u>16,509</u>	<u>2</u>
8000	Net profit for the year	<u>74,676</u>	<u>12</u>	<u>86,844</u>	<u>12</u>

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Code		2021		2020	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	48	-	(\$ 115)	-
8316	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	21,853	4	4,546	1
8349	Income tax relating to items that are not reclassified (Notes 4 and 20)	(10)	-	23	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operation	(2)	-	55	-
8300	Other comprehensive income for the year (net, after tax)	<u>21,889</u>	<u>4</u>	<u>4,509</u>	<u>1</u>
8500	Total comprehensive income for the year	<u>\$ 96,565</u>	<u>16</u>	<u>\$ 91,353</u>	<u>13</u>
	Earnings per share (Note 21)				
9750	Basic	<u>\$ 2.98</u>		<u>\$ 3.47</u>	
9850	Diluted	<u>\$ 2.98</u>		<u>\$ 3.46</u>	

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

Code		Share capital of ordinary shares	Capital surplus	Retained earnings			Other equity items		Total equity
				Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operation	Unrealized gains (losses) on equity instruments at FVTOCI	
A1	Balance as of January 1, 2020	\$ 250,243	\$ 92,500	\$ 96,629	\$ 31,921	\$ 75,050	(\$ 201)	(\$ 9,893)	\$ 536,249
	Appropriations and distribution of 2019 earnings								
B1	Legal reserve	-	-	7,412	-	(7,412)	-	-	-
B3	Appropriated as special reserve	-	-	-	(21,827)	21,827	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(75,073)	-	-	(75,073)
D1	2020 net income	-	-	-	-	86,844	-	-	86,844
D3	2020 other comprehensive Income (loss) after tax	-	-	-	-	(92)	55	4,546	4,509
D5	Total comprehensive income (loss) for 2020	-	-	-	-	86,752	55	4,546	91,353
Z1	Balance as of December 31, 2020	250,243	92,500	104,041	10,094	101,144	(146)	(5,347)	552,529
	Appropriations and distribution of 2020 earnings								
B1	Legal reserve	-	-	8,675	-	(8,675)	-	-	-
B3	Appropriated as special reserve	-	-	-	(4,601)	4,601	-	-	-
B5	Cash dividend	-	-	-	-	(80,078)	-	-	(80,078)
D1	2021 net income	-	-	-	-	74,676	-	-	74,676
D3	2021 Other comprehensive Income (loss) after tax	-	-	-	-	38	(2)	21,853	21,889
D5	Total comprehensive income (loss) for 2021	-	-	-	-	74,714	(2)	21,853	96,565
Z1	Balance as of December 31, 2021	<u>\$ 250,243</u>	<u>\$ 92,500</u>	<u>\$ 112,716</u>	<u>\$ 5,493</u>	<u>\$ 91,706</u>	<u>(\$ 148)</u>	<u>\$ 16,506</u>	<u>\$ 569,016</u>

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: In Thousands of New Taiwan Dollars

Code		2021	2020
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 88,174	\$ 103,353
A20010	Income and expenses		
A20100	Depreciation expenses	19,224	18,497
A20200	Amortization expenses	976	290
A20300	Loss on (gain on reversal of) bad debts	131	(125)
A20400	Net gain on financial assets at fair value through profit or loss	(3,223)	(3,221)
A20900	Finance costs	291	482
A21200	Interest income	(2,154)	(2,318)
A21300	Dividend income	(4,159)	(2,866)
A22300	Share of profit or loss of associates and joint ventures using equity method	(13,871)	(18,402)
A29900	Profit (loss) of lease modification	(2)	(111)
A29900	Other income	(2)	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	13,768	(5,959)
A31150	Notes receivable and accounts receivable	19,100	13,522
A31180	Other receivables	804	902
A31220	Prepaid pension cost	(95)	(99)
A31230	Prepayments	(902)	(412)
A31240	Other current assets	-	1
A31250	Other non-current assets	(2,046)	(1,351)
A32130	Notes payable	(237)	207
A32180	Other Payables	(16,026)	(4,644)
A32200	Provisions	(242)	(298)
A32230	Other current liabilities	196	(2,761)
A33000	Cash inflows from operations	99,705	94,687
A33500	Income tax paid	(15,481)	(15,094)
AAAA	Net cash inflows from operating activities	84,224	79,593

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<u>Code</u>		<u>2021</u>	<u>2020</u>
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	-	(\$ 734)
B00100	Acquisition of financial assets at fair value through profit or loss	(65,000)	(30,000)
B00200	Disposal of financial assets at fair value through profit or loss	45,024	28,967
B01800	Acquisition of associates	-	(5,291)
B02700	Acquisition of property and equipment	(3,230)	(5,514)
B03700	Decrease (increase) in guarantee deposits paid	47	(21)
B07500	Interest received	1,272	1,373
B07600	Dividends received	<u>21,259</u>	<u>25,606</u>
BBBB	Net cash (outflow) inflow from investing activities	(<u>628</u>)	<u>14,386</u>
	Cash flows from financing activities		
C03000	Increase in guarantee deposits received	-	2
C04020	Repayment of the principal portion of lease liabilities	(15,572)	(15,340)
C04500	Cash dividends issued	(<u>80,078</u>)	(<u>75,073</u>)
CCCC	Net cash outflow from financing activities	(<u>95,650</u>)	(<u>90,411</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(12,054)	3,568
E00100	Balance of cash and cash equivalents, at beginning of year	<u>58,761</u>	<u>55,193</u>
E00200	Balance of cash and cash equivalents at end of year	<u>\$ 46,707</u>	<u>\$ 58,761</u>

The accompanying notes are a part of the Parent Company Only Financial Statements.

1. Company History

Taiming Assurance Broker Co., Ltd. (hereinafter referred to as "the Company") was formally established in October 2002 in accordance with the provisions of the Company Act. Its main business operations are life insurance and property insurance brokerage, and the insurance broker's professional liability insurance and the Company's insurance broker's guarantee insurance have been insured and the deposit has been made according to the regulations. The Company's shares have been listed and traded on the Taipei Exchange (TPEX) since October 28, 2014.

The parent company only financial statements are expressed in the Company's functional currency.

2. Date and Procedure for Approval of Financial Statements

The parent company only financial statements were approved by the Company's board of directors on March 7, 2022.

3. Application of Newly Issued and Amended Standards and Interpretations

- a. (I)Initial application of 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 Financial Supervisory Commission (FSC).

The application of the amended IFRSs endorsed and issued into effect by the FSC does not have material impact on the Company's accounting policies:

- b. IFRSs endorsed by the FSC and applied in 2022

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
"Annual Improvements to IFRSs 2018-2020"	January 1, 2022(Note 1)
Amendments to IFRS 3 - "Reference to the Conceptual Framework"	January 1, 2022(Note 2)
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022(Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022(Note 4)

Note 1: The amendment to IFRS 9 applies prospectively to modifications of terms of or exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41

“Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoption of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendment applies to business combination with the acquisition date in the annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendment applies to property, plant and equipment that are in line with the location and condition necessary for them to be capable of operating in the manner expected by the management on or after January 1, 2021.

Note 4: The amendment applies to the contracts with the obligations not fully fulfilled as of January 1, 2022.

Note 5: As of the date the parent company only financial statements were approved for release, the Company assessed that no significant impact will not incur due to the application of other standards and interpretations on its financial position and financial performance.

c. IFRSs issued by IASB but not yet endorsed by the FSC

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB(Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023(Note 2)
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023(Note 3)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023(Note 4)

Note 1: Unless otherwise specified, each of the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after each said date.

Note 2: The amendments are applied prospectively for the annual reporting period beginning on or after January 1, 2023.

Note 3: The amendments are applied to changes in accounting estimates and in accounting policies occurring the annual reporting period beginning on or after January 1, 2023.

Note 4: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred income tax on temporary differences in lease and decommissioning obligations at January 1, 2022.

As of the date the parent company only financial statements were approved for release, the Company is continuously assessing the possible impact of the application of other standards and interpretations on its 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

The parent company only financial statements are prepared on the basis of historical costs, except for financial instruments measured at fair value and present value of defined benefit obligations less the net defined benefit liabilities recognized at the fair value of the plan assets.

The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

1. Level 1 inputs: Quoted (unadjusted) prices in active markets for identical assets or liabilities on the measurement date.
2. Level 2 inputs: Inputs, other than quoted market prices within level 1 that are observable, either directly (i.e. prices) or indirectly (derived from prices) for assets or liabilities.
3. Level 3 inputs: Unobservable inputs for assets or liabilities.

When preparing the parent company only financial statements, the Company adopted the equity method to account for its investments in subsidiaries, associates, or joint ventures. In order to enable the amounts of the net income for the year, other comprehensive income for the year, and total equity in the parent company only financial statements to be the same as the ones attributable to the owners of the Company in its consolidated financial statements, regarding the differences arising from accounting treatments between the parent company only basis and the consolidation basis, adjustments were made to the investments accounted for using the equity method and the share of profit or

loss of equity-accounted subsidiaries and associates in the parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets realized within 12 months after the balance sheet date; and
- 3) Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

- 1) Liabilities that are due for settlement within 12 months after the balance sheet date; and
- 2) Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign Currency

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not retranslated.

When preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollar. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income.

e. Investments in subsidiaries

The Company adopts the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of its subsidiaries. In addition, changes in the Company's other equity of its subsidiaries are recognized based on its ownership percentage.

