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TAIMING ASSURANCE BROKER CO., LTD.

2022 Annual Report

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Company website: www.tabc.com.tw

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.

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II. Address and Telephone Number of The Headquarter:

Headquarter: 11F., No. 49, Guanqian Rd., Taipei City

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<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 Unit	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

III. Name, address, website and telephone number of the stock transfer agency:

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 2022 annual operating results, 2023 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

According to the statistics of the Life Insurance Association, the overall premium income of life insurance in 2022 decreased by 24.2%. Among which, traditional insurance commodities decreased by 9.4% compared to the previous year due to factors such as interest rate rise of interest sensitive commodities, depreciation of the NTD against the USD, and expected premium adjustments; Investment oriented commodities.

decreased by 50.9% compared to the previous year due to fluctuations in the capital market.

As the Company mainly focused on traditional commodities, has diversified life insurance business, maintained high renewal rate, strengthen operation efficiency and the overall capital utilization efficiency, therefore the Company maintained stable profit performance in 2022.

While promoting the business development, the Company was committed to the sustainable development and aimed to implement the environmental sustainability and carbon reduction of ESG. In 2022, the mobile insurance business was promoted to grow rapidly, and the number of mobile insurance policies increased by 2.24 times compared with the previous year, demonstrating the Company's efforts to reduce paper and improve marketing efficiency.

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

(III) Financial balance and profitability analysis

In 2022, the Company and its subsidiaries made a consolidated net operating income of NT\$737,916 thousand, consolidated net profit before tax of NT\$80,072 thousand, net profit after tax attributable to owners of the

Company of NT\$65,951 thousand, basic earnings per share before tax of NT\$3.2, and the basic earnings per share after tax of NT\$2.64.

As at the end of 2022, the Company's assets amounted to NT\$773,847 thousand, and the shareholders' equity amounted to NT\$534,176 thousand.

(IV) Research development status

1. Personal data security mechanism: maintain personal data protection authentication, establish online Two-Factor Authentication mechanism, system antivirus monitoring and warning mechanism and continuously optimize backup mechanism.
2. Digital business services: The Company has built a business integration knowledge base system, constantly increased the number of policyholders associated with the mobile insurance and SSO agent area, provided a real-time business query mechanism, and became a strong backup platform for business marketing and policyholder service.
3. Combined Commodity Discussion: The Company has established a Product Planning Task Force in the internal and business areas to discuss the combination of commodities and provide high-quality services for policyholders.

II. Business plan outline of the year

(I) Business strategy of the year

1. Business training planning: The Company will continue to promote professional training in 2023, promoting general education courses such as marketing and claims management through a nationwide joint live broadcast morning meeting; Enhance the strength of business elites through legal expert package courses and recruitment of marketing specialized courses; Set up digital schools to immediately advocate for money laundering prevention, friendly elderly customer marketing, fair hospitality, compliance with legal regulations, and individual information learning courses; Successfully built a comprehensive learning platform among business colleagues.
2. Business activity strategy: In order to enhance cohesive force of business partners and promote common activities of business customers, the company promotes incentive programs such as concert attendance, business recognition and honor dinner, which has attracted enthusiastic participation since the beginning of 2023. The Company also encourages

business partners to strive for insurance professional MDRTS and International Dragon Award IDA, and obtain the professional certification.

3. Corporate sustainability responsibility: The Company actively promotes corporate social responsibility and implements the Company's sustainable development. It is planned by the Corporate Sustainable Development Committee to implement corporate sustainable development in accordance with the authority and responsibility of various departments, and carry out greenhouse gas inventory in phases since 2023.

(II) Operating target of the year

The Company and its subsidiaries are expected to increase their operating income compared with 2022, and constantly invested the digital technology construction, promote physical online professional training courses and diversify business activities to maintain the overall profit target stable.

The Company attaches great importance to the quality of policyholders' renewal payment, and aims to maintain a renewal rate of over 90%.

The Company's business goal is to recruit and continuously improve business real power.

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

Looking ahead to 2023, the insurance industry is facing with challenges from digital innovation, the impact of IFRS17 implementation on insurance commodities, interest rate hikes, and the variable impact of exchange rate instability on commodity premiums and predetermined interest rates.

(II) Regulatory environment

In September 2022, the competent authority revised the rules governing the management of insurance brokers to strengthen the supervision of insurance

brokers, the control mechanism for the protection of the rights and interests of the elderly policyholders, education and training, and internal control.

(III) Overall business environment

According to the statistics of life insurance premiums in 2022, the proportion of traditional insurance brokerage channels has increased compared with the previous year, indicating that the insurance broker agency industry is more competitive in the market due to the diversified selection of commodities, which is not affected by single insurance company commodities. The Company maintained its market advantage by widening the gap from the network insurance with its profession and service.

The Company attaches great importance to compliance with laws and regulations, cooperates with the revision and promotion of relevant laws and regulations courses, and implements internal control, which is beneficial to the protection of policyholders' rights and interests and shareholders' interests.

The Company continues to invest in digital technology innovation and information security construction; We will enhance our professional knowledge by focusing on the seminar of commodity professional group and legal professional class, and fight against environmental variables by targeting the needs of the policyholders and asset preservation; Aim at the Company's sound capital and financial structure and business growth, and explore opportunities for industry cooperation.

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

Chairman of the Board:
Cheng-Chih Li

Manager:
Yang-Kuo Chen

Accounting Manager:
Wen, Hsin-I

Chapter 2 Company Introduction

I. Date of Incorporation

October 18, 2002

II. Company History

Year	Milestones
2002	Taiming Assurance Broker Co., Ltd. was established with an actual paid-in capital of NT\$ 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 award of "Business Entity with Excellent Uniform Invoices Performance" 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 Taiwanese Enterprises" 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 Brokerage Dealer" from Chinatrust Life Won the "2012 Best Continuance Rate Award of Brokerage Dealer" from Chinatrust Life Won the "5th Taiwan Insurance Excellence Award - Insurance Broker Excellence Silver Award"
2013	Won the "2013 Best Performance Award of Brokerage Dealer, New Contract Quality Award, Health Talent Award" 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 of Brokerage Dealer, New Contract Quality Award, Health Talent Award" from Chinatrust Life. Officially registered company at over-the-counter market on Taipei Exchange (5878). Won the "Quality Broker Award" from Farglory Life. Investment in "All Safe Co., Ltd."
2015	Won the "2015 Best Performance Award of Brokerage Dealer, New Contract Quality Award, Health Talent Award, and Foreign Currency Talent Award" from Chinatrust Life. Issued the first "Corporate Social Responsibility Report" and was certified by BSI Taiwan.

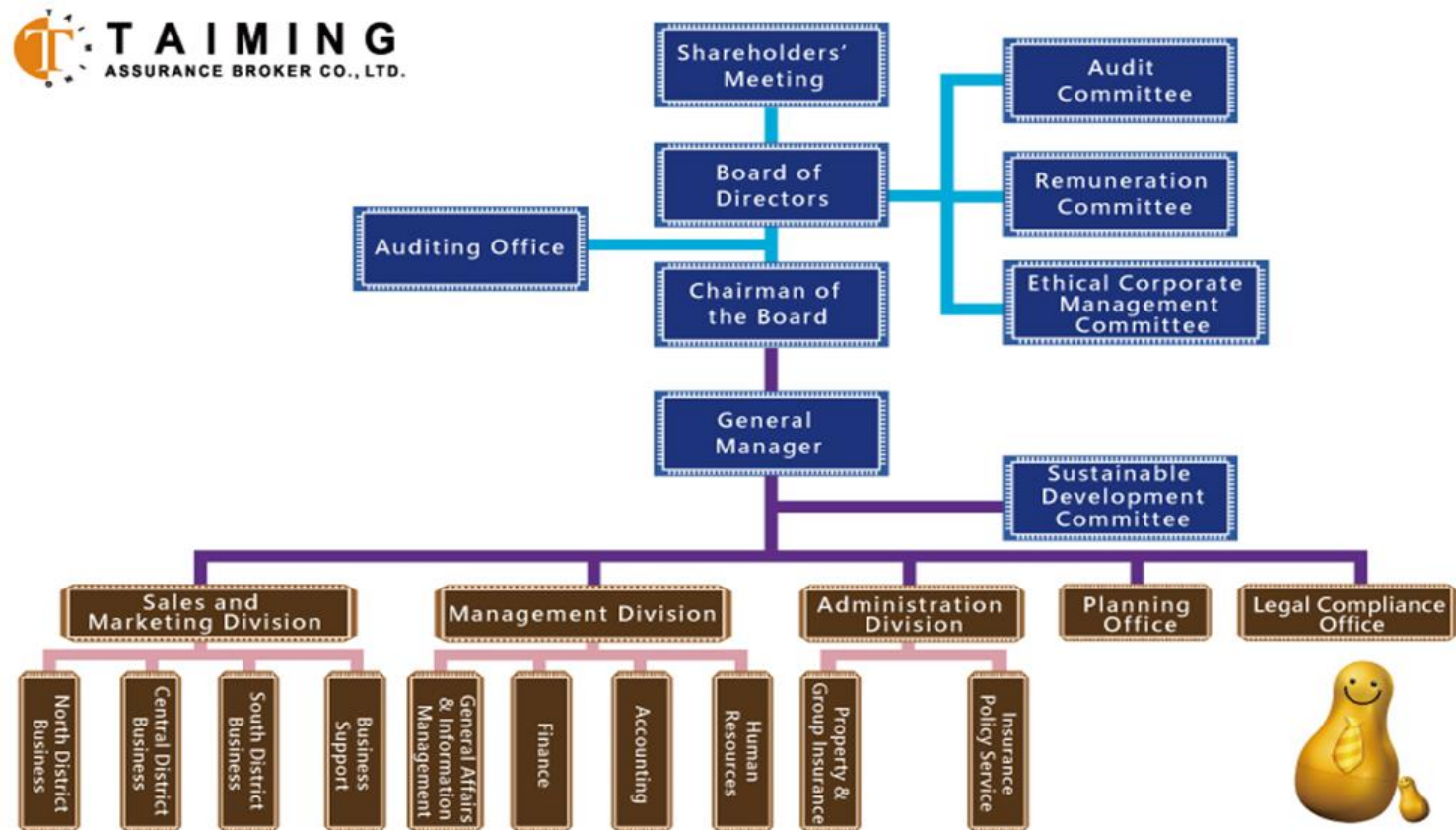
- 2016 Investment in "Shanghai Lianda Insurance Agency Co., Ltd."
 Won the "2012 Best Performance Award of Brokerage Dealer" from TLG Insurance Co., Ltd.
 Won the "2016 Foreign Currency Talent Award, Health Talent Award, Best Continuance Rate Award, Best Performance Award" from Taiwan Life
 Introduced ISMS Information Security Management System and obtained the International Validation of ISO/IEC27001 Information Security issued by BSI (British Standards Association)
- 2017 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 Brokerage Dealer" from TLG Insurance.
 Won the "2017 Best Performance Award of Brokerage Dealer" from Taiwan Life Insurance.
 Won the "2017 Health Talent Award of Coniferin Honorary Assembly as Brokerage Agent" from Taiwan Life Insurance.
 Investment in shares of "Kun Shan Feng Sheng Insurance Agency Ltd."
 Started online insurance business
 Won the "Sustainable Excellence Award" from BSI Taiwan.
- 2018 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
- 2019 Received the "2018 Quality Brokerage Company" from Farglory Life.
 Won the "Sustainable Excellence Award" from BSI Taiwan.
 On February 20, 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
 Received the "2019 CTWANT Club" from CTWANT Company
 Won the "2019 Best Performance Award of Brokerage Dealer" from Taiwan Life Insurance
 Won the "2019 Health Talent 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
- 2020 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 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 Corporate Social Report Bronze Prize of Taiwan Corporate Sustainability Awards Finance and Insurance categories
Won the "Guardian Archangel" from Huashan Social Welfare Foundation
Won the "2021 Best Performance Award of Brokerage Dealer" from Taiwan Life Insurance
Won the "2021 Foreign Currency Talent Award of Brokerage Dealer" from Taiwan Life Insurance
Won the "2021 Best Continuance Rate Award of Brokerage Dealer" from Taiwan Life Insurance
Won the "2021 Excellent Original Premium Performance Group Award" from Shin Kong Life Insurance
Won the "2021 Best Partner Award of Brokerage Dealer" from Chinatrust 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
- 2022 Passed the international standard verification of BS10012 Personal Information Management System (PIMS)
Won the 19th National Brand Mount Morrison "Outstanding Enterprise" Award
Won the 2022 TCSA Corporate Social Report Bronze Prize of Taiwan Corporate Sustainability Awards - Class II Civil Prize of Finance and Insurance categories of ESG Report
Won 2022 Taiwan Excellent Trademark Award - Innovative Design Excellence Award
Won the "2022 Quality Brokerage Company" from Farglory Life Insurance
Won the "2022 Excellent Foreign Currency Premium Performance Group Award" from Shin Kong Life Insurance
Won the "Guardian Archangel" from Huashan Social Welfare Foundation
Won the honor of the "2022 Outstanding Blood Donation Group" from the Taiwan Blood Foundation

Chapter 3 Corporate Governance Report

I. Organization System

(I) Organizational Structure of the Company



(II) Businesses of Major Departments:

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.
Department of Business	Manage overall business policies and promote the achievement of business objectives; cooperate with business policy, assist to hold various awards, activities, meetings and other related work.
Department of Administration	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.
Department of Management	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: April 2, 2023

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)	Current concurrent positions held in the Company and other companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remark (Note 5)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Taiwan Navigator Asset Investment Co., Ltd.	-	2022.05.26	3 years	2012.11.07	9,025,907	36.07%	9,025,907	36.07%	-	-	-	-						
	Republic of China	Representative: Cheng-Chih Li	Male 61-70 years old	2022.05.26	3 years	2012.11.07	887,874	3.55%	892,887	3.57%	384,274	1.54%	-	-	Studied in Construction Group of Public Engineering Department, China University and Technology Sales Manager of TIANJIN EVEST INT'L TRADING CO., LTD. Sales Manager, Niche International Futures Company The Congressional Aides of National Assembly Deputy Director of Training Department, MetLife, Inc. Business Marketing Director, MetLife, Inc. Head of Department of Business, Headquarter of MetLife, Inc. Manager of Banqiao Communications Department, MetLife, Inc.	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.	None	None	None	None
	Republic of China	Representative: Chia-Keng Li	Female 41-50 years old	2022.05.26	3 years	2022.05.26	-	-	-	-	-	-	-	-	Doctor of Economics, Xiamen University Director, Navigator Construction Co., Ltd. Supervisor, Taiwan Navigator Asset Investment Co., Ltd. Project Assistant Manager of Taiwan Fire & Marine	Director, Navigator Construction Co., Ltd. Director, Yong Xin Development CO., LTD. Chairman, Chanon Investment Co., Ltd. Director,	Director	Mo- Hang Wu	Sisters-in- law	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)	Current concurrent positions held in the Company and other companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remark (Note 5)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
															Insurance Co., Ltd. Senior Assistant Manager and Financial Supervisor of SIRTEC International Co., Ltd.	New Navigator Investment Co., Ltd. Chairman, Boutique Hotel Supervisor, Taiwan Navigator Asset Investment Co., Ltd. Director, Jade Investment Co., Ltd. Supervisor, Navigator Investment Development Co., Ltd Director, Chungtai Navigator Construction Co., Ltd.				
Director	Republic of China	Cheng-Rong Enterprise Co., Ltd.	-	2022/5/26	3 years	2013/6/14	47,959	0.19%	47,959	0.19%	—	—	—	—			None	None	None	None
	Republic of China	Representative: Mo-Hang Wu	Female 51-60 years old	2022/5/26	3 年	2019/5/31	—	—	—	—	—	—	—	—	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, Jade Investment CO., LTD. Director, Yong Xin Development CO., LTD. Chairman, Navigator Investment Development CO., LTD. Director, Chanon Investment Co., Ltd. Director, Taiwan Navigator Asset Investment Co., Ltd. Chairman, Shan Yue Limited Company Director and legal representative, Peng Cheng Investment Co., Ltd. Chairman of the Board and legal representative, New Navigator Investment Co., Ltd. Forland Auto Trade Holding Co., Ltd. Representative of Judicial Person Director	Director	Chia- Keng Li	Sisters-in- law	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)	Current concurrent positions held in the Company and other companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remark (Note 5)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
																AT BOUTIQUE HOTEL Director and legal representative Chairman of the Board of Ling Navigator Investment 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.				
Independent Director	Republic of China	Chien-Hsiang Chang	Male 71-80 years old	2022/5/26	3 years	2019/5/31	-	-	-	-	-	-	-	-	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
Independent Director	Republic of China	Tsung-Han Hsieh	Male 41-50 years old	2022/5/26	3 years	2022/5/26	-	-	-	-	-	-	-	-	Master of Resource Management, Fairleigh Dickinson University (FUD), USA. General Manager, YOOSEN INTERNATIONAL LIMITED General Manager, Jipu Construction Co., Ltd Chairman, Jia Zheng Investment Co., Ltd. Taiming Assurance Broker Co.,	Chairman and General Manager of Kao Enterprise 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)	Current concurrent positions held in the Company and other companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Remark (Note 5)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
															Ltd. Independent Director					
Independent Director	Republic of China	Fu-Kuei Huang	Male 61-70 years old	2022/5/26	3 years	2019/5/31	-	-	-	-	-	-	-	-	Department of Accountancy, National Cheng Kung University Financial Assistant Manager, Tailung Capital Inc.	Shouxin Accounting Firm CPA 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 term of office of the 8th Director of the Company is from May 26, 2022 to May 25, 2025, and the Company has established the Audit Committee to replace the Supervisors on December 24, 2013.

Table 1: Major Shareholders of Institutional Shareholders

Book closure date: April 2, 2023

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 Co., Ltd. (4.69%), Wending Venture Capital Co., Ltd. (10.16%).
Cheng-Rong Enterprise Co., Ltd.	Jiade Investment Co., Ltd. (34.483%), Chanon Investment Co., Ltd. (31.034%), Tong Sheng Development CO LTD (34.483%).

Note 1: For Directors and supervisors who are representatives of judicial person shareholders, the name of the shareholder shall be filled.

Note 2: Fill in the name of the substantial shareholders of the judicial person shareholder (top 10 shareholders by shareholding ratio) and their shareholding ratio. 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: Table 1: Major shareholders of juristic person shareholders

Book closure date: April 2, 2023

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%)
Mayer Steel Pipe Corporation	Yuan Chuan Iron & Steel CO., LTD. (16.61%), Tzu Chi International CO., LTD. (8.31%), Miramar Hotel CO., LTD. (6.85%), 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 Co., Ltd. (2.15%), Fei-Hung Chen (0.81%)
Dean Development Co., Ltd.	Dewei Investment Co., Ltd. (32.31%), Yuan Chuan Iron & Steel Co., Ltd. (12.38%), The Sincere Co., Ltd. (25.63%), 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%), Yung-Lun Huang (0.98%)
Wanshun Investment Co., Ltd.	Zhong-Yi Li (8%), Yu-Ying Yang (8%), Yen-Liang Li (45%), Yen-Ying Li (12%), Yen-Hung Li (15%), Yen-Jing Li (12%).
The Sincere Co., Ltd.	Dean Development Co., Ltd. (41.06%), Dexian Co., Ltd. (12.07%), Dewei Investment Co., Ltd. (19.56%), Deanxin Co., Ltd. (18.95%), 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%), Ta-Yao Lo (0.53%)
Xinliang Investment Co., Ltd.	Zhong-Yi Li (9%), Yu-Ying Yang (9%), Yen-Liang Li (17%), Yen-Hung Li (15%), Yen-Jing Li (26%), Yen-Ying Li (24%).
Wending Venture Capital Co., Ltd.	SIRTEC International Co., Ltd. (36%), ELAN Microelectronics Corporation (30%), Taiwan Fire & Marine Insurance Co., Ltd. (24.75%), Taiming Assurance Broker Co., Ltd. (6.75%), Taiwan Navigator Asset Investment Co., Ltd. (2.5%).
Chanon Investment Co., Ltd.	Jian-Cheng Li (24.25%), Tai-Hung Li (20.53%), Chia-Keng Li (34.53%), AT BOUTIQUE HOTEL (20.69%)
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 substantial shareholder in Table 1 is a judicial person, the name of the judicial person shall be filled in.

Note 2: Fill in the name of the substantial shareholders of the judicial person (top 10 shareholders by shareholding ratio) and their shareholding ratio.

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)

(1) Disclosure of professional qualifications of the Board of Directors and independence information of independent directors:

Book closure date: April 2, 2023

Name \ Criteria	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-Chih Li	(1) With profound and complete experience within the Group, Cheng-Chih Li is the Chairman of the Board of Directors of the Company and the current Vice Chairman of the Insurance Brokers Association of the Republic of China. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not Applicable	0
Taiwan Navigator Asset Investment Co., Ltd. Representative: Chia-Keng Li	(1) Chia-Keng Lee has served as a director of an insurance company for many years, he has deep culture and many years of financial management and operation practice, and can provide supervision and professional advice to the Board of Directors (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not Applicable	0
Cheng-Rong Enterprise Co., Ltd. Designee: Mo-Hang Wu	(1) Mo-Hang Wu has served as a director of the Company and is skilled in management, in the future, he will be able to assist in providing professional advice on the overall development and layout of the Group. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not Applicable	0

Name \ Criteria	Professional qualifications and experience (Note 1)	Compliance with independence (Note 2)	Number of other Taiwanese public companies concurrently serving as an Independent Director
Independent Director: Chien-Hsiang Chang	(1) As the convener of the Audit Committee, Chien-Hsiang Chang has served as the Deputy General Manager of an insurance company. He is specialized in financial management, business strategy and leadership. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	The independent directors of the Company are all in line with the Article 2, Paragraph 2 of "Regulations on the Establishment of Independent Directors of Public Companies and matters to be Complied with" and Article 3 of Standards related to the independence of Independent Directors.	0
Independent Director: Fu-Kuei Huang	(1) As a member of the Audit Committee and CPA, Fu-Kuei Huang possesses expertise in corporate leadership, government strategy and financial accounting (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		1
Independent Director, Tsung-Han Hsieh	(1) As a member of the Audit Committee, Tsung-Han Hsieh has served as an Independent Director of the Company and currently serves as the Chairman and General Manager of Kao Enterprise Co., Ltd., specializing in business marketing strategy, risk management and company leadership. (2) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.		0

(2) Diversity and Independence of the Board of Directors:

- A. 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:

In the "Governance Practices", the Company stipulates that the composition of the Board shall be diversity, except that the directors who are concurrently managers of the Company shall not occupy more than one third of the board seats, and formulate an appropriate diversity policy for their own operation, business type and development needs, including but not limited to the following two standards:

- a. Basic criteria and value: gender, age, nationality, and culture, etc.
- b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Members of the Board of Directors shall generally possess the necessary knowledge, skills and qualities to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors should possess the following diverse abilities:

- a. Operational judgment ability.
- b. Accounting and financial analysis ability.
- c. Business management ability.
- d. Crisis management ability.
- e. Industrial knowledge.
- f. International market view.
- g. Leadership.
- h. Decision-making ability.

Diversity and Core Competencies of Board Members:

- a. The Company values gender equality in the composition of the Board members. This year's female directors have increased by 1, totaling 2 seats, with female directors accounting for over 33.3%.
- b. The proportion of independent directors is 50%; the proportion of directors with employee status:1/6 (16.67%).

- c. The members of the Board of Directors possess diverse professional abilities, and the overall abilities of the members are as follows:

Title	Name	Nationality	Gender	Age	Independent Director Tenure	Employee Status	Core Competencies (Top 4)							
							Operational judgment ability	Accounting and financial analysis ability	Decision -making ability	Crisis manage ment ability	Industrial knowledge	International market view	Leadership	Information Competency
Chairman of the Board	Cheng-Chih Li	Republic of China	Male	61-70 years old	Less than 3 years	6-9 years	-	Yes	✓		✓	✓	✓	
Director	Chia-Keng Li	Republic of China	Female	41-50 years old	-	No	✓		✓		✓	✓		✓
Director	Mo-Hang Wu	Republic of China	Female	51-60 years old	-	No	✓		✓	✓	✓	✓	✓	
Independent Director	Chien-Hsiang Chang	Republic of China	Male	71-80 years old		✓	No	✓	✓		✓		✓	
Independent Director	Fu-Kuei Huang	Republic of China	Male	61-70 years old		✓	No		✓	✓	✓		✓	
Independent Director	Tsung-Han Hsieh	Republic of China	Male	41-50 years old	✓	No	✓		✓			✓	✓	

- B. 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.

- a. The current Board of Directors (the 8th term) of the Company consists of 6 directors, including 3 independent directors (accounting for 50% of the total number of directors).

In the “Governance Practices”, it is stipulated that 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. Taking into account the needs of practical operations in light of the scale of the company's operation and its major

shareholders' holdings, to determine the appropriate board structure for five or more directors. There is no Director other than the Chairman of the Company who concurrently serves as the Company Manager.

- b. The Company's Directors are highly disciplined. 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. (Please refer to page XX: Directors abstain from voting as a result of voting proposals).

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 subparagraph 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, Subparagraph 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: The term of office of the 8th Director of the Company is from May 26, 2022 to May 25, 2025.

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

Book closure date: April 2, 2023

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			Remark (Note 3)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Republic of China	Yang-Kuo Chen	Male	2021/3/16	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 General Manager of Department of Management	Republic of China	Shu-Fen Yang	Female	2010/8/01	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
Auditing Office Associate Manager	Republic of China	Kun-Leng Hsu	Male	2012/11/1	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,	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			Remark (Note 3)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
											Taiming Assurance Broker. General Manager, Hung Hsiang Insurance Broker					
Planning Office Associate Manager	Republic of China	Ching-Wen Lin	Female	2016/7/01	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
Department of Administration Associate Manager	Republic of China	Chang-Wu Chiao	Male	2020/3/01	—	—	—	—	—	—	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
Middle Section Department of Business Associate Manager	Republic of China	Chien-Chang Lai	Male	2011/9/01	—	—	—	—	—	—	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	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			Remark (Note 3)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
											Office, TABC					
Department of Administration Associate Manager	Republic of China	Shen-Tien Chen	Male	2014/5/5	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
Department of Business Associate Manager	Republic of China	Wei-Cheng Ho	Male	2020/7/1	—	—	—	—	—	—	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: Shall include information regarding General Manager and Deputy General Manager, Associate Managers, Supervisors of Departments and Branch Agencies. Persons who hold positions equivalent to General Manager and Deputy General Manager, or Associate Managers shall also be disclosed.

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 chairperson 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, 2022 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 remuneration from the invested company other than the Company's subsidiaries 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	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statement (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company		Companies in the consolidated financial statements (Note 7)		The Company	Companies in the consolidated financial statements (Note 7)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Director	Taiwan Navigator Asset Investment Co., Ltd.	—	—	—	—	1,599	1,599	210	240	1,809 2.74	1,839 2.79	2,580	2,580	-	-	-	-	-	-	4,389 6.65	4,419 6.70	None
	Representative: Cheng-Chih Li (Appointed on May 26, 2022)																					None
	Representative: Chia-Keng Li (Appointed on May 26, 2022)																					None
	Representative: Chih-Chieh Wei (Appointed on May 26, 2022)																					None
Director	Cheng-Rong Enterprise Co., Ltd.																					None
	Representative: Mo-Hang Wu (Appointed on May 26, 2022)																					None
Independent Director	Chien-Hsiang Chang (Appointed on May 26, 2022)							2,010	2,010	2,010 3.05	2,010 3.05									2,010 3.05	2,010 3.05	None
Independent Director	Fu-Kuei Huang (Appointed on May 26, 2022)																					None
Independent Director	Tsung-Han Hsieh (Appointed on May 26, 2022)																					None
Independent Director	Chuang-Teng Tsai (Appointed on May 26, 2022)																					None

- 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.
- 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-Chih Li, Chia-Keng Li, Chih-Chieh Wei (Note 12) Representative of Cheng-Rong Enterprise CO., LTD.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Tsung-Han Hsieh, Chuang-Teng Tsai (Note 12)	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Cheng-Chih Li, Chia-Keng Li, Chih-Chieh Wei (Note 12) Representative of Cheng-Rong Enterprise CO., LTD.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Tsung-Han Hsieh, Chuang-Teng Tsai (Note 12)	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Chia-Keng Li, Chih-Chieh Wei (Note 12) Representative of Cheng-Rong Enterprise CO., LTD.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Tsung-Han Hsieh, Chuang-Teng Tsai (Note 12)	General Directors: Representative of Taiwan Navigator Asset Investment Co., Ltd.: Chia-Keng Li, Chih-Chieh Wei (Note 12) Representative of Cheng-Rong Enterprise CO., LTD.: Mo-Hang Wu Independent Directors: Chien-Hsiang Chang, Fu-Kuei Huang, Tsung-Han Hsieh, Chuang-Teng Tsai (Note 12)
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	8	8	8	8

- 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 of directors in the most recent year (including salaries, professional allowance, severance pay, bonuses, and performance fees).
- Note 3: Remuneration paid to directors in the most recent year upon the approval of Board of Directors.
- Note 4: Business expenses paid out to directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). 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: It means the salary, duty allowance, severance pay, bonus, reward, transportation allowance, special allowance, various allowances, and provision of such tangible objects as dormitory and car received by the directors who acted as employees concurrently (including General Manager, Deputy General Manager, managerial officer and employee) in the most recent 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: If the directors who acted as employees concurrently (including General Manager, Deputy General Manager, managerial officer and employee) received employee bonus (including stock dividend and cash dividend) in the most recent year, please disclose the employee bonus approved by the Board of Directors prior to the motion for allocation of earnings submitted to the shareholders' meeting in the most recent year. If it is impossible to impute the same, the amount to be allocated this year shall be based on that allocated physically last year, and please also specify the table 1-3.
- Note 7: Total remuneration in various items paid out to this Company's Directors by all companies (including this Company) listed in the consolidated statement shall be disclosed.
- Note 8: The company shall pay each Director the total amount of remuneration and disclose the name of the Director in the range to which it belongs.
- Note 9: Total remuneration in various items paid to every director of this Company by all companies (including this Company) listed in the consolidated statement shall be disclosed. The name of the director shall also be disclosed in the proper remuneration 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 (2022), amounting to NT\$ 65,951 thousand.
- Note 11: a. The amount of remuneration received from subsidiaries other than investee companies or the parent company by the Company's Directors shall be stated clearly in this column (please specify "none" if there is no remuneration).
 B. If the Director of the Company receives remuneration in connection with the re-invested business other than the subsidiary, the remuneration received by the Director from the re-invested business other than the subsidiary or the parent company into Column I 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 Company's Director for being a director, supervisor, or manager of the invested companies other than the Company's subsidiaries or the parent company.
- Note 12: Director Chih-Chieh Wei resigned from his position in the re-election on May 26, 2022.
 Director Chuang-Teng Tsai resigned from his position in the re-election on May 26, 2022.
- * 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.

(II) **The remuneration for Supervisors (range of remuneration with name disclosure):** The Company has established an Audit Committee, so it is not applicable.

(III) Remunerations of General Managers and Deputy General Manager (disclosure of name collectively in a summary way)

December 31, 2022 Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Separation Pay and Pensions (B)		Bonus and special 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	4,157	4,157	-	-	744	744	84	-	84	-	4,985 7.56%	4,985 7.56%	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 General Manager or Deputy General Manager	
	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 names of General Manager and Deputy General Manager shall be listed separately and the payments 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: General Manager and Deputy General Manager's compensations in the most recent year (including salary, professional compensation and severance).
- Note 3: Compensations of General Managers/Deputy General Managers concurrently holding positions in the Company shall include bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, vehicles, and provision of physical items and services. 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 profit-sharing employee bonus (including stock and cash) for the General Managers and Deputy General Managers in the most recent year approved by the Board of Directors. If the amount cannot be estimated, the proposed amount of this year shall be calculated according to the proportion of the actual amount of distribution last year, and a separate Form 1-3 shall be filled in. 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: Total remuneration in various items paid out to this Company's General Managers and Deputy General Managers by all companies (including this Company) listed in the consolidated statement shall be disclosed.
- Note 6: The company shall pay the total amount of remuneration to each General Manager and Deputy General Manager, and disclose the names of the General Managers and Deputy General Managers in the range to which it belongs.
- Note 7: Total compensation of various items paid to every General Manager and Deputy General Manager of this Company by all companies (including this Company) listed in the consolidated statement shall be disclosed. The name of the General Manager and Deputy General Manager shall also be disclosed in the proper compensation range.
- Note 8: 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 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 General Manager or Deputy General Manager of the Company receives remuneration in connection with the re-invested business other than the subsidiary, the remuneration received by the General Manager or Deputy General Manager 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, 2022 Unit: NT\$ thousand

	Title (note 1)	Name (Note 1)	Stock amount	Cash amount (Note 2)	Total	Proportion to Earnings After Tax (%)
Manager (Note 3)	General Manager	Yang-Kuo Chen	-	336	336	0.51%
	Deputy General Manager	Shu-Fen Yang				
	Associate Manager	Kun-Leng 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	Wen, Hsin-I				

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

Note 2: Employee compensations (including shares and cash) given to managers as approved by the Board of Directors for the most recent fiscal year shall be disclosed. But in case an estimated figure cannot be derived, this year's budgeted compensations shall be calculated based on last year's actual compensation distribution proportion. 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 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 Persons Who Manage Affairs and Have Signing Rights of the Company

Note 4: If Directors, General Manager and Deputy General Manager receive employee bonus (including shares and cash), this form shall be filled out in addition to Table 1-2.

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

- (V) Comparative descriptions of the analysis of the ratio of the 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 net profit after tax of individual or individual financial reports in the last two years, and descriptions of the policy, standard and combination of remuneration, the procedures for setting remuneration, business performance and the relevance of 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:

NT\$: thousand;

Items Title	Ratio of total remuneration to net after-tax profit in 2022			Ratio of total remuneration to net after-tax profit in 2021		
	Total Amount	The Company	Companies in the consolidated financial statements	Total Amount	The Company	Companies in the consolidated financial statements
Directors (including independent directors)	3,819	5.79%	5.84%	4,047	5.42%	5.45%
General Manager and Deputy General Manager	4,985	7.56%	7.56%	4,994	6.69%	6.69%
Supervisor	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Net after-tax profit	65,951			74,676		

The total remuneration of directors in 2022 decreased as compared with that in 2021, which was caused by decrease of profits in 2022. The total remuneration of General Manager and Deputy General Manager decreased as compared with 2021, which was caused by the decrease of the profits in 2022.

Remarks: 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. Director remuneration: 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 Article 18-1 of the Company's Articles of Association. 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: (2022/01/01-2022/12/31)

Title	Name (Note 1)	Times of in person attendance (B)	Times of proxy attendance	Rate of Actual Attendance (%) [B/A] (Note 2)	Remark
Chairman of the Board	Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chih Li	7	0	100%	Re-elected on May 26, 2022
Director	Taiwan Navigator Asset Investment Co., Ltd. Representative: Chia-Keng Li	4	0	100%	Newly appointed on May 26, 2022 Number of attendances required 4 times
Director	Cheng-Rong Enterprise Co., Ltd. Designee: Mo-Hang Wu	7	0	100%	Re-elected on May 26, 2022
Independent Director	Chien-Hsiang Chang	7	0	100%	Re-elected on May 26, 2022
Independent Director	Tsung-Han Hsieh	4	0	100%	Newly appointed on May 26, 2022 Number of attendances required 4 times
Independent Director	Fu-Kuai Huang	7	0	100%	Re-elected on May 26, 2022
Former Director	Taiwan Navigator Asset Investment Co., Ltd. Representative: Chih-Chieh Wei	3	0	100%	Term expires on May 26, 2022 Number of attendance required: 3 times
Former Independent Director	Chuang-Teng Tsai	3	0	100%	Term expires on May 26, 2022 Number of attendance required: 3 times

Other required disclosure:

- I. If the operation of the Board of Directors is under any of the following circumstances, the date, stage, contents of the bill of the Board of Directors, all the opinions of the Independent Directors and the company's treatment of the opinions of the Independent Directors shall be clearly 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
2022/03/07 (The 18th meeting in the 7th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The performance evaluation result of the Company's Directors and Functional Committee in 2021. 2. Status of Implementation of 2021 Internal Audit Report. 3. 2021 Financial Report. 4. 2021 Remuneration of employees and Directors. 5. Declaration of the internal control system of the Company in 2021 and the declaration of internal control system for preventing money laundering and combating terrorism of the Company in 2021. 6. The Company's CPA independence evaluation report. 7. The Company's CPA fee in 2022. 	Proceed upon approval of all independent directors
2022/04/08 (The 19th meeting in the 7th term of the Board of Directors)	<ol style="list-style-type: none"> 1. Through reviewing shareholders, nominating the list of candidates for the 8th term of directors (including independent directors) and non-competition restrictions. 2. Revised some provisions of the Company's "Operating Procedure for Acquisition and Disposal of Assets". 3. To amend certain articles of the Company's "Internal Control System". 	Proceed upon approval of all independent directors
2022/04/28 (The 20th meeting in the 7th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The Company's Internal Audit Report for the first quarter of 2022. 2. The Company's consolidated financial statements for the first quarter of 2022. 3. Director remuneration in 2021. 4. Revised Declaration Statement of Internal Control System in 2021. 	Proceed upon approval of all independent directors
2022/05/26 (The 1st meeting in the 8th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The Company's greenhouse gas inventory and verification process planning. 2. Elected the 8th Chairman of the Board, General Manager, Remuneration Committee, Audit Committee and Ethical Corporate Management Committee. 3. Profit distribution in cash dividend in 2021, deciding on the ex-dividend date and other relevant matters 4. To amend certain articles of the Company's "Internal Control System". 	Proceed upon approval of all independent directors
2022/07/28 (The 2nd meeting in the 8th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The Company's Internal Audit Report for the second quarter of 2022. 2. The Company's self-inspection form and legal 	Proceed upon approval of all independent

Board of Directors)	<p>compliance statement in the first half of 2022.</p> <p>3. Capitalization in cash of Shanghai Taiming Insurance Agency Co., Ltd. (hereinafter referred to as Shanghai Taiming) invested by the Company and the Company's shareholding ratio change description.</p> <p>4. The Company's consolidated financial statements for the second quarter of 2022.</p> <p>5. The Company's tax governance policies.</p>	directors
2022/11/03 (The 3rd meeting in the 8th term of the Board of Directors)	<p>1. Report on the implementation of the internal audit plan in the third quarter of 2022.</p> <p>2. The Company's 2021 ESG Report.</p> <p>3. The Company's greenhouse gas inventory and verification process report.</p> <p>4. The Company's consolidated financial statements for the third quarter of 2022.</p> <p>5. Amend to the "Processing of Material inside Information and Prevention of Insider Trade Procedure" of the Company in part.</p> <p>6. The Company has changed the "Rules of Procedure for Board of Directors Meetings" to "Measures for Board of Directors Meetings" and amended some provisions.</p> <p>7. Proposal for distribution of manager's remuneration in 2021.</p>	Proceed upon approval of all independent directors
2022/12/29 (The 4th meeting in the 8th term of the Board of Directors)	<p>1. Deloitte & Touche (hereinafter referred to as Deloitte & Touche) communicated the auditing procedures of the bulletin of auditing standards applicable to the 2022 financial report.</p> <p>2. The Company's implementation status of 2022 sustainable development and 2023 plan, stakeholder concerns and communication channels.</p> <p>3. The Company Directors' liability insurance amount, coverage, and premium rate.</p> <p>4. The implementation of the Company's integrity management policy in 2022.</p> <p>5. Implementation of overall information security on 2022.</p> <p>6. Ratio of remuneration to Directors and employees in 2022.</p> <p>7. 2022 Audit Plan.</p> <p>8. Revise some provisions of "Performance Evaluation Rules for Directors (Functional Committee)".</p> <p>9. To amend certain articles of the Company's "Internal Control System".</p> <p>10. Revise some provisions of "Process management Measures for Professional Accounting Judgment Procedures and Changes in Accounting Policies and</p>	Proceed upon approval of all independent directors

	Estimates”.			
	11. Revise some provisions of “Risk Management Policies and Procedures”.			
(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
2022/04/28 (The 20th meeting in the 7th term of the Board of Directors)	Cheng-Chih Li Chairman of the Board	Draft proposal on manager performance bonus in 2021.	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 2022 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. In response to the revision of regulations, the Company has changed the “Rules of Procedure for Board of Directors Meetings” to “Measures for Board of Directors Meetings” and amended some provisions 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 2022, 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.
8. The Company has reported the implementation status of 2022 sustainable development and 2023 plan, stakeholder concerns and communication channels to the board of directors, and implemented the focus on ESG.

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)	Evaluation result
Executed in each year.	From January 1, 2022 to December 31, 2022	The entire Board	Internal self-evaluation by the Board of Directors	<p>The performance evaluation of the Board of directors shall be based on the Company's situation and needs, and shall include at least the following six aspects:</p> <ol style="list-style-type: none"> (1) The degree of participation in the operation of the Company (2) The improvement of the quality of the Board of Directors' decision-making (3) The compositions and structure of the Board of Directors (4) The selection and continuous improvement of directors (5) Internal Control (6) Focus on sustainable development (ESG) 	The ratings of Board of Directors were all excellent
Executed in each year.	From January 1, 2022 to December 31, 2022	Functional Committees of directors	Self-evaluation by the directors	<ol style="list-style-type: none"> 1. The performance evaluation indicators of Directors (self-evaluation or evaluation among directors at the same level) should include at least the following seven aspects: <ol style="list-style-type: none"> (1) Mastery of Company goals and missions (2) Awareness of the duties of a director (3) The degree of participation in the operation of the Company (4) Management of internal relationship and communication (5) The director's professionalism 	<p>The self-evaluation by the directors were significantly excellent</p> <p>The rating of Remuneration Committee was significantly excellent</p> <p>The rating of Audit Committee was</p>

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope of evaluation (Note 3)	Evaluation methods (Note 4)	Evaluation content (Note 5)	Evaluation result
				<p>and continuing improvement</p> <p>(6) Internal Control</p> <p>(7) Focus on sustainable development (ESG)</p> <p>2. The performance evaluation indicators of the Functional Committee shall include at least the following six aspects:</p> <p>(1) The degree of participation in the operation of the Company.</p> <p>(2) Awareness of the duties of Functional Committee.</p> <p>(3) Quality of the Functional Committee' decision-making.</p> <p>(4) Selection of members of Functional Committee.</p> <p>(5) Internal Control.</p> <p>(6) Focus on sustainable development (ESG).</p>	<p>significantly excellent</p> <p>The rating of Integrity Management Committee was significantly excellent</p>
Executed in each year.	From January 1, 2022 to December 31, 2022	Functional Committees of directors	Evaluation among directors at the same level	<p>1. The performance evaluation indicators of Directors (self-evaluation or evaluation among directors at the same level) should include at least the following seven aspects:</p> <p>(1) Mastery of Company goals and missions</p> <p>(2) Awareness of the duties of a director</p> <p>(3) The degree of participation in the operation of the Company</p> <p>(4) Management of internal relationship and communication</p> <p>(5) The director's professionalism and continuing improvement</p> <p>(6) Internal Control</p> <p>(7) Focus on sustainable development (ESG)</p> <p>2. The performance evaluation indicators of the Functional Committee shall include at least the following six aspects:</p> <p>(1) The degree of participation in the operation of the Company.</p> <p>(2) Awareness of the duties of Functional Committee.</p> <p>(3) Quality of the Functional Committee' decision-making.</p> <p>(4) Selection of members of Functional Committee.</p> <p>(5) Internal Control.</p> <p>(6) Focus on sustainable development (ESG).</p>	<p>The rating of peer evaluations by Board of Directors and Remuneration Committee were significant excellent</p> <p>The rating of Audit Committee was significantly excellent</p> <p>The rating of Integrity Management Committee was significantly excellent</p>

On December 29, 2022, the Company proposed to revise some provisions of “Performance Evaluation Rules for Directors (Functional Committee)” on Board Meeting, in order to implement corporate governance, promote ESG (Environmental Protection, Social Responsibility, Corporate Governance) to the board level, and relevant performance and compensation related matters were established.

The description of performance evaluation results of the Board of Directors and Functional Committee for 2022. are as follows:

On March 9, 2023, the Board of Directors of the Company submitted the performance evaluation results of the Board of Directors and Functional Committee for 2022. 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 96 points, and the ratings were extremely excellent
2. In 2022, the total average score of all peer evaluations by the Remuneration Committee was 97.5 points, and the rating was extremely excellent.
3. In 2022, the total average score of all peer evaluations by the Audit Committee was 97.8 points, and the rating was extremely excellent.
4. In 2022, the total average score of all peer evaluations by the Ethical Corporate Management Committee was 97 points, and the rating was extremely excellent.

Note 1: Fill in the implementation cycle of the evaluation of the Board of Directors, for example: once a year.

Note 2: Fill in the period covered by the evaluation of Board of Directors, e.g., evaluate the effectiveness of the board of directors from January 1 to December 31, 2022.

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

Note 4: The evaluation methods include internal self-evaluation of the Board of Directors, self-evaluation of board members, evaluation among directors at the same level, or appointment of external professional institutions or experts or other appropriate methods.

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

- (1) Performance evaluation of the Board of Directors: at least including the degree of participation in the operation of the company, the quality of the Board of Directors' decision-making, compositions and structure of the Board of Directors, selection and continuous development of directors, internal control, Focus on sustainable development (ESG), etc.
- (2) Performance evaluation of the individual Directors: at least including the 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, internal control, focus on sustainable development (ESG), etc.
- (3) Performance evaluation of functional committees: 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, focus on sustainable development (ESG), etc.

(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 26, 2022, the term of office of the members of the 4th Audit Committee is from May 26, 2022 to May 25, 2025.

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 Remuneration, independence and performance evaluation
 - (3) Effectiveness assessment of internal control systems, policies and procedures
 - (4) The company complies with the relevant laws and regulations.
 - (5) Control of existing or potential risks of the company.
 - (6) Material transactions in assets or derivatives
 - (7) Items that involve the Manager and Directors' own interests
 - (8) Interacting and communicating with managers to focus on business development and business strategies
 - (9) Compliance with Article 36 of the Securities and Exchange Law
2. The key emphasis in work for the Audit Committee in 2022 are as follows:
 - (1) Review the financial reports for 2021 and the financial reports of the first quarter to the third quarter of 2022.
 - (2) Appointment of CPAs for 2022 and review of fees remuneration.
 - (3) According to the completion of various professional service indicators in 2022 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 2022.
 - (4) According to laws and regulations and the Company's practice, revise the relevant laws and regulations, such as Operating Procedure for Acquisition and Disposal of Assets, Internal Control System, Operating Procedure of Internal Major Information Processing and Prevention of Insider Trading Management, Process management Measures for Professional Accounting Judgment Procedures and Changes in Accounting Policies and Estimates, and Risk Management Policies and Procedures.
 - (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) Understanding of the audit result and communication with the audit manager to understand the internal control condition
 - (9) Communication with the managers to understand the business operation of the Company

(10) Other significant matters set forth by the Company or the competent authority.

3. A total of 7 (A) meetings were held by the Audit Committee in the most recent year (2022). The attendance of Independent Directors was as follows:

Title	Name	Times of Actual Attendance (B)	Times of proxy attendance	Rate of Attendance in Person (%) [B/A] (Note 1)	Remark
Convenor	Chien-Hsiang Chang	7	0	100%	Convenor Reappointed on May 26, 2022
Members	Fu-Kuai Huang	7	0	100%	Reappointed on May 26, 2022
Members	Tsung-Han Hsieh	4	0	100%	Newly appointed on May 26, 2022 Number of attendances required: 4 times
Former Members	Chuang-Teng Tsai	3	0	100%	Resigned on May 26, 2022 Number of attendances required: 3 times

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

Note 2: If Independent Directors are re-elected before the end of the fiscal year, incoming and outgoing Independent Directors shall be listed accordingly and the "Remark" 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:

Audit Committee Date (period)	Proposal Content	Audit Committee Resolution	Silergy's response to the comments of the Audit Committee
2022/3/7 (The 17th meeting of the 3rd Audit Committee)	<ol style="list-style-type: none"> 2021 Internal Audit Report. 2021 statutory compliance audit report. Business Report of 2021. Financial Report of 2021. Draft of the Company's earnings distribution in 2021. Declaration of the internal control system and the declaration of internal control system for preventing money laundering and combating terrorism in 2021. CPA independence evaluation report. CPA fee in 2022 Proposal for acquisition and disposal of right-of-use assets. 	Approved by all attending members of the Audit Committee after discussion	Submitted to the Board of Directors; Approved by all attending Directors after discussion
2022/4/8 (18th meeting of the 3rd Board of Directors)	<ol style="list-style-type: none"> Review list of candidate for the 8th term of Directors (including independent directors) and non-competition restrictions. Revised some provisions of the Company's "Operating Procedure for Acquisition and Disposal of Assets". To amend certain articles of the Company's "Internal Control System". 	Approved by all attending members of the Audit Committee after discussion	Submitted to the Board of Directors; Approved by all attending Directors after discussion
2022/4/28 (19th meeting of the 3rd Board of Directors)	<ol style="list-style-type: none"> Internal Audit Report in the first quarter of 2022. Consolidated financial statements for the first quarter of 2022. Revised Declaration Statement of Internal Control System in 2021. Proposal for acquisition and disposal of right-of-use assets. 	Approved by all attending members of the Audit Committee after discussion	Submitted to the Board of Directors; Approved by all attending Directors after discussion
2022/5/26 (1st meeting of	<ol style="list-style-type: none"> Revised some provisions of "Internal Control System". 	Approved by all	Submitted to the Board of

the 4th Board of Directors)	2. Elect the convener of the 4th Audit Committee and chairman.	attending members of the Audit Committee after discussion	Directors; Approved by all attending Directors after discussion
2022/7/28 (2nd meeting in the 4th term of the Board of Directors)	1. Internal Audit Report in the second quarter of 2022. 2. Statutory compliance audit report for the first half of 2022. 3. The Company's consolidated financial statements for the second quarter of 2022. 4. Proposal for acquisition and disposal of right-of-use assets.	Approved by all attending members of the Audit Committee after discussion	Submitted to the Board of Directors; Approved by all attending Directors after discussion
2022/11/3 (3rd meeting in the 4th term of the Board of Directors)	1. Internal Audit Report in the third quarter of 2022. 2. Consolidated financial statements for the third quarter of 2022. 3. Revised some provisions of the "Processing of Material inside Information and Prevention of Insider Trade Procedure". 4. Revised some provisions of the 'Internal Control System',	Approved by all attending members of the Audit Committee after discussion	Submitted to the Board of Directors; Approved by all attending Directors after discussion
2022/12/29 (The 4th meeting in the 4th term of the Board of Directors)	1. Deloitte & Touche communicated the auditing procedures of the bulletin of auditing standards applicable to the 2022 financial report. 2. Audit plan in 2023. 3. To amend certain articles of the Company's "Internal Control System". 4. Revise some provisions of "Process management Measures for Professional Accounting Judgment Procedures and Changes in Accounting Policies and Estimates". 5. Revise some provisions of "Risk Management Policies and Procedures". 6. Proposal for acquisition and disposal of right-of-use assets.	Approved by all attending members of the Audit Committee after discussion	Submitted to the Board of Directors; 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 communication between the Independent Director and the internal Audit Supervisor and the CPA:

1. The Audit Supervisor and CPA should communicate directly with the Independent Director according to practical needs and have a good interaction.
2. 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.
3. 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
2022/3/7	Board of Audit Committee	Audit Supervisor	Reported on 2021 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 2021	
		CPA	Explained and discussed the audit items and results of the 2021 financial statements	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
2022/4/8	Board of Audit Committee	Audit Supervisor	Revised some provisions of the Company's "Internal Control System"	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
2022/4/28	Board of Audit Committee	Audit Supervisor	Reported on the implementation of the internal audit plan for the first quarter of 2022	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPA	Audit of the consolidated financial statements for the first quarter of 2022	Independent directors had no suggestions at this meeting and submitted it to the

				Board of Directors for resolutions
2022/5/26	Board of Audit Committee	Audit Supervisor	Revised some provisions of the Company's "Internal Control System"	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
2022/7/28	Board of Audit Committee	Audit Supervisor	Report on the implementation of the internal audit plan in the second quarter of 2022	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPA	Audit of the consolidated financial statements for the second quarter of 2022	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
2022/11/03	Board of Audit Committee	Audit Supervisor	1. Reported on the implementation of the internal audit plan for the third quarter of 2022 2. Revised some provisions of the Company's "Internal Control System"	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPA	Audit of the consolidated financial statements for the third quarter of 2022	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
2022/12/29	Board of Audit Committee	Audit Supervisor	Passed the audit plan for 2023	Independent directors had no suggestions at this meeting and submitted it to the Board of Directors for resolutions
		CPA	Communicated on the audit procedures of audit standard bulletin applicable for the financial statements for 2022	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 Governance Practices 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 "Practice Principles for TWSE/TPEX Listed Companies" to establish and disclose its Corporate Governance Practices?	✓		The Company has established the "Governance Practices" in accordance with the "Practice Principles for TWSE/TPEX Listed Companies", which was approved by the Board of Directors, 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. Equity Structure and Stockholders' Equity of the Company (I) Does the Company establish an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure?	✓		(I) The "Safeguarding Shareholders' Rights and Interests" section of the "Corporate Governance Practices" provides for the implementation of shareholders' rights and interests, and establishes a spokesman and a dedicated unit to deal with shareholder related issues. Shareholder proposals, inquiries, disputes, and litigations are all subject to the "Rules of Procedure for the Shareholders' Meeting", "Measures for the Management of Stock Business Operations", "Rules for the Use of Power of Attorney when attending the Shareholders' Meeting" and other provisions. There is also a "Board Selection Procedure" for the nomination and appointment of directors by shareholders at the shareholders' meeting. Appropriate speaking time is provided for the shareholders to discuss the motions at the shareholders' meeting. The Company is open to accepting and improving the undisputed and feasible suggestions, but the controversial suggestions shall be decided by voting according to the	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
(II) Does the Company have a list of the substantial shareholder and the final list of controllers of the substantial shareholder who actually control the company?	✓		rules of procedure. (II) The Company reports the shareholdings of directors, managers and major shareholders holding more than 10% of the shares on a monthly basis, and masters the major shareholders and ultimate controllers.	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. The Company has stipulated a Risk Management Committee, and formulated risk management policies and which is responsible for managing risks between related companies.	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", "Operating Procedure of Internal Major Information Processing and Prevention of Insider Trading Management" and "Integrity Management Policy Operating Procedures and Behavior Guidelines" to establish a good internal major information processing and disclosure mechanism, avoid improper disclosure of information, and ensure the consistency and	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			correctness of the Company's information published to the outside world.	
III. Composition and Responsibilities of the Board of Directors (I) Does the Board of Directors formulate diversity policies, specific management objectives and implement them?	✓		(I) 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. Diversity for Board membership: 1. Our female directors account for over 33% or independent directors account for 50% (inclusive) 2. The Company values gender equality in the composition of the Board members. There are at least 2 female directors. 3. The implementation of Board diversity (Note 2): The 8th term of the Board is composed of 6 directors, including 3 independent directors and 2 female directors. The members possess expertise in operating management, leading and decision-making, industrial knowledge, and finances and accounting. 4. The independent directors account for 50% The female director accounts for 33.3% Proportion of Directors as	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
(II) In addition to the legally-required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?	✓		<p>employees: 1/6 (16.67%)</p> <p>5. Individual directors have 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 18 - 19 of the annual report (Note 2).</p> <p>(II) The Company has established an audit committee and a Remuneration Committee before the provisions and requirements of laws and regulations, and established the 1st Integrity Management Committee according to the resolution of the 4th meeting of the 7th Board of Directors on December 26, 2019. On May 26, 2022, the directors of the shareholders' regular meeting were fully re-elected. The 1st meeting of the 8th Board of Directors decided to appoint independent directors Chien-Hsiang Chang, Fu-Kuei Huang, and Tsung-Han Hsieh as members of the 2nd Integrity Management Committee of the Company.</p> <p>Duty:</p> <ol style="list-style-type: none"> 1. Assist in integrating integrity and ethical values into the Company's business strategy. 2. Cooperate with the legal system to ensure the integrity of business-related anti-abuse measures. 3. Planning whistleblowing system and ensuring its effectiveness. 4. Promote and coordinate integrity policy advocacy and training. 5. Other matters related to the formulation and supervision of integrity management policies. 	No discrepancy

Evaluation Item	Operations (Note 1)			Non-imple- mentation 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>The term of office of the 2nd Integrity Management Committee is from May 26, 2022 to May 25, 2025. The integrity management meeting was held on December 29, 2022, and the implementation of integrity management in 2022 was reported by the dedicated department of integrity management of the company.</p>	No discrepancy																
			<table><tr><th>Title</th><th>Name</th><th>Times of attendance in 2022</th><th>Main expertise</th></tr><tr><td>Independent Director (Convener of the Committee)</td><td>Chien-Hsiang Chang</td><td>1</td><td>Industrial knowledge, leading and decision-making</td></tr><tr><td>Independent Director</td><td>Tsung-Han Hsieh</td><td>1</td><td>operating management, crisis management</td></tr><tr><td>Independent Director</td><td>Fu-Kuei Huang</td><td>1</td><td>Financial accounting, tax practice</td></tr></table>		Title	Name	Times of attendance in 2022	Main expertise	Independent Director (Convener of the Committee)	Chien-Hsiang Chang	1	Industrial knowledge, leading and decision-making	Independent Director	Tsung-Han Hsieh	1	operating management, crisis management	Independent Director	Fu-Kuei Huang	1	Financial accounting, tax practice
			Title		Name	Times of attendance in 2022	Main expertise													
			Independent Director (Convener of the Committee)		Chien-Hsiang Chang	1	Industrial knowledge, leading and decision-making													
			Independent Director		Tsung-Han Hsieh	1	operating management, crisis management													
Independent Director	Fu-Kuei Huang	1	Financial accounting, tax practice																	
			(III) The Company has established the “Procedures for Board Performance Evaluation” and approved in the Board of Directors. 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 and 8th Board of Directors and board members before the end of December 2022, and submitted the evaluation results at the 4th meeting of the 8th Board of Directors on March 9, 2023, and disclosed the results on the Company website. In order to implement corporate governance and improve the																	

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			<p>function of the Board of Directors, the Company has formulated the "Director (Functional Committee) Performance Evaluation Method"; and in order to implement the Company's sustainable development, the Director (Functional Committee) Performance Evaluation Method was revised in December 2022 to promote ESG to the board level and establish relevant performance and compensation related matters; and revised the rating scale to implement specific data for performance evaluation.</p> <p>The performance evaluation of the Board of Directors (Functional Committee) for 2022 has been completed by the members of the Board of Directors (Committee), including performance self-evaluation by the Board of Directors, self-evaluation by each director and the performance evaluation by peer directors. The total average self-evaluation score is the annual performance evaluation score. In 2022, the average score of the Board of Directors, Audit Committee, Remuneration Committee, and Integrity Management Committee was above 96 points (inclusive), and the ratings were all excellent, indicating that the operational system of the Board of Directors and Functional Committees is sound and complete. Revised 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</p> <p>In 2021, the Company commissioned the China Corporate</p>	

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
(IV) Does the Company regularly assess the independence of CPAs?	✓		<p>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 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 according to the Corporate Governance Practices and the assessment procedures are as follows: (1) View the CPA's personal resume (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. (3) The Company has not continuously appointed certificate services to the CPA for seven years. (4) The Company has obtained an independent declaration issued by CPA each year (5) The CPA did not involve litigation or correction by the competent authority (6) Scale and reputation of the CPA's accounting firm (7) The results of the independent evaluation of CPAs are collected annually through the</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			<p>questionnaire of CPA competency.</p> <p>(8) Evaluation of audit quality indicators for CPA. 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. On March 9, 2023, the Audit Committee and Board of Directors also reviewed and passed the 2023 annual performance, independence and audit quality evaluation of CPAs.</p>	
IV. Whether the Company is 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	✓		<p>(I) The Company approved the appointment of the General Manager to be the Director 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 financing proceedings in the public issuance company. Under his administration, there is a management office to be 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>1. The relevant areas of corporate governance are as follows:</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
shareholders' meeting in accordance with laws, and preparing records for the Board of Directors and shareholders' meetings, etc.)?			<p>(1) Implement compliance with statutory requirements and improve internal management.</p> <p>(2) Carry out works related to the shareholders' meetings.</p> <p>(3) Carry out works related to the Board of Directors and Audit Committee</p> <p>(4) Maintain the information and disclosure 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>2. Execution of business related to corporate governance in 2022:</p> <p>(1) Implement compliance with statutory requirements and improve internal management.</p> <p>(2) Carry out works related to the shareholders' meetings.</p> <p>(3) Carry out works related to the Board of Directors and Audit Committee.</p> <p>(4) Maintain the information and disclosure on the Company's website in English.</p> <p>(5) Information and performances 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 2022, please refer to page 59 of the Annual Report.</p>	

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
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 The Company also sets up a Corporate Sustainability Committee, which is responsible for ESG and corporate sustainability issues, and has dedicated teams to respond to stakeholder issues and communication.	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
(III) Does the Company announce and declare the annual financial report		✓	(III) The Company announces and declares financial reports and revenue for each month in advance	No significant difference

Evaluation Item	Operations (Note 1)			Non-imple- mentation and Its Reason(s)
	Yes	No	Summary/Description	
within two months after the end of the fiscal year, and announce and declare the first, second and third quarter financial reports and the operating conditions of each month before the prescribed period.			of the prescribed time limit.	
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)?	✓		<p>1. Rights and interests of employees: The Company 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. The Company attaches great importance to labor laws and regulations, pays attention to the revision of labor laws and regulations, and cooperates with amendment in a timely manner. Regular labor committee meetings are held to discuss labor related rights and interests.</p> <p>2. Employee care: To promote interaction and communication with employees, the Company organizes internal employee activities and training, and provides multiple channels such as email, interviews, and meeting communication to ensure timely and transparent information transmission. It also designs a mechanism for employees to provide suggestions as a reference for improving Company policies.</p> <p>3. Investor relations: The Company attaches importance to shareholders' equity, and immediately announces financial, business and material information on the Market Observation Post System.</p> <p>3. Supplier relations: The Company</p>	No discrepancy

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			<p>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.</p> <p>4. Rights of Stakeholder: 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.</p> <p>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 can be referred to page 88-89 and page 59.</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</p>	

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			<p>Management" and other relevant provisions for compliance. 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, and submitted important contents such as the insured amount, coverage, and premium rate of Director's liability insurance to Board of Directors on December 29, 2022.</p> <p>9. The Company has disclosed corporate governance information, the structure and 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</p>	

Evaluation Item	Operations (Note 1)			Non-implementation and Its Reason(s)
	Yes	No	Summary/Description	
			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. (There is no need to fill in the list of companies not included in the evaluation) Propose priorities and measures in 2022 corporate governance evaluation did not receive a score in the initial evaluation:				
NO.	Indicator content		Propose priorities and measures	
1.3	Does a majority of the Directors (including at least one independent director) and the convenor of the Audit Committee (or at least one Supervisor) attend the General Meetings in person and record the attendance on the minute book?		The Company will hold a General Meeting of shareholders in 2023 with a majority of Directors and the convenor of the Audit Committee attending in person	
4.7	Does the Company upload the English version of the Sustainable Report on the Market Observation Post System and the Company website?		The Company will upload the English version of the Sustainable Report before December 31, 2023.	

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

Note 2: For the information of Diversity of the Board of Directors, please refer to page 18-19.

Note 3: Training of the head of corporate governance

Training Date	Training Agency	Course Name	Training Hours
2022/08/25	Taipei Exchange (TPEX)	TPEX Listed and intro-TPEX Listed Insider Equity Advocacy Lecture	3
2022/09/16	Securities and Futures Institute	The benefits of circular economy and its business model	3
2022/09/22	Securities and Futures Institute	Introduction and Case Analysis of Short-Term Transactions within the Company	3
2022/10/05	Securities and Futures Institute	Global Net Zero Emissions Response and Corporate ESG Action	3
Total training hours in 2022			12

Note 4: Succession Plan for Board Members and Key Management Personnel

1. Succession Plan for Board Members

The Company currently has a total of 6 directors (including 3 independent

directors), all of whom possess the necessary expertise in business, financial accounting, or business management. In the future, the composition and background of the Board of Directors will continue to be the current structure. With regard to Board Succession Plan, the Company has many senior management professionals and business executives, so the Company has an abundant talent pool to fill future director vacancies. Independent directors need to have work experience in business, legal, finance, accounting, or company operations. There are sufficient professionals in this field, so the succession plan for independent directors comes from the insurance, finance, and other industries.

2. Succession Plan for Key Management Personnel

The Company's employees have job titles and job descriptions for each position, and each department has established information sharing areas and provides internal and external training mechanisms for employees.

The Associate Manager and above of the Company are selected for important management and successors. At present, there are 7 employees, all of whom have appointed duty agents to participate in job training through training courses and meetings.

The Company carries out rotation of key personnel departments according to the development strategy and staff departure status; In addition, the Company has conduct investigation and exchange with subsidiaries at home and abroad, so as to cultivate comprehensive viewpoints and learning, cultivate talents with multi-directional global management ability, and facilitate the inheritance of talents.

(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

Identify (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 (Convenor)	Chien- Hsiang Chang	Please refer to page 16 to page 17 for information on directors (1) & (2) in Schedule 1		0
Independent Director	Tsung- Han Tsai			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 a Director, 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, subparagraph 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 26, 2022 to May 25, 2025. The Remuneration Committee convened 6 meetings in the most recent year. The qualification and attendance of members are as follows:

(January 1 to December 31, 2022)

Title	Name	Times of Actual Attendance (B)	Times of proxy attendance	Rate of Attendance in Person (%) [B/A] (Note 1)	Remark
Convenor	Chien-Hsiang Chang	6	0	100%	Convenor Reappointed on May 26, 2022
Members	Fu-Kuei Huang	6	0	100%	Reappointed on May 26, 2022
Members	Tsung-Han Hsieh	4	0	100%	Newly appointed on May 26, 2022 Number of attendances required: 4 times
Former Members	Chuang-Teng Tsai	2	0	100%	Resigned on May 26, 2022 Number of attendances required: twice

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: If member of the Remuneration Committee resigned before the end of the year,

the resignation date should be indicated in the Note column. The actual attendance rate (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual attendance during the term of service.

Note 2: Before the end of the year, if there is a re-election of Remuneration Committee, the new appointed and old appointed Remuneration Committee information shall be recorded and note whether the member is old-appointed, new appointed, consecutive reappointment and the re-election dates. 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	The company's handling of the Remuneration Committee's suggestions.
The 3rd Term 18th meeting (2022/3/7)	<ul style="list-style-type: none"> ● Proposal for the performance evaluation for Directors and Functional Committees in 2021. ● Discussion on the remuneration to employees and directors in 2021. ● Discussion on the proposal for overall KPI (key performance indicator) execution results 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.
The 3rd Term 19th meeting (2022/4/28)	<ul style="list-style-type: none"> ● Discussion of manager bonus in 2021. ● Manager performance evaluation and salary adjustment in 2022. ● Proposal of payment of bonus at Dragon Boat Festival in 2022. 	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.
The 4th Term 1st meeting (2022/5/26)	<ul style="list-style-type: none"> ● Elect the convener of the 4th Remuneration Committee. 	All members of the committee voted Chien-Hsiang Chang as the convener	According to the resolution of the Remuneration Committee.
The 4th Term	<ul style="list-style-type: none"> ● Discussion on the proposal of payment 	All	The proposal

Remuneration Committee	Proposal Content	Resolution	The company's handling of the Remuneration Committee's suggestions.
2nd meeting (2022/7/28)	of bonus at Mid-Autumn Festival in 2022.	members of the committee voted in favor of the proposal without dissent	was submitted to the Board of Directors and approved by all attending directors.
The 4th Term 3rd meeting (2022/11/3)	<ul style="list-style-type: none"> ● Proposal of the appointment of the Compliance Officer. ● Discussion of the anti-money laundering and counter-terrorist financing supervisor. ● Discussion on the proposed distribution of employee compensation for managers in 2021 based on the employee compensation distribution method and performance evaluation. 	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.
The 4th Term 4th meeting (2022/12/29)	<ul style="list-style-type: none"> ● Discussion on the proposed proportion of directors' remuneration and employees' remuneration in 2022. ● Discussion on the proposal for the overall KPI in 2023. ● Revise some provisions of "Performance Evaluation Rules for Directors and Functional Committee". ● Discussion on proposal for the principle of year-end bonus payment and the proposed payment in 2022. 	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

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
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>The Board of Directors of the Company attaches great importance to sustainable development and supervised the General Manager to establish the "Corporate Sustainable Development Committee" on October 28, 2021. The general manager served as the chairman, and the deputy general manager served as the deputy chairman. And establish 6 Sustainable Executive Groups, including the corporate governance and risk management group, customer relationship group, environmental sustainability group, employee care group, social participation group, and business partner group. The Sustainable Executive Group held two meetings in 2022 to track various sustainable achievements and progress. On December 29, 2022, the General Manager reported to the Board of Directors on the implementation of sustainable development in 2022 and the promotion plan for 2023.</p> <p>The Board of Directors supervises and reviews the implementation of the Sustainable Development Committee, including social care programs, integrity management education advocacy, and review of sustainable development goals. In 2022, under the supervision of the Board of Directors for sustainable development, the Company worked engaged in public welfare activities, and won the following awards:</p> <p>TCSA Taiwan Corporate Sustainable</p>	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			Awards - Class II Civil Prize of Finance and Insurance. The 19th National Brand Mount Morrison "Outstanding Enterprise" Award and the Taiwan Excellent Trademark "Innovation and Excellence" Award. Every year, a professional information security consulting company guides and inspects the Company's information security testing, and obtains ISMS ISO27001 information security certification and PIMS individual information certification import,	
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)	✓		<ol style="list-style-type: none"> 1. The boundary of risk assessment: This disclosure information covers the Company's sustainable development performance from January 2022 to December 2022. The risk assessment boundary is limited by the parent company, which is the same as the boundary of environmental and social sustainability issues that are subsequently disclosed. 2. Specify risk assessment criteria, processes, outcomes and risk management policies or strategies for identifying significant issues related to environmental, social and corporate governance: <ol style="list-style-type: none"> (1) Risk assessment criteria and processes: The Corporate Sustainable Development Committee is based on the principle of significance in the ESG report, and adopts different forms of negotiation for seven major categories of stakeholders, supplemented by online questionnaires to investigate the degree of interest of stakeholders on various sustainability issues. It 	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			<p>also requests senior executives of the Company to conduct a questionnaire survey based on the impact of economic, environmental, and social aspects on the Company's operations. At the same time, questionnaire analysis was conducted on the concern and impact degree, interview the senior executives, and then jointly discussed with the Corporate Sustainable Development Group.</p> <p>(2) Risk assessment results and risk management strategy: After conducting the above assessment, the Corporate Sustainable Development Committee will identify major issues based on sustainability, significance, integrity and stakeholder concerns, and then confirm the annual strategy in accordance with the "Risk Management Policies and Procedures" approved by the Board of Directors. And the Corporate Sustainable Development Committee shall report the implementation status to the Board of Directors at least once a year.</p> <p>(3) Based on the assessed risks, the annual risk management policy or strategy is as follows: aimed at the three major issues of environment (E), society (S) and corporate governance (G). According to the Company's risk</p>	

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			<p>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>3. Risk management policy or strategy</p> <p>(1) To ensure that the business activities of the Company are conducted in a manner that reduces the risks, strengthens corporate governance and establishes risk management mechanisms.</p> <p>(2) At the 16th meeting of the 7th Board of Directors on October 28, 2021, the "Risk Management Policies and Procedures" were approved.</p> <p>(3) The Company actively promotes and implements the risk management mechanism. The Corporate Sustainable Development Committee will review the development of the overall risk management mechanism, report the implementation status to the Board of Directors at least once a year, and put forward the necessary improvement suggestions timely.</p> <p>(4) The Corporate Sustainable Committee reports to the Board on the operational responsibilities performed by the Risk Management Team.</p> <p>(5) Information on risk management</p>	