Changes in the Company's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of an investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary exceeds its equity in said subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term equity that, in substance, forms part of the Company's net investment in said subsidiary), the Company continues recognizing its share of further losses.

The amount of acquisition cost in excess of the Company's share of the net fair value of identifiable assets and liabilities of a subsidiary that constitute the business at the date of acquisition is recognized as goodwill, which is included in the carrying amount of investment and shall not be amortized. Any excess of the Company's share of the net fair value of identifiable assets and liabilities of an investment over the acquisition cost is recognized immediately in profit or loss.

When the Company assesses the impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the carrying amount. If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss shall be recognized in gains, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount of the asset less amortization without impairment loss recognized. Impairment loss attributable to goodwill may not be reversed after the balance sheet date.

When the Company loses control over a subsidiary, it measures its remaining investment in said subsidiary based on the fair value on the day when the control is lost. The fair value of the remaining investment and the difference between any disposal price and the carrying amount of the investment on the day when the control is lost are recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to said subsidiary are accounted for on the same basis as the one adopted for the Company's direct disposal of the relevant assets or liabilities.

The unrealized profit or loss on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the parent company only financial statements only to the extent that it does not affect the Company's interests in the subsidiaries.

f. Investments in associates

An associate is an entity over which the Company has significant influence and is not a subsidiary.

The Company adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates based on the percentage of ownership.

When the Company's share of losses on an associate equals or exceeds its interest in the associate (including any carrying amount of the investment accounted for using the equity method and other long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses.

When the associate issues new shares, if the Company fails to subscribe according to the shareholding ratio, resulting in the change of shareholding ratio and the increase or decrease of the net equity value of the investment, the capital surplus shall be recognized based on the increase or decrease as changes in the net value of equity of the associate under equity method and investment under equity method. However, if the ownership interest of the related enterprise is reduced due to the failure to subscribe or acquire the shares in proportion to the shareholding ratio, the amount recognized in other comprehensive income related to the related enterprise shall be reclassified in proportion to the reduction, and the accounting treatment shall be based on the same basis as the direct disposal of related assets or liabilities by the related enterprise; the adjustment such as referred to in the preceding paragraph shall debit capital surplus, but uses the Equity Method of investment capital surplus produced by lack of balance, the balance debit to retained earnings.

Any further loss shall be disregarded when the Company's share of loss to the associate is equal to or greater than its interest (including the carrying amount of an investment in an associate under the Equity Method and other long-term equity that are essentially part of the Company's net investment in the associate) in the associate. Additional losses and

liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is

not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized only to the extent that the recoverable amount of the investment subsequently increases.

The Company ceases to use the equity method on the day when its investment ceases to be in an associate, and its retained equity in the original associate is measured at fair value. The fair value and the difference between the proceeds from the disposal and the carrying amount of the investment on the day when the equity method ceased to be used are recognized in profit and loss for the period. In addition, the accounting treatment of all amounts recognized in other comprehensive income in relation to the associate shall be based on the same basis that the associate must follow if the associate directly disposes of the relevant assets or liabilities.

g. Property and equipment

Property and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

Except for the private land which is not depreciated, property and equipment are depreciated using the straight-line method over their useful lives. Each significant part is depreciated separately. The Company shall conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, while applying the effect of changes in accounting estimates prospectively.

When derecognizing property and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in loss or profit.

h. Investment property

Investment property is property held for rent or capital appreciation or both. Investment property also includes land that has not yet been determined for future use.

Self-owned investment property is initially measured at cost (including transaction costs) and is subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment property is carried out on a straight-line basis.

In the event of the derecognition of investment property, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

i. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using straight-line method over the useful lives. The Company conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

When derecognizing intangible assets, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in loss or profit.

j. Impairment of property and equipment as well as right-of-use assets, investment property, and intangible assets

The Company assesses if there are any signs of possible impairment in property and equipment as well as right-of-use assets, investment property, and intangible assets at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the fair value less cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or cash-generating unit, which was not recognized as impairment loss in prior years. The impairment loss reversed is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

In the initial recognition, financial assets and financial liabilities not at fair value through profit or loss are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

a) Measurement types

Financial assets held by the Company are those measured at fair value through profit or loss (FVTPL) and at amortized cost, as well as investments in equity instruments measured at fair value through other comprehensive income (FVTOCI).

i. Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are mandatorily measured at FVTPL. Financial assets mandatorily at FVTPL include investments in equity instruments not designated by the Company to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at FVTOCI.

Such assets are measured at fair value, of which any dividends and interest accrued are recognized in other income, and remeasurement gains or losses are recognized in other gains or losses. Please refer to Note 23 for the determination of fair value.

ii. Financial assets measured at amortized cost

When the Company's investments in financial assets meet the following two conditions simultaneously, they are classified as financial assets measured at amortized cost:

- i) Held under a certain business model, of which the objective is to collect contractual cash flows by holding the financial assets; and
- ii) The cash flows on specific dates specified in the contractual terms are solely payments of the principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and equivalent cash and accounts receivable measured at amortized cost) are measured at the

amortized cost of the total carrying amount determined by the effective interest method after the initial recognition, and any foreign currency exchange gains or losses are recognized in profit or loss.

Except in the following two cases, interest income is calculated by multiplying the effective interest rate by the gross carrying amount of a financial asset.

- i) For the purchased or originated credit-impaired financial asset, the interest income is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortization of financial assets.
- ii) For financial asset that is not a purchased or originated credit-impaired but subsequently becomes a credit-impaired financial asset, the interest income is calculated by multiplying the effective interest rate by the amortized cost of financial assets.

The cash equivalents include highly liquid time deposits which can be converted into imprest cash at any time within 3 months from the date of acquisition and have little risk of value change, which is used to meet short-term cash commitments.

iii. Investment in equity instruments at FVTOCI

The Company may, upon initial recognition, make an irrevocable election to designate as at FVTOCI the investments in equity instruments that are not held for trading and the ones that are not recognized by an acquirer in a business combination or with the contingent consideration.

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Company's right to receive dividends is established unless such dividends clearly represent the recovery of a part of the investment cost.

b) Impairment of financial assets and contract assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on the expected credit loss at each balance sheet date.

Accounts receivable are recognized in allowance loss based on the lifetime expected credit losses (ECLs). Other financial assets are first assessed based on whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the risk, a loss allowance is recognized at an amount equal to 12-month ECLs. If the risks have increased significantly, a loss allowance is recognized at an amount equal to ECLs.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- i. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- ii. It is overdue for more than 30 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

The Company recognizes an impairment loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash inflow from the financial asset expire or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When derecognizing an investment in equity instrument at FVTOCI in its entirety, the cumulative profit or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is recognized in profit or loss.

3) Financial liabilities

a) Subsequent measurement

The Company's all financial liabilities are measured at amortized cost in the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Provisions

The amount recognized in provision is based on the risk and uncertainty of the obligation, and is the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are measured by the discounted present value of the estimated cash flow of the settlement obligation.

Where a part or all of the expenditure required to satisfy the provisions is expected to be reimbursed to the other party and is almost certain to be received and the amount can be reliably measured, the reimbursement shall be recognized in assets.

m. Income recognition

After the Company identifies its performance obligations in contracts with customers, it allocates the transaction costs to each obligation in the contracts and recognizes revenue upon completion of performance obligations.

In the case of a contract for the transfer of products or services and the receipt of a consideration with an interval of less than one year, the transaction price shall not be adjusted for the significant financial component.

Operating income comes from commissions earned by brokers from selling life and property insurance products of various insurance companies. Revenues and accounts receivable recognized by the Company for the sale of a non-multi-year line of underwriters upon completion of underwriting by the insurance company. The amount of revenue recognized from the sale of multi-year insurance products includes the consideration for the change in a consideration resulting from the renewal of the policy in history, the recognition of revenue and contract assets over the years, and the transfer of accounts receivable upon completion of the remaining obligations.

n. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Where almost all the risks and rewards attached to the ownership of an asset are transferred to the lessee in lease terms, such leases are classified as finance leases. All other leases are classified as operating leases.

Under operating leases, lease payments less lease incentives are recognized in income on a straight-line basis during the relevant lease period. The lease negotiation with a lessee is handled as a new lease from the effective date of the lease modification.

When a lease simultaneously include land and building elements, the Company classifies them as finance lease or operating lease based on whether most risks and rewards from ownership of the elements have been transferred to the lessee. Lease payments are apportioned to land and buildings in proportion to the fair value of land and building lease rights on the contract establishment date. If lease payments can be apportioned reliably to these two elements, each element is treated according to the applicable lease classification. If lease payments cannot be allocated reliably between the two elements, the entire lease is classified under finance lease. If both elements clearly meet the standards of operating leases, the entire lease is classified under operating lease.

2) The Company as lessee

Except that payments for leases of low-value assets and short-term leases to which exemption is applicable are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease start date.

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful life, or to the end of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments, including fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If changes in the index or rate used to determine the lease payment over the lease term lead to changes in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount

of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss on the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented on a separate line in the parent company only balance sheets.

The Company has negotiated rents directly related to Coronavirus disease (COVID-19) with the lessor, and adjusted rents due before June 30, 2022, resulting in a decrease in rents; these negotiations have not significantly changed other lease terms. The Company has opted to adopt a practical expedient approach to all rental negotiations that meet the above-mentioned conditions. It does not assess whether the negotiation is a lease modification, but instead recognizes the reduction in lease payments in profit or loss (accounted for operating costs and rental expenses under administrative expenses), and a corresponding reduction in lease liabilities.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which they are incurred.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction, or production of qualifying assets are added to the cost of said assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment using specific borrowings prior to the occurrence of capital expenditures in accordance with the requirements is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Employee benefits

1) Short-term employee benefits

Relevant liabilities for short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2) Post-employment benefits

For pension under the defined contribution plan, the amount of pension contributed is recognized as expenses during employees' service period.