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			<p>operations on 2022On December 29, 2022, the Board of Directors approved some provisions of "Risk Management Policies and Procedures".</p> <p>Submitted to Board of Directors by Corporate Governance Head on March 7, 2022.</p> <p>The Company's overall KPI (key performance indicator) execution results (operational risk) in 2021.</p> <p>On July 28, 2022, the Sustainable Development Committee submitted a report to the Board of Directors to formulate the "Tax Governance Policy" (Financial Risk) for the Company and its subsidiaries.</p> <p>Submitted to Board of Directors by Sustainable Development Committee on December 29, 2022</p> <p>Implementation of overall information security on 2022 (information security risk).</p> <p>4. Operating Strategy and Budget Report on 2023 (operational risk)The Information Department regularly inspects the backend and internal systems of the official website to see if there are any hacker intrusions or Trojan horses implanted, and verifies through the ISO27001 information security management system and the BS10012 personal information management system of PIMS international standard.Entrust a professional consulting company to provide suggestions and assist in improving the company's information</p>	

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			security system. 5. The time point for conducting inventory when the Company's capital reaches the third stage is 2026.	
III. Environmental Issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	✓		(I) The company is a financial enterprise, with a sustainable development policy of paperless, low-carbon, and energy-saving industrial environment. The Company follows the GRI indicators and actively incorporate energy-saving and carbon reduction measures into the Company's environmental management system and main implementation goals: 1. In 2022, the Company will continue to promote the greenhouse gas inventory certification plan and obtain certification of the Company and its subsidiaries within the statutory period. 2. Replace air conditioning and LED lighting in the workplace to save electricity. 3. Actively promote mobile insurance to reduce paper usage and carbon emissions generated by business round-trip. 4. Promote digital schools and online morning meetings, in addition to reducing transportation time for peer learning, and make training materials online, effectively reducing carbon emissions and greenhouse effect. 5. The Company has implemented turning off the lights for one hour	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			<p>at noon to reduce electricity bills and carbon emissions. The conference data has been changed to online provision of non-printed paper, effectively reducing carbon emissions and improving sustainable performance.</p> <p>Due to the characteristics of the industry, the Company has not yet introduced ISO140001, but it's ESG sustainable operation planning are in line with the environmental management system indicators, which will be planned according to Company scale and industry trends.</p>	
(II) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment?	✓		(II) The Company continues to improve the efficiency of resource use, including paperless operations, comprehensive and consistent promotion of mobile insurance and remote insurance application, promotion and implementation of photocopying paper recycling and full introduction of online form application operations.	No discrepancy
(III) Has the Company assessed the current and future potential risks and opportunities of climate change, and taken relevant countermeasures?	✓		(III) 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 carried out statistic	✓		(IV) The company is a financial enterprise and has no self-planned products. It	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
on the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the policies with regard to greenhouse gas reduction, water consumption reduction, and waste management?			<p>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</p> <p>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).</p>	
IV. Social Issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(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 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/	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			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
(IV) Does the company establish effective career development and training plans for its employees?	✓		(IV) The Company provides on-the-job trainings or subsidizes external courses to encourage career development for employees.	No discrepancy
(V) Does the Company follow relevant laws and international standards, and formulate relevant policies and complaint	✓		(V) The Company has an insurance service department to provide services to customers and handle the problems raised by customers, and designate special personnel to assist in dealing with complaints from customers. Customers can use the toll-free line or email as a communication channel to	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
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?			safeguard their interests. In addition, the Company has set up a special area for interested parties on the website, so that customers can contact the company by telephone, letter and E-mail at any time.	
(VI) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		(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
V. Does the Company prepare ESG 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 ESG Report	✓		(I) This report is compiled based on the GRI Sustainability Reporting (GRI Standards) of 2016 (GRI 303, GRI 403 refer to the 2018 version, GRI 207 refer to the 2019 version, GRI 306 refer to the 2020 version), and is based on the core options of the GRI Standards. It also incorporates the disclosure of relevant data under the Sustainable Accounting Standards to strengthen Taiming's performance in sustainable development. (II) This report has external warranties to ensure its credibility. A third-party	No discrepancy

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
from a third-party accreditation institution?			<p>impartial verification agency, AFNOR International Co., Ltd. (AFNOR Asia, Ltd.), has been commissioned to provide external warranties for the report, which citing the AA1000AS v3 (AA1000 Assurance Standard) stipulated by the global non-profit organization Accountability, and take the Application Type 1 (Type 1) and The Moderate Assurance as the Assurance standard, therefore the evaluate report is compliance with AA1000AP (2018). (Note 4)</p> <p>(III) This report is confirmed by Deloitte&Touche that the disclosed financial data is based on the consolidated financial report audited and endorsed by International Financial Reporting Standards (IFRS). (Note 5)</p>	
<p>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>				
<p>VII. Other important information that facilitates 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 to care for the elderly for 4 consecutive years, advocated our employees and the public to donate blood for 11 consecutive years, cooperated with Chihlee University of Technology in a scholarship system for 17 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>				
<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</p>				

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
in the future However, in promoting Project 1 and 2, the TWSE or TPEX Listed Companies should clarify the governance and supervisory framework for sustainable development, including but not limited to management policies, strategy, target setting, review measures, etc. And the Company shall clarify the risk management policies or strategies and risk evaluation for environmental, social and corporate governance issues related to Company operations.				
Note 2: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the company's investors and other stakeholders.				
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.				
Note 4: Formulate the related risk management policy or strategy after the risk assessment				
Risk Type	Risk Cause Description		Strategy Development and Implementation	
Operational Risk	1. Operational Strategy 2. Target Setting 3. Annual Budget 4. Achievement rate of operational objectives		1. Develop operational strategies annually based on changes in the financial environment and industry development trends 2. Plan overall KPI based on operational strategy and submit to the Board of Directors and Remuneration Committee 3. Set overall and departmental budget data based on goals and operations 4. Review the achievement rate of the previous year’s operational goals annually and submit to the Board of Directors and Remuneration Committee	
Financial Risk	1. The impact of important domestic and foreign policies and laws on the Company's financial business and countermeasures 2. Mergers and Investments 3. Achievement rate of operational objectives under		1. Simulate the financial department based on operational planning, to consider the impact of current policies and financial environment on the Company’s financial operations and capital planning 2. Focus industry development and evaluate possible acquisition opportunities; The main target of the investment is financial bonds and funds with stable interest rate; and long-term investment in real estate rental or own operating units to obtain steady rental revenue 3. The Company has no bank liabilities at present, so the risk of credit and repayment is low. It only	

Promoting Item		Implement (Note 1)		Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
		Yes	No	
			Summary/Description	
			the influence factors of asset evaluation, credit and solvency, liquidity risk and accounting policies	carries out liquidity cash forecast management on the payment related to operation, and evaluates the accounting policies in accordance with international accounting standards, so the financial risk is low
	Compliance Risk		<ol style="list-style-type: none"> 1. Possible risks arising from failure to comply with various legal norms 2. Any legal risks that may infringe upon the Company's rights and interests 	<ol style="list-style-type: none"> 1. Launch innovative financial services, e-voting, and monitor international trends and legal changes in line with Financial Supervisory Commission (FSC) policies 2. In order to respond to the competent authority for the employee quality and the Company's internal administrative audit control, conduct internal control amendment and implementation
	Climate Change Risk		<ol style="list-style-type: none"> 1. Impact of climate anomaly 2. Greenhouse gas emission management, energy conservation and carbon reduction management to respond to issues related to climate change and natural disasters 	<ol style="list-style-type: none"> 1. The Company actively promote mobile insurance to reduce paper usage and carbon emissions generated by business round-trip 2. Promote digital schools and online morning meetings, in addition to reducing transportation time for peer learning, and make training materials online, effectively reducing carbon emissions and greenhouse effect 3. The Company has implemented turning off the lights for one hour at noon to reduce electricity bills and carbon emissions. The conference data has been changed to online provision of non-printed paper, effectively reducing carbon emissions and improving sustainable performance
	Information Security and Personal Information Risk		<ol style="list-style-type: none"> 1. Information system tested for hacker intrusion 2. Risk of personal data leakage from daily operations or documents 	<ol style="list-style-type: none"> 1. The IT Department regularly checks whether the internal operating system has been hacked of implanted with Trojan horses. 2. It is forbidden to mention the contents of confidential documents inside and outside the Company, and the confidential level shall be marked and classified

Promoting Item	Implement (Note 1)			Deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary/Description	
			3. The computers used by the back-office force should keep their systems updated and be regularly checked by the IT department. 4. The company computers used by office staff must have antivirus software installed and be centrally controlled and updated by the IT department. 5. A professional consulting company is commissioned to provide evaluation, improvement and management recommendations for the information security management system.	

Note 5: The ESG Report has received assurance or certification from a third-party certification institution

Information Type	Following Standards	Certification/Confirmation Institution
Report Information	AA1000AS v3 Assurance Standard, Application Type 1, The Moderate Assurance	AFNOR International Co., Ltd. (AFNOR Asia, Ltd.)
Sustainable Information	Bulletin No. 1 of the Republic of China's Confirmation Standards "Confirmation for Non-Historical Financial Information Inquiry or Review"	Crowe Global CPAs
Financial Data	International Financial Reporting Standards, (IFRS)	Deloitte & Touche
Information Security	ISO 27001 Information Security Management System BS 10012 Personal Information Management System	British Standards Institute Taiwan (BSI) AFNOR International Co., Ltd. (AFNOR Asia, Ltd.)

(VI) Climate Related Information of TWSE or TPEX Listed Companies

1. Implementation of Climate Related Information:

Items	Implementation
<p>1. Clarify supervision and governance of the Board of Directors and management on climate-related risks and opportunities.</p> <p>2. Clarify how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, and long-term).</p> <p>3. Clarify the financial impact of extreme climate events and transformation actions.</p> <p>4. Clarify how climate risk identification, assessment and management processes are integrated into the overall risk management system.</p> <p>5. If scenario analysis is applied to assess resilience to climate change risks, the scenarios, parameters,</p>	<p>1. (1) On March 7, 2022, the 18th meeting of the 7th Board of Directors stated in the "Sustainable Development Best Practice Principles" that the Company would evaluate the current and future potential risks and opportunities of climate change, and taken relevant countermeasures, and plan greenhouse gas inventory operations.</p> <p>(2) On May 26, 2022, the Company's greenhouse gas inventory and verification process planning was submitted to the 1st meeting of the 8th Board of Directors.</p> <p>(3) On November 3, 2022, the Company's greenhouse gas inventory and verification process was submitted to the 3rd meeting of the 8th Board of Directors.</p> <p>(4) On December 29, 2022, report on the implementation of sustainable development in 2022 and the 2023 plan was submitted to the 4th meeting of the 8th Board of Directors, with a special chapter explaining the implementation of risk management and the climate change risks faced by the Company, as well as promoting measures such as energy conservation and carbon reduction to reduce greenhouse gas emissions.</p> <p>2. Items 2 to 9 are explained as follows:</p> <p>In March 2023, the Financial Supervisory Commission officially launched the 'Sustainable Development Roadmap for Listed Companies'. Our company is a listed company with a paid-in capital of less than 5 billion yuan. The individual company (i.e., the parent company) should apply greenhouse gas inventory in the third stage (i.e., the parent company completes the inventory in 2026 and the subsidiary completes the inventory in the 2027; the parent company completes verification in the 2028 year and the subsidiary completes verification in the 2029). Therefore, in</p>

<p>assumptions, analysis factors, and main financial impacts used should be explained.</p> <p>6. If there is a transformation plan for managing climate-related risks, explain the plan content and the indicators and objectives used to identify and manage physical and transformation risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for pricing should be explained.</p> <p>8. If climate-related goals are set, information should be provided on the activities covered, the scope of greenhouse gas emissions, the planning period and the annual progress achieved; If carbon credits or RECs are applied to achieve relevant goals, the limit source and quantity of carbon credits or the quantity of RECs should be stated.</p> <p>9. Greenhouse gas inventory and confirmation (fill in 1-1 separately).</p>	<p>accordance with the reference guidelines and relevant regulations issued by the competent authority, we will continue to control greenhouse gas inventory and complete verification on schedule”.</p>
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1 -1 Greenhouse gas inventory and confirmation

Filling instructions:

- Information of Category 1 and Category 2 in this form shall be processed in accordance with the schedule specified in Paragraph 2 of Article 10 of this Code. Information of Category 3 shall be disclosed by enterprise voluntarily.
- The Company may conduct greenhouse gas inventory according to the following criteria:
 - Greenhouse Gas Protocol, GHG Protocol.
 - ISO 14064-1 of International Organization for Standardization.
- The confirmation institution shall comply with the relevant requirements of the ESG Report confirmation set out by Taiwan Stock Exchange Co., Ltd. and the Republic of China Taipei Exchange (TPEX).
- Subsidiaries may fill in individually, collectively (e.g., by country and place), or in consolidated (Note 1).
- The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, but at least data calculated based on turnover (NTD million) should be disclosed (Note 2).
- The proportion of operating sites or subsidiaries that are not included in the inventory calculation shall not exceed 5% of the total emissions. The above-mentioned total emissions refer to the emissions calculated according to the mandatory inventory scope specified in Table 1.
- The confirmation statement should summaries the institution’s confirmation report and attach the full opinion to the Annual Report (Note 3).

<p>Basic information of the Company</p> <p><input type="checkbox"/> Companies with a capital of over NT\$10 billion (steel and cement industries)</p> <p><input type="checkbox"/> Companies with a capital of over NT\$5 billion but less than NT\$10 billion</p> <p>V Companies with a capital less than NT\$5 billion</p>	<p>The following contents shall be disclosed at least in accordance with the sustainable development roadmap of TWSE or TPEx Listed Companies</p> <p><input type="checkbox"/> Individual inventory of parent company</p> <p><input type="checkbox"/> Inventory of subsidiaries consolidated financial report</p> <p><input type="checkbox"/> Individual Confirmation of parent company</p> <p><input type="checkbox"/> Confirmation of subsidiaries consolidated financial report</p> <p>According to "Sustainable Development Path Chart of TPEx Listed Companies" issued by Financial Supervisory Commission in March 2022, the paid-in capital of the Company is about NT\$250 million, which belongs to the companies with a capital less than NT\$5 billion. According to the regulations, the Company (individual company) shall conduct the greenhouse gas inventory in the third stage, and complete the inventory in 2026 and verified in 2028; and the Company shall complete subsidiary inventory of the consolidated statement in 2027, and verified in 2029. The Company will continue to control the completion of the greenhouse gas inventory and verification process in accordance with the reference guidelines and relevant regulations issued by the competent authorities.</p>
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Category 1	Total Emissions (mt. CO2e)	Intensity (mt. CO2e/NT\$ million) (Note2)	Confirmation Institution	Confirmation Status Description (Note 3)
Parent Company				Not Applicable
Subsidiary				
(Note 1)				
Total				
Category 2	Total Emissions (mt. CO2e)	Intensity (mt. CO2e/NT\$ million) (Note2)	Confirmation Institution	Confirmation Status Description (Note 3)
Parent Company				Not Applicable
Subsidiary				
(Note 1)				
Total				
Category 3				

The following does not apply due to the Company with a capital less than NT\$5 billion.

(VII) Implementation of ethical corporate management and difference between the implementation and Ethical Corporate Management Best Practice Principles for TWSE & TPEx Listed Companies and reasons.

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies
	Yes	No	Summary/Description	
I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures				
(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?	✓		(I) The Company approved the Ethical Corporate Management Best Practice Principles through resolution of the board meeting on April 29, 2016. And were published on the Market Observation Post System and Company website. The Company's Directors are highly disciplined. 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.	No discrepancy
(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	✓		(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	No discrepancy

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>establish prevention programs 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>of the Company can comply with this standard.</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. 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</p>	✓		<p>(II) In order to improve the</p>	No

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>a dedicated unit under the 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 of ethical corporate 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 have set out policies to prevent conflicts of interest in the "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Policies, Procedures and Conduct Guidance". 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>	<p>discrepancy</p> <p>No discrepancy</p>
(IV) 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	✓		(IV) 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	No discrepancy

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>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?</p> <p>(V) Does the Company regularly hold internal and external educational training on ethical corporate management?</p>	✓		<p>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.</p> <p>(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.</p>	
<p>III. Implementation of the Company's Whistleblowing System</p> <p>(I) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?</p> <p>(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</p>	<p>✓</p> <p>✓</p>		<p>(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.</p> <p>(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.</p>	<p>No discrepancy</p> <p>No discrepancy</p>

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

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

(VIII) 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, all of which are available on the corporate website: <https://www.tabc.com.tw>.

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

The information regarding further education of the Company's Directors in 2022 and up to the date of publication of the annual report:

Title	Name	Training Date		Organizer	Course Name	Training Hours	Total training hours of the Year
		From	To				
Representative of Judicial Person Director	Cheng-Chih Li	2022/10/04	2022/10/04	Securities and Futures Institute	Challenges and Opportunities of Sustainable Development Path and Introduction to Greenhouse Gas Inventory	3	6.0
		2022/09/16	2022/09/16	Securities and Futures Institute	The benefits of circular economy and its business model	3	
Representative of Judicial Person Director	Chia-Keng Li	2022/09/29	2022/09/29	Taiwan Corporate Governance Association	Competitiveness vs Survivability, ESG Trends and Strategies	2	6.0
		2022/09/29	2022/09/29	Taiwan Corporate Governance Association	Case Study of Money Laundering Prevention Cases in the Insurance Industry	1	
		2022/09/29	2022/09/29	Taiwan Corporate Governance Association	IFRS 17 Discussion on the Introduction of Property and Interpretation of Financial Statements	3	
Designee of Judicial Person Director	Mo-Hang Wu	2022/09/29	2022/09/29	Taiwan Corporate Governance Association	IFRS 17 Discussion on the Introduction of Property and Interpretation of Financial Statements	3	6.0

Title	Name	Training Date		Organizer	Course Name	Training Hours	Total training hours of the Year
		From	To				
		2022/09/29	2022/09/29	Taiwan Corporate Governance Association	Case Study of Money Laundering Prevention Cases in the Insurance Industry	1	
		2022/09/29	2022/09/29	Taiwan Corporate Governance Association	Competitiveness vs Survivability, ESG Trends and Strategies	2	
Independent Director	Chien-Hsiang Chang	2022/08/24	2022/08/24	Securities and Futures Institute	The latest development trend and corresponding measures of international carbon tariffs	3	6.0
		2022/08/18	2022/08/18	Securities and Futures Institute	The Value of Information Security in the Post Epidemic Era and the Sino US Trade War	3	
Independent Director	Fu-Kuei Huang	2022/08/18	2022/08/18	Securities and Futures Institute	How the Board of Directors Utilizes OKR to Improve Corporate Governance Performance	3	6.0
		2022/08/11	2022/08/11	Securities and Futures Institute	Talking about corporate tax governance and tax technology solutions from the perspective of ESG trends and the epidemic environment	3	
Independent Director	Tsung-Han Hsieh	2022/09/29	2022/09/29	Taiwan Corporate Governance Association	Competitiveness vs Survivability, ESG Trends and Strategies	2	6.0
		2022/09/29	2022/09/29	Taiwan Corporate Governance Association	IFRS 17 Discussion on the Introduction of Property and Interpretation of Financial Statements	3	

Title	Name	Training Date		Organizer	Course Name	Training Hours	Total training hours of the Year
		From	To				
		2022/09/29	2022/09/29				
				Taiwan Corporate Governance Association	Case Study of Money Laundering Prevention Cases in the Insurance Industry	1	

Note: The above training hours, scope, and system of training arrangements all comply with the provisions of the key points for promoting the training of directors of TWSE/TPEX Listed Companies.

(X) Implementation of Internal Control System

1. Internal Control Statement

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

Date: March 9, 2023

The internal control system of the Company in 2022, 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, 2022, 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 9, 2023, 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)

General Manager: Yang-Kuo Chen (signature)

Taiming Assurance Broker Co., Ltd.

Statement of Internal Control System

Date: March 9, 2023

The internal control system of the Company in January 1 to December 31, 2022, based on the results of self-assessment, is hereby stated as follows:

- I. 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.
- 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 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. Environment Control, 2. Risk Assessment, 3. Control Operation, 4. Information and Communication, and 5. Supervision Operation.
- IV. The Company has inspected the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
- V. 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.
- VI. 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.
- VII. This Statement was approved by the Board on March 9, 2023, where 0 of the 6 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Sincerely,

Financial Supervisory Commission

Declarant

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

General Manager: Yang-Kuo Chen (signature)

Auditor: Kun-Leng Hsu (signature)

Compliance Personnel: Shen-Tien Chen (signature)

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

(XI) 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.

(XII) 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 2022 Annual Shareholders' Meeting on May 26, 2022, the Important resolutions and implementation are as follow:

Important Resolutions	Implementation
1. Adopted the 2021 Business Report and Financial Reports.	Proceeded according to the content of the resolution.
2. Adopted the 2021 Earnings Distribution Plan.	On the Boarding meeting held on May 26, 2022, June 20 was set to be the ex-dividend date to distribute cash dividend NT\$75,072,909. The distribution shall be completed on June 28.
3. Approved the amendment of the Company's Articles of Association	The Company has handled the relevant operations according to the amended procedures and disclosed them on the Company's website, and the change registration was processed and completed with the approval of the Taipei City Government on June 10, 2022.
4. Approved the amendment of Operating Procedure for Acquisition and Disposal of Assets	The Company has handled the relevant operations according to the amended procedures and disclosed them on the Company's website.
5. Elect 6 directors for the 8th term of the Board of Directors (including 3 Independent Directors).	Election completed and the change registration was processed and completed with the approval of the Taipei City Government on June 10, 2022.
6. Proposal for the removal of the non-competition restrictions on the 8th Board of Directors and their representative candidates.	Proceeded according to the content of the resolution.

Important resolutions by the Board of Directors in 2022 as of the publication of the annual report:

Date of meeting (period)	Proposal Content
2022/03/07 (The 18th meeting in the 7th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The performance evaluation result of the Company's Directors and Functional Committee in 2021. 2. Status of Implementation of 2021 Internal Audit Report. 3. 2021 Financial Report. 4. 2021 Remuneration of employees and Directors. 5. Declaration of the internal control system of the Company in 2021 and the declaration of internal control system for preventing money laundering and combating terrorism of the Company in 2021. 6. The Company's CPA independence evaluation report. 7. The Company's CPA fee in 2022.
2022/04/08 (The 19th meeting in the 7th term of the Board of Directors)	<ol style="list-style-type: none"> 1. Through reviewing shareholders, nominating the list of candidates for the 8th term of directors (including independent directors) and non-competition restrictions. 2. Revised some provisions of the Company's "Operating Procedure for Acquisition and Disposal of Assets". 3. To amend certain articles of the Company's "Internal Control System".
2022/04/28 (The 20th meeting in the 7th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The Company's Internal Audit Report for the first quarter of 2022. 2. The Company's consolidated financial statements for the first quarter of 2022. 3. Director remuneration in 2021. 4. Revised Declaration Statement of Internal Control System in 2021.
2022/05/26 (The 1st meeting in the 8th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The Company's greenhouse gas inventory and verification process planning. 2. Elected the 8th Chairman of the Board, General Manager, Remuneration Committee, Audit Committee and Ethical Corporate Management Committee. 3. Profit distribution in cash dividend in 2021, deciding on the ex-dividend date and other relevant matters 4. To amend certain articles of the Company's "Internal Control System".
2022/07/28 (The 2nd meeting in the 8th term of the Board of Directors)	<ol style="list-style-type: none"> 1. The Company's Internal Audit Report for the second quarter of 2022. 2. The Company's self-inspection form and legal compliance statement in the first half of 2022. 3. Capitalization in cash of Shanghai Taiming Insurance Agency Co., Ltd. (hereinafter referred to as Shanghai Taiming) invested by the Company and the Company's shareholding ratio change description. 4. The Company's consolidated financial statements for the

Date of meeting (period)	Proposal Content
	second quarter of 2022. 5. The Company's tax governance policies.
2022/11/03 (The 3rd meeting in the 8th term of the Board of Directors)	1. Report on the implementation of the internal audit plan in the third quarter of 2022. 2. The Company's 2021 ESG Report. 3. The Company's greenhouse gas inventory and verification process report. 4. The Company's consolidated financial statements for the third quarter of 2022. 5. Amend to the "Processing of Material inside Information and Prevention of Insider Trade Procedure" of the Company in part. 6. The Company has changed the "Rules of Procedure for Board of Directors Meetings" to "Measures for Board of Directors Meetings" and amended some provisions. 7. Proposal for distribution of manager's remuneration in 2021.
2022/12/29 (The 4th meeting in the 8th term of the Board of Directors)	1. Deloitte & Touche (hereinafter referred to as Deloitte & Touche) communicated the auditing procedures of the bulletin of auditing standards applicable to the 2022 financial report. 2. The Company's implementation status of 2022 sustainable development and 2023 plan, stakeholder concerns and communication channels. 3. The Company Directors' liability insurance amount, coverage, and premium rate. 4. The implementation of the Company's integrity management policy in 2022. 5. Implementation of overall information security on 2022. 6. Ratio of remuneration to Directors and employees in 2022. 7. 2022 Audit Plan. 8. Revise some provisions of "Performance Evaluation Rules for Directors (Functional Committee)". 9. To amend certain articles of the Company's "Internal Control System". 10. Revise some provisions of "Process management Measures for Professional Accounting Judgment Procedures and Changes in Accounting Policies and Estimates". 11. Revise some provisions of "Risk Management Policies and Procedures".
112/3/9 (The 5th meeting in the 8th term of the Board of	1. The performance evaluation result of the Company's Directors and Functional Committee in 2022. 2. Report on the proposal for overall KPI (key performance indicator) execution results in 2022.

Date of meeting (period)	Proposal Content
Directors)	<ol style="list-style-type: none"> 3. 2022 Internal Audit Report. 4. Statutory compliance audit report for the second half of 2022. 5. The Company's "greenhouse gas inventory and verification process planning" control report. 6. 2022 Business Report and Financial Reports. 7. To amend some articles of the Company's "Corporate's Charter". 8. To amend some articles of the Company's "Governance Practices". 9. To amend some articles of the Company's "Rules of Shareholders' Meeting". 10. Pass the remuneration to employees and directors in 2022. 11. Pass the draft of the Company's earnings distribution in 2022. 12. Proposal for report to the shareholders' meeting to distribute cash dividends from capital surplus. 13. Pass the declaration of the internal control system in 2022 and the declaration of internal control system for preventing money laundering and combating terrorism in 2022. 14. To amend certain articles of the Company's "Internal Control System". 15. Proposal for Convening the 2023 Annual Shareholders' Meeting 16. Pass the "Audit Measures for Pre-Approval of Non-Assertive Services Provided by CPA". 17. Passed the Company's assessment of CPA Independence and AQI Report. 18. Pass the certified and non-certified services and corresponding public fees for the proposed appointment of CPA in 2023. 19. Revise some provisions of Company's "Measures for the appointment, dismissal, evaluation, salary and remuneration of auditors".

(XIII) Major content for the resolution with any dissenting opinions or stated in a written statement made by directors or supervisors in the most recent year up to the publication date of this annual report: None.

(XIV) A summary of the resignations and dismissals of the chairman, General Manager, Accounting Manager, financial supervisor, internal auditing supervisor and R&D supervisor in the most recent year up to the publication date of this annual report: None.

V. CPA Fee Information

Unit: NT\$ thousand

Name of CPA Firm	Name of CPA	Audit Period by <u>CPA</u>	Audit Fees	Non-Audit Fees	Total	Note :
Deloitte & Touche	Wang-Sheng Lin	2022/1/1~ 2022/12/31	1,370	531	1,901	Non-audit public expenses: Tax visa and public expenses and read the annual report of the shareholders meeting is NTD 230 thousand; Newly added CPA confirmation public fee for ESG Report is NTD 301 thousand.
	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: the amount of audit fees in 2022 is the same as that in 2021.

Remarks: The main non-audit fees in 2022 were tax endorsement and annual report review of NTD 230 thousand, as well as an increase of NTD 301 thousand due to the addition of CPA confirmation on ESG Report by laws and regulations.

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	2022		as of April 2, 2023	
		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 juristic person director/Major Shareholder	Taiwan Navigator Asset Investment Co., Ltd.	-	-	-	-
Representative of Judicial Person Director	Cheng-Chih Li	-	-	-	-
Representative of Judicial Person Director	Chih-Chieh 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-Leng Hsu	-	-	-	-
Manager	Shen-Tien Chen	-	-	-	-
Manager	Chien-Chang Lai	-	-	-	-
Manager	Ching-Wen Lin	-	-	-	-
Manager	Chang-Wu Chiao	-	-	-	-
Manager	Kai-Ling Fan	-	-	-	-
Manager	Wei-Cheng Ho	-	-	-	-
Accounting Manager	Wen, Hsin-I	-	-	-	-

Note 1: The shareholders who hold more than 10% of the Company's shares shall be identified as major shareholders and stated separately.

Note 2: Where the counterparts of shares through transfer and pledged under lien are related parties, it is also necessary to complete 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 by number of shares held, who are related parties, spouses, relatives within the second degree of kinship:

As of April 2, 2023 (stock transfer beginning date at the shareholder's regular meeting) Unit: Share; %

Name (Note 1)	Held Shares		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)		Remark
	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-Chih Li	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: Chih-Chieh Wei	-	-	-	-	-	-	None	None	None
Han-Chieh Li	1,851,082	7.40	-	-	-	-	Cheng-Chih Li	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-Hung Li	-	-	-	-	-	-	None	None	None
Cheng-Chih Li	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-Jou Ko	755,841	3.02	-	-	-	-	None	None	None
Chen-Han Ko	732,910	2.93	-	-	-	-	None	None	None
Yuan-Fang Tien	680,678	2.72	-	-	-	-	None	None	None
Yang-Lung Kuo	602,588	2.41	-	-	-	-	Cheng-Chih Li	Younger Brother-in-Law of the Spouse	None
Jian-An Chen	418,927	1.67	-	-	-	-	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**

Total equity stake held

Unit: shares; %

Reinvestment in Other Companies	Investment in the Company		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Total Ownership	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
-	-	-	-	-	-	-

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		Remark		
		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
2020/07	NT\$ 10	15,000	150,000	13,200	132,000	Increment of Cash	-	Note 1
2011/07	NT\$ 10	15,000	150,000	13,900	139,000	Increment of Cash	-	Note 2
2012/07	NT\$ 10	15,000	150,000	14,800	148,000	Increment of Cash	-	Note 3
2013/07	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
2014/11	NT\$ 46	20,000	200,000	18,800	188,000	Increment of Cash 16,160	-	Note 5
2015/09	NT\$ 10	30,000	300,000	23,688	236,880	Surplus transferred capital increase 48,880	-	Note 6
2019/06	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			Remark
	Outstanding Shares (Note)	Unissued Shares	Total	
Registered Ordinary Shares	25,024,303	4,975,697	30,000,000	Stocks of TPEx- Listed Company

(II) Shareholding Structure

As of April 2, 2023
(Book closure date)

Shareholder Structure Number	Government Agencies	Financial Institutions	Other Juristic Persons	Personal	Foreign Institutions and Foreigners	Total
Number of Persons	-	1	20	1,786	1	1,804
Number of Shares Held	-	1,271,180	11,160,335	12,451,788	141,000	25,024,303
Shareholding ratio	-	5.08%	44.60%	49.76%	0.56%	100.00%

(III) Shareholding diversification

As of April 2, 2023
(Book closure date)

Nominal Amount of Each Share = NT\$ 10

Class of Shareholding	Number of Shareholders	Number of Shares Held	Shareholding Percentage (%)
1 ~ 999	527	97,833	0.39
1,000 ~ 5,000	1,085	1,994,815	7.97
5,001 ~ 10,000	95	702,261	2.81
10,001 ~ 15,000	22	275,689	1.10
15,001 ~ 20,000	16	276,879	1.11
20,001 ~ 30,000	14	341,517	1.36
30,001 ~ 40,000	13	463,446	1.85
40,001 ~ 50,000	5	222,134	0.89
50,001 ~ 100,000	7	490,937	1.96
100,001 ~ 200,000	4	573,127	2.29
200,001 ~ 400,000	6	1,783,665	7.13
400,001 ~ 600,000	1	418,927	1.67
600,001 ~ 800,000	4	2,772,017	11.08
800,001 ~ 1,000,000	1	892,887	3.57
1,000,001 or more Grade according to the actual situation	4	13,718,169	54.82
Total	1,804	25,024,303	100.00

(IV) List of major shareholders

As of April 2, 2023

(Book closure date)

Ownership		Number of Shares Held	Shareholding ratio (%)
Name of Major Shareholder			
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-Chih Li		892,887	3.57
Chen-Jou Ko		755,841	3.02
Chen-Han Ko		732,910	2.93
Yuan-Fang Tien		680,678	2.72
Yang-Lung Kuo		602,588	2.41
Jian-An Chen		418,927	1.67

(V) Information on Market Price, Net Value, Surplus and Capital Bonus Per Share

Unit: NTD; Thousand shares

Items		Year	2022- Consolidated	2021- Consolidated	Current year as of April 2, 2023 (Note 8)
Market price per share (Note 1)	Highest		50.50	49.80	48.9
	Lowest		46.30	45.30	47
	Average		47.60	47.93	49.21
Net Worth per Share (Note 2)	Before Distribution		21.35	22.74	-
	After Distribution		18.65	19.74	-
Earnings Per Share	Weighted average number of shares		25,024	25,024	-
	Earnings Per Share (Note 3)		2.64	-	-
			2.63	-	-
Dividends per Share	Cash dividend		2.70	3.0 (Note 9)	-
	Stock Dividends	-	-	-	-
		-	-	-	-
	Accumulated unpaid dividends (Note 4)		67,566 (Note 9)	-	-
Analysis of return on investment	Price-to-Earnings Ratio (Note 5)		18.03	16.08	-
	Price-to-Dividend Ratio (Note 6)		17.63	15.98	-
	Cash dividend yield (Note 7)		5.68%	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 prices of ordinary shares for each year, and calculate the average market price for each year based on the transaction value and volume of the 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 is any retrospective adjustment required due to stock dividends, the earnings per share before and after adjustment should 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 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 09, 2023. The number shall be updated after the resolution in the Annual Shareholders' Meeting in May 2023.

(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
 - (1) Cash Dividends Distributed from surplus

Taiming Assurance Broker Co., Ltd.

Table of Distribution of Profits

For the Year 2022

Units: NT\$

Items	Amount	
	Subtotal	Total
Undistributed earnings at beginning of this period		14,655,370
Net income after tax	65,950,660	
Less: Remeasurement of defined benefit plan recognized in the retained earnings	247,672	
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.		66,198,332
Legal reserve appropriated (10%)		(6,619,833)
Special reserve appropriated by law		(13,086,512)
Retained earnings available for distribution for this period		61,147,357
Distributable item:		
Cash dividend (NT\$2.4 per share)	(60,058,327)	(60,058,327)
Undistributed earnings at the end of the period		1,089,030

Notes:

1. Priority is given to the distribution of earnings for 2022, followed by the earnings for 2021 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\$1,598,558.
Two percent of the total amount is allocated as bonuses to Directors and distributed in cash in the amount NT\$1,598,558.
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.

(2) Cash Dividends Distributed from Capital Surplus

According to the resolution of the 5th meeting of the 8th Board of Directors on March 9, 2023 and Article 241 of the Company Law, the Company distributed a cash dividend of NT\$ 0.3 to shareholders based on the capital reserve exceeding the premium for issuing ordinary shares. Calculated based on the total number of ordinary shares of 25,024,303 shares, a total of NT\$ 7,507,291 was distributed in cash according to the shareholders' shares recorded in the shareholders' register on the distribution base date. 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".

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. After the approval of the shareholders' regular meeting, the chairman is authorized to set the distribution benchmark date, distribution date, and related matters.

(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:

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 5th meeting of the 8th Board of Directors on March 9, 2023, the Company discussed and approved the consideration of NT\$1,598,558 for employees and bonus of NT\$1,598,558 to directors for 2022, totaling NT\$3,197,116. Both payments will be made in cash and will be executed after the approval of 2023 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

At the 18th meeting of the 8th Board of Directors on March 8, 2023, the Company discussed and approved the consideration of NT\$1,836,967 for employees and bonus of NT\$1,836,967 to directors for 2021, totaling NT\$3,673,934. Both payments will be made in cash and will be executed after the approval of 2022 shareholders' meeting. The sum stated above conformed to the sum recognized for the fiscal year.