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and remeasurement) is calculated based on the projected unit credit

method. The service cost (including the service cost for the current period) and the net interest of net defined benefit liabilities (assets) are recognized as employee benefit expenses as they occur. The remeasurement (including actuarial gains and losses, changes in the effect of the asset ceiling, and the return on plan assets, net of interest) is recognized in other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss.

The net defined benefit liabilities (assets) are the deficit (surplus) of the defined benefit pension plan. The net defined benefit assets may not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

3) Termination benefits

The Company will recognize the termination benefits liability when it is no longer able to revoke the termination benefits offer or recognize the relevant restructuring costs (whichever is earlier).

q. Income taxes

Income tax expenses are the sum of current income tax and deferred income tax.

1) Current income tax

The Company determines the current income (loss) in accordance with the laws and regulations established by each income tax filing jurisdiction area, and calculates the payable (recoverable) income tax based on it.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via a resolution at the shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2) Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities and the corresponding tax bases used in the computation of taxable income.

Deferred income tax liabilities are generally recognized in respect of all taxable temporary differences, while deferred income tax assets are recognized when there is a possibility that tax may be provided for the use of the taxable income resulting from a deductible temporary difference.

Taxable temporary differences relating to investee subsidiaries are recognized as deferred income tax liabilities, except where the Company can control the point at which the temporary difference reverses and where it is likely that the temporary difference will not reverse in the foreseeable future. The deductible temporary

difference relating to such investment shall be recognized as a deferred income tax asset only to the extent that it is likely to have sufficient taxable income to realize the temporary difference and to the extent that it is expected to reverse in the foreseeable future.

The carrying amount of the deferred income tax assets shall be re-examined at each balance sheet date and reduced in respect of those assets for which there is no longer likely to be sufficient tax to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and the carrying amount shall be adjusted upward where it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

5. Critical Accounting Judgments, Assumptions, and Key Sources of Estimation Uncertainty

In the application of the Company's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Company takes into account the possible impact of the COVID-19 pandemic in its critical accounting estimates, and the management will constantly review the estimates and basic assumptions. If an amendment to estimates only affects the current period, it shall be recognized in the period of said amendment; if an amendment to accounting estimates affects the current year and future periods, it shall be recognized in the period of said amendment and future periods.

6. Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 157	\$ 157
Checking accounts and demand deposits	<u>46,550</u>	<u>58,604</u>
	<u>\$ 46,707</u>	<u>\$ 58,761</u>

7. Financial assets at FVTPL - current

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Measured at FVTPL</u>		
Fund beneficiary certificate	\$ 82,705	\$ 59,122
Bank debentures	<u>55,095</u>	<u>55,479</u>
	<u>\$ 137,800</u>	<u>\$ 114,601</u>

8. Financial assets at FVTOCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Investment in equity instruments	<u>\$ 42,456</u>	<u>\$ 38,979</u>
<u>Non-current</u>		
Investment in equity instruments	<u>\$ 131,606</u>	<u>\$ 113,230</u>

Investment in equity instruments at FVTOCI

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Current</u>		
Domestic Investment		
Domestic unlisted equity		
Sirtec International Co., Ltd	\$ 22,654	\$ 22,058
Taichung Commercial Bank Co., Ltd.	<u>19,802</u>	<u>16,921</u>
	<u>\$ 42,456</u>	<u>\$ 38,979</u>
<u>Non-current</u>		
Domestic Investment		
Unlisted equity		
Top Taiwan X Venture Capital Co., Ltd.	\$ 68,364	\$ 62,863
Chengding Venture Capital Co., Ltd.	<u>63,242</u>	<u>50,367</u>
	<u>\$ 131,606</u>	<u>\$ 113,230</u>

The Company invested in the above-mentioned ordinary shares for medium- to long-term strategic purposes, and expected to make profits in a long term. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believed that recognizing the short-term fair value fluctuations of such investments in profit and loss would be inconsistent with the aforementioned long-term investment strategy.

The Company recognized dividend income of NT\$4,159 thousand and NT\$2,866 thousand for 2021 and 2020, respectively, of which NT\$ 0 and NT\$ 0 related to the investments were

derecognized for the years then ended, and NT\$4,159 thousand and NT\$2,866 thousand related to the investments that are still held as of December 31, 2021 and 2020, respectively.

9. Notes receivable and accounts receivable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable	\$ 1,562	\$ 91
Accounts receivable	<u>67,225</u>	<u>87,796</u>
	<u>\$ 68,787</u>	<u>\$ 87,887</u>

The average credit period of the Company for the provision of services is 30 days from the invoice issuance date. When determining the recoverability of accounts receivable, the Company will review any changes in the credit quality of accounts receivable from the original credit date to the balance sheet date one by one at the balance sheet date to ensure that the uncollectible receivables have been listed as impairment losses as appropriate; the management of the Company believes that the Company's credit risk is not material.

The Company has no overdue receivables, and the loss allowance for bad debts of the Company as at December 31, 2021 and 2020 after evaluation is both NT\$ 0.

The Company adopts the simplified method of IFRS 9 to recognize the accounts receivable as the allowance for losses in accordance with the lifetime ECLs during the term of duration. It considers customers' past default records and current financial and industrial economic positions. Due to the historical experience of credit loss of the Company, there is no significant difference in the types of loss among different customer groups. Therefore, the ECL rate is only based on the number of overdue days of accounts receivable.

10. Investments accounted for using the equity method (credit balance)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Investments accounted for using the equity method</u>		
Investments in subsidiaries	\$ 116,144	\$ 115,673
Investments in associates	<u>2,901</u>	<u>4,042</u>
	<u>\$ 119,045</u>	<u>\$ 119,715</u>
<u>Credit balance of investments accounted for using the equity method</u>		
Investments in associates	(\$ 2,848)	(\$ 287)

a. Investments in subsidiaries

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Link-aim Life Insurance Broker Co., Ltd.	\$ 116,055	\$ 115,524
Ching-Guan Financial Management Consulting Co., Ltd.	<u>89</u>	<u>149</u>
	<u>\$ 116,144</u>	<u>\$ 115,673</u>

Name of Subsidiary	Percentage of ownership interest and voting rights	
	December 31, 2021	December 31, 2020
Link-aim Life Insurance Broker Co., Ltd.	100%	100%
Ching-Guan Financial Management Consulting Co., Ltd.	100%	100%

The shares of profit or loss and other comprehensive income of the subsidiaries under the equity method are recognized according to the CPA-audited financial statements of the associates during the same period, except for the financial statements of Ching-Guan Financial Management Consulting Co., Ltd., which have not been audited by CPAs. However, the management of the Company considers that the financial statements of the investee not audited by CPAs will not cause a material impact.

b. Investments in associates

	December 31, 2021	December 31, 2020
Associates that are not individually material		
All Safe Co., Ltd.	\$ 2,901	\$ 3,729
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>-</u>	<u>313</u>
	<u>\$ 2,901</u>	<u>\$ 4,042</u>
Shanghai Taiming Insurance Agency Co., Ltd.	(\$ 1,428)	(\$ 287)
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>(1,420)</u>	<u>-</u>
	<u>(\$ 2,848)</u>	<u>(\$ 287)</u>

Company Name	Percentage of ownership and voting rights		
	December 31, 2021	December 31, 2020	Description
All Safe Co., Ltd.	14.79%	14.79%	—
Shanghai Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	1
Jiangsu Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	2

- 1) The company changed its company name from "Shanghai Lian Da Insurance Agency Co., Ltd." to "Shanghai Taiming Insurance Agency Co., Ltd." on April 29, 2020.
- 2) The company changed its name from ".Kun Shan Feng Sheng Insurance Agency Co. Ltd." to "JJiangsu Taiming Insurance Agency Co. Ltd." on April 15, 2020.

Summary information on associates that are not individually material

	2021	2020
Share owned by the Company		
Continuing Operations Net Income for the Current Year	(\$ 3,700)	(\$ 4,074)
Other comprehensive income	<u>(2)</u>	<u>55</u>
Total comprehensive income	<u>(\$ 3,702)</u>	<u>(\$ 4,019)</u>

For relevant information on the main business, main place of business, and country where the company is registered for the aforementioned associates, please refer to Table II "Information on Investees" and Table III "Information on Investment in Mainland China" for details.

The shares of profit or loss and other comprehensive income under the equity method are recognized based on the financial statements of the associates audited by CPAs during the same period.