Unit: NT\$

	Actual distribution resolved by the shareholders' meeting	Proposed distribution resolved by the Board of Directors	Discrepancy	Reason for the description
Distribution Status	(Cash)	(Cash)		
1. Employee Bonus	1,836,967	1,836,967	0	None
2. Remuneration of Directors	1,836,967	1,836,967	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 Contents

(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

Unit: NT\$ thousand

Operating Income	2021		2022	
	Amount	Amount	Amount	Share Percentage
Life Insurance Brokerage Income	333,339	41.02%	287,988	39.03%
Renewed brokerage income	216,254	26.61%	217,638	29.49%
Commission, fees and other income	163,946	20.18%	139,857	18.95%
Property insurance brokerage and other income	99,031	12.19%	92,433	12.53%
Total operating revenue	812,570	100.00%	737,916	100.00%

3. The Company's current products (services):
The categories of the current insurance products under the agency of the Company are as follows:
 - (1) Personal insurance products sold by brokers include: 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 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) It provided 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. The business integration system continued to upgrade and enabled the organization query feature to optimize the organization management system.
 - B. Connect the intelligent e-system for mobile insurance and marketing support in series
 - C. Continue to expand the number of life insurance and property insurance companies in the mobile insurance platform.
 - D. Modularize business training and online live broadcast of activities to enable departments to import live conferences by themselves.

(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. As of the publication date of this Annual Report, according to the data from the Insurance Business Development Center (Table 1 and Table 2), the total number of employees in the insurance industry reached 420,673 in 2021, among which 141,779 were registered in the insurance brokerage industry, accounting for 33.70%. The number of the insurance broking companies in Taiwan decreased from 483 in 2020 to 457 in 2021, while the practitioners in insurance broking increased from 139,644 in 2020 to 141,779 in 2021, which shows the tendency of centralization.

As of the publication date of the Annual Report, according to the data from the Insurance Business Development Center, the insurance premium income of the whole insurance sector was NT\$3,178.5 billion in 2021, among which the premium income of insurance brokers was NT\$365 billion, accounting for 11.5% of the premium income of the whole property insurance sector. In terms of property insurance and life insurance respectively, the total premium income of the life insurance sector was about \$2,971.1 billion in 2021, and about NT\$320.7 billion was achieved through insurance brokers, accounting for about 10.8% of the life insurance market. The overall premium income of the property insurance sector was about NT\$207.5 billion, and about NT\$44.3 billion was achieved through insurance brokers, accounting for about 21.3% of the property insurance market; compared with 2020, the proportion of life insurance and property insurance increased by 10.3% and 21.6%, respectively, indicating the increasing importance of insurance broking in the overall insurance market. As for commission income, the insurance broker sector achieved totally NT\$25.97 billion, of which life insurance achieved NT\$20.53 billion and property insurance achieved NT\$5.44 billion. The commission income of the insurance brokerage sector has maintained a steady growth from NT\$25.67 billion in 2020.

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 revenues
					Property insurance	Property insurance	
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	3,576,945
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	420,672	379,152	41,520	207,448	2,971,093	3,178,541
2022	52	Note	Note	Note	221,207	2,334,365	2,555,572

※ Source: Taiwan Insurance Institute

Note: As of the printing date of this annual report, Taiwan Insurance Institute has only updated the statistics of insurance practitioners up to 2021.

Table 2: Insurance Brokerage Statistics

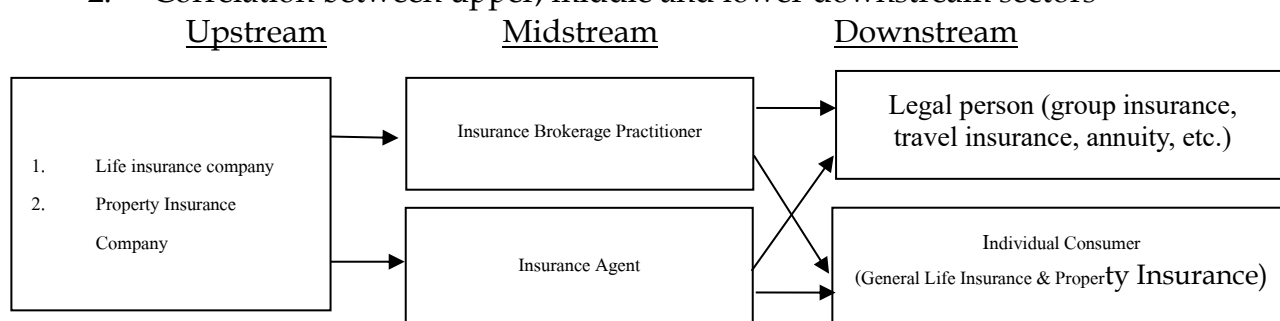
Unit: person; NT\$thousand

Year	Number of Insurance Companies	Insurance	Market Share (%)		Written Premiums		Commission Income	
		Sales Representatives	Property insurance	Property insurance	Property insurance	Property insurance	Property insurance	Property insurance
2013	495	120,978	22.5	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	457	141,779	21.34	10.79	44,275,324	320,704,602	5,442,419	20,530,000
2022	Note	Note	Note	Note	Note	Note	Note	Note

※ Source: Taiwan Insurance Institute

Note: As of the printing date of this annual report, Taiwan Insurance Institute has only updated the statistics of insurance brokers up to 2021.

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. Development trends and competition for the Company's products

According to the statistics of the Life Insurance Association, the life insurance premium income in 2022 was about NT\$2,334.4 billion, 21.4% less than that in 2021. The growth of traditional life insurance products slowed down mainly due to the declared interest rate hike and depreciation of NTD against USD, which adversely affected the sales of interest rate variable products;

Investment-type products, on the other hand, were reversed due to capital market fluctuations, which made the investment attitude of the insured become conservative. Moreover, the new clauses for the elderly of investment-type insurance policy came into effect on October 1, 2022, which also had an impact on channel sales. Relative premium income of property insurance was NT\$221.2 billion, an increase of 6.6%, indicating that the change of commodity structure affected life insurance and property insurance.

According to the premium amount of life insurance channels in 2022, the market share of each competitive channel is as follows:

Statistics from the Insurance Sector in FY2022

Unit: NT\$ million

Source of origin	Life insurance company	Bank agency	Traditional agency	Total
Premium income	208,338	262,760	83,470	554,568
Percentage (%)	37.57	47.38	15.05	100

Source: Life Insurance Association

(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

Establish business integration knowledge base system, continuous serial action number of insurers and SSO linkage agent area, providing a real-time business inquiry mechanism, becoming a strong support platform for business marketing and subscriber services.

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 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.

Set up a commodity planning task force in office and business area to discuss the combination of commodities to provide quality services to the insured.

2. R&D personnel and their education background: The Company is in the insurance brokerage sector, so it is not applicable.
3. R&D expenses invested annually in the last five years: The Company is an insurance broker, so it is not applicable.
4. Technologies or products successfully developed in the recent 5 years: As the Company is an insurance broker, this item is not applicable.

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

1. Short-term business development plans:

(1) Business training planning:

In 2023, the Company will continue to promote professional training, and popularize marketing and claims and other general courses with the national live broadcast morning meeting; adopt Legal experts package class courses and recruiting marketing class to improve business elite strength; use digital classes to teach real-time courses on money laundering prevention, senior-friendly marketing, fair hospitality, compliance with laws and regulations and personal information; and successfully build an all-round learning platform for our colleagues in sales.

(2) Policy on business activities:

In order to unite the centripetal force of business partners and promote the joint activities of business customers, the Company promotes the participation in concert, business praise honor dinner and other incentive programs, which has attracted the enthusiastic participation of business since the beginning of 2023. The Company also encourages business

partners to strive for MDRTS in insurance and International Dragon Award (IDA), and strive for professional certification.

(3) Building digital technology:

Promote solid online professional training courses and diversified business activities to promote the steady development of profit targets.

The Company values the quality of policyholders' renewal payments and aims to maintain a policy renewal rate of over 90%.

The Company's business goal is to recruit and continuously improve business performance.

(4) Corporate sustainable responsibility:

The Company actively promotes corporate social responsibility and implements the sustainable development of the Company. Following the planning by the Corporate Sustainable Development Committee, each department implements the sustainable development of the enterprise according to its rights and responsibilities, and has implemented the GHG accounting operation by stages since 2023.

2. Long-Term Business Development Plans:

(1) Continuously focus on product strategies for retirement and security planning.

(2) Develop diversified development strategies for cross industry channels and digital technology.

(3) Combine with the cooperation strategy to work with insurance brokers and agents.

II. Market and Production & Marketing Overview

(I) Market Analysis

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

Units: NT\$ thousand; %

Items \ Year	2021		2022	
	Amount	%	Amount	%
Domestic sales	812,570	100.00	737,916	100.00
Foreign Sales	-	-	-	-
Total	812,570	100.00	737,916	100.00

2. Market Share:

Based on the statistics of commission income of insurance brokerage industry of China in 2022 and 2021 issued by the Insurance Industry Development Center, the market share of commission income of the Company is listed as follows

Units: NT\$ thousand; %

Items \ Year	2021		2022	
	Property	Property	Property	Property
Total commission	5,442,419	20,530,000	Note 2	Note 2
Taiming	99,031	713,539	92,433	645,483
Market Shares	1.82%	3.48%	-%	-%

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

Note 2: As of the printing date of this annual report, Taiwan Insurance Institute has only updated the statistics of insurance brokers up to 2021.

3. Future Market Supply & Demand Situation and Growth:

- (1) According to the statistics of Taiwan Insurance Institute (TII), there were 457 insurance brokerages in 2021, 26 fewer than that in 2020, of which 296 were concurrently engaged in property and life insurance, 15 fewer than that in 2020. However, the number of insurance salesmen in 2021 was 141,779, which is 2,135 more than that in 2020, showing that under the influence of strict supervision by competent authorities, increased capital and market environment, small and medium-sized insurance brokerages actively adopted inter-bank mergers, and the insurance brokerage sector is developing towards large-scale ones in the future.
- (2) According to the population statistics of the Ministry of the Interior, the population of Taiwan in 2022 was 23.265 million, a decrease of 116,700 compared to the previous year. Throughout the year, there were only 139,000 newborns, and the population has been growing negatively for three consecutive years; Thanks to the development of medical technology, the proportion of the elderly population has increased. The National Development Council estimates that Taiwan will enter a super elderly society by 2025, with a population of over 65 years old reaching 20%. 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

- A. Taiwan's insurance penetration is the world's first, with a high national insurance coverage rate and a slow growth in the future.
 - B. 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

- A. 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.
 - B. Increase the market coverage with the overall development of the Asian market.
 - C. 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 provide 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: Not applicable.

(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

Unit: NT\$ thousand; %

Items	2021				2022				Q1 2023 (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.	210,300	25.88	None	TransGlobe Life Insurance Inc.	190,830	25.86	None				
2	Farglory Life Insurance Inc.	131,641	16.20	None	Farglory Life Insurance Inc.	114,365	15.50	None				
3	Chubb Life	84,146	10.36	None	Note 1	-		None				
	Others	386,483	47.56	None	Others	432,721	58.64	None				
	Net Sales	812,570	100.00	None	Net Sales	737,916	100.00	None				

Note 1: List the names of suppliers with more than 10% of the total sales amount in the most recent 2 fiscal years, as well as the purchase amount and proportion. However, if it is not allowed to disclose the names of suppliers or trading partners as individuals and non-related parties due to contractual agreements, it can be coded as such.

Note 2: Reason for increase or 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 date of publication, the Company's financial report for Q1 2023 has not been reviewed by CPAs.

(V) The production value in the last 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 in the last 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

Mar. 31, 2023 Unit: Employees; age; %

Year		2021	2022	Current year up to March 31, 2023
Number of Employees	Total staff	38	37	37
	Business unit staff	21	21	20
	Total (Note)	59	58	57
Average Age		43	44.1	45.1
Average Years of Service		9.0	9.8	10.4
Education distribution ratio (%)	Ph.D.	0	0	0
	Master	8.5	6.9	7.0
	University/College	76.3	81.0	80.7
	Senior High School	15.2	12.1	12.3
	Under Senior High School	0	0	0

Notes: 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 2022, the number of Directors who were not concurrently serving as employees was 5.

IV. Information on Environmental Protection Expenditures

State the total amount of losses (including indemnity) and penalties incurred by the company as a result of environmental pollution in the most recent two years and up to the date of publication of the annual report, and disclose its future countermeasures (including improvement measures) and possible expenditures (including the estimated amount of possible loss, punishment and indemnity without taking countermeasures. If it is impossible to reasonably estimate, it shall state the fact that it is impossible to reasonably estimate): 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) Employees are entitled to 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) Paid physiological leave, family care leave, maternity leave, paternity leave, parental leave, menstrual leave, and "leave without pay" are provided.
 - (7) Encourage further education by providing subsidy.
2. Further Education and Training
- The Company provides equal training opportunities to office employees regardless of gender. The average number of hours of training for each office employee is 21.5 hours in 2022, and the average number of hours of training increased by 25%. The average number of training hours for male employees is 26.6 hours, and the average number of training hours for female employees is 19.9 hours. The course descriptions are as follows:
- (1) Internal training: From time to time, during the meetings of each department, the department heads implement professional functions and special function courses, such as: information security law course, personal data protection law course, integrity management code of conduct promotion, fair treatment principal course, money laundering prevention law course, department assistant policy service training and competent authority law promotion and other general knowledge courses. The Company also offers both offline and online courses.
 - (2) External training: We provide an annual training subsidy of NT\$4,000 per person, and office colleagues are free to arrange courses for further study according to their job duties and career planning.
 - (3) The number of training hours for office employees in FY2022 is based on the number of training hours and gender ratio.

Gender	Category	Number of participants	Total training hours	Average training hours
Female	Manager	3	200	66.7
	Non-manager	41	674	16.4
	Total	44	874	19.9
Male	Manager	7	230.5	32.9
	Non-manager	7	142.5	20.4
	Total	14	373	26.6
Total	Total staff	58	1247	21.5

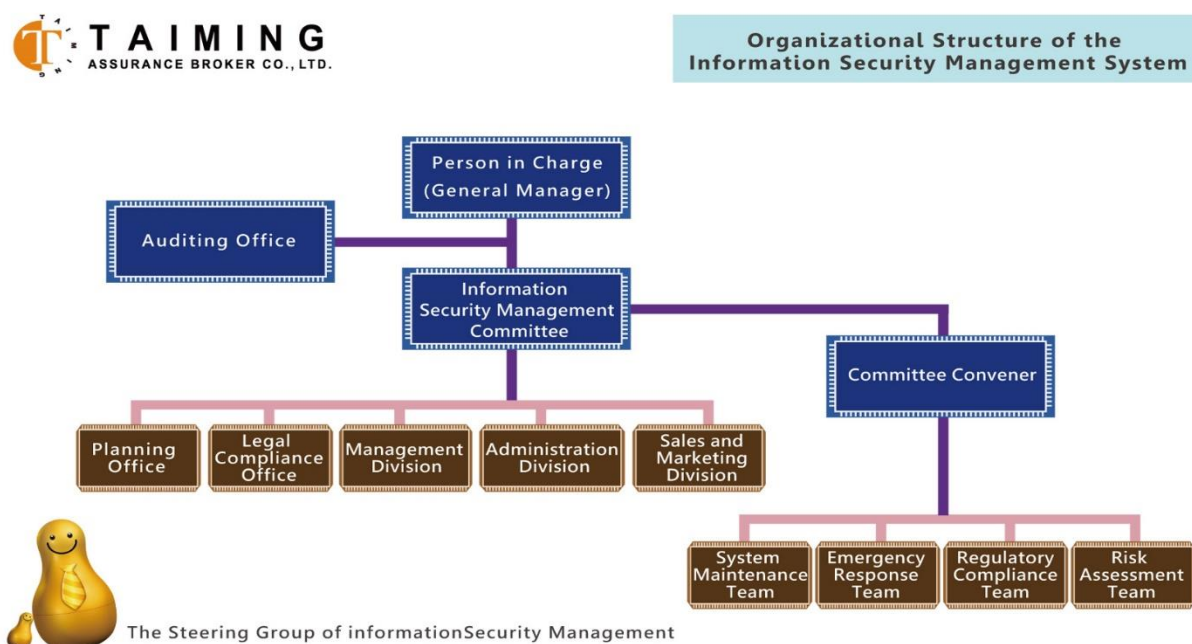
3. Retirement System:
 - (1) Based on the Labor Standards Act, the Company regularly appropriates labor retirement reserves under a dedicated account at Taiwan Bank, also retains the services of an actuary to assess labor pension reserves and to provide a detailed report for assurance of sufficient reserves.
 - (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. Labor Management Relations:
 - (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. As of the publication date of the 2023 Annual Report, the Company has no any cases of harassment, discrimination or intimidation in the workplace.
 The Company established the Labor-Management Committee in accordance with the Labor Standards Act. 2022 marked as the third term of the Committee. Elected by all labor members, the Committee convenes quarterly to report on the Company's operation and HR status, and put forward relevant labor rights and regulations discussion and resolution. 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 security risk management structure, security policy, specific management plan and resources invested in security management of the Company:

1. Information security risk management framework

In order to enhance 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 sites, supervising the operation of information security management, expecting to establish a comprehensive information security protection mechanism and enhance colleagues' good information security awareness through the management, planning, supervision, and promotion of professional information security units, regularly assessing information security risks and reporting to the Board of Directors. The report was recently submitted at the 4th meeting of the 8th Board of Directors on December 29, 2022. The organizational structure of the Company's Information Security Management Committee is as follows:



2. Information Security Policy:

In order to implement information security management, the Company adopts the management model of "Plan-Do-Check-Act" (PDCA) and establishes an Information Security Management System (ISMS) that meets the requirements of the international standard "ISO/IEC 27001". We create a reliable information system environment and promote information security management operations. We hope to strengthen information security management through continuous innovation to ensure the confidentiality, integrity and availability of customer information and company information assets.

3. Specific management plan for information security management:

The Company establishes information asset management regulations, sets out the principles for classifying, classifying, labeling, and handling information

assets, and handles information asset management and practices accordingly. It is used to protect all kinds of information assets from risks such as human negligence, intentional or natural disasters.

The Company has established an Information Security Management Committee to coordinate, manage, and supervise all information security operations of the Group. From time to time, the Company simulates the social engineering techniques commonly used by hackers and conducts "email social engineering exercises" for employees to expose the patterns of information attacks and raise their alertness, hoping that information security awareness can become the instinct of employees.

In terms of information security management, the Company conducts white hat hacking vulnerability scans, mobile insurance information security reviews, system improvements, and password updates on a regular basis to ensure that every customer's personal information delivered to the Taiming Insurance Broker is well protected. The number of confirmed complaints relating to violation of customer privacy or loss of customer data during the reporting period was zero.

The Company provides relevant information security promotion and education training courses. Through the operation of the Information Security Management Committee and the implementation of information security policies, we provide a safe and secure information security environment to ensure the information security of our various services. The subsequent goal is to continue to 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 personnel, we plan to conduct training and certification so that the Company's information security can be completer and more reliable in terms of manpower and capability.

Execution highlights in 2022

Items	Implementation items
ISO-27001 certified	Acquired BSI Information Security Audit International Certification in FY2022
Database activity records	Maintain database activity records for more than 12 months
System Version Control	Maintain more than three version backups while system is being modified
System vulnerability scan	Entrust Chunghwa Telecom to conduct a system-wide scan of the head office
Employee education and promotion	Conduct regular training and information security concept promotion
Computer anti-virus	Company-wide unified management of anti-virus system
Computer update	Company-wide unified management system security update

Items	Implementation items
Prevent unauthorized access	Lock USB, external cloud, external mailbox
External connection	VPN encrypted channel control vendors to maintain behavioral security
System development security	Implement development process standards
Power generation unit	Regular maintenance of power generation units to maintain effective system operation
Connection with employees working at home	VPN encrypted channel and home office security
System service monitoring	Import system service monitoring
Information security report	Annual information security assessment

4. Resources invested in the security management of information security

The Company allocates an appropriate budget every year for system, network, and monitoring backup equipment upgrades. Every year, the Company engages with a professional asset security consulting company to guide and inspect its information security testing, and has obtained ISMS ISO27001 Information Security certification, PIMS individual information security certification and 2022 certification.

Since 2019, the Company has taken out an annual insurance policy of NT\$10 million to reduce operational risks and assume responsibility for stakeholders in the face of known and unknown information security threats, in order to achieve double protection of information security.

- (II) Losses incurred due to major information security incidents in the most recent fiscal year and as of the publishing date of the annual report, and its 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	11/15/2002 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Hontai Life Insurance	12/01/2002 (Automatic renewal) 01/01/2009 (Automatic renewal) 01/01/2013 (Automatic renewal) 01/01/2015 (Automatic renewal) 01/01/2017 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	China Life Insurance	01/01/2004 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Farglory Life Insurance	03/01/2005 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Fubon Life Insurance	05/26/2005 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Shin Kong Life Insurance	07/25/2005 (Automatic renewal) 01/01/2011 (Automatic renewal) 02/01/2013 (Automatic renewal) 12/15/2014 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Chubb International Life (Note 1)	09/01/2006 (Automatic renewal) 10/01/2013 (Automatic renewal) 12/01/2022 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Taiwan Life Insurance (Note 2)	01/05/2012 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Bank Taiwan Life Insurance	01/02/2008 (Automatic renewal) 10/22/2008 (Automatic renewal) 12/25/2012 (Automatic renewal) 08/14/2018 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	AIA Life Insurance	05/17/2011 (Automatic renewal) 03/01/2014 (Automatic renewal)	Solicitation of Life Insurance	-
Broker	Allianz Life Insurance	02/01/2007 (Automatic renewal)	Solicitation of Life Insurance	-

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restrictive Covenants
Contract		renewal)	Insurance	
Broker Contract	Yuanta Life Insurance	01/01/2016 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Cathay Life Insurance	08/01/2016 (Automatic renewal) 05/25/2022 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Prudential Life Insurance	04/13/2018 (Automatic renewal) 01/01/2021 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Taishin Life	09/01/2022 (Automatic renewal)	Solicitation of Life Insurance	-
Broker Contract	Want Want Union Insurance Company (Note 3)	12/15/2004 (Automatic renewal) 07/01/2011 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Tokio Marine Newa Insurance	04/01/2008 (Automatic renewal) 03/04/2016 (Automatic renewal) 11/06/2019 (Automatic renewal) 07/10/2020 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Fubon Property Insurance	01/01/2007 (Automatic renewal) 03/16/2012 (Automatic renewal) 06/24/2022 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Cathay Century Insurance Co., Ltd.	09/30/2010 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Taiwan Fire & Marine Insurance	03/07/2011 - 03/07/2014 02/17/2014 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Chubb Property Insurance	03/01/2007 (Automatic renewal) 09/01/2009 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Taian Insurance	12/09/2008 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	CTBC Insurance (Note 4)	04/02/2010 (Automatic renewal) 12/10/2010 (Automatic renewal) 12/06/2017 (Automatic renewal)	Solicitation of Property Insurance	-

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restrictive Covenants
		renewal)		
Broker Contract	Chung Kuo Insurance	09/29/2010 (Automatic renewal) 08/11/2011 (Automatic renewal) 01/27/2014 (Automatic renewal) 04/06/2016 (Automatic renewal) 11/09/2020 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Nan Shan General Insurance (Note 5)	10/09/2003 (Automatic renewal) 03/01/2011 (Automatic renewal) 01/01/2012 (Automatic renewal) 10/20/2017 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	South China Insurance	12/14/2009 (Automatic renewal) 12/14/2012 (Automatic renewal) 12/14/2015 (Automatic renewal) 08/01/2022 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	MSIG Mingtai Insurance	01/25/2011 (Automatic renewal) 10/01/2020 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	The First Insurance	04/20/2012 (Automatic renewal) 02/25/2014 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Shinkong Insurance	11/25/2009 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Nan Shan Life Insurance	08/04/2008 (Group insurance - Automatic) 06/30/2010 (Group insurance - Automatic)	Solicitation of Group Insurance	-
Broker Contract	BNP Paribas Cardif	06/25/2014 (Automatic renewal)	Solicitation of Property Insurance	-
Broker Contract	Ho Tai Property Insurance (Note 6)	08/01/2014 (Automatic renewal) 08/01/2016 (Automatic renewal) 11/15/2019 (Automatic renewal)	Solicitation of Property Insurance	-

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restrictive Covenants
		renewal) 11/09/2020 (Automatic renewal)		
Broker Contract	AIG Asia Pacific Insurance	09/01/2016 (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. The Contract Transfer Agreement (Cigna Life) was signed on September 20, 2022, and was renamed as Chubb International Life on December 1, 2022.

Note 2: Formerly ChinaTrust Life Insurance, it was officially renamed as Taiwan Life Insurance on January 1, 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 as 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 as 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:

1. Consolidated Condensed Balance Sheet:

Unit: NT\$ thousand

<div style="display: flex; align-items: center;"> <div style="flex: 1; text-align: center;">Year</div> <div style="flex: 1; text-align: center;">Financial Information for the Most Recent 5 Years (Note 1)</div> </div>						
		2018	2019	2020	2021	2022
Current assets		406,367	425,848	424,677	404,434	389,449
Financial Assets Measured at Cost		-	-	-	-	-
Property and equipment		47,458	52,492	51,638	49,449	44,673
Net Amount of Real Estate Investment		68,308	67,944	67,580	67,216	73,553
Intangible Asset		-	-	-	-	-
Other Assets		125,584	263,229	256,790	254,380	266,172
Total Assets		647,717	809,513	800,685	775,479	773,847
Current Liability	Before Distribution	154,785	201,018	193,085	160,090	159,005
	After Distribution	223,602	276,091	273,163	235,163	(Note 2)
Non-Current Liability		40,971	72,246	55,071	46,373	80,666
Total Liabilities	Before Distribution	195,756	273,264	248,156	206,463	239,671
	After Distribution	264,573	348,337	328,234	281,536	(Note 2)
Equity Attributable to Owners of Parent Company		446,388	536,249	552,529	569,016	534,176
Equity		236,880	250,243	250,243	250,243	250,243
Capital surplus		51,892	92,500	92,500	92,500	95,978
Retained earnings	Before Distribution	189,537	203,600	215,279	209,915	201,041
	After Distribution	120,720	128,527	135,201	134,842	(Note 2)
Other equity interests		(31,921)	(10,094)	(5,493)	16,358	(13,086)
Treasury Stock		-	-	-	-	-
Non-controlling Interests		5,573	-	-	-	-
Total Equity	Before Distribution	451,961	536,249	552,529	569,016	534,176
	After Distribution	383,144	461,176	472,451	493,943	(Note 2)

Note 1: The financial information has been audited and certified as an unqualified opinion by CPAs Wang-Sheng Lin and Wen-Ya Hsu from Deloitte Taiwan.

Note 2: The 2022 earnings distribution was approved on the 5th meeting of the 8th Board of Directors on March 9, 2023, and is subject to the shareholders' meeting for resolution in 2023.

2. Condensed Balance Sheet:

Unit: NT\$ thousand

Year Items		Financial Information for the Most Recent 5 Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		399,285	351,241	349,191	336,488	325,147
Financial Assets Measured at Cost		-	-	-	-	-
Investments accounted for using the equity method		5,776	120,499	119,715	119,045	117,709
Property and equipment		46,955	44,783	47,062	46,567	43,171
Net Amount of Real Estate Investment		68,308	67,944	67,580	67,216	73,553
Intangible Asset		-	-	-	-	-
Other Assets		120,338	170,860	167,217	169,749	173,244
Total Assets		640,662	755,327	750,765	739,065	732,824
Current Liability	Before Distribution	153,303	155,717	150,128	128,742	127,900
	After Distribution	222,120	230,790	230,206	203,815	(Note 2)
Non-Current Liability		40,971	63,361	48,108	41,307	70,748
Total Liabilities	Before Distribution	194,274	219,078	198,236	170,049	198,648
	After Distribution	263,091	294,151	278,314	245,122	(Note 2)
Equity Attributable to Owners of Parent Company		446,388	536,249	552,529	569,016	534,176
Equity		236,880	250,243	250,243	250,243	250,243
Capital surplus		51,892	92,500	92,500	92,500	95,978
Retained earnings	Before Distribution	189,537	203,600	215,279	209,915	201,041
	After Distribution	120,720	128,527	135,201	134,842	(Note 2)
Other equity interests		(31,921)	(10,094)	(5,493)	16,358	(13,086)
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	446,388	536,249	552,529	569,016	534,176
	After Distribution	377,571	461,176	472,451	493,943	(Note 2)

Note 1: The financial information has been audited and certified as an unqualified opinion by CPAs Wang-Sheng Lin and Wen-Ya Hsu from Deloitte Taiwan.

Note 2: The 2022 earnings distribution was approved on the 5th meeting of the 8th Board of Directors on March 9, 2023, and is subject to the shareholders' meeting for resolution in 2023.

3. Consolidated Concise Composite Income Sheet:

Unit: NT\$ thousand

Items \ Year	Financial Information for the Most Recent 5 Years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	720,606	863,520	914,530	812,570	737,916
Gross profit	178,758	189,142	198,661	176,402	162,532
Operating Gain or Loss	75,987	85,471	103,135	85,156	66,888
Non-operating income and expenses	8,051	2,626	5,840	7,437	13,184
Net income before tax	84,038	88,097	108,975	92,593	80,072
Net Income from Continuing Operations in the Current Period	64,870	67,512	86,844	74,676	65,951
Loss from Discontinued Operations	-	-	-	-	-
Net profit (loss) for the current period	64,870	67,512	86,844	74,676	65,951
Other comprehensive income for the current period (net of tax)	(31,138)	21,884	4,509	21,889	(29,196)
Total Comprehensive Income in the Current Period	33,732	89,396	91,353	96,565	36,755
Net Income Attributable to Owners of Parent Company	75,806	74,501	86,844	74,676	65,951
Net Income Attributable to Non-Controlling Interests	(10,936)	(6,989)	-	-	-
Total Comprehensive Income Attributable to Owners of the Parent Company	45,131	96,279	91,353	96,565	36,755
Total Comprehensive Income Attributable to Non-controlling Interests	(11,399)	(6,883)	-	-	-
Earnings per share (NT\$)	3.2	3.04	3.47	2.98	2.64

Note 1: The financial information has been audited and certified as an unqualified opinion by CPAs Wang-Sheng Lin and Wen-Ya Hsu from Deloitte Taiwan.

Note 2: The 2022 earnings distribution was approved on the 5th meeting of the 8th Board of Directors on March 9, 2023, and is subject to the shareholders' meeting for resolution in 2023.

4. Individual Concise Composite Income Sheet: Unit: NT\$ thousand

Year Items	Financial Information for the Most Recent 5 Years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	714,467	726,599	718,716	595,382	539,769
Gross profit	177,290	168,220	158,986	143,226	133,726
Operating Gain or Loss	90,605	82,235	74,579	62,809	49,893
Non-operating income and expenses	4,369	10,393	28,774	25,365	26,833
Net income before tax	94,974	92,628	103,353	88,174	76,726
Net Income from Continuing Operations in the Current Period	75,806	74,501	86,844	74,676	65,951
Loss from Discontinued Operations	-	-	-		
Net profit (loss) for the current period	75,806	74,501	86,844	74,676	65,951
Other comprehensive income for the current period (net of tax)	(30,675)	21,778	4,509	21,889	(29,196)
Total Comprehensive Income in the Current Period	45,131	96,279	91,353	96,565	36,755
Earnings Per Share (NT\$)	3.2	3.04	3.47	2.98	2.64

Note 1: The financial information has been audited and certified as an unqualified opinion by CPAs Wang-Sheng Lin and Wen-Ya Hsu from Deloitte Taiwan.

Note 2: The 2022 earnings distribution was approved on the 5th meeting of the 8th Board of Directors on March 9, 2023, and is subject to the shareholders' meeting for resolution in 2023.

(II) 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
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
2022	Deloitte & Touche	Wang-Sheng Lin, Wun-Ya Syu	Unqualified opinion

2. If there has been a change of CPAs in the past five years, an explanation of the reasons for the change of the Company's predecessor and successor CPAs should be provided:

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:

Analysis Item \ Year		Financial Analysis for the Most Recent 5 Years				
		2018	2019	2020	2021	2022
Financial Structure	Debt-to-asset ratio	30.22	33.76	30.99	26.62	30.97
	Ratio of long-term capital to property, plant and equipment	1,026.93	1,159.21	1,176.65	1,244.49	1,376.32
Solvency	Flow ratio	262.54	211.85	219.94	252.63	244.93
	Quick ratio	261.27	210.97	218.74	250.62	243.32
	Interest Coverage Ratio	-	-	-	-	-
Operating Performance	Receivables turnover rate (times)	7.62	7.32	7.24	7.86	8.12
	Average Collection Days	48.00	50.00	50.00	46.00	44.96
	Inventory turnover rate (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)	15.16	17.28	17.57	16.08	15.68
	Total Asset Turnover Rate (Times)	1.16	1.19	1.14	1.03	0.95
Profitability Capacity	Rate of return on assets (%)	10.43	9.27	10.79	9.48	8.51
	Rate of Return on Equity (%)	14.17	13.66	15.95	13.32	11.96
	Ratio of Net Profit Before Tax to Paid-Up Capital (%)	35.48	35.20	43.55	37.00	32.00
	Net Profit Margin (%)	9.00	7.82	9.50	9.19	8.94
	Earnings Per Share (NT\$)	3.20	3.04	3.47	2.98	2.64
Cash Flow	Cash Flow Ratio (%)	46.82	32.05	60.49	70.64	51.38
	Cash Flow Adequacy Ratio (%)	122.21	117.40	112.11	117.23	115.27
	Cash reinvestment ratio (%)	(0.94)	(1.36)	11.97	9.03	1.88
Degree of Leverage	Degree of Operating Leverage	2.18	2.06	1.85	2.04	2.35
	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. (Analysis is not be required if such changes are within 20%): Cash flow and cash reinvestment ratio: mainly due to the net cash inflow from operating activities in 2022 being less than 2021.

2. Individual:

Analysis Item \ Year		Financial Analysis for the Most Recent 5 Years				
		2018	2019	2020	2021	2022
Financial Structure	Debt-to-asset ratio	30.32	29.00	26.40	23.01	27.11
	Ratio of long-term capital to property, plant and equipment	1,037.93	1,338.92	1,276.27	1,310.63	1,401.23
Solvency	Flow ratio	260.45	225.56	232.60	261.37	254.22
	Quick ratio	259.85	224.66	231.39	259.25	252.90
	Interest Coverage Ratio	-	-	-	-	-
Operating Performance	Receivables turnover rate (times)	7.56	7.26	7.59	7.60	7.92
	Average Collection Days	48.00	50.00	48.00	48.00	46.07
	Inventory turnover rate (times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Payable 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)	15.00	15.84	15.65	12.72	12.03
	Total asset turnover rate (times)	1.16	1.04	0.95	0.80	0.73
Profitability Capacity	Rate of return on assets (%)	12.26	10.67	11.53	10.02	8.96
	Rate of return on equity (%)	16.65	15.16	15.95	13.32	11.96
	Ratio of net profit before tax to paid-up capital (%)	40.09	37.02	41.30	35.24	30.66
	Net profit margin (%)	10.61	10.25	12.08	12.54	12.22
	Earnings per share (NT\$)	3.20	3.04	3.47	2.98	2.64
Cash Flow	Cash flow ratio (%)	55.81	42.11	53.02	65.42	48.46
	Cash flow adequacy ratio (%)	130.59	125.54	107.48	104.80	97.71
	Cash reinvestment ratio (%)	2.82	(1.12)	1.53	1.32	(4.32)
Degree of Leverage	Degree of Operating Leverage	1.88	1.96	2.02	2.24	2.58
	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. (Analysis is not be required if such changes are within 20%): Cash flow and cash reinvestment ratio: mainly due to the net cash inflow from operating activities in 2022 being less than 2021.

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

Note 2: As of the publication date of the annual report, companies that have been listed or have

been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

Note 3: 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 Asset - Goods on Hand - Prepaid Expense) / Current Liability.
 - (3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure.
3. Operation ability
 - (1) Accounts Receivable (including receivable and bills receivable arising from business operations) Turnover Rate = Net Sales / Balance of Average Receivable in Various Periods (including accounts receivable and bills receivable arising from business operations).
 - (2) Average Collection Days = 365 / Receivables Turnover Rate.
 - (3) Inventory Turnover = Cost of Sales / Average Goods on Hand Value.
 - (4) Accounts Payable (including payable and bills payable arising from business operations) Turnover Rate = Cost of Sales / Balance of Average Payable in Various Periods (including accounts payable and bills payable arising from business operations).
 - (5) Average Days of Sales = 365 / Goods on Hand Turnover Rate.
 - (6) Property, Plant and Equipment Turnover Rate = Net Sales / Average Net Amount of Property, Plant and Equipment.
 - (7) Total Asset Turnover Rate = Net Sales / Average Total Assets.
4. Profitability
 - (1) Return on Asset = [Post-Tax Profit or Loss + Interest Expense (1-Tax Rate)] / Average Total Assets.
 - (2) Return on Equity = Post-Tax Profit or Loss / Average Total Equity.
 - (3) Net Profit Margin = Post-Tax Profit or Loss / Net Sales.
 - (4) Earnings Per Share = (Gain or Loss Attributable to Owners of the Parent Company-Preference Dividend) / Weighted Average Number of Issued Shares.
5. Cash Flow
 - (1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Current Liability.
 - (2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities for the Past 5 Years / (Capital Expenditure + Goods on Hand Increase + Cash Dividends) for the Past 5 Years.
 - (3) Cash Flow Reinvestment Ratio = (Net Cash Flow from Operating Activities - Cash Dividend) / (Gross Property, Plant and Equipment + Permanent Investment + Other Noncurrent Assets + Working Capital).
6. Leverage:
 - (1) Degree of Operating Leverage = (Net Operating Income - Variable Operating Costs and Expenses) / Operating Profit
 - (2) Degree of Financial Leverage = Operating Profit / (Operating Profit - Interest Expense).

Note 4: The above formula for earnings per share shall be calculated with special attention to

the following matters:

1. The weighted average is based on the number of ordinary shares, not the number of issued shares at the end of the year.
2. Traders with cash additions or treasury stocks shall calculate a weighted average number of shares, taking into account their current period.
3. Where there is surplus to capital increase or capital reserve to capital increase, when calculating the earnings per share of previous years and half years, it shall be retroactively adjusted according to the proportion of capital increase, and it is not necessary to consider the issuance period of such capital increase.
4. If the preferred stocks are non-convertible accumulated special stocks, the current year dividend (whether or not issued) shall be deducted from the net after-tax profit or increased net after-tax loss. 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: The cash flow analysis shall be calculated with special attention to the following matters:

1. Net cash flow of operating activities refers to the net cash inflow of operating activities in the cash flow table.
2. Capital expenditure refers to the annual cash outflow from capital investment.
3. The goods on hand increase are only recorded when the ending balance is greater than the opening balance. If the ending goods on hand decreases, it will be counted as zero.
4. Cash dividends include cash dividends for ordinary shares and preferred stocks.
5. Gross property, plant and equipment refers to the total amount of property, plant and equipment before the deduction of accumulated depreciation.

Note 6: The issuer shall classify the various operating costs and operating expenses into fixed and variable according to their nature, and shall pay attention to the reasonableness and maintain the consistency if it involves estimation or subjective judgment.

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

III. Audit Committee's Review Reports on Financial Reports for the Most Recent Year

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 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 9, 2023

IV. Financial Statements for the Most Recent Fiscal Year

Refer to the attachment of Consolidated Financial Statements.

V. Company-only Financial Reports Certified by CPAs in the Most Recent Year

Refer to the attachment of Parent Company Only Financial Statements.

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 Evaluation of Risk Issues

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT\$ thousand; %

Items \ Year	2022	2021	Difference	
			Amount	%
Current assets	389,449	404,434	(14,985)	(3.71)
Non-current Assets	384,398	371,045	13,353	3.60
Total Assets	773,847	775,479	(1,632)	(0.21)
Current Liability	159,005	160,090	(1,085)	(0.68)
Non-Current Liability	80,666	46,373	34,293	73.95
Total Liabilities	239,671	206,463	33,208	16.08
Equity Attributable to Owners of Parent Company	534,176	569,016	(34,840)	(6.12)
Retained earnings	201,041	209,915	(8,874)	(4.23)
Other equity interests	(13,086)	16,358	(29,444)	(180.00)
Total Equity	534,176	569,016	(34,840)	(6.12)

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 of reasons for changes in the proportion of increase or decrease (no analysis if the increase or decrease is less than 20%)

1. Non-current liabilities:

The parent company and its subsidiaries have increased their lease liabilities due to the expiration of office lease terms and the addition of new lease terms in various regions. The corresponding increase in contract revenue leads to an increase in other payables.

2. Other equity:

The evaluation of financial assets measured at fair value through other comprehensive profits and losses suffered evaluation losses due to financial environment fluctuations at the end of 2022, and the retained surplus of financial assets decreased due to dividend distribution in 2022.

(II) Impact:

The changes in the Company's financial position in the past two years have all been caused by normal operating activities and have no significant impact.

(III) Future Contingency Plan:

None

II. Financial Performance

Comparison analysis chart of financial performance

Unit: NT\$ thousand; %

Items \ Year	2022	2021	Difference	
			Amount	%
Operating revenue	737,916	812,570	(74,654)	(9.19)
Operating costs	575,384	636,168	(60,784)	(9.55)
Gross profit	162,532	176,402	(13,870)	(7.86)
Operating Expenses	95,644	91,246	4,398	4.82
Net operating profit	66,888	85,156	(18,268)	(21.45)
Non-operating income and expenses	13,184	7,437	5,747	77.28
Net income before tax	80,072	92,593	(12,521)	(13.52)
Income Tax Expense	14,121	17,917	(3,796)	(21.19)
Net Income	65,951	74,676	(8,725)	(11.68)
Net Income Attributable to Owners of the Company	65,951	74,676	(8,725)	(11.68)

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 :

(I) Analysis of reasons for changes in the proportion of increase or decrease (no analysis if the increase or decrease is less than 20%)

1. Net operating profit:

Due to the adjustment of traditional commodities in the insurance industry in 2022 and fluctuations in the financial environment for investment commodities, insurance sales decreased, resulting in a corresponding decrease in net operating profit.

2. Non-operating income and expenses:

Non-operating income increased due to dividend income from financial assets.

3. Income Tax Expense:

Income tax expense decreased due to the decrease in net operating profit.

(II) Anticipated sales volume in the next year and its basis

In 2023, the adjustment of insurance products gradually stabilizes. Through diversified reward strategies and the provision of business digital development technology platform resources, the Company and its subsidiaries are expected to achieve steady growth in overall sales and profits.

(III) Impact

The Company's financial performance for the past two years is good and has no significant impact.

(IV) Future Plans: None

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

Beginning balance of cash (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 (shortfall) amount (A+B+C)	Plans for projected cash deficit	
				Investment Plan	Financing Plan
85,354	81,689	(59,928)	107,115	None	None

The analysis is as follows:

1. Operating activities: The net cash inflow from operating activities was NT\$81,689 thousand, which was mainly from operating activities.
2. Investing activities: The net cash inflow from investing activities was NT\$36,451 thousand, mainly from the disposal and acquisition of net financial assets at fair value through comprehensive income and dividend income.
3. Financing activities: The net cash outflow for financing activities in this year was NT\$96,379 thousand, mainly from the cash dividend distribution and principal repayment of rent liability.

(II) Improvement plan for cash shortage: Not applicable.

(III) Cash liquidity analysis for the coming year (2023)

Beginning balance of cash (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 (shortfall) amount (A+B+C)	Plans for projected cash deficit	
				Investment Plan	Financing Plan
107,115	85,000	(90,000)	102,115	None	None

1. Cash liquidity analysis for the coming year (2023):
 - (1) Operating activities: Estimated net cash inflow for FY2023, mainly from the pre-tax profit for FY2023.
 - (2) Investing activities: Estimated net cash outflow for FY2023, mainly the dividend income, estimated cash inflows and outflows from purchase of equipment and workplace decoration.
 - (3) Financing activities: Estimated net cash outflow for FY2023, mainly from the cash dividend distribution and principal repayment of rent liability.

2. Remedial measures and liquidity analysis of expected cash insufficiency:
None

IV. The Impact of the Most Recent Major Capital Expenditures on Financial Operations

- (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. The Most Recent Annual Reinvestment Policy, Its Main Reason for Income or Loss, and Improvement Plan and Investment Plan for the Next Year

1. The company adopts a prudent operating policy towards reinvestment and operates independently; The Company's policies on reinvested enterprises are based on the "investment cycle", the "measured on supervision and management of subsidiaries" and the "Operating Procedure for Acquisition and Disposal of Assets" formulated for the internal control system, which serve as the standards for the operation and management of reinvestment enterprises. 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. The Company recognized a gain or loss of approximately NT\$10,776 thousand from its investment under the equity method in its financial statements for FY2022, with a stable profit from the investment.
3. In the future, the Company will participate in cash capitalization or have the reinvested company raise funds on its own according to its operational expansion needs for investment plans.

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 is mainly derived from the income from financial bonds and current bank deposits, which accounts for a small percentage of the annual profit and loss; there are no bank loans at present, and the interest expense incurred due to lease liabilities is NT\$679 thousand, accounting for 1.03% of the Company's net profit. The amount is small, and it is expected that future interest rate changes will have limited impact on the overall operation and profit and loss of the Company.
 2. Impact on Exchange Rate Changes
The Company's sales are mainly in the domestic market and are denominated in NTD, so the trend of international foreign currencies will have limited impact on the Company's profit and loss. Although changes in exchange rates

will affect the sales trend of NTD or foreign currency policies, the Company's agency products cover both NTD and foreign currency products and can provide policyholders with suitable products depending on the changes in exchange rates, 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 to invest a proportion of its profits in its mobile insurance system, digital learning system, e-policy linkage system and marketing integration and marketing system in the future.
2. The Company will increase the number of off-site redundancy equipment and uninterrupted power supply system to ensure the uninterrupted operation of the Company.
3. The Company will adopt the information security data access auditing mechanism to avoid sensitive personal information leakage resulting in customer losses.

(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 can cooperate with the Company to adjust 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 2022 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) Impact of changes in technology and industry 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 main business, and has long been concerned about social responsibility. We adhere to the concept of sustainable operation and actively participate in various public welfare activities. As of now, there have been no incidents that could affect the Company's image or violate laws and regulations.

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

(VIII) Expected benefits and possible risks of expansion of plants and the countermeasures: None.

(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 obtained the ISO/IEC 27001 Information Security Management System (ISMS) certification issued by British Standards Institute (BSI), 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) process management mode, continuously monitor and review 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.

(XIV) Other Material risks and response measures:

According to the statistics on life insurance premiums for FY2022, the share of traditional insurance brokerage channels increased compared to FY2021, indicating that the insurance brokerage sector is more competitive due to the diversification of product choices given the influence of single insurance company's products. The Company's professionalism and services have helped to create a gap with online insurance channel and maintain the Company's market advantage.

The Company attaches great importance to compliance with laws and regulations, and promotes relevant regulatory courses and implements internal control practices in accordance with the revision of laws and regulations, which has a

positive impact on the protection of policyholders' rights and interests and shareholders' interests.

The Company keeps investing resources in digital technology innovation and information security construction; counters environmental variables through product specialist group discussions and legal classes to enhance the professionalism and setting asset preservation as the goal; and explores opportunities for industry cooperation with the goal of a healthy capital and financial structure and business growth.

VII. Other Important Items

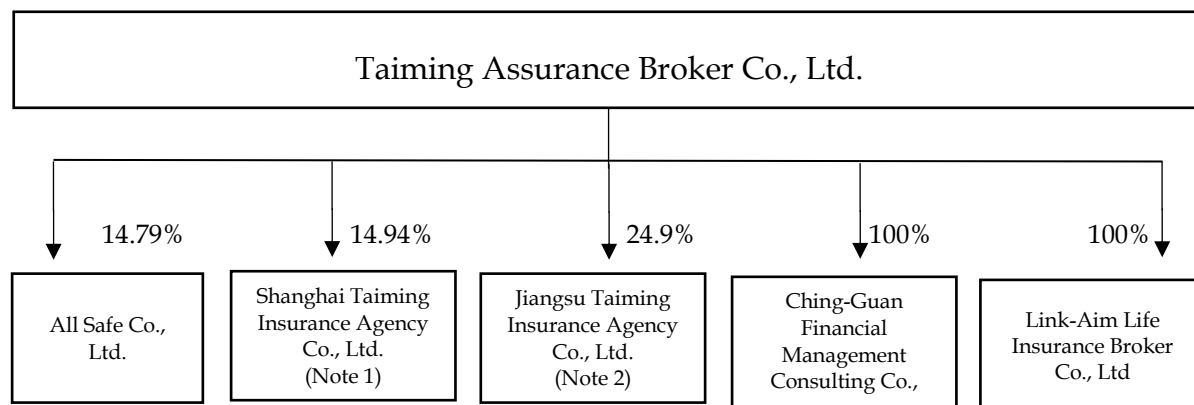
None

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 Affiliated Companies

December 31, 2022, Unit: NT\$ thousand

Name of the Enterprise	Date of Incorporation	Address	Paid-in Capital	Major Business or Production Items
All Safe Co., Ltd.	2011/03/23	11F., No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City	NT\$ 55,000	Information software Services
Shanghai Taiming Insurance Agency Co., Ltd.	2004/12/12	401, Building 8, No. 456, Xiaomujiao Road, Xuhui District, Shanghai, PRC	RMB\$ 5,000	Insurance agency
Jiangsu Taiming Insurance Agency Co., Ltd.	2009/04/13	Room 1508, Building 2, Jitian International Plaza, 999 Bolu South Road, Development Zone, Kunshan City, PRC	RMB\$10,000	Insurance agency
Ching-Guan Financial Management Consulting Co., Ltd.	2003/06/05	11F., No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City	NT\$ 1,000	Investment Advisory
Link-aim Life Insurance Broker Co., Ltd.	2015/03/30	15/F, No. 573, Qingping Road, Pingtong, 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 of the Board	Cheng-Chin Li	8,135	14.79
Shanghai Taiming Insurance Agency Co., Ltd.	Chairman of the Board & Legal Representative	Cheng-Chin Li	Note	14.94
Jiangsu Taiming Insurance Agency Co., Ltd.	Chairman of the Board & Legal Representative	Cheng-Chin Li	Note	24.9
Ching-Guan Financial Management Consulting Co., Ltd.	Chairman of the Board	Cheng-Chin Li	100	100
Link-aim Life Insurance Broker Co., Ltd.	Chairman of the Board	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

As of December 31, 2022

Unit: NT\$ thousand/ Thousands of 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 Loss and Gain	Dividends Distributed	
All Safe Co., Ltd.	Information software Services	8,135	2,494	814	14.79	Not Applicable	Equity Method	(407)	-	None
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	2,928	1,645	Note	14.94	Not Applicable	Equity Method	(360)		None
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	12,061	(3,217)	Note	24.9	Not Applicable	Equity Method	(1,783)		None
Ching-Guan Financial Management Consulting Co., Ltd.	Management Consultancy	900	29	100	100	Not Applicable	Equity Method	(60)	-	None
Link-aim Life Insurance Broker Co., Ltd.	Insurance broker	120,000	113,541	3,000	100	Not Applicable	Equity Method	13,386	15,900	None

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

(II) Consolidated Financial Statements of Affiliates

Statement of Consolidated Financial Statements of Affiliated Companies

In 2022 (from January 1 to December 31, 2022), the "companies" required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards No. 10 (IFRS 10), and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the proceeding consolidated financial statements of parent and subsidiary companies, thus the Company is not required to prepare separate consolidated financial statements of affiliates.

Special Declaration

Name of Company: Taiming Assurance Broker Co., Ltd.

Person in Charge: Cheng-Chih Li

March 9, 2023

(III) Report of Affiliated Enterprises
Not applicable.

II. Private placement of securities during the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report

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 Necessary Supplements

None

V. Any event which has a material impact on shareholders' rights and interests or the Company's securities as prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, that have occurred in the most recent fiscal year up to the publication date of this annual report shall be indicated individually

None

Taiming Assurance Broker Co., Ltd.
and Its Subsidiaries

Consolidated Financial Statements for the
Years Ended December 31, 2022 and 2021
and Independent Auditors' Report

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

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Statement of Consolidated Financial Statements of Related Companies

For the year 2022 of the Company (from January 1 to December 31, 2022), the company 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 Li

March 9, 2023

Independent Auditors' Review Report

Taiming Assurance Broker Co., Ltd.,

Audit Opinions

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, 2022 and 2021 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, 2022 and 2021 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 Items

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, 2022 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, 2022 are stated as follows:

Income recognition

Key audit matters

The Group operating revenue for 2022 totaled NT\$737,916 thousand, in which, NT404,498 thousand were commissions for the first year premium and renewed annual premium from the first insurance companies, accounting for 55% 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 revenue details of the life insurance and group commission details of the 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 Matters

The Company has also compiled Standalone Financial Statements for the years ended December 31, 2022 and 2021, 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

Auditors' 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 of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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.

When auditing in accordance with Auditing Standards, we practice professional judgment and maintains professional suspicion. The CPA has also implemented the following procedures:

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 used and the reasonableness of accounting estimates and related disclosures made by 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 unit include the planned scope and time of the audit and material audit findings (including the significant deficiencies in the internal control identified during the audit).

We also provide the governing unit with a statement that the firm to which the personnel belong who are subject to independence and has followed the statement of independence in the code of professional ethics and communicate with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of CPAs.

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, 2022. 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

Wen-Ya Hsu

Financial Supervisory Commission
Approval Document No.

FSC Letter Jin-Guan-Zheng-Shen
No.1060023872

Securities and Futures Bureau Approval
Document No.

Tai-Cai-Zheng-6 No. 0920123784

March 9, 2023

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 Sheet

December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 107,115	14	\$ 85,354	11
1110	Financial assets at fair value through profit and loss- current (Note 4 and 7)	112,961	14	137,800	18
1120	Financial assets at fair value through other comprehensive income-current (Notes 4 and 8)	39,180	5	42,456	5
1140	Contract assets - current (Notes 4 and 18)	35,920	5	43,481	6
1170	Notes and accounts receivable (Notes 4, 9, and 26)	90,632	12	91,172	12
1200	Other Receivables	1,088	-	961	-
1470	Other Current assets	2,553	-	3,210	-
11XX	Total Current Assets	389,449	50	404,434	52
	Non-Current Asset				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	99,424	13	131,606	17
1550	Investments accounted for using equity method (Notes 4 and 10)	4,139	1	2,901	-
1560	Contract assets - non-current (Notes 4, and 18)	28,187	4	15,879	2
1600	Immovable property and equipment (Notes 4 and 11)	44,673	6	49,449	6
1755	Right-of-use asset assets (Notes 4, 12, and 26)	50,677	7	20,125	3
1760	Investment property (Notes 4 and 13)	73,553	9	67,216	9
1805	Goodwill (Notes 4 and 24)	68,537	9	68,537	9
1840	Deferred income tax assets (Notes 4 and 21)	2,095	-	2,075	-
1920	Guarantee deposits paid (Note 26)	9,962	1	9,942	1
1990	Other non-current assets (Notes 4 and 16)	3,151	-	3,315	1
15XX	Total Non-Current Assets	384,398	50	371,045	48
1XXX	Total Assets	\$ 773,847	100	\$ 775,479	100
	Liabilities and equity				
	Current Liabilities				
2200	Other payables (Note 14)	\$ 125,848	16	\$ 133,110	17
2230	Current income tax liabilities (Notes 4 and 21)	5,032	1	7,021	1
2280	Lease liabilities – current (Notes 4, 12, and 26)	20,288	3	11,254	2
2399	Other current liabilities	7,837	1	8,705	1
21XX	Total Current Liabilities	159,005	21	160,090	21
	Non-Current Liabilities				
2550	Liability reserve – non-current (Note 4 and 15)	10,475	1	10,152	1
2570	Deferred income tax liabilities (Notes 4 and 21)	206	-	125	-
2580	Lease liabilities – non-current (Notes 4, 12, and 26)	30,757	4	9,141	1
2610	Long-term payables (Note 14)	35,503	5	23,599	3
2645	Guarantee deposit received	508	-	508	-
2650	Credit balance of investments under equity method (Note 10)	3,217	-	2,848	1
25XX	Total Non-current Liabilities	80,666	10	46,373	6
2XXX	Total Liabilities	239,671	31	206,463	27
	Equity attributable to owners of parent (Notes 4 and 17)				
3110	Common Stock	250,243	32	250,243	32
3200	Capital surplus	95,978	13	92,500	12
	Retained earnings				
3310	Legal capital reserve	120,187	16	112,716	14
3320	Special capital reserve	-	-	5,493	1
3350	Unappropriated earnings	80,854	10	91,706	12
3300	Total Retained Earnings	201,041	26	209,915	27
3400	Other equity	(13,086)	(2)	16,358	2
31XX	Equity attributable to shareholders of the parent	534,176	69	569,016	73
3XXX	Total Equity	534,176	69	569,016	73
	Total Liabilities and Equity	\$ 773,847	100	\$ 775,479	100

The attached notes are part of the consolidated financial statements.

Chairman of the Board: Cheng-Chih Li

Manager: Yang-Kuo Chen

Accounting Manager: Hsin-I Wen

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2022 and January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars, However, the unit of earnings per share is in New Taiwan Dollars

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 18, and 26)	\$ 737,916	100	\$ 812,570	100
5000	Operating cost (Notes 19 and 26)	<u>575,384</u>	<u>78</u>	<u>636,168</u>	<u>79</u>
5950	Gross Profit	<u>162,532</u>	<u>22</u>	<u>176,402</u>	<u>21</u>
	Operating expenses (Notes 19 and 26)				
6100	Marketing Expenses	5,093	1	2,812	-
6200	Administrative Expenses	<u>90,551</u>	<u>12</u>	<u>88,434</u>	<u>11</u>
6000	Total Operating Expenses	<u>95,644</u>	<u>13</u>	<u>91,246</u>	<u>11</u>
6900	Net operating income	<u>66,888</u>	<u>9</u>	<u>85,156</u>	<u>10</u>
	Non-Operating Income and Expenditure				
7010	Other income (Note 19)	16,734	2	8,280	1
7020	Other gains and losses (Note 19)	(321)	-	3,270	-
7050	Finance costs	(679)	-	(413)	-
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	(<u>2,550</u>)	<u>-</u>	(<u>3,700</u>)	<u>-</u>
7000	Total Non-operating Income and Expenses	<u>13,184</u>	<u>2</u>	<u>7,437</u>	<u>1</u>
7900	Net profit before income tax	80,072	11	92,593	11
7950	Income tax expense (Notes 4 and 21)	<u>14,121</u>	<u>2</u>	<u>17,917</u>	<u>2</u>
8200	Current Net Income	<u>65,951</u>	<u>9</u>	<u>74,676</u>	<u>9</u>
	Other Comprehensive Income (Loss)				

(Continued on next page)

(Continued from previous page)

Code		2022		2021	
		Amount	%	Amount	%
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	310	-	48	-
8316	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(29,502)	(4)	21,853	3
8349	Income tax relating to items that are not reclassified	(62)	-	(10)	-
		(29,254)	(4)	21,891	3
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	58	-	(2)	-
		58	-	(2)	-
8300	Other comprehensive income (net, after tax)	(29,196)	(4)	21,889	3
8500	Total comprehensive income/(loss) for the year	\$ 36,755	5	\$ 96,565	12
	Net profit/(loss) attributable to:				
8610	Owners of the Company	\$ 65,951	9	\$ 74,676	9
8620	Non-controlling interests	-	-	-	-
8600		\$ 65,951	9	\$ 74,676	9
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 36,755	5	\$ 96,565	12
8720	Non-controlling interests	-	-	-	-
8700		\$ 36,755	5	\$ 96,565	12
	Earnings per share (Note 22)				
9750	Basic	\$ 2.64		\$ 2.98	
9850	Diluted	\$ 2.63		\$ 2.98	

The attached notes are part of the consolidated financial statements.

Chairman of the Board: Cheng-Chih Li

Manager: Yang-Kuo Chen

Accounting Manager: Hsin-I Wen

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022 and January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

		Equity Attributable to Owners of the Company						Other Equity Items		
		Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	Total Equity		
Code		Common Stock	Capital surplus	Legal capital reserve	Special capital reserve				Unappropriated earnings	
A1	Balance on January 1, 2021	\$ 250,243	\$ 92,500	\$ 104,041	\$ 10,094	\$ 101,144	(\$ 146)	(\$ 5,347)	\$ 552,529	
	Appropriation of earnings for 2020									
B1	Legal capital reserve	-	-	8,675	-	(8,675)	-	-	-	
B3	Appropriated as special capital reserve	-	-	-	(4,601)	4,601	-	-	-	
B5	Cash dividend	-	-	-	-	(80,078)	-	-	(80,078)	
D1	Net Profit in 2021	-	-	-	-	74,676	-	-	74,676	
D3	Other comprehensive after-tax income (loss) in 2021	-	-	-	-	38	(2)	21,853	21,889	
D5	Total comprehensive income (loss) in 2021	-	-	-	-	74,714	(2)	21,853	96,565	
Z1	Balance on December 31, 2021	250,243	92,500	112,716	5,493	91,706	(148)	16,506	569,016	
	Appropriation of earnings for 2021									
B1	Appropriated as legal capital reserve	-	-	7,471	-	(7,471)	-	-	-	
B3	Appropriated as special capital reserve	-	-	-	(5,493)	5,493	-	-	-	
B5	Cash dividend attributable to shareholders	-	-	-	-	(75,073)	-	-	(75,073)	
C7	Other changes in capital surplus: Changes of associates and joint ventures accounted for under the equity method	-	3,478	-	-	-	-	-	3,478	
D1	Net Profit in 2022	-	-	-	-	65,951	-	-	65,951	
D3	Other comprehensive after-tax income (loss) in 2022	-	-	-	-	248	58	(29,502)	(29,196)	
D5	Total comprehensive income (loss) in 2022	-	-	-	-	66,199	58	(29,502)	36,755	
Z1	Balance on December 31, 2022	\$ 250,243	\$ 95,978	\$ 120,187	\$ -	\$ 80,854	(\$ 90)	(\$ 12,996)	\$ 534,176	

The attached notes are part of the consolidated financial statements.

Chairman of the Board: Cheng-Chih Li

Manager: Yang-Kuo Chen

Accounting Manager: Hsin-I Wen

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2022 and January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Code		2022	2021
	Cash flow from operating activities		
A10000	Net Profit Before Tax in this year	\$ 80,072	\$ 92,593
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation expenses	26,405	27,787
A20200	Amortization	1,408	1,211
A20300	Loss of doubtful debt (reversed interest)	(127)	134
A20400	Net profit (loss) of financial assets at fair value through profit or loss	344	(3,223)
A20900	Finance costs	679	413
A21200	Interest income	(2,504)	(2,168)
A21300	Dividend income	(12,537)	(4,159)
A22300	Share of profit (loss) of associates & joint ventures accounted for using equity method	2,550	3,700
A23100	Loss on disposal of investments	117	-
A29900	Provisions for liability reserve	1,103	1,591
A29900	Profit (loss) of lease modification	(6)	(6)
A29900	Other income	(2)	(2)
A30000	Net changes in operating assets and liabilities		
A31125	Contract Assets	(4,747)	20,910
A31150	Notes Receivable and Accounts Receivable	540	24,409
A31180	Other Receivables	968	738
A31220	Prepaid retirement pension	(98)	(95)
A31240	Other Current assets	657	(891)
A32130	Notes Payable	-	(237)
A32180	Other Payables	4,642	(26,041)
A32200	Liabilities Reserve	(780)	(1,833)
A32230	Other current liabilities	(868)	228
A33000	Cash inflow from operating activities	97,816	135,059
A33300	Interest paid	(16)	-
A33500	Income Tax Paid	(16,111)	(21,971)
AAAA	Net cash inflow from operating activities	81,689	113,088

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Code		2022	2021
	Cash flow from investing activities		
B00030	Financial assets measured at FVTOCI - return of capital due to capital reduction	6,750	-
B00010	Financial assets at fair value through other comprehensive gains and losses	(794)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(10,000)	(65,000)
B00200	Disposal of financial assets at fair value through profit or loss	34,495	45,024
B02700	Acquisition of immovable property and equipment	(516)	(3,898)
B03700	Decrease (increase) in guarantee deposits paid	(20)	241
B05400	Acquisition of investment properties	(6,701)	-
B06700	Increase in other non-current assets	(836)	(2,046)
B07500	Interest received	1,536	1,286
B07600	Dividends received	<u>12,537</u>	<u>4,159</u>
BBBB	Net cash generated from (used in) investing activities	<u>36,451</u>	(<u>20,234</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	10,000	-
C00200	Decrease in short-term borrowings	(10,000)	-
C04020	Repayment of the principal amount of lease liabilities	(21,306)	(21,912)
C04500	Cash dividends distributed	(<u>75,073</u>)	(<u>80,078</u>)
CCCC	Net cash used in financing activities	(<u>96,379</u>)	(<u>101,990</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	21,761	(9,136)
E00100	Balance of cash and cash equivalents at beginning of year	<u>85,354</u>	<u>94,490</u>
E00200	Balance of cash and cash equivalent at end of year	<u>\$ 107,115</u>	<u>\$ 85,354</u>

The attached notes are part of the consolidated financial statements.

Chairman of the Board: Cheng-Chih Li Manager: Yang-Kuo Chen Accounting Manager: Hsin-I Wen

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Notes to the Consolidated Financial Statements

January 1 to December 31, 2022 and January 1 to December 31, 2021

(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, insurance broker's guarantee insurance and deposit have been insured 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 Procedures of Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 9, 2023.

3. Application of Newly Issued and Amended Standards and Interpretations

- a. 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 2023

New, Revised or Amended Standards and Interpretations	Effective Date of IFRSs Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction"	January 1, 2023 (Note 3)

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

Note 2. 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 3. The amendments are applicable prospectively to the transactions incurred after January 1, 2022, except for the deferred income tax accounted for on temporary differences in leasing and decommissioning obligation 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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date of IFRSs Published 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"	Pending
Amendments to IFRS 16 "Lease Liability in a Sale-and-leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contract"	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, 2024
Amendments to IAS 1 "Non-current Liabilities with Contractual Provisions"	January 1, 2024

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. Sellers (lessees) should retroactively apply the amendments to IFRS 16 to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

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 conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by the FSC.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of 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 Liability Include:

- 1) Liabilities that are due for settlement within 12 months after the balance sheet date and
- 2) Liabilities that will be settled unconditionally to meet the repayment terms at least 12 months after the balance sheet date.

Current assets or current liabilities not belonging to those described above, are classified as non-current assets or non-current liabilities.

d. Basis of Consolidation

The consolidated financial statements contain the financial statements of the Company and the individuals (subsidiaries) controlled by the Company. The consolidated composite income sheet 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 individuals have been eliminated. The total comprehensive income of a subsidiary 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 the subsidiary 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 the proprietor of the Company.

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

e. Business combination

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 interests 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 affiliated 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 affiliated 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 affiliated 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 equal 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. The Group shall recognize additional losses and liabilities only to the extent that any legal obligation, constructive obligation or payment has been made on behalf of the affiliated enterprise.

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 affiliated enterprise shall be based on the same foundation that the affiliated enterprise must follow if it directly disposes of the related 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 real estate is real estate held for rent or capital appreciation or both. Investment real estate also includes land that has not yet been determined for future use. The self-owned investment real estate is initially measured in terms of costs (including transaction costs) and is subsequently measured in terms of costs minus accumulated depreciation and accumulated impairment losses.

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

In the event of the derecognition of investment real estate, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized as gain 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, the goodwill is amortized to each cash generating unit or group of cash generating unit (hereinafter "cash-generating units") that the Group expects to benefit from the comprehensive effect of the business combination.

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 is to 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 Asset

Intangible assets with limited useful life acquired separately are initially measured at cost, and are subsequently measured at cost minus accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, the Group shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and amortization method and defer the impact of changes in the applicable accounting estimates. 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 higher of the fair value less costs to sell and its use value. 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 cost of a financial asset or financial liability that is directly attributable to the acquisition or issuance of a financial asset or financial liability at fair value through profit or loss is immediately recognized as gain or loss.

1) Financial Assets

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

a) Measurement Type

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 Fair Value Through Profit or Loss

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 investment financial assets meet the following two conditions simultaneously, they are classified as financial assets measured by 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 earned is calculated by multiplying the effective interest rate by the gross carrying amount of financial assets:

- 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 fixed 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 changes in fair value are reported to other comprehensive income and accumulated in other equities. 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. .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 carrying amount and the consideration received is recognized as 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 Instrument

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, distribution or cancellation of the Company's own equity instruments is not recognized as profit or loss.

3) Financial Liabilities

a) Subsequent Measure

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. Provision is 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 settle the liability reserve 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 as an asset.

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 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 of the change in consideration resulting from the historical continuation of the policy, the recognition of revenue and contract assets over the years, and the transfer of accounts receivable upon completion of the remaining obligations.

p. Lease

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

1) The Group as a 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 lease payments less lease incentives are recognized as operating 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 leases simultaneously include land and building elements, the Group classifies them as finance or operating leases 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.

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

The 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 lives, 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 and variable lease payments depending on an index or a rate). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at the 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

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

The investment income earned from temporary investment of a specific loan before the occurrence of eligible capital expenditure shall be deducted from the cost of loans eligible for capitalization.

Except for 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 plans (including service costs, net interest, and re-measurements) are calculated using 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 re-measurements (including actuarial gains and losses, changes in the effect of the asset ceiling and the return on plan assets after interest deduction) are recognized as other comprehensive income and listed in retained earnings when it occurs, and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) are the deficit (surplus) of defined-benefit retirement plans. Net defined benefit assets shall not exceed the present value of any refunds 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 related restructuring costs (whichever is earlier).

s. Income Tax

Income tax expense is 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.

The adjustment of income tax payable in previous years are recognized in the current income tax.

2) Deferred Income Tax

Deferred income tax is calculated on the basis of temporary differences between the carrying amounts 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 investment subsidiaries and affiliates are recognized as deferred income tax liabilities, except where the Group 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 on 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 income tax assets and liabilities are measured by the tax rate of expected settlement of liabilities or realization of assets in the current period. The tax rate is based on the tax rate and tax law enacted or substantially enacted on 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 Tax

The current and deferred income tax shall be 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, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 188	\$ 187
Checking accounts and demand deposits	<u>106,927</u>	<u>85,167</u>
	<u>\$ 107,115</u>	<u>\$ 85,354</u>

7. Financial assets at FVTPL - current

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Mandatorily Measured at Fair Value Through Gain or Loss</u>		
Fund Beneficiary Certificate	\$ 58,019	\$ 82,705
Bank Debenture	<u>54,942</u>	<u>55,095</u>
	<u>\$ 112,961</u>	<u>\$ 137,800</u>

8. Financial Assets Measured at Fair Value Through Other Comprehensive Income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Investment in Equity Instrument	<u>\$ 39,180</u>	<u>\$ 42,456</u>
<u>Non-Current</u>		
Investment in Equity Instrument	<u>\$ 99,424</u>	<u>\$ 131,606</u>
<u>Investment in Equity Instrument</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Domestic Investment		
TWSE-Listed (TPEX-Listed) Stocks		
Sirtec International Co. Ltd.	\$ 16,414	\$ 22,654
Taichung Commercial Bank Co., Ltd.	<u>22,766</u>	<u>19,802</u>
	<u>\$ 39,180</u>	<u>\$ 42,456</u>

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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Non-Current</u>		
Domestic Investment		
TWSE-Unlisted (TPEX-Unlisted)		
Stocks		
Top Taiwan X Venture Capital Co., Ltd.	\$ 48,174	\$ 68,364
Chengding Venture Capital Co., Ltd.	<u>51,250</u>	<u>63,242</u>
	<u>\$ 99,424</u>	<u>\$ 131,606</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 recognizes dividend income of NT\$12,537 thousand and NT\$4,159 thousand in 2022 and 2021 respectively, of which NT\$0 and NT\$0 relating to the investments excluded at the end of the year, and NT\$12,537 thousand and NT\$4,159 thousand relating to the shares still held at December 31, 2022 and December 31, 2021 respectively.

9. Notes Receivable and Accounts Receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes Receivable	\$ 1,766	\$ 1,837
Accounts Receivable	<u>88,866</u>	<u>89,335</u>
	<u>\$ 90,632</u>	<u>\$ 91,172</u>

The average credit period of the Group for the provision of services shall be 30 days from the date of invoice. 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, 2022 and December 31, 2021 after evaluation is NT\$0.