11. Property and equipment

	Private land	Building	Other equipment	Leasehold improvements	Total
<u>Cost</u>					
Balance as of January 1, 2020	\$ 21,460	\$ 27,634	\$ 19,884	\$ 17,143	\$ 86,121
Additions	-	-	2,009	3,505	5,514
Balance as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 21,893</u>	<u>\$ 20,648</u>	<u>\$ 91,635</u>
<u>Accumulated depreciation and impairment</u>					
Balance as of January 1, 2020	\$ -	\$ 7,301	\$ 17,349	\$ 16,688	\$ 41,338
Depreciation expenses	-	936	1,559	740	3,235
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 8,237</u>	<u>\$ 18,908</u>	<u>\$ 17,428</u>	<u>\$ 44,573</u>
Net amount as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 19,397</u>	<u>\$ 2,985</u>	<u>\$ 3,220</u>	<u>\$ 47,062</u>
<u>Cost</u>					
Balance as of January 1, 2021	\$ 21,460	\$ 27,634	\$ 21,893	\$ 20,648	\$ 91,635
Additions	-	-	163	3,067	3,230
Balance as of December 31, 2021	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 22,056</u>	<u>\$ 23,715</u>	<u>\$ 94,865</u>
<u>Accumulated depreciation and impairment</u>					
Balance as of January 1, 2021	\$ -	\$ 8,237	\$ 18,908	\$ 17,428	\$ 44,573
Depreciation expenses	-	936	1,302	1,487	3,725
Balance as of December 31, 2021	<u>\$ -</u>	<u>\$ 9,173</u>	<u>\$ 20,210</u>	<u>\$ 18,915</u>	<u>\$ 48,298</u>
Net amount as of December 31, 2021	<u>\$ 21,460</u>	<u>\$ 18,461</u>	<u>\$ 1,846</u>	<u>\$ 4,800</u>	<u>\$ 46,567</u>

In the year of 2021 and 2020, as there is no sign of impairment, the Company did not conduct impairment assessment.

Depreciation expenses are calculated on a straight-line basis according to the following useful lives:

Building	15 to 30 Years
Leasehold improvements	3 to 5 Years
Other equipment	3 to 5 Years

12. Lease agreements

a. Right-of-use assets

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of right-of-use assets		
Building	<u>\$ 12,914</u>	<u>\$ 25,208</u>
	<u>2021</u>	<u>2020</u>
Additions of right-of-use assets	<u>\$ 3,256</u>	<u>\$ 1,521</u>
Depreciation expenses of right-of-use assets		
Building	<u>\$ 15,135</u>	<u>\$ 14,898</u>

b. Lease liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Carrying amount of lease liabilities		
Current	<u>\$ 7,515</u>	<u>\$ 14,613</u>
Non-current	<u>\$ 5,598</u>	<u>\$ 10,944</u>
Interest expense – lease obligations payable	<u>\$ 289</u>	<u>\$ 482</u>

The ranges of discount rates for lease liabilities are listed below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Building	1.25%~1.60%	1.25%~1.60%

c. Material leasing activities and terms

The Company has leased certain buildings for office use for a term of 2-5 years. Upon the termination of the lease term, the Company does not have preferential rights to acquire the land and buildings leased, and it is agreed that the Company shall not sublease or transfer all or part of the underlying assets leased without the consent of the lessor.

In 2021, due to the severe impact of the Coronavirus disease (COVID-19) pandemic on the market economy, the Company negotiated the building lease agreement with Taiwan Fire & Marine Insurance Company, Ltd. that the rental amount has been partially reduced during the period of the national epidemic alert standard at the third-level since May 18, 2021, but the longest is not more than three months. From January 1, 2021 to December 31, 2021, the Company recognized the impact of the above-mentioned rental reduction of NT\$499 thousand (accounted for reduction of rental expenses under operating costs and administrative expenses).

d. Other lease information

	<u>2021</u>	<u>2020</u>
Short-term lease expenses	\$ 90	\$ 83
Lease expenses of low-value assets	\$ 450	\$ 436
Total cash (outflow) from leases	(\$ 16,112)	(\$ 15,859)

All lease commitments during the lease terms beginning after the balance sheet date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Lease commitments	\$ 10,547	\$ -

13. Investment property

	<u>Land</u>	<u>Building</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2020	\$ 65,730	\$ 5,459	\$ 71,189
Additions	-	-	-
Balance as of December 31, 2020	\$ 65,730	\$ 5,459	\$ 71,189
<u>Accumulated depreciation</u>			
Balance as of January 1, 2020	\$ -	\$ 3,245	\$ 3,245
Depreciation expenses	-	364	364
Balance as of December 31, 2020	\$ -	\$ 3,609	\$ 3,609
Net amount as of December 31, 2020	\$ 65,730	\$ 1,850	\$ 67,580
<u>Cost</u>			
Balance as of January 1, 2021	\$ 65,730	\$ 5,459	\$ 71,189
Additions	-	-	-
Balance as of December 31, 2021	\$ 65,730	\$ 5,459	\$ 71,189
<u>Accumulated depreciation</u>			
Balance as of January 1, 2021	\$ -	\$ 3,609	\$ 3,609
Depreciation expenses	-	364	364
Balance as of December 31, 2021	\$ -	\$ 3,973	\$ 3,973
Net amount as of December 31, 2021	\$ 65,730	\$ 1,486	\$ 67,216

The lease terms for investment property leases are 2 to 5 years. The lessee have no preferential right to purchase the investment property at the end of the lease term.

The total amount of lease payments to be collected in the future for investment property in operating lease is as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
1st year	\$ 1,270	\$ 1,570
2nd year	-	-
	\$ 1,270	\$ 1,570

Depreciation of investment property is depreciated on a straight-line basis according to the following useful lives:

Building	15 Years
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In 2020 and 2021, due to the severe impact of the COVID-19 pandemic on the market economy, the Company agreed to reduce some of the lease contracts by NT\$609 thousand in total.

The fair value of investment property is measured at Level 3 inputs by independent appraisers. The valuation is based on the comparative approach and income approach. The fair values as of December 31, 2021 and 2020 were NT\$96,710 thousand and NT\$91,068 thousand, respectively. The important unobservable inputs adopted included discount rate of 2.17% and 2.17%, respectively.

14. Other payables and long-term payables

	December 31, 2021	December 31, 2020
Commissions and bonuses payable	\$ 101,205	\$ 115,494
Salaries and year-end bonuses payable	11,658	11,615
Remuneration payable to employees and directors	3,674	4,308
Provident fund of voluntary contribution payable to business representatives	10,152	10,394
Others	<u>3,746</u>	<u>4,650</u>
	<u>\$ 130,435</u>	<u>\$ 146,461</u>
Other payables - current	\$ 108,359	\$ 120,595
Long-term payables - non-current	<u>22,076</u>	<u>25,866</u>
	<u>\$ 130,435</u>	<u>\$ 146,461</u>

15. Provisions - non-current

	December 31, 2021	December 31, 2020
Provident fund reserve - voluntary contribution by company	<u>\$ 10,152</u>	<u>\$ 10,394</u>

The changes of provident fund reserve are as follows:

	2021	2020
Opening balance	\$ 10,394	\$ 10,692
Increase	1,591	1,059
Payment	(1,833)	(1,357)
Ending balance	<u>\$ 10,152</u>	<u>\$ 10,394</u>

16. Post-employment benefit plans

- a. Defined contribution plan

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to individual pension accounts at 6% of employees' monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is the defined benefit pension plan under the management of the government of R.O.C. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes an amount, which equals to 2% of each employee' total monthly salary and wage, which is deposited by the Supervisory Committee of Business Entities' Labor Retirement Reserve in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plan are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Present value of defined benefit obligation	\$ 1,551	\$ 1,566
Fair value of plan assets	(2,175)	(2,046)
Net defined benefit assets	(\$ 624)	(\$ 480)

The changes of net defined benefit liabilities (assets) are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability (asset)</u>
January 1, 2020	<u>\$ 1,382</u>	<u>(\$ 1,879)</u>	<u>(\$ 497)</u>
Service cost			
Interest expense (income)	<u>14</u>	<u>(19)</u>	<u>(5)</u>
Recognized in profit or loss	<u>14</u>	<u>(19)</u>	<u>(5)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(55)	(55)
Actuarial (gain) loss - changes in demographic assumptions	9	-	9
Actuarial (gain) loss - changes in	122	-	122

financial assumptions			
Actuarial (gain) loss - experience adjustments	<u>39</u>	<u>-</u>	<u>39</u>
Recognized in other comprehensive income	<u>170</u>	<u>(55)</u>	<u>115</u>
Contributions from the employer	<u>-</u>	<u>(93)</u>	<u>(93)</u>
December 31, 2020	<u>1,566</u>	<u>(2,046)</u>	<u>(480)</u>

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Service cost			
Interest expense (income)	<u>\$ 8</u>	<u>(\$ 11)</u>	<u>(\$ 3)</u>
Recognized in profit or loss	<u>8</u>	<u>(11)</u>	<u>(3)</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(25)	(25)
Actuarial (gain) loss - changes in demographic assumptions	30	-	30
Actuarial (gain) loss - changes in financial assumptions	(61)	-	(61)
Actuarial (gain) loss - experience adjustments	<u>8</u>	<u>-</u>	<u>8</u>
Recognized in other comprehensive income	<u>(23)</u>	<u>(25)</u>	<u>(48)</u>
Contributions from the employer	<u>-</u>	<u>(93)</u>	<u>(93)</u>
December 31, 2021	<u>\$ 1,551</u>	<u>(\$ 2,175)</u>	<u>(\$ 624)</u>

Due to the pension plans under the Labor Standards Act, the Company is exposed to the following risks:

- 1) Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through agencies entrusted. However, the Company's amount allocated to plan assets is calculated based on the interest rate not lower than the local bank's interest rate for 2-year time deposits.
- 2) Interest risk: A decrease in the interest rate will increase the present value of the defined benefit obligation; however, the return on the debt investment through the plan assets will also increase, and the increases will partially offset the effect the net defined benefit liability.
- 3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of the participants in the plan. As such, an increase in the salary of the participants in the plan will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The critical assumptions made on the measurement date are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate	0.75%	0.5%
Expected salary increase rate	2.0%	2.0%

If each of the critical actuarial assumptions is subject to reasonably possible changes, when all other assumptions remain unchanged, the amounts by which the present value of the defined benefit obligation would increase (decrease) are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Discount rate		
Increase by 0.25%	(\$ <u>58</u>)	(\$ <u>63</u>)
Decrease by 0.25%	\$ <u>61</u>	\$ <u>66</u>
Expected salary increase rate		
Increase by 0.25%	\$ <u>59</u>	\$ <u>64</u>
Decrease by 0.25%	(\$ <u>57</u>)	(\$ <u>61</u>)

As actuarial assumptions may be correlated, it is unlikely that only a single assumption would occur in isolation of one another, so the sensitivity analysis above may not reflect the actual changes in the present value of the defined benefit obligation.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
The expected contributions to the plan for the following year	\$ <u>93</u>	\$ <u>93</u>
The average duration of the defined benefit obligation	15.3 years	16.3 years

17. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Number of authorized shares (in thousands)	<u>30,000</u>	<u>30,000</u>
Authorized capital stock	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Number of shares issued and fully paid (in thousands)	<u>25,024</u>	<u>25,024</u>
Issued share capital	<u>\$ 250,243</u>	<u>\$ 250,243</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

b. Capital surplus

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>May be used to offset a deficit, distributed</u>		

<u>as cash dividends, or transferred to share capital (1)</u>		
Premium of shares issued	\$ 43,134	\$ 43,134
Consolidated excess	46,637	46,637
<u>May be used to offset a deficit only</u>		
Changes of associates and joint ventures accounted for under the equity method	<u>2,729</u>	<u>2,729</u>
	<u>\$ 92,500</u>	<u>\$ 92,500</u>

1) Such capital surplus may be used to offset the deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (up to a certain percentage of the Company's paid-in capital once a year).

c. Retained earnings and dividend policy

Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, setting aside 10% of the remaining profit as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be adopted by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved at the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of remuneration to employees and to directors as set forth in the Company's Articles of Incorporation, refer to Note 19(5) "remuneration to employees and to directors".

As the current industrial environment is constantly changing, in response to the future operation expansion plan, the dividends to shareholders may be paid in the forms of cash and stock. The proportion of cash dividends in the total dividends shall be no less than 50%, but the shareholders' meeting may adjust it according to the actual situation.

Appropriation of earnings to legal reserve shall be made until the legal reserve reaches the total of the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash.

The Company set aside and reversed a special reserve in accordance with the FSC Letters Jin-Guan-Zheng-Fa No. 1010012865, Jin-Guan-Zheng-Fa No. 1010047490, and Jin-Guan-Zheng-Fa No. 1030006415, as well as the directive, entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The distribution of earnings for 2020 and 2019, which were proposed and approved in the annual shareholders' meetings on July 1, 2021 and May 27, 2020, respectively, were as follows:

	Earnings distribution plan		Dividends per share (NTD)	
	2020	2019	2020	2019
Legal reserve	\$ 8,675	\$ 7,412	\$ -	\$ -
Special reserve	(4,601)	(21,827)	-	-
Cash dividend	80,078	75,073	3.2	3.0

The proposal for earnings distribution for 2021 put forth by the Company's board of directors on March 7, 2022 is as follows:

	Earnings distribution plan	Dividends per share (NTD)
Legal reserve	\$ 7,471	\$ -
Special reserve	(5,492)	-
Cash dividend	75,073	3.0

The distribution of earnings for 2021 is pending the resolution of the annual shareholders' meeting to be held on XX (mm), XX (dd), 2022.

18. Income

	2021	2020
Customer contract income		
Commission income	<u>\$ 595,382</u>	<u>\$ 718,716</u>

For the sale of multi-year insurance products by the broker of the Company, the broker may, in addition to the initial commission income, receive the commission income on renewal of the policy upon completion of the premium payment in the following year. Therefore, the amount of the revenue recognized by the Company for 2021 and 2020 under the IFRS15 "Revenue from Customer Contracts" includes the consideration for the changes arising from the historical renewal of the policy.

	December 31, 2021	December 31, 2020
<u>Contract balance</u>		
Accounts receivable (Note 9)	<u>\$ 67,225</u>	<u>\$ 87,796</u>
Contract assets - current	\$ 36,834	\$ 45,908
Contract asset s- non-current	<u>14,282</u>	<u>18,976</u>
	<u>\$ 51,116</u>	<u>\$ 64,884</u>

The changes of contract assets are as follows:

	2021	2020
Opening balance	\$ 64,884	\$ 58,925
Reclassified to accounts receivable	(45,908)	(40,193)

Increase	<u>32,140</u>	<u>46,152</u>
Ending balance	<u>\$ 51,116</u>	<u>\$ 64,884</u>

19. Net income from continuing operations

a. Other income

	<u>2021</u>	<u>2020</u>
Interest income	\$ 2,154	\$ 2,318
Rental Income	2,013	2,209
Dividend income	<u>4,159</u>	<u>2,866</u>
	<u>\$ 8,326</u>	<u>\$ 7,393</u>

b. Other gains (losses)

	<u>2021</u>	<u>2020</u>
Gains on financial assets at FVTPL	\$ 3,223	\$ 3,221
Other income and expenditure - net	<u>236</u>	<u>254</u>
	<u>\$ 3,459</u>	<u>\$ 3,475</u>

c. Depreciation and amortization

	<u>2021</u>	<u>2020</u>
Right-of-use assets	\$ 15,135	\$ 14,898
Property and equipment	3,725	3,235
Investment property	364	364
Other non-current assets - intangible assets	<u>976</u>	<u>290</u>
	<u>\$ 20,200</u>	<u>\$ 18,787</u>

Aggregate depreciation expenses by function

Operating costs	\$ 13,154	\$ 12,405
Operating expenses	<u>6,070</u>	<u>6,092</u>
	<u>\$ 19,224</u>	<u>\$ 18,497</u>

Aggregate amortized cost by function

Operating costs	\$ -	\$ -
Operating expenses	<u>976</u>	<u>290</u>
	<u>\$ 976</u>	<u>\$ 290</u>

d. Employee benefits expenses

	<u>2021</u>	<u>2020</u>
Employee benefits expenses		
Salary expenses	\$ 47,073	\$ 46,258
Labor and health insurance expenses	4,226	3,820
Pension expenses	2,087	1,969
Remuneration to directors	4,047	4,314
Other employee benefits expenses	<u>1,015</u>	<u>2,503</u>
Total employee benefits expenses	<u>\$ 58,448</u>	<u>\$ 58,864</u>

Aggregated by Function

Operating expenses	<u>\$ 58,448</u>	<u>\$ 58,864</u>
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e. Remuneration to employees and directors

The Company shall allocate 1% to 5% of the profit before tax, before deducting remuneration to employees and directors, as remuneration to employees and no more than 5% as remuneration to directors. Remuneration to employees and directors for 2021 and 2020 was resolved by the board of directors on March 7, 2022 and February 25, 2021, respectively.

Estimated ratio

	2021	2020
Remuneration to employees	2%	2%
Remuneration to directors	2%	2%

Amount

	2021	2020
Remuneration to employees	\$ 1,837	\$ 2,154
Remuneration to directors	1,837	2,154

If there is any change in the amount after the publication of the annual parent company only financial statements were approved for release, the differences will be recorded as a change in the accounting estimate and accounted for in the next year.

There is no difference between the amount actually distributed as remuneration to employees and to directors for 2020 and 2019 and the amounts recognized on the parent company only financial statements for 2020 and 2019.

For information on the Company's remunerations to employees and directors as resolved by the board of directors, please visit the Market Observation Post System (MOPS) of Taiwan Stock Exchange.

f. Others

	2021	2020
Commission expenditure	\$ 419,675	\$ 527,739
Provident fund expenses	1,591	1,059
	<u>\$ 421,266</u>	<u>\$ 528,798</u>
Aggregated by Function		
Operating costs	<u>\$ 421,266</u>	<u>\$ 528,798</u>

20. Income tax on continuing operations

a. Major components of income tax expenses recognized in profit or loss are as follows:

	2021	2020
Current income tax		
Generated during the year	\$ 13,331	\$ 15,664
Surtax on undistributed earnings	130	673
Adjustments in respect of prior years	9	64
Deferred income tax		

Generated during the year	<u>28</u>	<u>108</u>
Income tax expenses recognized in profit or loss	<u>\$ 13,498</u>	<u>\$ 16,509</u>
The adjustment to accounting income and income tax expenses is as follows:		

	<u>2021</u>	<u>2020</u>
Net income before tax from continuing operations	<u>\$ 88,174</u>	<u>\$ 103,353</u>
Income tax expenses calculated at statutory tax rate for net profit before tax	\$ 17,635	\$ 20,670
Tax exemption income	(4,276)	(4,898)
Surplus on undistributed earnings	130	673
Adjustments in respect of current income tax expenses of prior years	<u>9</u>	<u>64</u>
Income tax expenses recognized in profit or loss	<u>\$ 13,498</u>	<u>\$ 16,509</u>

b. Income tax recognized in other comprehensive income

	<u>2021</u>	<u>2020</u>
<u>Deferred income tax</u>		
Generated during the year		
- Remeasurement of defined benefit plans	(<u>\$ 10</u>)	<u>\$ 23</u>

c. Current income tax liabilities

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current income tax liabilities		
Income tax payable	<u>\$ 5,406</u>	<u>\$ 7,417</u>

d. Deferred tax assets and liabilities

The changes of deferred tax assets and liabilities are as follows:

2021

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
<u>Deferred tax assets</u>				
Temporary differences				
Provisions	\$ 2,079	(\$ 49)	\$ -	\$ 2,030
Allowance for bad debts	<u>14</u>	<u>27</u>	<u>-</u>	<u>41</u>
	<u>\$ 2,093</u>	(<u>\$ 22</u>)	<u>\$ -</u>	<u>\$ 2,071</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit pension plan	\$ 96	\$ 19	\$ 10	\$ 125
Cumulative compensated absences	<u>13</u>	(<u>13</u>)	<u>-</u>	<u>-</u>
	<u>\$ 109</u>	<u>\$ 6</u>	<u>\$ 10</u>	<u>\$ 125</u>

2020

	Opening balance	Recognized in profit or loss	Recognized in other comprehensi ve income	Others	Ending balance
<u>Deferred tax assets</u>					
Temporary differences					
Provisions	\$ 2,138	(\$ 59)	\$ -	\$ -	\$ 2,079
Allowance for bad debts	39	(25)	-	-	14
Cumulative compensated absences	(8)	(5)	-	13	-
	<u>\$ 2,169</u>	<u>(\$ 89)</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 2,093</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Defined benefit pension plan	\$ 100	\$ 19	(\$ 23)	\$ -	\$ 96
Cumulative compensated absences	-	-	-	13	13
	<u>\$ 100</u>	<u>\$ 19</u>	<u>(\$ 23)</u>	<u>\$ 13</u>	<u>\$ 109</u>

e. Income tax approval status

The filings of the Company's profit-seeking enterprise income tax up to 2019 have been approved by the tax collection agency.

21. Earnings per share

Unit: NT\$ per share

	2021	2020
Basic earnings per share	<u>\$ 2.98</u>	<u>\$ 3.47</u>
Diluted earnings per share	<u>\$ 2.98</u>	<u>\$ 3.46</u>

Is used to calculate the earnings per share and the weighted average number of ordinary shares as follows:

Net profit for the year

	2021	2020
Net profit attributable to owners of the company/ the earnings calculated as diluted earnings per share	<u>\$ 74,676</u>	<u>\$ 86,844</u>

Number of Shares

Unit: In thousand shares

	2021	2020
Weighted average number of ordinary shares used to calculate basic earnings per share	25,024	25,024
The effect of potential ordinary share with dilutive effect:		
Remuneration to employees	<u>61</u>	<u>64</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>25,085</u>	<u>25,088</u>

If the Company may choose to pay its employees in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee remuneration will be paid in stock, and the weighted average number of outstanding shares in circulation will be included when the potential ordinary shares have dilutive effect, so as to calculate the diluted earnings per share. The dilutive effect of these ordinary shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee remuneration in the following year.

22. Capital risk management

The Company carries out capital management to ensure that it can continue to operate under the premise of optimizing the balance of debt and equity, so as to maximize the return on shareholders' equity. The overall strategy of the Company has not changed significantly since its establishment.

The capital structure of the Company consists of the equity (i.e. share capital, capital surplus, retained earnings and other equity items) attributable to owners of the Company.

The Company is not subject to any other external capital requirements.

23. Financial instruments

a. Fair value information - financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair value.

b. Fair value information - financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 82,705	\$ -	\$ -	\$ 82,705
Bank debentures	-	55,095	-	55,095
Total	<u>\$ 82,705</u>	<u>\$ 55,095</u>	<u>\$ -</u>	<u>\$ 137,800</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
- Domestic listed equity	\$ 42,456	\$ -	\$ -	\$ 42,456
- Domestic unlisted equity	-	-	131,606	131,606
Total	<u>\$ 42,456</u>	<u>\$ -</u>	<u>\$ 131,606</u>	<u>\$ 174,062</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 59,122	\$ -	\$ -	\$ 59,122
Bank debentures	-	55,479	-	55,479
Total	<u>\$ 59,122</u>	<u>\$ 55,479</u>	<u>\$ -</u>	<u>\$ 114,601</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
- Domestic listed equity	\$ 38,979	\$ -	\$ -	\$ 38,979
- Domestic unlisted equity	-	-	113,230	113,230
Total	<u>\$ 38,989</u>	<u>\$ -</u>	<u>\$ 113,230</u>	<u>\$ 152,209</u>

2) Reconciliation on financial instruments measured by Level 3 fair value

2021

Financial assets	Financial assets at FVTOCI Equity instruments
Opening balance	\$ 113,230
Recognized in other comprehensive income (unrealized gains or losses measured at FVTOCI)	18,376
Ending balance	<u>\$ 131,606</u>
Current unrealized other gains or losses recognized in profit or loss	<u>\$ -</u>

2020

Financial assets	Financial assets at FVTOCI Equity instruments
Opening balance	\$ 105,355
Recognized in other comprehensive income (unrealized gains or losses measured at FVTOCI)	7,875
Ending balance	<u>\$ 113,230</u>
Current unrealized other gains or losses recognized in profit or loss	<u>\$ -</u>

3) The valuation technique and Level 2 fair value inputs

Type of financial instruments	Valuation technique and inputs
Domestic bond investment	Cash flow discount method: Discounted based on the market rate reflecting the current similar products and credit rating at the end of the bond issuer's term.

4) The valuation technique and Level 3 fair value inputs

Domestic unlisted (non-OTC) equity investment is based on the asset method, and the overall market value of the individual assets and individual liabilities covered by the subject is assessed to reflect the overall value of the enterprise or business. The significant non-observable inputs used are the 10% discount of liquidity and minority interests. If the other inputs remain unchanged, the 1% increase in the liquidity discount will reduce the fair value as of December 31, 2021 and 2020 by NT\$1,462 thousand and NT\$1,132 thousand, respectively.

c. Type of financial instruments

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Measured at FVTPL	\$ 137,800	\$ 114,601
Financial assets at amortized cost (Note 1)	122,493	153,747
Financial assets at FVTOCI	174,062	152,209
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	130,943	147,206

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance includes financial liabilities measured at amortized cost, such as notes payable, other payables, other receivables, long-term payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The main financial instruments of the Company include equity investment, notes receivable and accounts receivable, notes payable and accounts payable, and other payables. The financial management department of the Company provides services to the business units, coordinates the operation of the domestic financial market, and supervises and manages the financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the degree and breadth of risks. Such risks include market risk (including interest rate risk and other price risk), credit risk, and liquidity risk.

The Company's important financial plans are reviewed by the Audit Committee and the Board of Directors in accordance with relevant norms and internal control systems. The financial department of the Company strictly abides by the relevant financial operating procedures regarding overall financial risk management and division of authorities and responsibilities when implementing the financial plans.

1) Market risk

a) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Company with exposure to interest rate risk at the balance sheet dates are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Interest rate risks with fair value		
- financial assets	\$ 55,095	\$ 55,479
Interest rate risks with cash flow		
- financial assets	44,926	56,783

Sensitivity analysis

The sensitivity analysis below is prepared based on the exposure of non-derivative instruments to the interest rate risk at the balance sheet date. In reporting the interest rate to the management, the rate of change adopted is 100 basis points increase or decrease in the interest rate, which also represents the management's evaluation of reasonable possible change scope of interest rate.

If interest rate increases/decreases by 100 basis points, with other variables held constant, the Company's income before tax will increase/decrease by NT\$1,000 thousand and NT\$1,123 thousand for 2021 and 2020, respectively, which is mainly because of the changes in the Company's current bank demand deposits with floating interest rates and changes in the fair value of debt instruments with fixed interest measured at FVTPL.

b) Other price risk

The Company is exposed to the equity price risk arising from the investment in securities.

Sensitivity analysis

If the equity price rises/falls by 1%, the pre-tax other comprehensive income for 2021 and 2020 will increase/decrease by NT\$1,741 thousand and NT\$1,522 thousand due to changes in the fair value of financial assets measured at FVTOCI.

2) Credit risk

Credit risk refers to risk that causes a financial loss to the Company due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the maximum credit risk (regardless of collateral or other credit enhancement instruments, and the maximum amount of irrevocable exposure) that the Company may be exposed to, which may cause financial losses to the Company due to a counterparty's failure to perform its obligations and the financial guarantees provided by the Company

mainly comes from the carrying amount of financial assets recognized in the balance sheet.

3) Liquidity risk

The Company supports the business operations of the group and reduces the impact of cash flow fluctuations through appropriate management and the maintenance of sufficient positions cash and cash equivalents. The Company's management supervises the use of bank financing facilities and ensures compliance with the loan contract terms.