The Group adopts the simplified method of IFRS 9 to recognize the accounts receivable as the allowance for the loss in accordance with the lifetime expected credit losses 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 expected credit loss 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, 2022</u>	<u>December 31, 2021</u>
Affiliated Enterprises Not Individually Significant		
All Safe Co., Ltd.	\$ 2,494	\$ 2,901
Shanghai Taiming Insurance Agency Co., Ltd.	<u>1,645</u>	<u>-</u>
	<u>\$ 4,139</u>	<u>\$ 2,901</u>
Jiangsu Taiming Insurance Agency Co., Ltd.	(\$ 3,217)	(\$ 1,420)
Shanghai Taiming Insurance Agency Co., Ltd.	<u>-</u>	<u>(1,428)</u>
	<u>(\$ 3,217)</u>	<u>(\$ 2,848)</u>
	<u>Percentage of ownership and voting rights</u>	
<u>Company Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
All Safe Co., Ltd.	14.79%	14.79%
Shanghai Taiming Insurance Agency Co., Ltd.	14.94%	24.90%
Jiangsu Taiming Insurance Agency Co., Ltd.	24.90%	24.90%

The shareholding of the Group was reduced from 24.90% to 14.94% because the merged company did not participate in the cash capital increase of Shanghai Taiming Insurance Agency Co., Ltd. in July 2022.

Summary Information on associates that are not individually material

	<u>2022</u>	<u>2021</u>
Share owned by the Group		
Net Income from continuing operations	(\$ 2,550)	(\$ 3,700)
Other Comprehensive Income (Loss)	<u>58</u>	(<u>2</u>)
Total Comprehensive Income	(\$ <u>2,492</u>)	(\$ <u>3,702</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 share of investment profit and loss and other comprehensive income under the equity method shall be recognized based on the financial reports of the related enterprises audited by CPAs during the same period.

11. Property and Equipment

	<u>Private Land</u>	<u>Building</u>	<u>Other Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</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>
<u>Cost</u>					
Balance as of January 1, 2022	\$ 21,460	\$ 27,634	\$ 25,894	\$ 30,865	\$ 105,853
Additions	-	-	-	516	516
Balance as of December 31, 2022	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 25,894</u>	<u>\$ 31,381</u>	<u>\$ 106,369</u>
<u>Accumulated Depreciation</u>					
Balance as of January 1, 2022	\$ -	\$ 9,173	\$ 23,332	\$ 23,899	\$ 56,404
Depreciation expenses	-	936	988	3,368	5,292
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 10,109</u>	<u>\$ 24,320</u>	<u>\$ 27,267</u>	<u>\$ 61,696</u>
Net Amount as of December 31, 2022	<u>\$ 21,460</u>	<u>\$ 17,525</u>	<u>\$ 1,574</u>	<u>\$ 4,114</u>	<u>\$ 44,673</u>

In the year of 2022 and 2021, as there is no sign of impairment, the Group did not conduct impairment assessment.

Depreciation of real estate and equipment on a straight line basis is calculated according to the following useful lives:

Building	15 to 30 years
Leasehold Improvements	2 to 5 years
Other Equipment	2 to 10 years

12. Lease Agreement

a. Right-of-Use Assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Building	\$ 49,335	\$ 17,835
Transportation equipment	<u>1,342</u>	<u>2,290</u>
	<u>\$ 50,677</u>	<u>\$ 20,125</u>
	<u>2022</u>	<u>2021</u>
Addition of right-of-use assets	<u>\$ 51,694</u>	<u>\$ 8,413</u>
Depreciation expense of right-of-use assets		
Building	\$ 19,801	\$ 20,580
Transportation equipment	<u>948</u>	<u>756</u>
	<u>\$ 20,749</u>	<u>\$ 21,336</u>

b. Lease Liability

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 20,288</u>	<u>\$ 11,254</u>
Non-Current	<u>\$ 30,757</u>	<u>\$ 9,141</u>
Interest expense – lease obligations payable	<u>\$ 661</u>	<u>\$ 411</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Building	1.41%~1.79%	1.25%~1.60%
Transportation equipment	1.41%	1.41%

c. Material 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 leasing information

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Short-term lease expenses	<u>\$ 90</u>	<u>\$ 90</u>
Lease expenses of low-value assets	<u>\$ 786</u>	<u>\$ 782</u>
Total cash (outflow) for lease	<u>(\$ 22,182)</u>	<u>(\$ 22,784)</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments	<u>\$ -</u>	<u>\$ 11,636</u>

13. Investment Property

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

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	<u>Land</u>	<u>Building</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2022	\$ 65,730	\$ 5,459	\$ 71,189
Additions	<u>6,701</u>	<u>-</u>	<u>6,701</u>
Balance as of December 31, 2022	<u>\$ 72,431</u>	<u>\$ 5,459</u>	<u>\$ 77,890</u>
<u>Accumulated Depreciation</u>			
Balance as of January 1, 2022	\$ -	\$ 3,973	\$ 3,973
Depreciation expenses	<u>-</u>	<u>364</u>	<u>364</u>
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 4,337</u>	<u>\$ 4,337</u>
Net Amount as of December 31, 2022	<u>\$ 72,431</u>	<u>\$ 1,122</u>	<u>\$ 73,553</u>

The lease terms for investment property leases are 2-5 years. The lessee have no preferential right to purchase the investment real estate 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, 2022</u>	<u>December 31, 2021</u>
1st year	\$ 1,470	\$ 1,270
2nd year	<u>-</u>	<u>-</u>
	<u>\$ 1,470</u>	<u>\$ 1,270</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 2022 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\$585 thousand and NT\$402 thousand.

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, 2022 and 2021 were NT\$100,876 thousand and NT\$96,710 thousand, respectively. The important unobservable inputs adopted included discount rate of 2.19% and 2.17%, respectively.

14. Other Payables and Long-Term Payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commission and Bonus Payable	\$ 128,921	\$ 123,816
Salaries and year-end bonuses payable	12,036	12,358
Remuneration payable to employees and directors	3,508	3,899
Provident fund of voluntary contribution payable to business representatives	10,475	10,152
Others	<u>6,411</u>	<u>6,484</u>
	<u>\$ 161,351</u>	<u>\$ 156,709</u>
Other Payables - Current	\$ 125,848	\$ 133,110
Long-Term Payables - Non-Current	<u>35,503</u>	<u>23,599</u>
	<u>\$ 161,351</u>	<u>\$ 156,709</u>

15. Provisions - Non-Current

In order to implement the incentive policy for business executives, the Group implemented a matching promotion plan for its executives.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Provident Fund Reserve - Voluntary Contribution by Company	<u>\$ 10,475</u>	<u>\$ 10,152</u>

The changes of provident fund reserve are as follows:

	<u>2022</u>	<u>2021</u>
Opening Balance	\$ 10,152	\$ 10,394
Increase	1,103	1,591
Payment	(780)	(1,833)
Ending Balance	<u>\$ 10,475</u>	<u>\$ 10,152</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, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligation	\$ 1,417	\$ 1,551
Fair value of plan assets	(2,449)	(2,175)
Net defined benefit assets	(\$ 1,032)	(\$ 624)

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, 2021	\$ 1,566	(\$ 2,046)	(\$ 480)
Service cost			
Interest expense (income)	8	(11)	(3)
Recognized in profit or loss	8	(11)	(3)
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	8	-	8

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
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>)
Service cost			
Interest expense (income)	<u>12</u>	(<u>17</u>)	(<u>5</u>)
Recognized in profit or loss	<u>12</u>	(<u>17</u>)	(<u>5</u>)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	(\$ 164)	(\$ 164)
Actuarial (gain) loss - changes in financial assumptions	(162)	-	(162)
Actuarial (gain) loss - experience adjustments	<u>16</u>	<u>-</u>	<u>16</u>
Recognized in other comprehensive income	(<u>146</u>)	(<u>164</u>)	(<u>310</u>)
Contributions from the employer	<u>-</u>	(<u>93</u>)	(<u>93</u>)
December 31, 2022	<u>\$ 1,417</u>	(<u>\$ 2,449</u>)	(<u>\$ 1,032</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, 2022</u>	<u>December 31, 2021</u>
Discount rate	1.5%	0.75%
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, 2022</u>	<u>December 31, 2021</u>
Discount rate		
Increase by 0.25%	(\$ 49)	(\$ 58)
Decrease by 0.25%	\$ 51	\$ 61
Expected salary increase rate		
Increase by 0.25%	\$ 50	\$ 59
Decrease by 0.25%	(\$ 48)	(\$ 57)

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, 2022</u>	<u>December 31, 2021</u>
The expected contributions to the plan for the following year	\$ 93	\$ 93
The average duration of the defined benefit obligation	14.2 Years	15.3 Years

17. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Number of authorized shares (in thousands)	30,000	30,000
Authorized capital stock	\$ 300,000	\$ 300,000
Number of shares issued and fully paid (in thousands)	25,024	25,024
Issued share capital	\$ 250,243	\$ 250,243

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, 2022</u>	<u>December 31, 2021</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 (2)	<u>6,207</u>	<u>2,729</u>
	<u>\$ 95,978</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).
- 2) Such type of capital reserve refers to the impact of equity transactions recognized due to changes in equity of related enterprises when the company has not actually acquired or disposed of equity of related enterprises.

c. Retained earnings and dividend policy

Amendment of Articles of Association, which were proposed and approved in the annual shareholders' meetings on May 26, 2022, 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. However, when the statutory surplus reserve has reached the total paid in capital of the company, it may be exempted from further allocation, and special surplus reserves may be allocated or converted according to laws and regulations or business needs. If there is still surplus, the board of directors shall prepare a surplus distribution plan. If the surplus distribution is to be distributed in cash, the board of directors shall make a resolution in accordance with Article 228-1 and Article 240, Paragraph 5 of the Company Law, and report to the shareholders' meeting. 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, On the principle of distributing cash dividends. The proportion of cash dividends in the total dividends shall be no less than 40%, but the shareholders' meeting may adjust it according to the actual situation.

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. However, when the statutory surplus reserve has reached the total paid in capital of the company, it may be exempted from further allocation, and special surplus reserves may be allocated or converted according to laws and regulations or business needs. If there is still surplus, the board of directors shall prepare a surplus distribution plan. Submitted to the shareholders' meeting for a resolution on the distribution of shareholder dividends.

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 2022 and 2021, 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)	
	2021	2020	2021	2020
Legal reserve	\$ 7,471	\$ 8,675	\$ -	\$ -
Special reserve	(5,493)	(4,601)	-	-
Cash dividend	75,073	80,078	3.0	3.2

The proposal for earnings distribution for 2022 put forth by the Company's board of directors on March 9, 2023 is as follows:

	Earnings distribution plan	Dividends Per Share (NTD)
Legal reserve	\$ 6,620	\$ -
Special reserve	13,086	-
Cash dividend	60,058	2.4

The Board of Directors' Resolution cash distribution from capital surplus., totaling \$7,507 thousand and \$0.3 per share.

The distribution of earnings for 2022 is pending the resolution of the annual shareholders' meeting to be held on May 31, 2023.

18. Income

	2022	2021
Customer Contract Income		
Commission Income	<u>\$ 737,916</u>	<u>\$ 812,570</u>

For the sale of multi-year insurance products by the broker of the merged company, the Group 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 merged company in 2022 and 2021 under the IFRS15 "Revenue from Customer Contracts" includes the consideration of the changes arising from the historical renewal of the policy.

	December 31, 2022	December 31, 2021
<u>Contract Balance</u>		
Accounts receivable (Note 9)	<u>\$ 90,632</u>	<u>\$ 91,172</u>
Contract Asset - Current	\$ 35,920	\$ 43,481
Contract Asset - Non-Current	<u>28,187</u>	<u>15,879</u>
	<u>\$ 64,107</u>	<u>\$ 59,360</u>

The changes of contract asset are as follows:

	2022	2021
Opening Balance	\$ 59,360	\$ 80,270
Reclassified to accounts receivable	(43,481)	(57,756)
Increase	<u>48,228</u>	<u>36,846</u>
End Balance	<u>\$ 64,107</u>	<u>\$ 59,360</u>

19. Net Income from Continuing Operations

a. Other income

	2022	2021
Interest income	\$ 2,504	\$ 2,168
Rental Income	1,693	1,953
Dividend income	<u>12,537</u>	<u>4,159</u>
	<u>\$ 16,734</u>	<u>\$ 8,280</u>

b. Other Gains (Losses)

	2022	2021
Gains on financial assets at FVTPL	(\$ 344)	\$ 3,223
Other Income and Expenditure - Net	<u>23</u>	<u>47</u>
	<u>(\$ 321)</u>	<u>\$ 3,270</u>

c. Depreciation and Amortization

	2022	2021
Right-of-Use Assets	\$ 20,749	\$ 21,336
Property and equipment	5,292	6,087
Investment Property	364	364
Other non-current assets - intangible assets	<u>1,408</u>	<u>1,211</u>
	<u>\$ 27,813</u>	<u>\$ 28,998</u>
Aggregate depreciation expenses by function		
Operating Cost	\$ 19,248	\$ 20,820
Operating Expenses	<u>7,157</u>	<u>6,967</u>
	<u>\$ 26,405</u>	<u>\$ 27,787</u>
Aggregate amortized cost by function		
Operating Cost	\$ 221	\$ 235
Operating Expenses	<u>1,187</u>	<u>976</u>
	<u>\$ 1,408</u>	<u>\$ 1,211</u>

d. Employee Benefits Expenses

	2022	2021
Employee Benefits Expenses		
Salary Expenses	\$ 51,049	\$ 52,764
Labor and Health Insurance Expenses	4,837	4,914
Pension expenses	2,321	2,380
Remuneration to directors	3,879	4,097
Other Employee Benefits Expenses	<u>2,251</u>	<u>1,118</u>
Total Employee Benefits Expenses	<u>\$ 64,337</u>	<u>\$ 65,273</u>
Aggregated by Function		
Operating Expenses	<u>\$ 64,337</u>	<u>\$ 65,273</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 2022 and 2021 was resolved by the board of directors on March 9, 2023 and March 7, 2022 respectively.

Estimated Ratio

	<u>2022</u>	<u>2021</u>
Remuneration to employees	2%	2%
Remuneration to directors	2%	2%

Amount

	<u>2022</u>	<u>2021</u>
Bonus for Employees	\$ 1,599	\$ 1,837
Remuneration to directors	1,599	1,837

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 2021 and 2020 and the amount recognized on the consolidated financial statements for 2021 and 2020.

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

	<u>2022</u>	<u>2021</u>
Commission Expenditure	\$ 527,167	\$ 583,944
Provident Fund Expenses	<u>1,103</u>	<u>1,591</u>
	<u>\$ 528,270</u>	<u>\$ 585,535</u>
Aggregated by Function		
Operating Cost	<u>\$ 528,270</u>	<u>\$ 585,535</u>

20. Subsidiaries

- 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	
			December 31, 2022	December 31, 2021
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:

	2022	2021
Current Income Tax		
Generated During the Year	\$ 14,122	\$ 17,742
Surtax on Undistributed Earnings	-	139
Adjustments in Respect of Prior Years	-	9
Deferred Income Tax		
Generated During the Year	(1)	27
Income Tax Expenses Recognized in Profit or Loss	<u>\$ 14,121</u>	<u>\$ 17,917</u>

The adjustment to accounting income and income tax expenses is as follows:

	2022	2021
Net Income Before Tax from Continuing Operations	<u>\$ 80,072</u>	<u>\$ 92,593</u>
Income Tax Expense Calculated at Statutory Tax Rate for Net Profit Before Tax	\$ 16,026	\$ 18,531
Tax Exemption Income	(1,905)	(762)
Surtax on Undistributed Earnings	-	139
Adjustments in Respect of Current Income Tax Expense of Previous Years	-	9
Income Tax Expenses Recognized in Profit or Loss	<u>\$ 14,121</u>	<u>\$ 17,917</u>

b. Income Tax Recognized in Other Comprehensive Income

	<u>2022</u>	<u>2021</u>
<u>Deferred Income Tax</u>		
Generated During the Year		
Remeasurement of defined benefit plans	(\$ <u>62</u>)	(\$ <u>10</u>)

c. Current Income Tax Liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current Income Tax Liabilities</u>		
Income Tax Payable	<u>\$ 5,032</u>	<u>\$ 7,021</u>

d. Deferred Income Tax Assets and Liabilities

The changes of deferred tax assets and liabilities is as follows:

2022

	Opening Balance	Recognized in profit or loss	Recognized in Other Comprehensive Income	Ending Balance
<u>Deferred Tax Asset</u>				
Temporary Differences				
Provisions	\$ 2,030	\$ 65	\$ -	\$ 2,095
Allowance for Bad Debts	<u>45</u>	(<u>45</u>)	<u>-</u>	<u>-</u>
	<u>\$ 2,075</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 2,095</u>
<u>Deferred Income Tax Liabilities</u>				
Temporary Differences				
Defined benefit pension plan	<u>\$ 125</u>	<u>\$ 19</u>	<u>\$ 62</u>	<u>\$ 206</u>

2021

	Opening Balance	Recognized in profit or loss	Recognized in Other Comprehensive Income	Ending Balance
<u>Deferred Tax Asset</u>				
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>
<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>

e. Income Tax Approval Status

The filings of the Company's profit-seeking enterprise income tax up to 2020 have been approved by the tax collection agency.

22. Earnings Per Share

	Unit: NT\$ Per Share	
	2022	2021
Basic Earnings Per Share	<u>\$ 2.64</u>	<u>\$ 2.98</u>
Diluted Earnings Per Share	<u>\$ 2.63</u>	<u>\$ 2.98</u>

Is used to calculate the earnings per share and the weighted average number of ordinary shares as follows:

Net income for the year

	2022	2021
Net Profit Attributable to the Proprietor of the Company/The Earnings Calculated as Diluted Earnings Per Share	<u>\$ 65,951</u>	<u>\$ 74,676</u>

Number of Shares

	Unit: In thousand shares	
	2022	2021
Is used to calculate the weighted average number of ordinary shares of basic earnings per share.	25,024	25,024
The effect of potential ordinary share with dilutive effect:		
Employee remuneration	<u>52</u>	<u>61</u>
Is used to calculate the weighted average number of ordinary shares of diluted earnings per share.	<u>25,076</u>	<u>25,085</u>

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 bonus 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 common shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee remuneration at the Shareholders' Meeting in the following year.

23. Capital risk management

The Group carries out capital management to ensure that all enterprises within the group can continue to operate under the premise of optimizing the balance of debt and equity, so as to maximize the 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. capital stock, capital surplus, retained earnings and other equity items) attributable to the owner of the Group.

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, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at FVTPL</u>				
Fund Beneficiary Certificate	\$ 58,019	\$ -	\$ -	\$ 58,019
Bank Debenture	-	54,942	-	54,942
Total	<u>\$ 58,019</u>	<u>\$ 54,942</u>	<u>\$ -</u>	<u>\$ 112,961</u>

Financial Assets Measured at FVTOCI

Investment in equity				
- Domestic listed equity	\$ 39,180	\$ -	\$ -	\$ 39,180
- Domestic Unlisted Stocks	-	-	99,424	99,424
Total	<u>\$ 39,180</u>	<u>\$ -</u>	<u>\$ 99,424</u>	<u>\$ 138,604</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial Assets at FVTPL</u>				
Fund Beneficiary Certificate	\$ 82,705	\$ -	\$ -	\$ 82,705
Bank Debenture	-	55,095	-	55,095
Total	<u>\$ 82,705</u>	<u>\$ 55,095</u>	<u>\$ -</u>	<u>\$ 137,800</u>

Financial Assets Measured at FVTOCI

Investment in equity				
- Domestic listed equity	\$ 42,456	\$ -	\$ -	\$ 42,456
- Domestic Unlisted Stocks	-	-	131,606	131,606
Total	<u>\$ 42,456</u>	<u>\$ -</u>	<u>\$ 131,606</u>	<u>\$ 174,062</u>

2) Reconciliation on financial instruments measured by Level 3 fair value

2022

Financial Assets	Financial Assets Measured at FVTOCI Equity Instrument
Opening Balance	\$ 131,606
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(25,432)
Capital Reduction	(6,750)
Ending Balance	<u>\$ 99,424</u>
Current unrealized other gains or losses recognized in profit or loss	<u>\$ -</u>

2021

Financial Assets	Financial Assets Measured at FVTOCI Equity Instrument
Opening Balance	\$ 113,230
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	18,376
Ending Balance	<u>\$ 131,606</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 Input Value
Domestic Bond Investment	Cash Flow Discount Method: discount based on the market rate reflecting the current similar products and credit rating at the end of the debenture 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, 2022 and December 31, 2021 will be reduced by NT\$1,105 and NT\$1,462 respectively.

c. Type of Financial Instrument

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial Assets</u>		
Measured at FVTPL	\$ 112,961	\$ 137,800
Financial assets measured at amortized cost (Note 1)	208,797	187,429
Financial Assets at FVTOCI	138,604	174,062
<u>Financial Liabilities</u>		
Measured at amortized cost (Note 2)	161,859	157,217

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, bills receivable and accounts receivable, bills 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 merged 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 risks), credit risk and liquidity risk.

The Company's significant financial plans are reviewed by the Audit Committee and the Board of Directors in accordance with the relevant regulations and internal control system. 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 subject to interest risk exposure on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest rate risks with fair value		
— Financial assets	\$ 54,942	\$ 55,095
Interest rate risks with cash flow		
— Financial assets	99,621	79,596

Sensitivity Analysis

The sensitivity analysis is based on the interest rate exposure of non-derivative instruments 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 evaluation of reasonable possible change scope of interest rate.

If the 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 exposure arising from the investment in securities.

Sensitivity Analysis

If the equity price rises/falls by 1%, the pre-tax other comprehensive income in 2022 and 2021 will be increased/decreased by NT\$1,386,000 and NT\$1,741,000 due to changes in the fair value of financial assets measured at FVTOCI.

2) Credit Risk

Credit risks refer to risks that cause financial loss of the Group due to the counterparty's delay in performing contractual obligations. As of the balance sheet date, the maximum credit risk exposure (regardless of collateral or other credit enhancement instruments, and the maximum amount of irrevocable exposure) that the Group may cause financial losses due to failure to discharge an obligation by the counterparties and the financial guarantee provided by the merged company 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 bank financing conditions and ensures compliance with loan contracts.

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 this consolidated report 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. All Safe Co., Ltd.	Substantial Related Party
Chien-An Chen Major management personnel	Investee Accounted for Using Equity Method Chairman of the Subsidiary Chairman of the Board, General Managers, Managers, and directors

b. Operating Income

<u>Category/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
Substantial Related Party Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 12,632</u>	<u>\$ 22,798</u>

c. Receivables from Related Parties

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes Receivable and Accounts Receivable	Substantial Related Party		
	Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 1,398</u>	<u>\$ 1,261</u>

d. Administrative Expenses

<u>Category/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 18</u>	<u>\$ 18</u>

e. Lease Agreement

<u>Category/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
<u>Acquisition of right -of-use assets</u>		
Substantial Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	\$ 38,521	\$ -
Chairman of the Subsidiary		
Chien-An Chen	<u>2,123</u>	<u>-</u>
	<u>\$ 40,644</u>	<u>\$ -</u>

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease liabilities	Substantial Related Party		
	Taiwan Fire & Marine Insurance Company Ltd.	\$ 32,073	\$ 2,305
	Chairman of the Subsidiary		
	Chien-An Chen	<u>1,862</u>	<u>807</u>
		<u>\$ 33,935</u>	<u>\$ 3,112</u>

<u>Category/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
<u>Interest expenses</u>		
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	\$ 352	\$ 92
Chairman of the Subsidiary		
Chien-An Chen	<u>12</u>	<u>16</u>
	<u>\$ 364</u>	<u>\$ 108</u>

<u>Rental Expenses</u>		
Major management personnel	<u>\$ 90</u>	<u>\$ 90</u>

f. Guarantee deposits paid

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Guarantee deposits paid	Chairman of the Subsidiary		
	Chien-An Chen	<u>\$ 180</u>	<u>\$ 180</u>

g. Lease Agreement

Operating lease

The total amount of lease payments received in the future is summarized as follows:

<u>Category/Name of Related Party</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 70</u>	<u>\$ 70</u>

The total rental income is summarized as follows:

<u>Category/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 102</u>	<u>\$ 102</u>

h. Other Gains or Losses

<u>Category/Name of Related Party</u>	<u>2022</u>	<u>2021</u>
Substantive Related Party		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 18</u>	<u>\$ 93</u>

i. Major management remuneration information

	<u>2022</u>	<u>2021</u>
Short-Term Employee Benefits	<u>\$ 22,272</u>	<u>\$ 22,442</u>

The remuneration of Directors and other key management levels shall be determined by the Remuneration Committee in accordance with individual performance and market trend 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 individual functional currencies 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, 2022			December 31, 2021		
	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	\$	373	4.41	\$	-	-
Credit balance of investments accounted for using the equity method						
CNY		720	4.41		645	4.34
			3,217			2,848

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)

c. Information on Investment in Mainland China:

- 1) Information on any investee company in mainland China; disclose 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 status 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)

28. Segment Information

Information provided to key operational decision makers to allocate resources and evaluate the performance of the department, with 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 attributed to a single department. The information of departmental profit and loss, departmental assets and departmental liabilities 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\$737,916 thousand and NT\$812,570 thousand in 2022 and 2021, respectively, the amounts of NT\$190,830 thousand and NT\$210,300 thousand were from the largest customer of the Group.

Individual customers accounted for at least 10% of net revenue of the Group were as follows:

	<u>2022</u>	<u>2021</u>
TransGlobe Life Insurance Inc.	\$ 190,830	\$ 210,300
Farglory Life Insurance Co., Ltd.	114,365	131,641
Chubb Life	Note	84,146
	<u>\$ 305,195</u>	<u>\$ 426,087</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

Marketable Securities Held at the End of the Period

December 31, 2022

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				Notes
				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 Hwa Fund	None	Financial Assets at FVTPL - Current	1,931	\$ 21,721	-	\$ 21,721	
	Fuh Hwa Guardian Fund	"	"	1,092	20,986	-	20,986	
	Yuanta Taiwan High-yield Leading Company Fund	"	"	500	5,385	-	5,385	
	Cathay US Real Asset Income Strategy Fund	"	"	808	9,927	-	9,927	
	<u>Domestic Bank Debenture</u>							
	P06 Taichung Bank 2	None	Financial Assets at FVTPL - Current	-	44,950	-	44,950	
	P06 O-Bank 2	"	"	-	9,992	-	9,992	
	<u>Domestic Listed Stocks</u>							
	Sirtec International Co. Ltd.	Substantive Related Party	Financial Assets at FVTPL - Current	798	16,414	0.77%	16,414	
	Taichung Bank	None	"	1,786	22,766	0.04%	22,766	
	<u>Domestic Unlisted Stocks</u>							
	Top Taiwan X Venture Capital Co., Ltd.	Substantive Related Party	Financial Assets at FVTPL - Non-Current	4,725	48,174	6.75%	48,174	
	Chengding Venture Capital Co., Ltd.	None	"	5,000	51,250	3.70%	51,250	

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Information on investees, location, etc.

2022

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	Notes
				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 Consultant	\$ 900	\$ 900	100	100.00	\$ 29	(\$ 60)	(\$ 60)	Subsidiaries
	All Safe Co., Ltd.	Taipei City	Information Software Services	8,135	8,135	814	14.79	2,494	(2,754)	(407)	
	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	113,541 (Note 3)	13,386	13,386	Subsidiaries

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 common share issued by Link-aim Life Insurance Broker Co., Ltd was changed to NT\$10, as Articles of Association of the company were changed in the fourth quarter of 2019.

Note 3. The carrying amount includes the investment interest recognized under the equity method of NT\$13,386thousand and the deduction of the distributed cash dividend of NT\$15,900 thousand

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Investment Information on Mainland China

2022

Unit: Unless otherwise stated, the unit shall be thousands of New Taiwan Dollars

Name of Investee Company in Mainland China	Main Business Item	Paid-in Capital	Investment Method (Note 1)	Cumulative Amount for Investments at the Beginning of the Period Remitted from Taiwan	Amount of Investment Remitted or Recovered During the Current Period		Cumulative Amount for Investments at the End of the Period Remitted from Taiwan	Profit or loss of investee for the period	Shareholding Ratio of the Company's Direct or Indirect Investments	Investment Profit or Loss Recognized for Current Period (Note 2)	Carrying Amount of Investments at End of Period	Repatriated Income from Investment by the End of Period	Notes
					Remitted	Recovered							
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY5,000 thousand	(1)	\$ 2,928	\$ -	\$ -	\$ 2,928	(\$ 2,409)	14.94	(\$ 360)(C)	\$ 1,645	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY10,000thousand	(1)	12,061	-	-	12,061	(7,161)	24.90	(1,783) (C)	(3,217)	-	

Accumulated amount of investment remitted out of Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on the Amount of Investment in Mainland China Stipulated by the Investment Commission, M.O.E.A.
CNY 3,362 thousand (NT\$14,989 thousand)	US\$493 thousand	NT\$320,506 thousand

- Note 1. Investment methods can be divided into the following three categories, simply mark the category:
- (1) Direct investment in mainland China.
 - (2) Reinvest in mainland China through a third region company (please specify the investment company in that third region).
 - (3) Other methods.
- Note 2. In the column of Current Period Recognized Investment Gains and Losses:
- (1) If there is no investment gain or loss in preparation, it shall be noted.
 - (2) The foundation for 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 China.
 - B. Financial statements audited by CPA 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 combined net value.

Taiming Assurance Broker Co., Ltd. and Its Subsidiaries

Major Shareholder Information

December 31, 2022

Name of Major Shareholders	Shares	
	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 Company 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.

Standalone Financial Statements and
Independent Auditors' Report
2022 and 2021

Address: 11F, No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City
Tel.: (02)55585988

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AUDIT REPORT OF THE ACCOUNTANTS

To Taiming Assurance Broker Co., Ltd.:

Audit Opinions

We have audited the accompanying parent company only financial statements of Taiming Assurance Broker Co., Ltd., which comprise the parent company only balance sheets as of December 31, 2022 and 2021, as well as the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

The accountant opinions are that the accompanying parent company only financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, making it sufficient to properly express the parent company only financial position of the Company as of December 31, 2022 and 2021, and the parent company only financial performance and parent company only cash flow for the periods from January 1 to December 31, 2022 and 2021.

Basis for Opinion

Our CPA has planned and executed audit procedures according to rules for audit and certification of financial statements by certified public accountants and generally accepted auditing standards (GAAS). Our CPA will further explain the responsibilities of auditors during the audit of parent company only financial statements on the principles below. The personnel of the accounting firm to which the CPAs belong, who are subject to independence, are independent from the Taiming Assurance Broker Co., Ltd. in accordance with the code of professional ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained is sufficient and appropriate for us to provide a basis for our audit.

Key Audit Items

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of Taiming Assurance Broker Co., Ltd.'s parent company only financial statements for the year ended December 31, 2022. These items have been covered in the verification process of the overall parent company only financial statements and the audit opinions; hence, the CPA shall not express separate opinions on these items.

Key audit matters for Taiming Assurance Broker Co., Ltd.'s parent company only financial statements for the year ended December 31, 2022 are stated as follows:

Revenue recognition

Key audit matters

Taiming Assurance Broker Co., Ltd.'s operating revenue for 2022 totaled at NT\$539,769 thousand, in which, NT\$273,698 thousand was from the commissions for the first-year premium and renewed annual premium from the insurance companies, accounting for 51% of the total revenue.

For the recognition of the commission revenue of Taiming Assurance Broker Co., Ltd., after the performance obligations of customers' contracts are identified, relevant transaction prices are determined; then, the transaction prices are allocated to each performance obligation, and the revenue is recognized when each performance obligation is met. The transaction price of the relevant contract is 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 assessment is shown in Note 4.

Audit Process Adopted

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 revenue details of the life insurance and group commission details of the 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 Management and Those Charged with Governance for the Parent Company Only Financial Statements

To ensure that the parent company only financial statements do not contain material misstatements due to fraud or errors, the management is responsible for preparing prudent parent company only financial statements in accordance with the regulations on the preparation of financial reports by securities issuers and to prepare and maintain necessary internal control procedures for the parent company only financial statements.

In preparing the parent company only financial statements, the management's responsibilities also include the assessment of the going concern ability of Taiming Assurance Broker Co., Ltd., the disclosure of relevant matters, and the adoption of the accounting base for going concern, unless the management intends to liquidate Taiming Assurance Broker Co., Ltd. or close the business, or there is no other feasible solution except for liquidation or closing of the business.

The governance unit (including the Audit Committee) of Taiming Assurance Broker Co., Ltd. is responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

The purpose of the CPAs' auditing of the parent company only financial statements is to obtain reasonable assurance as to whether the parent company only financial statements as a whole have significant misstatements that result from fraud or error and to issue an audit report. Reasonable assurance is a high degree of assurance, but an audit performed in accordance with the generally accepted auditing standards cannot guarantee that a material misstatement in the parent company only financial statements will be detected. Misstatements can arise from fraud or error and are considered material if it could be reasonably anticipated that the misstated individual amounts or aggregated sums could have influence on the economic decisions made by the users of the parent company only financial statements, it will be deemed as material.

When auditing in accordance with Auditing Standards, we practice professional judgment and maintains professional suspicion. The CPA has also implemented the following procedures:

1. Identify and evaluate the risks of material misstatements of the parent company only financial statements as a result of fraud or error; design and implement appropriate response measures to the risks assessed, and obtain sufficient and appropriate audit evidence as the basis for audit opinions. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risks of material misstatements due to fraud is greater than that due to errors.

2. Obtain the necessary understanding of the internal control related to the audit to design the appropriate auditing procedures at the time, but the purpose is not to express opinions on the effectiveness of the internal control of Taiming Assurance Broker Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Draw conclusions on the appropriateness of the management's use of the accounting base for going concern and whether there are significant uncertainties in the events or circumstances that may cause major doubts about the going concern ability of Taiming Assurance Broker Co., Ltd. based on the audit evidence obtained. If the CPA considers that material uncertainty exists in these matters or conditions, the CPA shall remind the users of the parent company only financial statements to pay attention to relevant disclosure in the statements in their audit report, or to revise the audit opinions when such disclosure is inappropriate. Our conclusion is based on the audit evidence obtained as of the date of the audit report. Future incidents or conditions could lead Taiming Assurance Broker Co., Ltd. to lose its capacity of continuing operation.
5. Evaluated the overall expression, structure and contents of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate auditing evidence for the Company's internal formation of its parent company only financial information and express opinion on its parent company only financial statements. The CPA is responsible for the guidance, supervision and execution of auditing relevant causes and the preparation of the audit opinion.

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

We also provides the governing unit with a statement that the firm to which the personnel belong who are subject to independence and has followed the statement of independence in the code of professional ethics and communicate with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of CPAs.

From the matters communicated with the governing unit, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. Such matters have been explicitly highlighted in the audit report, but do not include information prohibited by law or, in extremely rare cases and with reasonable anticipation, where we decided not to communicate about specific items in the audit report as the negative effects of such disclosure would exceed the benefits gained for public interest.

Deloitte & Touche

CPA Wang-Sheng Lin

CPA Wen-Ya Hsu

Financial Supervisory Commission

Approval Document No.

FSC Letter Jin-Guan-Zheng-Shen No.

1060023872

Securities and Futures Bureau Approval

Document No.

Tai-Cai-Zheng-6 No. 0920123784

March 9, 2023

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 Sheet

For the Years Ended December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Note 4 and 6)	\$ 71,814	10	\$ 46,707	6
1110	Financial assets at fair value through profit and loss- current (Note 4 and 7)	112,961	16	137,800	19
1120	Financial assets at fair value through other comprehensive income-current (Notes 4 and 8)	39,180	5	42,456	6
1140	Contract assets - current (Notes 4 and 18)	30,768	4	36,834	5
1170	Accounts and notes receivable (Notes 4, 9 and 24)	67,471	9	68,787	9
1200	Other Receivables	1,259	-	1,185	-
1470	Other Current assets	1,694	-	2,719	1
11XX	Total Current Assets	<u>325,147</u>	<u>44</u>	<u>336,488</u>	<u>46</u>
	Non-Current Asset				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	99,424	14	131,606	18
1550	Investments accounted for using equity method (Notes 4 and 10)	117,709	16	119,045	16
1560	Contract assets - non-current (Notes 4, and 18)	24,419	3	14,282	2
1600	Immovable property and equipment (Notes 4 and 11)	43,171	6	46,567	6
1755	Right-of-use assets (Notes 4 and 12)	38,466	5	12,914	2
1760	Investment properties (Notes 4 and 13)	73,553	10	67,216	9
1840	Deferred income tax assets (Note 4 and 20)	2,095	-	2,071	-
1920	Refundable deposits	5,817	1	5,814	1
1990	Other non-current assets (Notes 4 and 16)	3,023	1	3,062	-
15XX	Total Non-Current Assets	<u>407,677</u>	<u>56</u>	<u>402,577</u>	<u>54</u>
1XXX	Total Assets	<u>\$ 732,824</u>	<u>100</u>	<u>\$ 739,065</u>	<u>100</u>
Code	Liabilities and equity	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Liabilities				
2220	Other payables (Note 14)	\$ 103,000	14	\$ 108,359	14
2230	Current income tax liabilities (Note 4 and 20)	3,894	-	5,406	1
2280	Lease liabilities – current (Notes 4 and 12)	14,348	2	7,515	1
2399	Other current liabilities	6,658	1	7,462	1
21XX	Total Current Liabilities	<u>127,900</u>	<u>17</u>	<u>128,742</u>	<u>17</u>
	Non-Current Liabilities				
2550	Liability reserve – non-current (Note 4 and 15)	10,475	2	10,152	1
2570	Deferred income tax liabilities (Notes 4 and 20)	206	-	125	-
2580	Lease liabilities – non-current (Notes 4 and 12)	24,391	3	5,598	1
2610	Long-term payables (Note 14)	31,951	4	22,076	3
2645	Guarantee deposit received	508	-	508	-
2650	Credit balance of investments under equity method (Note 10)	3,217	1	2,848	1
25XX	Total Non-current Liabilities	<u>70,748</u>	<u>10</u>	<u>41,307</u>	<u>6</u>
2XXX	Total Liabilities	<u>198,648</u>	<u>27</u>	<u>170,049</u>	<u>23</u>
	Equity (Notes 4 and 17)				
3110	Common Stock	250,243	34	250,243	34
3200	Capital surplus	95,978	13	92,500	13
	Retained earnings				
3310	Legal capital reserve	120,187	17	112,716	15
3320	Special capital reserve	-	-	5,493	1
3350	Unappropriated earnings	80,854	11	91,706	12
3300	Total Retained Earnings	<u>201,041</u>	<u>28</u>	<u>209,915</u>	<u>28</u>
3400	Other equity	(13,086)	(2)	16,358	2
3XXX	Total Equity	<u>534,176</u>	<u>73</u>	<u>569,016</u>	<u>77</u>
	Total Liabilities and Equity	<u>\$ 732,824</u>	<u>100</u>	<u>\$ 739,065</u>	<u>100</u>

The attached notes are part of the parent company only financial statements.

 Chairman of the Board:
Cheng-Chih Li

 Manager:
Yang-Kuo Chen

 Accounting Manager:
Hsin-I Wen

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statement of Comprehensive Income

January 1 to December 31, 2022 and January 1 to December 31, 2021

Unit: NT\$ thousand, except NT\$ for earnings per share

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 18, and 24)	\$ 539,769	100	\$ 595,382	100
5000	Operating cost (Notes 19 and 24)	<u>406,043</u>	<u>75</u>	<u>452,156</u>	<u>76</u>
5950	Gross Profit from operations	<u>133,726</u>	<u>25</u>	<u>143,226</u>	<u>24</u>
	Operating expenses (Notes 19 and 24)				
6100	Marketing Expenses	5,093	1	2,812	-
6200	Administrative Expenses	<u>78,740</u>	<u>15</u>	<u>77,605</u>	<u>13</u>
6000	Total Operating Expenses	<u>83,833</u>	<u>16</u>	<u>80,417</u>	<u>13</u>
6900	Net operating income	<u>49,893</u>	<u>9</u>	<u>62,809</u>	<u>11</u>
	Non-Operating Income and Expenditure				
7010	Other income (Note 19)	16,747	3	8,326	1
7020	Other gains and losses (Note 19)	(174)	-	3,459	1
7050	Finance costs	(516)	-	(291)	-
7070	Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	<u>10,776</u>	<u>2</u>	<u>13,871</u>	<u>2</u>
7000	Total Non-operating Income and Expenses	<u>26,833</u>	<u>5</u>	<u>25,365</u>	<u>4</u>
7900	Net profit before income tax	76,726	14	88,174	15
7950	Income tax expense (Note 4 and 20)	<u>10,775</u>	<u>2</u>	<u>13,498</u>	<u>3</u>
8000	Current Net Income	<u>65,951</u>	<u>12</u>	<u>74,676</u>	<u>12</u>

(Continued on next page)

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Code		2022		2021	
		Amount	%	Amount	%
	Other Comprehensive Income (Loss)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	310	-	48	-
8316	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	(29,502)	(5)	21,853	4
8349	Income tax relating to items that are not reclassified (Notes 4 and 20)	(62)	-	(10)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	58	-	(2)	-
8300	Other comprehensive income/(loss) for the year, net of income tax	(29,196)	(5)	21,889	4
8500	Total comprehensive income/(loss) for the year	<u>\$ 36,755</u>	<u>7</u>	<u>\$ 96,565</u>	<u>16</u>
	Earnings per share (Note 21)				
9750	Basic	<u>\$ 2.64</u>		<u>\$ 2.98</u>	
9850	Diluted	<u>\$ 2.63</u>		<u>\$ 2.98</u>	

The attached notes are part of the parent company only financial statements.

Chairman of the Board:
Cheng-Chih Li

Manager:
Yang-Kuo Chen

Accounting Manager:
Wen, Hsin-I

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statement of Changes in Equity

January 1 to December 31, 2022 and January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Code		Common Stock	Capital surplus	Retained earnings			Other Equity Items		Total Equity
				Legal capital reserve	Special capital reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	
A1	Balance on January 1, 2021	\$ 250,243	\$ 92,500	\$ 104,041	\$ 10,094	\$ 101,144	(\$ 146)	(\$ 5,347)	\$ 552,529
	Appropriation of earnings for 2020								
B1	Legal capital reserve	-	-	8,675	-	(8,675)	-	-	-
B3	Appropriated as special capital reserve	-	-	-	(4,601)	4,601	-	-	-
B5	Cash dividend	-	-	-	-	(80,078)	-	-	(80,078)
D1	Net Profit in 2021	-	-	-	-	74,676	-	-	74,676
D3	Other comprehensive after-tax income (loss) in 2021	-	-	-	-	38	(2)	21,853	21,889
D5	Total comprehensive income (loss) in 2021	-	-	-	-	74,714	(2)	21,853	96,565
Z1	Balance on December 31, 2021	250,243	92,500	112,716	5,493	91,706	(148)	16,506	569,016
	Appropriation of earnings for 2021								
B1	Legal capital reserve	-	-	7,471	-	(7,471)	-	-	-
B3	Appropriated as special capital reserve	-	-	-	(5,493)	5,493	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(75,073)	-	-	(75,073)
C7	Other changes in capital surplus: Changes of associates and joint ventures accounted for under the equity method	-	3,478	-	-	-	-	-	3,478
D1	Net Profit in 2022	-	-	-	-	65,951	-	-	65,951
D3	Other comprehensive after-tax income (loss) in 2022	-	-	-	-	248	58	(29,502)	(29,196)
D5	Total comprehensive income (loss) in 2022	-	-	-	-	66,199	58	(29,502)	36,755
Z1	Balance on December 31, 2022	<u>\$ 250,243</u>	<u>\$ 95,978</u>	<u>\$ 120,187</u>	<u>\$ -</u>	<u>\$ 80,854</u>	<u>(\$ 90)</u>	<u>(\$ 12,996)</u>	<u>\$ 534,176</u>

The attached notes are part of the parent company only financial statements.

Chairman of the Board: Cheng-Chih Li

Manager: Yang-Kuo Chen

Accounting Manager: Wen, Hsin-I

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statement of Cash Flow

January 1 to December 31, 2022 and January 1 to December 31, 2021

Unit: In Thousands of New Taiwan Dollars

Code		2022	2021
	Cash flow from operating activities		
A10000	Net Profit Before Tax in this year	\$ 76,726	\$ 88,174
A20010	Income and expenses having no effect on cash flows		
A20100	Depreciation expenses	18,813	19,224
A20200	Amortization	1,187	976
A20300	Loss of doubtful debt (reversed interest)	(136)	131
A20400	Net loss (profit) of financial assets at fair value through profit or loss	344	(3,223)
A20900	Finance costs	516	291
A21200	Interest income	(2,457)	(2,154)
A21300	Dividend income	(12,537)	(4,159)
A22300	Recognized share of profit (loss) of the affiliated enterprises and joint ventures using equity method	(10,776)	(13,871)
A23100	Loss on disposal of investments	117	-
A29900	Profit (loss) of lease modification	-	(2)
A29900	Provisions for liability reserve	1,103	1,591
A29900	Other income	(2)	(2)
A30000	Changes in operating assets and liabilities		
A31125	Contract Assets	(4,071)	13,768
A31150	Notes Receivable and Accounts Receivable	1,316	19,100
A31180	Other Receivables	1,030	804
A31220	Prepaid retirement pension	(98)	(95)
A31230	Prepayments	1,025	(902)
A31250	Other Non-current Assets	(740)	(2,046)
A32130	Notes Payable	-	(237)
A32180	Other payables	4,516	(16,026)
A32200	Liabilities Reserve	(780)	(1,833)
A32230	Other current liabilities	(804)	196
A33000	Cash inflow from operating activities	74,292	99,705
A33300	Interest paid	(16)	-
A33500	Income Tax Paid	(12,292)	(15,481)
AAAA	Net cash inflow from operating activities	61,984	84,224

(Continued on next page)

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Code		2022	2021
	Cash flow from investing activities		
B00030	Financial assets measured at FVTOCI - return of capital due to capital reduction	6,750	-
B00010	Financial assets at fair value through other comprehensive gains and losses	(794)	-
B00100	Acquisition of financial assets at fair value through profit or loss	(10,000)	(65,000)
B00200	Disposal of financial assets at fair value through profit or loss	34,495	45,024
B02700	Acquisition of immovable property and equipment	-	(3,230)
B03700	Decrease (increase) in guarantee deposits paid	(3)	47
B05400	Acquisition of investment properties	(6,701)	-
B07500	Interest received	1,489	1,272
B07600	Dividends received	<u>28,437</u>	<u>21,259</u>
BBBB	Net cash generated from (used in) investing activities	<u>53,673</u>	(<u>628</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	10,000	-
C00200	Decrease in short-term borrowings	(10,000)	-
C04020	Repayment of the principal amount of lease liabilities	(15,477)	(15,572)
C04500	Cash dividends distributed	(<u>75,073</u>)	(<u>80,078</u>)
CCCC	Net cash used in financing activities	(<u>90,550</u>)	(<u>95,650</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	25,107	(12,054)
E00100	Balance of cash and cash equivalents at beginning of year	<u>46,707</u>	<u>58,761</u>
E00200	Balance of cash and cash equivalent at end of year	<u>\$ 71,814</u>	<u>\$ 46,707</u>

The attached notes are part of the parent company only financial statements.

Chairman of the Board:
Cheng-Chih Li

Manager:
Yang-Kuo Chen

Accounting Manager:
Wen, Hsin-I

Taiming Assurance Broker Co., Ltd.

Notes to the Parent Company Only Financial Statements

January 1 to December 31, 2022 and January 1 to December 31, 2021

(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, insurance broker's guarantee insurance and deposit have been insured according to the regulations. The Company's shares have been listed on the Taipei Exchange of Taiwan (TWSE) for the trading of 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 Procedures of Authorization of Financial Statements

The parent company only financial statements were approved by the Board of Directors on March 9, 2023.

3. Application of Newly Issued and Revised Guidelines and Interpretations

- a. 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 IFRSs endorsed and issued into effect by the FSC does not have material impact on the Company's accounting policies:

- b. The IFRSs endorsed by the Financial Supervisory Commission for application in 2023

New, Revised or Amended Standards and Interpretations	Effective Date of IFRSs Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Income Tax related to Assets and Liabilities Derived from Single Transaction"	January 1, 2023 (Note 3)

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

Note 2. 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 3. The amendments are applicable prospectively to the transactions incurred after January 1, 2022, except for the deferred income tax accounted for on temporary differences in leasing and decommissioning obligation as of January 1, 2022.

As of the date the financial statements were authorized for issue, the company has evaluated that the amendments of the other standards and interpretations should not cause material effects on the financial conditions and performance.

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective Date of IFRSs Published by IASB (Note 1)</u>
Amendments to "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" IFRS 10 and IAS 28	Pending
Amendments to IFRS 16 "Lease Liability in a Sale-and-leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contract"	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, 2024
Amendments to IAS 1 "Non-current Liabilities with Contractual Provisions"	January 1, 2024

Note 1. The aforementioned new/revised/amended standards or interpretations shall become effective during the reporting period of the year commencing after each such date, unless otherwise indicated,

Note 2. Sellers (lessees) should retroactively apply the amendments to IFRS 16 to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the parent company only financial statements were authorized for issue, the Company is assessing that the amendments to other standards and interpretations will not have a material impact on its financial position and financial performance.

4. Summary Statement of Major Accounting Policies

a. Statement of Compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Foundation 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 net determined welfare liabilities recognized at the fair value of the plan assets less the present value of the defined benefit obligations.

Fair value measurements are classified into Levels 1 to 3 according to the observability and importance of relevant input values:

- 1) Level 1 input value: refers to the offered price (unadjusted) of the same asset or liability available in the active market on the measurement date.
- 2) Level 2 input value: the observable input value of an asset or liability, either directly (that is, price) or indirectly (that is, derived from price), other than a Level 1 offered price.
- 3) Level 3 input value: the unobservable input value of an asset or liability.

When preparing parent company only financial statements, the Company adopts the Equity Method for investment subsidiaries, related enterprises or joint ventures. For the purpose of making the gains and losses, other comprehensive income of the current year of the parent company only financial statements the same as the gains and losses, other comprehensive income of the current year belonging to the proprietor of the Company in the parent company only financial statements of the Company, certain accounting treatment differences under the parent company only foundation and the consolidated foundation are adjusted for "investments accounted for using Equity Method" and "gain or loss shares of subsidiaries and affiliated enterprises using Equity Method".

c. Criteria for Distinguishing Between Current and Non-Current Assets and Liabilities

Current Assets Including:

- 1) Assets held primarily for trading purposes;
- 2) Assets expected to be realized within 12 months after the balance sheet date; and
- 3) Cash and cash equivalents (except where the exchange or liquidation of liabilities is restricted more than 12 months after the balance sheet date).

Current Liability Including:

- 1) Liabilities that are due for settlement within 12 months after the balance sheet date and
- 2) Liabilities that will be settled unconditionally to meet the repayment terms at least 12 months after the balance sheet date.

Current assets or current liabilities not belonging to those described above, are classified as non-current assets or non-current liabilities.

d. Foreign Currency

When the Company prepares financial reports, traders of currencies (foreign currencies) other than functional currencies of the Company shall convert them into functional currency records according to the exchange rate of the trading date.

Foreign currency monetary items are converted at the closing rate on each balance sheet date. The exchange difference arising from the closing of monetary items or conversion of monetary items shall be recognized as profit or loss in the current period.

The foreign currency non-monetary items measured at the fair value shall be converted at the exchange rate on the day when the fair value is determined, and the exchange difference generated shall be classified as the current gain or loss, but the exchange difference generated shall be classified as the other comprehensive income if the fair value changes are recognized as other comprehensive income.

The foreign currency non-monetary items measured by historical cost are converted at the exchange rate of the trading date and shall not be re-converted.

At the time of preparing parent company only financial reports, the assets and liabilities of the Company and its foreign operations are converted to NT\$ at the exchange rate on each balance sheet date. The income and expense items are converted at the current average exchange rate and the resulting exchange difference is included in other comprehensive income.

e. Investments in Subsidiaries

The Company adopts the Equity Method to handle investments in subsidiaries.

A subsidiary is an individual controlled by the Company.

Under the Equity Method, the original cost recognition invested in shall be based on the gain or loss of the subsidiaries and other comprehensive income shares and profit distribution enjoyed by the Company. In addition, changes in the Company's other subsidiary interests are recognized according to the shareholding ratio.

Where the change of ownership interest of the Company in the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received shall be directly recognized as equity.

Where the Company's share of the loss to the subsidiary is equal to or greater than its equity in the subsidiary (including the carrying amount of the subsidiary under the Equity Method and other long-term equity that are essentially part of the Company's net investment in the subsidiary), the Company shall continue to recognize the loss according to its shareholding ratio.

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 evaluates the impairment, it considers the cash generating unit as a whole and compares its recoverable amount with the carrying amount in the financial report. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized. Impairment loss attributable to goodwill may not be reversed during subsequent periods.

In case of loss of control over the subsidiary, the Company shall measure its remaining investment in the former subsidiary at the fair value on the day of loss of control, and the difference between the fair value of the remaining investment and any disposal price and the carrying amount of the investment on the day of loss of control shall be included in the current gain or loss. In addition, the accounting treatment of all amounts recognized in other comprehensive income in relation to the subsidiary shall be based on that the Company must follow if it directly disposes of the related assets or liabilities.

The unrealized gain or loss of the downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial reports. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the parent company only financial report only to the extent not related to the Company's equity in the subsidiaries.

f. Investment in Affiliated Enterprises

Related enterprises refer to those enterprises which are not subsidiaries but which have significant influence on the Company.

The Company adopts the equity method for the investment in related enterprises.

Under the Equity Method, the original cost recognition of the related enterprises invested in shall be based on the gain or loss of the related enterprises and other comprehensive income shares and profit distribution enjoyed by the Company. In addition, changes in the equity of affiliated enterprises are recognized according to the shareholding ratio.

The amount of the acquisition cost in excess of the net fair value share of the identifiable assets and liabilities of the affiliated enterprise enjoyed by the Company at the acquisition date is classified as goodwill, which is included in the carrying amount of the investment and shall not be amortized; the amount of the net fair value share of the identifiable assets and liabilities of the affiliated enterprises enjoyed by the Company at the acquisition date exceeding the acquisition cost is classified as the current gain or loss.

When the related enterprise 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 increase or decrease of the capital reserve shall be adjusted - the Equity Method is adopted to recognize the changes in the net equity value of related enterprises and the Equity Method is adopted for investment. However, if the ownership interest of the affiliated 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 affiliated 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 affiliated 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 related enterprise is equal to or greater than its interest (including the carrying amount of an investment in an related enterprise under the Equity Method and other long-term equity that are essentially part of the Company's net investment in the related enterprise) in the related enterprise. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, constructive obligations or made payments on behalf of an associate.

In the assessment of impairment, the Company shall treat the total carrying amount (including goodwill) of the investment as a single asset, compare the recoverable amount with the carrying amount, and conduct the impairment test. The impairment loss recognized shall not be apportioned to any asset, including goodwill, which constitutes part of the carrying amount of the investment. Any reversal of the impairment loss shall be recognized within the subsequent increase in the recoverable amount of the investment. The retained rights and interests of the Company shall be measured by the fair value on the day when its investment ceases to be an related enterprise, and the difference between the fair value and the disposal price and the amount of the investment book on the day when the Equity Method is stopped shall be included in the profits and losses of the current period. In addition, the accounting treatment of all amounts recognized in other comprehensive income in relation to the affiliated enterprise shall be based on the same foundation that the affiliated enterprise must follow if it directly disposes of the related assets or liabilities.

g. Real Estate and Equipment

Real estate and equipment are recognized at cost and are subsequently measured at cost minus accumulated depreciation and accumulated impairment losses.

Depreciation of real estate and equipment shall be separately depreciated for each significant part within the useful life on a straight-line basis, except for self-owned land, which shall not be depreciated. The Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and depreciation method and defer the impact of changes in the applicable accounting estimates.

In the event of the derecognition of real estate and equipment, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized as gain or loss.

h. Investment Real Estate

Investment real estate is real estate held for rent or capital appreciation or both. Investment real estate also includes land that has not yet been determined for future use. The self-owned investment real estate is initially measured in terms of costs (including transaction costs) and is subsequently measured in terms of costs minus accumulated depreciation and accumulated impairment losses.

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

In the event of the derecognition of investment real estate, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized as gain or loss.

i. Intangible Asset

Intangible assets with limited useful life acquired separately are initially measured at cost, and are subsequently measured at cost minus accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, the Company shall, at least on the terminal date of each fiscal year, examine the estimated useful life, residual cost and amortization method and defer the impact of changes in the applicable accounting estimates. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

In the event of the derecognition of intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized as gain or loss.

j. Impairment of property and equipment, right-of-use assets, investment real estate and intangible assets

The Company assesses if there are any signs of possible impairment in property and equipment, right-of-use assets, investment real estate and intangible assets at each balance sheet date. If any indicator of impairment exists, then the recoverable amount of the asset is estimated. Where it is impossible to estimate 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 higher of the fair value less costs to sell and its use value. If the recoverable amount of an individual asset or cash generating unit is lower than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, and the impairment loss shall be recognized as gain 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. Reversal of impairment loss is recognized as gain or loss.

k. Financial Instruments

Financial assets and financial liabilities are recognized on the parent company only balance sheet when the Company becomes a party to the terms of the instrument.

In the initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through gain or loss, they are directly attributable to the transaction cost measurement of acquiring or issuing financial assets or financial liabilities at fair value. The transaction cost of a financial asset or financial

liability that is directly attributable to the acquisition or issuance of a financial asset or financial liability at fair value through profit or loss is immediately recognized as gain or loss.

1) Financial Assets

Conventional transactions of financial assets are recognized and derecognized on the trading day.

a) Measurement Type

The types of financial assets held by the Company are financial assets at fair value through profit or loss, financial assets measured by amortized cost, and equity instruments measured at fair value through other comprehensive income.

i. Financial Assets at Fair Value Through Profit or Loss

Financial assets measured at fair value through gain or loss include financial assets that are forced to be measured at fair value through gain or loss. Financial assets subject to mandatory fair value measurement through gain or loss include equity instrument investments 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 fair value through other comprehensive income.

Financial assets measured at fair value through profit and loss are measured at fair value, the dividends and interest generated from those assets are recognized as other income, and the benefits or losses generated due to the re-measurement of the those assets are recognized as other benefits and losses. Please refer to Note 23 for the determination of fair value.

ii. Financial Assets Measured at Amortized Cost

If the Company's investment financial assets meet the following two conditions simultaneously, they are classified as financial assets measured by amortized cost:

- i) It is held under a business model for the purpose of holding financial assets to collect contractual cash flows; and
- ii) The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal 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 as gains or losses.

Except in the following two cases, interest earned is calculated by multiplying the effective interest rate by the total carrying amount of financial assets:

- 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 fixed deposits which can be converted into fixed 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. Measured at Fair Value Through Other Comprehensive Income for the Equity Instrument Investment

At the time of the original recognition, the Company may make an irrevocable choice to invest in an equity instrument that is not held for trading and is not recognized as a consideration by a business combination acquirer, specifying that it be measured at fair value through other comprehensive income.

The equity instrument investment measured at fair value through other comprehensive income is measured by fair value, and subsequent changes in fair value are reported to other comprehensive income and accumulated in other equities. In the case of investment disposal, accumulated gains and losses are transferred directly to retained earnings and are not reclassified as gains and losses.

A share invested in an equity instrument at fair value through other comprehensive income shall be recognized in the gains or losses at the time of establishment of the right to collect money of the Company, unless the dividend clearly represents a recovery of 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.

The allowance loss for accounts receivable shall be recognized against the lifetime expected credit losses during the term of duration. Other financial assets are first evaluated to see whether the credit risk increases significantly after the initial recognition. If it does not increase significantly, the allowance loss is recognized according to the expected credit losses of 12 months. If it has increased significantly, the allowance loss is recognized according to the expected credit losses during the term of duration.

Anticipated credit losses are weighted average credit losses based on the risk of default. 12-month expected credit losses are the expected credit losses arising from the default of the financial instrument within 12 months after the reporting date. The expected credit losses during the term of duration represents the expected credit losses caused by all possible defaults of the financial instrument during the period of the expected duration.

Without taking into account the collateral held, the Company determines that the following circumstances represent a breach of financial assets for internal credit risk management purposes:

- i. There is internal or external information indicating that the debtor is unable to repay the debt.
- ii. The financial assets are more than 30 days overdue unless there is reasonable and evidence-based information to indicate that the benchmark for the delayed default 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 shall only exclude financial assets if the contractual rights derived from the cash flow of the financial assets become invalid, or if the financial assets have been transferred and almost all the risks and remunerations of the ownership of the assets have been transferred to other enterprises, then the financial assets are derecognized.

When financial assets measured at the amortized cost is derecognized as a whole, the difference between the carrying amount and the consideration received is recognized as gain 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 Instrument

The debt and equity instruments issued by the Company are classified as financial liabilities or equity according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the Company shall be recognized on the basis of the proceeds obtained after deducting the direct distribution cost.

And the Company's own equity instruments shall be recognized and deducted under the equity. The purchase, sale, distribution or cancellation of the Company's own equity instruments is not recognized as gain or loss.

3) Financial Liabilities

a) Subsequent Measure

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of Financial Liabilities

Where financial liabilities are derecognized, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized as gain or loss.

1. Liabilities Reserve

The amount recognized as a liability reserve is the best estimate of the expenditure required to meet the obligation at the balance sheet date, taking into account the risk and uncertainty of the settlement obligation. Liability reserve is 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 settle the liability reserve 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 as an asset.

m. Revenue recognition

After identifying the performance obligation of the customer contract, the Company will allocate the transaction price to each performance obligation, and recognize the revenue when each performance obligation is met.

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

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 of the change in consideration resulting from the historical continuation of the policy, the recognition of revenue and contract assets over the years, and the transfer of accounts receivable upon completion of the remaining obligations.

n. Lease

The Company assesses whether a contract is (or contains) a lease on the execution date of the contract.

1) The Company is a Lessor

A lease is classified as a financial lease when its terms transfer almost all the risks and rewards attached to the ownership of the asset to the lessee. All other leases are classified as operating leases.

Operating lease payments less lease incentives are recognized as operating income on a straight-line basis over the duration of such lease. 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 is a Lessee

The right-of-use asset and lease liability are recognized for all leases at the inception date of such leases, except for leases qualified for recognition exemption, e.g. leases with low-value underlying assets and short-term leases, for which an expense is recognized on a straight-line basis over the lease term.

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

The 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 lives, 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 and variable lease payments depending on an index or a rate). If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at the interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate of interest shall be used.

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 expressed separately in the balance sheet.

The Company entered into rental negotiations with the lessor in direct relation to COVID-19 pandemic and adjusted the rents due before June 30, 2022 to reduce the rents, and such negotiations do not significantly affect the terms and conditions of other rental contracts. The Company has chosen to use the practical expedient to deal with all the rental negotiation which meets the above criteria and did not assess whether the negotiation is a lease modification, but instead recognized the reduction in the lease payments as a reduction in the lease payments recognized in profit or loss when the event or circumstance occurs (recorded as a reduction of rental expenses in the operating costs and administrative expenses), with a corresponding reduction in the lease liability.

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

The borrowing cost directly attributable to acquisition, construction, or production of assets that meet requirements is considered as part of the cost of the asset until almost all necessary activities for the asset to reach the intended use or sale state have been completed.

The investment income earned from temporary investment of a specific loan before the occurrence of eligible capital expenditure shall be deducted from the cost of loans eligible for capitalization.

Other than stated 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

Short-term employee benefit-related liabilities are measured as non-discounted amounts that are expected to be paid in exchange for employee services.

2) Benefits After Retirement

Determining the contribution to a retirement plan is a matter of recognizing the amount of contribution as an expense during the period of service provided by the employee.

Determining the benefit costs of defined benefit retirement plans (including service costs, net interest, and re-measurements) are calculated using the projected unit credit method. The service cost includes the current service cost and the net interest on the net defined benefit liability (asset), which is recognized as the employee benefit expense when incurred. The re-measurements (including actuarial gains and losses, changes in the effect of the asset ceiling and the return on plan assets after interest deduction) are recognized as other comprehensive income and included as retained earnings at the time of occurrence, and are not reclassified as gains and losses in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of defined-benefit retirement plans. Net defined benefit assets shall not exceed the present value of any refunds or reductions in future withdrawals from 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 related restructuring costs (whichever is earlier).

q. Income Tax

Income tax expense is 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.

The adjustment of income tax payable in previous years shall be included in the current income tax.

2) Deferred Income Tax

Deferred income tax is calculated on the basis of temporary differences between the carrying amounts of assets and liabilities on the books and the basis on which taxable income is calculated.

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 investment 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 on 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. Where deferred income tax assets are not previously recognized as assets, they are also re-examined on each balance sheet date and there is a high probability of future taxation to allow them to recover all or part of their assets and to increase their carrying amounts.

Deferred income tax assets and liabilities are measured by the tax rate of expected settlement of liabilities or realization of assets in the current period. The tax rate is based on the tax rate and tax law enacted or substantially enacted on the balance sheet date. The deferred income tax liabilities and assets measurement is to reflect the tax consequences of the way the Company is expected to recover or repay the carrying amount of its assets and liabilities on the balance sheet date.

3) Current and Deferred Income Tax

The current and deferred income tax shall be recognized as gain or loss, but the current and deferred income tax shall be recognized as other comprehensive income or directly included in the equity, respectively.

5. Material Sources of Uncertainty in Accounting Judgments, Estimates and Assumptions

When the Company adopts accounting policies, management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those who have difficulty in obtaining relevant information from other sources. 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 the estimated revision only affects the current period, it is recognized in the current revision period; if the revision of the accounting estimate affects both the current and future periods, it is recognized in the current and future periods of the revision.

6. Cash and Cash Equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash in Treasury and Revolving Fund	\$ 158	\$ 157
Bank Check and Demand Deposit	<u>71,656</u>	<u>46,550</u>
	<u>\$ 71,814</u>	<u>\$ 46,707</u>

7. Financial Assets at Fair Value Through Profit or Loss - Current

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Mandatorily Measured at Fair Value</u>		
<u>Through Gain or Loss</u>		
Fund Beneficiary Certificate	\$ 58,019	\$ 82,705
Bank Debenture	<u>54,942</u>	<u>55,095</u>
	<u>\$ 112,961</u>	<u>\$ 137,800</u>

8. Financial Assets Measured at Fair Value through Other Comprehensive Income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Equity Instrument Investment	<u>\$ 39,180</u>	<u>\$ 42,456</u>
<u>Non-Current</u>		
Equity Instrument Investment	<u>\$ 99,424</u>	<u>\$ 131,606</u>

Measured at Fair Value through Other Comprehensive Income for the Equity Instrument Investment

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Current</u>		
Domestic Investment		
TWSE-Listed (TPEX-Listed) Stocks		
Sirtec International Co. Ltd.	\$ 16,414	\$ 22,654
Taichung Commercial Bank Co., Ltd.	<u>22,766</u>	<u>19,802</u>
	<u>\$ 39,180</u>	<u>\$ 42,456</u>
<u>Non-Current</u>		
Domestic Investment		
TWSE-Unlisted (TPEX-Unlisted) Stocks		
Top Taiwan X Venture Capital Co., Ltd.	\$ 48,174	\$ 68,364
Chengding Venture Capital Co., Ltd.	<u>51,250</u>	<u>63,242</u>
	<u>\$ 99,424</u>	<u>\$ 131,606</u>

The Company invests in the ordinary share of the above company for medium and permanent strategic purposes and expects to profit from the permanent investment. In the opinion of the management of the Company, if the short-term fair value fluctuations of the investment are included in the gain or loss, it is not consistent with the foregoing permanent investment plan. Therefore, the management of the merged company chooses to designate the investment as measured by the fair value through other comprehensive income.

The Company recognizes dividend income of NT\$12,537 thousand and NT\$4,159 thousand in 2022 and 2021 respectively, of which NT\$0 and NT\$0 are related to investments that were derecognized at the end of the year, and NT\$12,537 thousand and NT\$4,159 thousand are related to investments that are still held as of December 31, 2022 and December 31, 2021 respectively.

9. Notes Receivable and Accounts Receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes Receivable	\$ 14	\$ 1,562
Accounts Receivable	<u>67,457</u>	<u>67,225</u>
	<u>\$ 67,471</u>	<u>\$ 68,787</u>

The average credit period of the Company for the provision of services shall be 30 days from the date of invoice, and in determining the collect ability of accounts receivable, the Company shall, on the balance sheet date, review, on a case-by-case basis, any changes in the credit quality of accounts receivable from the original credit solstice balance sheet date to ensure that unrecoverable accounts receivable have been set aside for appropriate impairment losses. Accordingly, the management of the Company considers that the credit risk of the Company is not significant.

The Company has no overdue receivables, and the allowance for losses of bad debts of the Company as at December 31, 2022 and December 31, 2021 after evaluation is NT\$0.

The Company adopts the simplified method of IFRS 9 to recognize the accounts receivable as the allowance for the loss in accordance with the lifetime expected credit losses 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 expected credit loss rate is only based on the number of overdue days of accounts receivable.

10. Loan balance of investments under equity method

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Investments Accounted for Using Equity Method</u>		
Investments in Subsidiaries	\$ 113,570	\$ 116,144
Investment in Affiliated Enterprises	<u>4,139</u>	<u>2,901</u>
	<u>\$ 117,709</u>	<u>\$ 119,045</u>
<u>Loan balance of investments under equity method</u>		
Investment in Affiliated Enterprises	(\$ <u>3,217</u>)	(\$ <u>2,848</u>)

a. Investments in Subsidiaries

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Link-Aim Life Insurance Broker Co., Ltd.	\$ 113,541	\$ 116,055
Ching-Guan Financial Management Consulting Co., Ltd.	<u>29</u>	<u>89</u>
	<u>\$ 113,570</u>	<u>\$ 116,144</u>

	<u>Percentage of Ownership Interests and Voting Rights</u>	
<u>Name of Subsidiary</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Link-Aim Life Insurance Broker Co., Ltd.	100%	100%
Ching-Guan Financial Management Consulting Co., Ltd.	100%	100%

The gain or loss and other comprehensive income shares of the subsidiary under the Equity Method shall be recognized according to the financial reports of the affiliated enterprises during the same period, except for the financial reports 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 report of the invested company has not been audited by the CPA, which will not have a significant influence.

b. Investment in Affiliated Enterprises

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Affiliated Enterprises Not Individually Significant		
All Safe Co., Ltd.	\$ 2,494	\$ 2,901
Shanghai Taiming Insurance Agency Co., Ltd.	<u>1,645</u>	<u>-</u>
	<u>\$ 4,139</u>	<u>\$ 2,901</u>
Jiangsu Taiming Insurance Agency Co., Ltd.	(\$ 3,217)	(\$ 1,420)
Shanghai Taiming Insurance Agency Co., Ltd.	<u>-</u>	<u>(1,428)</u>
	<u>(\$ 3,217)</u>	<u>(\$ 2,848)</u>

<u>Company Name</u>	<u>Percentage of ownership and voting rights</u>	
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
All Safe Co., Ltd.	14.79%	14.79%
Shanghai Taiming Insurance Agency Co., Ltd.	14.94%	24.90%
Jiangsu Taiming Insurance Agency Co., Ltd.	24.90%	24.90%

The shareholding of the Company was reduced from 24.90% to 14.94% because the Company did not participate in the cash capital increase of Shanghai Taiming Insurance Agency Co., Ltd. in July 2022.

Summary Information on Affiliated Enterprises Not Individually Significant

	<u>2022</u>	<u>2021</u>
Share Enjoyed by the Company		
Net Income from Continuing Operations in the Current Period for the Current Year	(\$ 2,550)	(\$ 3,700)
Other Comprehensive Income (Loss)	<u>58</u>	<u>(2)</u>
Total Comprehensive Income	<u>(\$ 2,492)</u>	<u>(\$ 3,702)</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 share of investment gains and losses and other comprehensive income under the Equity Method shall be recognized based on the financial reports of the related enterprises audited by CPAs during the same period.