24. Related-party transactions

a. Name of related party and relationship

The relationship with the Company during the period covered by the financial statements is as follows:

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Taiwan Fire & Marine Insurance Company Ltd.	Substantive Related Party
Ching-Guan Financial Management Consulting Co., Ltd.	Subsidiary of the Company
All Safe Co., Ltd.	Investee Accounted for Using Equity Method
Major management personnel	Chairman of the Board, General Managers, Managers, and directors

b. Operating income

<u>Category/Name of Related Party</u>	<u>2021</u>	<u>2020</u>
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 22,798</u>	<u>\$ 10,667</u>

c. Receivables from related parties

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Notes receivable and accounts receivable	Substantive Related Party		
	Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 1,260</u>	<u>\$ 1,003</u>

d. Administrative expense

<u>Category/Name of Related Party</u>	<u>2021</u>	<u>2020</u>
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 18</u>	<u>\$ 18</u>

e. Lease agreements (lessee)

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
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Lease liabilities	Substantive Related Party Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 2,305</u>	<u>\$ 11,095</u>
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Category/Name of Related Party	2021	2020
<u>Interest expenses</u>		
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 92</u>	<u>\$ 220</u>
<u>Rental Expenses</u>		
Major management personnel	<u>\$ 90</u>	<u>\$ 90</u>

f. Lease agreements (lessor)

Operating lease

The total amount of lease payments received in the future is summarized as follows:

Category/Name of Related Party	December 31, 2021	December 31, 2020
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 70</u>	<u>\$ 70</u>

The total rental income is summarized as follows:

Category/Name of Related Party	2021	2020
Subsidiary		
Ching-Guan Financial Management Consulting Co., Ltd.	\$ 60	\$ 60
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>102</u>	<u>102</u>
	<u>\$ 162</u>	<u>\$ 162</u>

g. Other gains losses

Category/Name of Related Party	2021	2020
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 93</u>	<u>\$ -</u>

h. Major management remuneration information

	2021	2020
Short-term employee benefits	<u>\$ 20,667</u>	<u>\$ 19,493</u>

The remuneration to directors and other major management personnel shall be determined by the Remuneration Committee in accordance with individual performance and market trends and then sent to the Board of Directors for resolution.

25. Information on foreign-currency-denominated assets and liabilities with significant influence

The following information is expressed in aggregate in foreign currencies other than the functional currencies of each entity of the Company, and the disclosed exchange rate refers to the conversion rate of such foreign currencies into functional currencies. Foreign currency assets with significant influence are as follows:

Unit: Foreign Currency/In Thousands of New Taiwan Dollars						
	December 31, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign Currency Assets</u>						
<u>Non-Monetary Items</u>						
Investments accounted for using the equity method						
CNY	\$ -	-	\$ -	\$ 83	4.38	\$ 313
Credit balance of investments accounted for using the equity method						
CNY	645	4.34	2,848	66	4.38	287

26. Additional Disclosures

- a. Information on material transactions and b. investees:
 - 1) Financings provided to others (None)
 - 2) Endorsements/guarantees provided to others (None)
 - 3) Marketable securities held at the end of period (excluding investments in subsidiaries, related enterprises, and joint ventures) (Table I)
 - 4) Accumulated purchase or disposal of individual marketable securities equal to or in excess of NT\$300 million or 20% of paid-in capital. (None)
 - 5) Acquisition of property at cost in excess of NT\$300 million or 20% of paid-in capital (None)
 - 6) Disposal of property at cost in excess of NT\$300 million or 20% of paid-in capital (None)
 - 7) Purchases or sales to related parties of at least NT\$100 million or 20% of paid-in capital: (None)
 - 8) Accounts receivable from related parties equal to or in excess of NT\$100 million or 20% of paid-in capital (None)
 - 9) Derivative financial instrument transactions (None)
 - 10) Others: Business relationships and important transactions between parent company and subsidiaries, and the amounts (None)

11) Information on investees (Table II)

c. Information on Investment in Mainland China

1) Information on any investees in mainland China: The name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table III)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

- a) Purchase amount and percentage, and the ending balance and percentage of payables.
- b) Sales amount and percentage, and the ending balance and percentage of receivables.
- c) Property transaction amount and the resulting profit or loss.
- d) Ending balance of endorsement, guarantee, or collateral provided and purposes.
- e) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.
- f) Other transactions having a significant impact on profit or loss or financial position of the period, such as providing or receiving services.

d. Information on major shareholders: Name of shareholders with a shareholding ratio of 5% or more, the amount, and proportion of shares held: (Table IV)

Taiming Assurance Broker Co., Ltd.

Table I

Marketable Securities Held at the End of the Period

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Issuer of Marketable Securities	Financial Statement Account	End of Period				Note
				Unit (1,000)s/ (1,000) Shares	Carrying Amount	Shareholding Ratio %	Fair Value	
Taiming Assurance Broker Co., Ltd.	<u>Fund beneficiary certificate</u>							
	Fuh Hwa Rui Neng No. 2 Balance Fund	None	Financial assets at FVTPL - current	3,000	\$ 33,793	-	\$ 33,793	
	Fuh Hwa Rui Hwa Fund	"	"	1,931	20,855	-	20,855	
	Fuh Hwa Patronus Fund	"	"	1,092	20,137	-	20,137	
	Yuanta Taiwan High-yield Leading Company Fund	"	"	500	7,920		7,920	
	<u>Domestic Bank Debentures</u>							
	P06 Taichung Bank 2	None	Financial assets at FVTPL - current	-	45,063	-	45,063	
	P06 O-Bank 2	"	"	-	10,032	-	10,032	
	<u>Domestic listed stocks</u>							
	Sirtec International Co., Ltd	Substantive Related Party	Financial assets at FVTOCI - current	798	22,654	0.77%	22,654	
	Taichung Bank	None	"	1,637	19,802	0.04%	19,802	
	<u>Domestic unlisted stocks</u>							
	TOP TAIWAN X VENTURE CAPITAL CO., LTD.	Substantive Related Party	Financial assets at FVTOCI - non-current	5,400	68,364	6.75%	68,364	
	Chengding Venture Capital Co., Ltd.	None	"	5,000	63,242	3.70%	63,242	

Taiming Assurance Broker Co., Ltd.

Table II

Information on Investees

2021

Unit: In Thousands of New Taiwan Dollars/Thousand Shares

Name of Company	Name of Investee	Location	Main Business Item	Original Investment Amount		End of the Period			Investee Gain (Loss)	Investment Gain (Loss) Recognized In the Current Period	Note
				End of Current Period	End of Last Year	Number of Shares	Percentage	Carrying Amount			
Taiming Assurance Broker Co., Ltd.	Ching-Guan Financial Management Consulting Co., Ltd.	Taipei City	Management Consultancy	\$ 900	\$ 900	100	100.00	\$ 89	(\$ 60)	(\$ 60)	Subsidiary
	All Safe Co., Ltd.	Taipei City	Information Software Services	8,135	8,135	814	14.79	2,901	(5,595)	(828)	
	Link-aim Life Insurance Broker Co., Ltd.	Tainan City	Life insurance and property insurance brokerage business	120,000	120,000	3,000 (Note 2)	100.00	116,055 (Note 3)	17,631	17,631	Subsidiary

Note 1: The subsidiaries above have been incorporated into the consolidated financial statements and the relevant investments and gains and losses have been eliminated.

Note 2: The par value of each ordinary share issued by Link-Aim Life Insurance Broker Co., Ltd. was changed to NT\$10, as Articles of Incorporation of the company were changed in the fourth quarter of 2019.

Note 3: The carrying amount includes the investment gains recognized under the equity method of NT\$17,631 thousand and the deduction of the distributed cash dividend of NT\$17,100 thousand.

Information on Investment in Mainland China
2021

Unit: (Unless otherwise stated, the unit shall be thousands of New Taiwan Dollars)

Name of Investee	Main Business Item	Paid-in Capital	Investment Method (Note 1)	Beginning of the Current Period Outward Remittance of Cumulative Investment from Taiwan	Amount of Investment Remitted or Recovered During the Current Period		End of Current Period Outward Remittance of Cumulative Investment from Taiwan	Investee Gain or loss for the period	Shareholding Ratio of the Company's Direct or Indirect Investments	Investment Recognized Gains and Losses (Note 2)	Investment at the End of the Period Carrying Amount	Up to the Current Period Repatriated Income from Investment	Note
					Outward Remittance	Recovered							
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 3,000 thousand	(1)	\$ 2,928	\$	\$	\$ 2,928	(\$ 4,590)	24.9	(\$ 1,143) (C)	(\$ 1,428)	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 10,000 thousand	(1)	12,061			12,061	(6,944)	24.9	(1,729) (C)	(1,420)	-	

Cumulative Outward Remittance from Taiwan at the End of the Period Investment Amount in Mainland China	Investment Commission, MOEA Approved Investment Amount	Investment Ceiling in Mainland China in accordance with Investment Commission, MOEA
CNY 3,362 thousand (NT\$14,989 thousand)	US\$ 493 thousand	NT\$341,410 thousand

Note 1: Investment methods can be divided into the following three categories, simply mark the category:

- (1)Direct investment in mainland China.
- (2)Investment in mainland China through a third region company (please specify the investment company in the third region).
- (3)Other methods.

Note 2: In the column of Gain or Loss on Investment:

- (1)If there is no investment gain or loss in preparation, it shall be noted.
- (2)The basis of recognition of investment gains and losses shall be noted in the following three categories.
 - A. Financial statements audited by an international CPA firm in partnership with a CPA firm of the Republic of Chin
 - B.Financial statements audited by CPAs of parent company in Taiwan.
 - C.Others.

Note 3: In accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the limit is 60% of the net value.

Table IV

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Major Shareholder Information

December 31, 2021

Name of Major Shareholder	Ownership	
	Number of Shares Held	Percentage
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.06%
Han-Chieh Li	1,851,082	7.39%
Ching Chung Interior Decoration Design Co., Ltd.	1,570,000	6.27%
Taiwan Fire & Marine Insurance Co., Ltd.	1,271,180	5.07%

Note: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. The share capital recorded in the Company's financial statements and the actual number of shares, for which electronic registration and delivery were completed, may not be consistent due to different bases of preparation and calculation.

Taiming Assurance Broker Co., Ltd.

Statement I

Statements of Cash and Cash Equivalents

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Summary</u>	<u>Amount</u>
Cash on Hand and Petty Cash		\$ 157
Bank Deposits		
Demand Deposits		44,926
Checking Deposits		<u>1,624</u>
		<u>\$ 46,707</u>

Taiming Assurance Broker Co., Ltd.

Statement II

Statement of Financial Assets at Fair Value Through Profit or Loss

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Name	Summary	Unit (1,000)	Face Value (NT\$)	Total Amount	Interest Rate %	Acquisition Cost	Fair Value		Note
							Unit Price (NT\$)	Total Amount	
Fund beneficiary certificate									
Fuh Hwa Rui Neng No. 2 Balance Fund				\$ -	-	\$ 30,000	11.26	\$ 33,793	
Fuh Hwa Rui Hwa Fund				-		20,000	10.80	20,855	
Fuh Hwa Patronus Fund				-		20,000	18.45	20,137	
Yuanta Taiwan High-yield Leading Company Fund				-	-	5,000	15.84	7,920	
				-		75,000		82,705	
Domestic Bank Debentures									
P06 Taichung Bank 2				-	3.89	45,000	100.14	45,063	
P06 O-Bank 2				-	4.00	10,000	100.32	10,032	
				-		55,000		55,095	
Total				\$ -		\$ 130,000		\$ 137,800	

Taiming Assurance Broker Co., Ltd.

Statement III

Statement of Financial Assets Measured at Fair Value Through Other Comprehensive Income - Current

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Name	Summary	Unit (1,000)	Face Value (NT\$)	Total Amount	Interest Rate %	Acquisition Cost	Accumulated Impairment	Fair Value		Note
								Unit Price (NT\$)	Total Amount	
Listed Stocks										
Sirtec International		798	10	\$ 7,980	-	\$ 40,855	-	28.50	\$ 22,654	
Taichung Bank		1,637	10	<u>15,670</u>	-	<u>12,880</u>	-	12.15	<u>19,802</u>	
Total				<u>\$ 23,650</u>		<u>\$ 53,735</u>			<u>\$ 42,456</u>	

Taiming Assurance Broker Co., Ltd.

Statement IV

Statement of Changes in Financial Assets Measured at Fair Value Through Other Comprehensive Income -
Non-Current

December 31, 2021

Unit: (Unless otherwise stated, the unit shall be thousands of New Taiwan Dollars)

Name of Financial Products	Opening balance		Increase		Decrease		Ending balance		Accumulated Impairment	Collateral or Pledge
	Number of Shares (shares)	Fair Value	Number of Shares (shares)	Amount	Number of Shares (shares)	Amount	Number of Shares (shares)	Fair Value		
Unlisted Stocks										
TOP TAIWAN X VENTURE CAPITAL CO., LTD.	5,400	\$ 62,863	-	\$ 5,501	-	\$ -	5,400	\$ 68,364	-	
Chengding Venture Capital Co., Ltd.	5,000	<u>50,367</u>	-	<u>12,875</u>	-	<u>-</u>	5,000	<u>63,242</u>	-	
Total		<u>\$ 113,230</u>		<u>\$ 18,376</u>		<u>\$ -</u>		<u>\$ 131,606</u>		

Statement of Notes Receivable and Accounts

Receivable

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Summary</u>	<u>Amount</u>
Notes receivable		
Others (Note)	Commission	<u>\$ 1,562</u>
Accounts receivable		
TransGlobe Life Insurance	Commission	21,715
Farglory Life Insurance Inc.	"	11,525
Taiwan Life Insurance	"	6,412
AIA Life Insurance	"	5,591
China Life Insurance	"	5,182
Others (Note)	"	<u>16,800</u>
		<u>67,225</u>
		<u>\$ 68,787</u>

Note: If the customer balance is less than 5% of the total amount, it shall be presented in an aggregate number.

Statement of Changes in Right-of-use Assets

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Name	Opening balance	Increase	Decrease	Ending balance
Cost (Note)				
Building	\$ 53,069	\$ 3,256	\$ 14,843	\$ 41,482
Accumulated depreciation				
Building	<u>27,861</u>	<u>15,135</u>	<u>14,428</u>	<u>28,568</u>
	<u>\$ 25,208</u>	<u>(\$ 11,879)</u>	<u>\$ 415</u>	<u>\$ 12,914</u>

Note: The increase of NT\$3,256 thousand for the current year is due to new leases; the decrease of NT\$14,843 thousand for the current year is due to the expiry of the lease amounted to NT\$14,212 thousand and the early termination of the lease amounted to NT\$631 thousand.

Statement of Lease Liabilities

December 31, 2021

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Lease Term</u>	<u>Discount rate (%)</u>	<u>Ending balance</u>
Building	106.04.01-113.04.30	1.25~1.60	\$ 13,113
Less: current portion			<u>7,515</u>
Lease liabilities - non-current			<u>\$ 5,598</u>

Taiming Assurance Broker Co., Ltd.

Statement VIII

Statement of Operating Income

2021

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Amount</u>
Life Insurance Commission Income	\$ 512,694
Property Insurance Commission Income	<u>82,688</u>
Operating income	<u>\$ 595,382</u>

Statement of Operating Cost

2021

Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Amount</u>
Commission expenditure	\$ 419,675
Others	<u>32,481</u>
Total Operating Costs	<u>\$ 452,156</u>

Note: If the total amount of each cost category is less than 5%, the total amount shall be expressed in an aggregate number.

Statement of Operating Expenses

2021

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Amount</u>
Salary Expenditure	\$ 53,207
Depreciation	7,046
Insurance Expense	5,409
Others	<u>14,755</u>
	<u>\$ 80,417</u>

Note: If the total amount of each expense category is less than 5%, the total amount shall be expressed in an aggregate number.

Table of Employee Benefits, Depreciation, and Amortization Expenses Incurred by Function
During the Current Period
For the Years Ended December 31, 2021 and 2020
Unit: In Thousands of New Taiwan Dollars

	2021		2020	
	Operating Costs	Operating Expenses	Operating Costs	Operating Expenses
Employee Benefits Expenses (Note)				
Salary expenses	\$ -	\$ 47,073	\$ -	\$ 46,258
Labor and health insurance expenses	-	4,226	-	3,820
Pension expenses	-	2,087	-	1,969
Remuneration to directors	-	4,047	-	4,314
Other employee benefits expenses	-	1,015	-	2,503
Total	\$ -	\$ 58,448	\$ -	\$ 58,864
Depreciation expenses	\$ 13,154	\$ 6,070	\$ 12,405	\$ 6,092
Amortization expenses	\$ -	\$ 976	\$ -	\$ 290

Note 1: As of December 31, 2021 and 2020, the Company had 64 and 65 employees, respectively, and the number of directors who did not serve as employees concurrently were both 5.

Note 2: The average employee benefit expenses for 2021 and 2020 were NT\$922 thousand and NT\$909 thousand, respectively.

Note 3: The average salary expenses for employees for 2021 and 2020 were NT\$798 thousand and NT\$771 thousand, respectively.

Note 4: The average salary expenses for employees were adjusted by 3.5%.

Note 5: Remuneration policy

1) Directors

The remuneration to the Company's Chairman of the Board, directors (including independent directors) shall be determined by the board of directors authorized in accordance with Article 16 of the Articles of Incorporation, by taking into account their degree of participation in the Company's operations and the value of their contribution while with reference to the standards in the industry.

If the Company has earnings, it shall appropriate no greater than 5% of the balance as remuneration to the directors. However, if the Company has accumulated losses, the earnings shall be reserved to make up for the losses first. The remuneration to the

directors shall only be paid in cash.

The payment of remuneration to directors is handled in accordance with the "Regulations on Remuneration to Directors". The main principles are: (1) directors shall be paid with an attendance fee for attendance to each board meeting on the day of the meeting; (2) independent directors shall be paid with monthly honoraria, but are not eligible for the annual remuneration to directors; (3) if a director serves as an employee concurrently, in addition to being paid with attendance fees and remuneration to directors from earnings distributed, the salary of the concurrent employee position shall be handled in accordance with the position and relevant regulations of the Company.

2) Managers

The remuneration to the Company's managers is handled in accordance with Article 17 of the Company's Articles of Incorporation and Article 29 of the Company Act.

The monthly salary of the Company's managers is determined by considering their experience, special expertise, and qualifications set by the competent authority; the Company may refer to the price index, standards in the industry, operating results, financial position, the Company's salary policies, and personal performance to conduct annual salary adjustments.

The managers' bonuses are mainly determined based on the Company's performance and earnings of the current year, while with reference to the personal performance in the current year; managers may be eligible for employee remuneration distributed.

The managers' salary determination and adjustment, as well as bonus and remuneration determination shall be processed after approved by the Remuneration Committee and then resolved by the board of directors.

3) Employees

The employees' salary is determined by referring to the overall salary standards in the industry and individuals' seniority and experience. The Company may refer to the price index, standards in the industry, operating results, financial position, the Company's salary policy, and personal performance to conduct annual salary adjustments.

Based on the Company's performance and earnings of the current year, while with reference to personal performance in the current year, the employees' bonuses are determined by the annual personal, supervisor's, and comprehensive performance evaluations.

According to the Company's Articles of Incorporation, if the Company makes any profit in the current year, the Company shall appropriate 1% to 5% as employee remuneration, and the employee remuneration may be paid in stocks or cash.