11. Real Estate and Equipment

	Self-owned Land	Building	Other Equipment	Leasehold Improvements	Total
<u>Cost</u>					
Balance on January 1, 2021	\$ 21,460	\$ 27,634	\$ 21,893	\$ 20,648	\$ 91,635
Additions	-	-	163	3,067	3,230
Balance on 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 on January 1, 2021	\$ -	\$ 8,237	\$ 18,908	\$ 17,428	\$ 44,573
Depreciation expenses	-	936	1,302	1,487	3,725
Balance on 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>
<u>Cost</u>					
Balance on January 1, 2022	\$ 21,460	\$ 27,634	\$ 22,056	\$ 23,715	\$ 94,865
Additions	-	-	-	-	-
Balance on December 31, 2022	<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 on January 1, 2022	\$ -	\$ 9,173	\$ 20,210	\$ 18,915	\$ 48,298
Depreciation expenses	-	936	736	1,724	3,396
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 10,109</u>	<u>\$ 20,946</u>	<u>\$ 20,639</u>	<u>\$ 51,694</u>
Net Amount as of December 31, 2022	<u>\$ 21,460</u>	<u>\$ 17,525</u>	<u>\$ 1,110</u>	<u>\$ 3,076</u>	<u>\$ 43,171</u>

As there is no indicator of impairment in the year ended December 31, 2022 and 2021, the Company did not conduct impairment assessment.

Depreciation expenses are calculated on a straight-line basis according to the following durable years:

Building	15 to 30 years
Leasehold Improvements	3 to 5 years
Other Equipment	3 to 5 years

12. Lease Agreement

a. Right-of-Use Assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Building	<u>\$ 38,466</u>	<u>\$ 12,914</u>
	<u>2022</u>	<u>2021</u>
Addition of right-of-use assets	<u>\$ 40,644</u>	<u>\$ 3,256</u>
Depreciation expense of right-of-use assets		
Building	<u>\$ 15,053</u>	<u>\$ 15,135</u>

b. Lease Liability

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 14,348</u>	<u>\$ 7,515</u>
Non-Current	<u>\$ 24,391</u>	<u>\$ 5,598</u>
Interest expense – lease obligations payable	<u>\$ 498</u>	<u>\$ 289</u>

The discount rate range of lease liabilities is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Building	1.41%~1.79%	1.25%~1.60%

c. Significant leasing activities and terms

The Company leased certain buildings for office use for a term of 2-5 years. At the end of the lease term, the Company has no bargain purchase option over the land and building leased, and the Company may not sublease or transfer all or part of the leased items without the lessor's consent.

Due to the severe impact of the COVID-19 epidemic on the market economy in 2021, the Company negotiated the lease of the building with Taiwan Fire & Marine Insurance Company, Ltd. to partially reduce the rental amount during the period when the national epidemic alert standard was set at Level 3, but not longer than three months, effective May 18, 2021. The impact of the above mentioned rent reduction was recognized by the Company for the period from January 1 to December 31, 2021 amounted to NT\$499,000 (recorded as a reduction of rent expense in operating costs and administrative expenses).

d. Other leasing information

	<u>2022</u>	<u>2021</u>
Short-term lease expenses	\$ <u>90</u>	\$ <u>90</u>
Lease expenses of low-value assets	\$ <u>456</u>	\$ <u>450</u>
Total cash (outflow) for lease	(\$ <u>16,023</u>)	(\$ <u>16,112</u>)

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments	\$ <u>-</u>	\$ <u>10,547</u>

13. Investment Real Estate

	<u>Land</u>	<u>Building</u>	<u>Total</u>
<u>Cost</u>			
Balance on January 1, 2021	\$ 65,730	\$ 5,459	\$ 71,189
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance on December 31, 2021	<u>\$ 65,730</u>	<u>\$ 5,459</u>	<u>\$ 71,189</u>
<u>Accumulated Depreciation</u>			
Balance on January 1, 2021	\$ -	\$ 3,609	\$ 3,609
Depreciation expenses	<u>-</u>	<u>364</u>	<u>364</u>
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 3,973</u>	<u>\$ 3,973</u>
Net Amount as of December 31, 2021	<u>\$ 65,730</u>	<u>\$ 1,486</u>	<u>\$ 67,216</u>
<u>Cost</u>			
Balance on January 1, 2022	\$ 65,730	\$ 5,459	\$ 71,189
Additions	<u>6,701</u>	<u>-</u>	<u>6,701</u>
Balance on December 31, 2022	<u>\$ 72,431</u>	<u>\$ 5,459</u>	<u>\$ 77,890</u>
<u>Accumulated Depreciation</u>			
Balance on January 1, 2022	\$ -	\$ 3,973	\$ 3,973
Depreciation expenses	<u>-</u>	<u>364</u>	<u>364</u>
Balance on December 31, 2022	<u>\$ -</u>	<u>\$ 4,337</u>	<u>\$ 4,337</u>
Net Amount as of December 31, 2022	<u>\$ 72,431</u>	<u>\$ 1,122</u>	<u>\$ 73,553</u>

The investment real estate is subject to a lease term of 2-5 years. The lessee have no preferential right to purchase the investment real estate 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, 2022</u>	<u>December 31, 2021</u>
1st year	\$ 1,470	\$ 1,270
2nd year	<u>-</u>	<u>-</u>
	<u>\$ 1,470</u>	<u>\$ 1,270</u>

Depreciation of investment real estate on a straight-line basis is calculated according to the following durable years:

Building	15 Years
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In 2022 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\$585 thousand and NT\$402 thousand. The fair value of real estate investment is based on valuation carried out by independent valuers as Level 3 inputs. The valuation is based on the comparison approach and income approach. Its fair value as of December 31, 2022 and 2021 are NT\$100,876 thousand and NT\$96,710 thousand, respectively, and the important unobservable input values used include the discount rates of 2.19% and 2.17%.

14. Other Payables and Long-Term Payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commission and Bonus Payable	\$ 106,236	\$ 101,205
Salary and Annual Bonuses Payable	11,408	11,658
Bonuses Payable to Employees and Directors	3,337	3,674
Provident fund of voluntary contribution payable to business representatives	10,475	10,152
Others	<u>3,495</u>	<u>3,746</u>
	<u>\$ 134,951</u>	<u>\$ 130,435</u>
Other Payables - Current	\$ 103,000	\$ 108,359
Long-Term Payables - Non-Current	<u>31,951</u>	<u>22,076</u>
	<u>\$ 134,951</u>	<u>\$ 130,435</u>

15. Liability Reserve - Non-Current

In order to implement the incentive policy for business executives, the Company implemented a matching promotion plan for its executives.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Provident Fund Reserve - Voluntary Contribution by Company	<u>\$ 10,475</u>	<u>\$ 10,152</u>

The changes in provident fund reserve are as follows:

	<u>2022</u>	<u>2021</u>
Opening Balance	\$ 10,152	\$ 10,394
Increase This Year	1,103	1,591
Payment This Year	(780)	(1,833)
Year End Balance	<u>\$ 10,475</u>	<u>\$ 10,152</u>

16. Benefits After Retirement Plan

a. Defined Contribution Plan

The pension system of the Company under the "Labor Pension Statutes" is a defined contribution retirement plan administered by the government, which contributes the pension at 6% of the employee's monthly salary to the individual account of the Bureau of Labor Insurance.

b. Defined Benefit Plan

The Company's pension system, which is governed by the "Labor Pension Statutes" of Taiwan, is a defined benefit retirement plan administered by the government. The payment of the employee pension shall be based on the length of service and the average salary of the 6 months prior to the approved retirement date. The Company shall contribute 2% of the employees' total monthly salary to the pension fund, which shall be deposited into the special account of the Bank of Taiwan in the name of the Supervisory Committee of Workers' Retirement Fund. If, before the end of the year, the estimated special account balance is insufficient to pay the workers who are expected to meet the retirement conditions in the previous year, the difference shall be contributed at one time before the end of March of the next year. This special account is entrusted to the Bureau of Labor Funds, Ministry of Labor, and the Company has no right to affect the investment management strategy.

The amount of the defined benefit plan included in the individual balance sheet is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present Value of Defined Benefit Obligation	\$ 1,417	\$ 1,551
Fair Value of Plan Assets	(2,449)	(2,175)
Net Defined Benefit Assets	(\$ 1,032)	(\$ 624)

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

	<u>Present Value of Defined Benefit Obligation</u>	<u>Fair Value of Plan Assets</u>	<u>Net Defined Benefit Liabilities (Assets)</u>
January 1, 2021	<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 as Gain or Loss	<u>8</u>	<u>(11)</u>	<u>(3)</u>
Re-measurement			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	(25)	(25)
Actuarial Loss - Demographic Assumptions Change	30	-	30
Actuarial Loss - Change in Financial Assumptions	(\$ 61)	\$ -	(\$ 61)
Actuarial Loss - Experience Adjustment	<u>8</u>	<u>-</u>	<u>8</u>
Recognized in Other			
Comprehensive Income	<u>(23)</u>	<u>(25)</u>	<u>(48)</u>
Employer Contributions	<u>-</u>	<u>(93)</u>	<u>(93)</u>
December 31, 2021	<u>1,551</u>	<u>(2,175)</u>	<u>(624)</u>
Service Cost			
Interest Expense (Income)	<u>12</u>	<u>(17)</u>	<u>(5)</u>
Recognized as Gain or Loss	<u>12</u>	<u>(17)</u>	<u>(5)</u>
Re-measurement			
Return on Plan Assets (Excluding Amounts Included in Net Interest)	-	(164)	(164)
Actuarial Loss - Change in Financial Assumptions	(162)	-	(162)
Actuarial Loss - Experience Adjustment	<u>16</u>	<u>-</u>	<u>16</u>
Recognized in Other			
Comprehensive Income	<u>(146)</u>	<u>(164)</u>	<u>(310)</u>
Employer Contributions	<u>-</u>	<u>(93)</u>	<u>(93)</u>
December 31, 2022	<u>\$ 1,417</u>	<u>(\$ 2,449)</u>	<u>(\$ 1,032)</u>

The Company is exposed to the following risks due to the "Labor Pension Statutes" pension system:

- 1) Investment Risk: The Bureau of Labor Funds, Ministry of Labor invested the labor pension fund in domestic (foreign) equity securities, debt securities and bank discount respectively through self-operation and entrusted operation. However, the allocated amount of the Company's plan assets shall be calculated at the interest rate of 2-year fixed deposits at local banks.
- 2) Interest Rate Risk: The decrease of interest rate will increase the present value of the defined benefit obligation. However, the debt investment returns of the plan assets will also increase, which will partially offset the impact of the two on the net defined benefit liability.
- 3) Salary Risk: The calculation of the present value of defined benefit obligation is based on the future salary of plan members. Therefore, an increase in the plan member's salary would increase the present value of the defined benefit obligations.

The present value of the Company's defined benefit obligations is calculated by qualified actuaries. The major assumptions of the measurement date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount Rate	1.5%	0.75%
Anticipated Growth Rate of Salaries	2.0%	2.0%

If material actuarial assumptions are reasonably possible to vary, the amounts that would increase (or decrease) the present value of a defined benefit obligation are as follows, subject to all other assumptions remaining unchanged:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Discount Rate		
Increase by 0.25%	(\$ <u>49</u>)	(\$ <u>58</u>)
Decrease by 0.25%	<u>\$ 51</u>	<u>\$ 61</u>
Anticipated Growth Rate of Salaries		
Increase by 0.25%	<u>\$ 50</u>	<u>\$ 59</u>
Decrease by 0.25%	(\$ <u>48</u>)	(\$ <u>57</u>)

Since actuarial assumptions may be interrelated, it is unlikely that a single assumption will change. Therefore, the above sensitivity analysis may not reflect the actual changes in the present value of defined benefit obligations.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Anticipated Amount of		
Contribution Within 1 Year	<u>\$ 93</u>	<u>\$ 93</u>
Average Maturity Period of		
Defined Benefit Obligation	14.2 years	15.3 years

17. Equity

a. Share Capital

Ordinary Share

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Authorized Stock Number (1,000 shares)	<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 (1,000 shares)	<u>25,024</u>	<u>25,024</u>
Issued Capital	<u>\$ 250,243</u>	<u>\$ 250,243</u>
Each share's nominal amount of the ordinary shares issued shall be valued at NT\$10 and shall have one voting right and the right to receive dividends.		

b. Capital surplus

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital</u> (1)		
Premium on issuance of shares	\$ 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 (2)	<u>6,207</u>	<u>2,729</u>
	<u>\$ 95,978</u>	<u>\$ 92,500</u>

- 1) Such capital surplus may be used to cover deficiencies or, in the absence of deficiencies, to pay out cash or to set aside capital, subject to a ratio of paid-up capital each year.
- 2) Such capital surplus arises from the effects of changes in ownership interests in affiliated enterprises resulting from equity transactions other than actual disposals or acquisitions of affiliated enterprises accounted for.

c. Retained Earnings and Dividend Policy

According to the earnings distribution policy of the Company's amended Articles of Incorporation which has been adopted at the shareholders' meeting on May 26, 2022, if there is surplus in the Company's final account, priorities should be made to pay taxes and make up for the accumulated losses, and followed by 10% of surplus appropriation as legal surplus reserve, except when legal surplus reserve has reached the Company's total paid-in capital so that continuous contribution is no longer required. When needed, the legal surplus reserve may be transferred or reversed into the special surplus reserve in accordance with the relevant laws and regulations or as needed for business purposes. If

there is still a surplus, the Board of Directors shall prepare a proposal for distribution of this surplus, and the distribution of the surplus in cash shall be resolved by the Board of Directors and reported to the shareholders' meeting in accordance with Article 228-1 and Article 240-5 of the Company Act. 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".

According to the Company's amended Articles of Incorporation, as the current industrial environment is constantly changing, the dividends to shareholders may be paid in the forms of cash and stock, in response to the future operation expansion plan. The proportion of cash dividends in the total dividends shall be no less than 40% of the current year's distributable surplus, but the shareholders' meeting may adjust it according to the actual situation.

According to the earnings distribution policy of the Company's Articles of Incorporation prior to the amendments, if there is surplus in the Company's final account, priorities should be made to pay taxes and make up for the accumulated losses, and followed by 10% of surplus appropriation as legal surplus reserve, except when legal surplus reserve has reached the Company's total paid-in capital so that continuous contribution is no longer required. When needed, the legal surplus reserve may be transferred or reversed into the special surplus reserve in accordance with the relevant laws and regulations or as needed for business purposes. If there is still a surplus, the Board of Directors shall propose to the shareholders' meeting for distribution of this surplus.

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.

The appropriated as legal capital reserve shall be set aside until the balance reaches the total paid-up capital stock of the Company. The appropriated as legal capital reserve may be used to cover deficiencies. When the Company has no deficiencies, the portion of the appropriated as legal capital reserve exceeding 25% of the total paid-up capital stock may be distributed in cash except for the capital stock.

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 2021 and 2020, which were proposed and approved in the annual shareholders' meetings on May 26, 2022 and July 1, 2021, respectively, were as follows

	Earnings distribution plan		Dividends Per Share (NT\$)	
	2021	2020	2021	2020
Legal capital reserve	\$ 7,471	\$ 8,675	\$ -	\$ -
Special capital reserve	(5,493)	(4,601)	-	-
Cash dividend	75,073	80,078	3.0	3.2

The proposal for earnings distribution for 2022 put forth by the Company's board of directors on March 9, 2023 is as follows:

	Earnings distribution plan	Dividends Per Share (NTD)
Legal reserve	\$ 6,620	\$ -
Special reserve	13,086	-
Cash dividend	60,058	2.4

The Board of Directors' Resolution cash distribution from capital surplus., totaling \$7,507 thousand and \$0.3 per share.

The distribution of earnings for 2022 is pending the resolution of the annual shareholders' meeting to be held on May 31, 2023.

18. Income

	2022	2021
Customer Contract Income		
Commission Income	<u>\$ 539,769</u>	<u>\$ 595,382</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 in 2022 and 2021 under the IFRS15 "Revenue from Customer Contracts" includes the consideration of the changes arising from the historical renewal of the policy.

	December 31, 2022	December 31, 2021
<u>Contract Balance</u>		
Accounts and notes receivable (Notes 9)	<u>\$ 67,471</u>	<u>\$ 68,787</u>
Contract Asset - Current	\$ 30,768	\$ 36,834
Contract Asset - Non-Current	<u>24,419</u>	<u>14,282</u>
	<u>\$ 55,187</u>	<u>\$ 51,116</u>

The changes of contract asset are as follows:

	2022	2021
Opening Balance	\$ 51,116	\$ 64,884
Transfer to Accounts Receivable	(36,834)	(45,908)
Current Increase	<u>40,905</u>	<u>32,140</u>
Ending Balance	<u>\$ 55,187</u>	<u>\$ 51,116</u>

19. Net Income from Continuing Operations

a. Other income

	2022	2021
Interest income	\$ 2,457	\$ 2,154
Rental Income	1,753	2,013
Dividend income	<u>12,537</u>	<u>4,159</u>
	<u>\$ 16,747</u>	<u>\$ 8,326</u>

b. Other Gains and (Losses)

	2022	2021
Gains on financial assets at fair value through profit and loss	(\$ 344)	\$ 3,223
Other Income and Expenditure - Net Amount	<u>170</u>	<u>236</u>
	<u>(\$ 174)</u>	<u>\$ 3,459</u>

c. Depreciation and Amortization

	2022	2021
Right-of-Use Assets	\$ 15,053	\$ 15,135
Real Estate and Equipment	3,396	3,725
Investment Real Estate	364	364
Other non-current assets - intangible assets	<u>1,187</u>	<u>976</u>
	<u>\$ 20,000</u>	<u>\$ 20,200</u>

Depreciation Expenses Aggregated by Function

Operating Cost	\$ 13,098	\$ 13,154
Operating Expense	<u>5,715</u>	<u>6,070</u>
	<u>\$ 18,813</u>	<u>\$ 19,224</u>

Amortized cost summarized by function

Operating Cost	\$ -	\$ -
Operating Expense	<u>1,187</u>	<u>976</u>
	<u>\$ 1,187</u>	<u>\$ 976</u>

d. Employee Benefits Expenses

	2022	2021
Employee Benefits Expenses		
Salary Expenses	\$ 45,127	\$ 47,073
Labor and Health Insurance Expenses	4,141	4,226
Retirement Allowance Expenses	2,019	2,087
Directors' Compensation	3,819	4,047
Other Employee Benefits Expenses	2,145	1,015
Total Employee Benefits Expenses	<u>\$ 57,251</u>	<u>\$ 58,448</u>
Aggregated by Function		
Operating Expense	<u>\$ 57,251</u>	<u>\$ 58,448</u>

e. Employee and director compensation

The Company shall allocate 1% to 5% of the employee's bonus and no more than 5% of bonus to Directors to the company's pre-tax profit before the deduction of the employee's bonus and bonus to Directors in the current year. The compensation for employee and Directors in 2022 and 2021 respectively was decided by the Board of Directors on March 9, 2023 and March 7, 2022 as follows:

Estimated Ratio

	2022	2021
Employee remuneration	2%	2%
Director remuneration	2%	2%

Amount

	2022	2021
Employee remuneration	\$ 1,599	\$ 1,837
Director remuneration	1,599	1,837

If there is any change in the amount after the publication of the annual parent company only financial report, it shall be treated according to the change of accounting estimation and be recorded in the next year.

There is no difference between the actual distribution amount of remuneration of employees and Directors in 2021 and 2020 and the amount recognized in the parent company only financial report in 2021 and 2020.

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

	2022	2021
Commission Expenditure	\$ 375,520	\$ 419,675
Provident Fund Expenses	<u>1,103</u>	<u>1,591</u>
	<u>\$ 376,623</u>	<u>\$ 421,266</u>
Aggregated by Function		
Operating Cost	<u>\$ 376,623</u>	<u>\$ 421,266</u>

20. Income Tax on Continuing Operations

a. Main Composition of Income Tax Expenses Recognized in Gain or Loss

	2022	2021
Current Income Tax		
Generated During the Current Year	\$ 10,780	\$ 13,331
Surtax on Unappropriated Retained Earnings	-	130
Adjustments in Respect of Prior Years	-	9
Deferred Income Tax		
Generated During the Current Year	(<u>5</u>)	<u>28</u>
Income Tax Expenses Recognized in Gain or Loss	<u>\$ 10,775</u>	<u>\$ 13,498</u>

The adjustment of accounting income and income tax expenses is as follows:

	2022	2021
Net Income Before Tax from Continuing Operations	<u>\$ 76,726</u>	<u>\$ 88,174</u>
Income Tax Expense Calculated at Statutory Tax Rate for Net Profit Before Tax	\$ 15,345	\$ 17,635
Tax Exemption Income	(4,570)	(4,276)
Surtax on Unappropriated Retained Earnings	-	130
Adjustments in Respect of Current Income Tax Expense of Previous Years	<u>-</u>	<u>9</u>
Income Tax Expenses Recognized in Gain or Loss	<u>\$ 10,775</u>	<u>\$ 13,498</u>

b. Income Tax Recognized in Other Comprehensive Income

	2022	2021
<u>Deferred Income Tax</u>		
Generated During the Current Year		
- Determining the Remeasurement of Defined Benefit Plan	(<u>\$ 62</u>)	(<u>\$ 10</u>)

c. Current Income Tax Liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current Income Tax Liabilities		
Income Tax Payable	<u>\$ 3,894</u>	<u>\$ 5,406</u>

d. Deferred Income Tax Assets and Liabilities

The changes of deferred tax assets and liabilities is as follows:

2022

	Opening Balance	Recognized as Gain or Loss	Recognized in Other Comprehensiv e Income	Year End Balance
<u>Deferred Income Tax Asset</u>				
Temporary Differences				
Liabilities Reserve	\$ 2,030	\$ 65	\$ -	\$ 2,095
Allowance for Bad Debts	<u>41</u>	<u>(41)</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,071</u>	<u>\$ 24</u>	<u>\$ -</u>	<u>\$ 2,095</u>
<u>Deferred Income Tax Liabilities</u>				
Temporary Differences				
Defined Benefit Retirement Plan	<u>\$ 125</u>	<u>\$ 19</u>	<u>\$ 62</u>	<u>\$ 206</u>

2021

	Opening Balance	Recognized as Gain or Loss	Recognized in Other Comprehensive Income	Year End Balance
<u>Deferred Income Tax Asset</u>				
Temporary Differences				
Liabilities Reserve	\$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 Income Tax Liabilities</u>				
Temporary Differences				
Defined Benefit Retirement Plan	\$ 96	\$ 19	\$ 10	\$ 125
Bonus for employees without leave	<u>13</u>	<u>(13)</u>	<u>-</u>	<u>-</u>
	<u>\$ 109</u>	<u>\$ 6</u>	<u>\$ 10</u>	<u>\$ 125</u>

e. Income Tax Approval Status

The Company's business income tax settlement and declaration cases have been approved by the Revenue Service Offices until 2020.

21. Earnings Per Share

	Unit: NT\$ Per Share	
	2022	2021
Basic Earnings Per Share	<u>\$ 2.64</u>	<u>\$ 2.98</u>
Diluted Earnings Per Share	<u>\$ 2.63</u>	<u>\$ 2.98</u>

The earnings per share and the weighted average of common shares used to calculate earnings per share are as follows:

Current Net Income

	2022	2021
The Net Profit Attributable to the Proprietor of the Company/The Earnings Calculated as Diluted Earnings Per Share	<u>\$ 65,951</u>	<u>\$ 74,676</u>

Shares

	Unit: 1,000 shares	
	2022	2021
Is used to calculate the weighted average number of ordinary shares of basic earnings per share.	25,024	25,024
The effect of potential ordinary share with dilutive effect:		
Employee remuneration	<u>52</u>	<u>61</u>
Is used to calculate the weighted average number of ordinary shares of diluted earnings per share.	<u>25,076</u>	<u>25,085</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 bonus 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 common shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee bonus 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 remuneration of shareholders. 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. capital stock, capital surplus, retained earnings and other equity items) attributable to the proprietor 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 Repeatable Basis

1) Fair Value Hierarchy

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Fund Beneficiary Certificate	\$ 58,019	\$ -	\$ -	\$ 58,019
Bank Debenture	-	54,942	-	54,942
Total	<u>\$ 58,019</u>	<u>\$ 54,942</u>	<u>\$ -</u>	<u>\$ 112,961</u>

Financial Assets Measured at Fair Value Through Other Comprehensive Income

Equity Instrument Investment				
— Domestic TWSE-Listed				
(TPEX-Listed) Stocks	\$ 39,180	\$ -	\$ -	\$ 39,180
— Domestic TWSE-Unlisted				
(TPEX-Unlisted) Stocks	-	-	99,424	99,424
Total	<u>\$ 39,180</u>	<u>\$ -</u>	<u>\$ 99,424</u>	<u>\$ 138,604</u>

December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial Assets at Fair Value</u>				
<u>Through Profit or Loss</u>				
Fund Beneficiary Certificate	\$ 82,705	\$ -	\$ -	\$ 82,705
Bank Debenture	-	55,095	-	55,095
Total	<u>\$ 82,705</u>	<u>\$ 55,095</u>	<u>\$ -</u>	<u>\$ 137,800</u>

Financial Assets Measured at Fair Value Through Other Comprehensive Income

Equity Instrument Investment				
— Domestic TWSE-Listed				
(TPEX-Listed) Stocks	\$ 42,456	\$ -	\$ -	\$ 42,456
— Domestic TWSE-Unlisted				
(TPEX-Unlisted) Stocks	-	-	131,606	131,606
Total	<u>\$ 42,456</u>	<u>\$ -</u>	<u>\$ 131,606</u>	<u>\$ 174,062</u>

2) Reconciliation of Level 3 fair value measurements of financial instruments

2022

Financial Assets	Financial Assets Measured at Fair Value Through Other Comprehensive Income Equity Instrument
Opening Balance	\$ 131,606
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at fair value through other comprehensive income)	(25,432)
Capital Reduction	(6,750)
Ending Balance	<u>\$ 99,424</u>
Unrealized other gains and losses for the period recognized in profit or loss	<u>\$ -</u>

2021

Financial Assets	Financial Assets Measured at Fair Value Through Other Comprehensive Income Equity Instrument
Opening Balance	\$ 113,230
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at fair value through other comprehensive income)	18,376
Ending Balance	<u>\$ 131,606</u>
Unrealized other gains and losses for the period recognized in profit or loss	<u>\$ -</u>

3) The Valuation Technique and Input Value of the Fair Value Measurement of Level 2

Class of Financial Instruments	Valuation Technique and Input Value
Domestic Bond Investment	Cash Flow Discount Method: discount based on the market rate reflecting the current similar products and credit rating at the end of the debenture issuer's term.

- 4) The Valuation Technique and Input Value of the Fair Value Measurement of Level 3
The domestic TWSE-unlisted (TPEx-unlisted) equity investments are applied to the asset approach, and the asset approach evaluates the total market value of individual assets and individual liabilities covered by evaluation subject to reflect the overall value of the enterprise or business. The significant unobservable input values adopted are liquidity and minority interest discount of 10%. If other input values remain unchanged, if liquidity and minority interest discount increase by 1% respectively, the fair value as at December 31, 2022 and December 31, 2021 will be reduced by NT\$1,105,000 and NT\$1,462,000 respectively.

c. Categories of Financial Instrument

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial Assets</u>		
Measured at Fair Value Through Gain or Loss	\$ 112,961	\$ 137,800
Financial assets measured at amortized cost (Note 1)	146,361	122,493
Financial Assets Measured at Fair Value Through Other Comprehensive Income	138,604	174,062
<u>Financial Liabilities</u>		
Measured at amortized cost (Note 2)	135,459	130,943

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, bills receivable and accounts receivable, bills 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 risks), credit risk and liquidity risk.

The Company's significant financial plans are reviewed by the Audit Committee and the Board of Directors in accordance with the relevant regulations and internal control system. The Company's Finance Department adheres to the relevant financial operating procedures regarding the overall financial risk management and segregation of rights and responsibilities in the execution of financial plans.

1) Market Risk

a) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Company subject to interest risk exposure on the balance sheet date are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest rate risks with fair value		
— Financial assets	NT\$54,942	NT\$55,095
Interest rate risks with cash flow		
— Financial assets	70,237	44,926

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments at the balance sheet date. In reporting the interest rate to senior management, the rate of change adopted is 100 basic points increase or decrease over the interest rate, which also represents the management evaluation of reasonable possible change scope of interest rate.

If the interest rate increases / decreases by 100 basis points, and all other variables remain unchanged, the pre-tax net profit of the Company in 2022 and 2021 will be increased / decreased by NT\$1,252 thousand and NT\$1,000 thousand respectively, mainly due to the changes in the demand bank deposits with floating interest rates of the Company and the fair value of debt instruments measured at fair value through profit and loss with fixed interest rate.

b) Other price risk

The Company is subject to the equity price exposure arising from the investment in securities.

Sensitivity Analysis

If the equity price rises/falls by 1%, the pre-tax other comprehensive income in 2022 and 2021 will be increased/decreased by NT\$1,386,000 and NT\$1,741,000 due to changes in the fair value of financial assets measured by the fair value through other comprehensive income.

2) Credit Risk

Credit risks refer to risks that cause financial loss of the Company due to the counterparty's delay in performing contractual obligations. As of the balance sheet date, the maximum credit risk exposure (regardless of collateral or other credit enhancement instruments, and the maximum amount of irrevocable exposure) that the Company may cause financial losses due to failure to discharge an obligation by the counterparties and the financial guarantee 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 fluctuation through appropriate management and the maintenance of sufficient cash and cash equivalents. The Company's management supervises the use of bank facilities and ensures compliance with the loan contract terms.

24. Related-party Transactions

a. Name and Relationship of Affiliates

The relationship with the Company during the period covered by this financial report is as follows:

<u>Name of Affiliates</u>	<u>Relationship with the Company</u>
Taiwan Fire & Marine Insurance Company Ltd.	Substantial Affiliate
Ching-Guan Financial Management Consulting Co., Ltd.	Subsidiary of the Company
All Safe Co., Ltd.	Investment Company adopting Equity Method of the Company
Major management personnel	Chairman of the Board, General Managers, Managers, and directors

b. Operating Income

<u>Category of Affiliates/Name</u>	<u>2022</u>	<u>2021</u>
Substantial Affiliate		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 12,632</u>	<u>\$ 22,798</u>

c. Receivables from Related Parties

<u>Accounting Items</u>	<u>Category of Affiliates/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes Receivable and Accounts Receivable	Substantial Affiliate		
	Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 1,398</u>	<u>\$ 1,261</u>

d. Administrative Expenses

<u>Category of Affiliates/Name</u>	<u>2022</u>	<u>2021</u>
Investment Company adopting Equity Method of the Company		
All Safe Co., Ltd.	<u>\$ 18</u>	<u>\$ 18</u>

e. Lease Agreement

<u>Category of Affiliates/Name</u>	<u>2022</u>	<u>2021</u>
<u>Acquisition of right -of-use assets</u>		
Substantial Affiliate		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 38,521</u>	<u>\$ -</u>

<u>Accounting Items</u>	<u>Category of Affiliates/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2020</u>
Lease Liability	Substantial Affiliate		
	Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 32,073</u>	<u>\$ 2,305</u>

<u>Category of Affiliates/Name</u>	<u>2022</u>	<u>2021</u>
<u>Interest expenses</u>		
Substantial Affiliate		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 352</u>	<u>\$ 92</u>
Rental Expenses		
Major management personnel	<u>\$ 90</u>	<u>\$ 90</u>

f. Lease Agreement

Operating lease

The total amount of lease payments received in the future is summarized as follows:

<u>Category of Affiliates/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Investment Company adopting Equity Method of the Company All Safe Co., Ltd.	<u>\$ 70</u>	<u>\$ 70</u>

The total rental income is summarized as follows:

<u>Category of Affiliates/Name</u>	<u>2022</u>	<u>2021</u>
Subsidiaries		
Ching-Guan Financial Management Consulting Co., Ltd.	\$ 60	\$ 60
Investment Company adopting Equity Method of the Company All Safe Co., Ltd.	<u>102</u>	<u>102</u>
	<u>\$ 162</u>	<u>\$ 162</u>

g. Other Gains and Losses

<u>Category of Affiliates/Name</u>	<u>2022</u>	<u>2021</u>
Substantial Affiliate		
Taiwan Fire & Marine Insurance Company Ltd.	<u>\$ 18</u>	<u>\$ 93</u>

h. Key Management Remuneration Information

	<u>2022</u>	<u>2021</u>
Short-Term Employee Benefits	<u>\$ 20,468</u>	<u>\$ 20,667</u>

The remuneration of Directors and other key management levels shall be determined by the Remuneration Committee in accordance with individual performance and market trend and then sent to the Board of Directors for resolution.

25. Information on Foreign Currency Assets and Liabilities with Significant Influence

The following information is expressed in aggregate in foreign currencies other than the individual functional currencies 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 Currencies/NT\$ 1,000					
		December 31, 2022			December 31, 2021		
Foreign Currency	Assets	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
<u>Non-Monetary Items</u>							
Investments Accounted for Using Equity Method							
RMB		\$ 373	4.41	\$ 1,645	\$ -	-	\$ -
Loan balance of investments under equity method							
RMB		720	4.41	3,217	645	4.34	2,848

26. Additional Disclosures

a. Information on material transactions and b. reinvestment companies:

- 1) Loans to others. (None)
- 2) Endorsement for others. (None)
- 3) Marketable securities held at the end of period (excluding investments in subsidiaries, related enterprises and joint ventures) (Attachment 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) Engaging in derivatives trading. (None)
- 10) Others: Business relationships, important transactions and the amounts between parent company and subsidiaries (None)
- 11) Information on Investees (Attachment II)

c. Investment Information on Mainland China:

- 1) Information on any investee company in mainland China; disclose 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. (Attachment 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) The amount of property transactions and the amount of the resultant gains or losses.
 - 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 status 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: (Attachment IV)

Taiming Assurance Broker Co., Ltd.

Marketable Securities Held at the End of the Period

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Holding Company	Type and Name of Marketable Securities (Note 1)	Relationships with the issuer of marketable securities	Accounting Subjects	End of Period				Notes
				Unit (1,000) shares	Carrying Amount	Shareholding Ratio %	Fair Value	
Taiming Assurance Broker Co., Ltd.	<u>Fund Beneficiary Certificate</u>							
	Fuh Hwa Rui Hwa Fund	None	Financial Assets at Fair Value Through Profit or Loss - Current	1,931	\$ 21,721	-	\$ 21,721	
	Fuh Hwa Guardian Fund	"	"	1,092	20,986	-	20,986	
	Yuanta Taiwan High-yield Leading Company Fund	"	"	500	5,385	-	5,385	
	Cathay US Real Asset Income Strategy Fund	"	"	808	9,927	-	9,927	
	<u>Domestic Bank Debenture</u>							
	P06 Taichung Bank 2	None	Financial Assets at Fair Value Through Profit or Loss - Current	-	44,950	-	44,950	
	P06 O-Bank 2	"	"	-	9,992	-	9,992	
	<u>Domestic TWSE-Listed (TPEX-Listed) Stocks</u>							
	Sirtec International Co. Ltd.	Substantial Affiliate	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Current	798	16,414	0.77%	16,414	
	Taichung Bank	None	"	1,786	22,766	0.04%	22,766	
	<u>Domestic TWSE-Unlisted (TPEX-Unlisted) Stocks</u>							
	Top Taiwan X Venture Capital Co., Ltd.	Substantial Affiliate	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	4,725	48,174	6.75%	48,174	
	Chengding Venture Capital Co., Ltd.	None	"	5,000	51,250	3.70%	51,250	

Taiming Assurance Broker Co., Ltd.

Information on investees, location, etc.

2022

Unit: In Thousands of New Taiwan Dollars/Thousand Shares

Name of Investment Company	Name of Investee Company	Location	Main Business Item	Original Investment Amount		Held at the End of The Period			Current Net Income (Loss) of the Investee	Current Investment Income (Loss) Recognized	Notes
				End of Current Period	End of Last Year	Shares	Ratio	Carrying Amount			
Taiming Assurance Broker Co., Ltd.	Ching-Guan Financial Management Consulting Co., Ltd.	Taipei City	Management Consultant	\$ 900	\$ 900	100	100.00	\$ 29	(\$ 60)	(\$ 60)	Subsidiaries
	All Safe Co., Ltd.	Taipei City	Information Software Services	8,135	8,135	814	14.79	2,494	(2,754)	(407)	
	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	113,541 (Note 3)	13,386	13,386	Subsidiaries

Note 1. The above subsidiaries have been incorporated into the consolidated financial statements and the related investments and profits and losses have been written off.

Note 2. The par value of each common share issued by Link-Aim Life Insurance Broker Co., Ltd was changed to NT\$10, as Articles of Association of the company were changed in the fourth quarter of 2019.

Note 3. The book value includes the investment interest recognized under the equity method of NT\$13,386 thousand and the deduction of the distributed cash dividend of NT\$15,900 thousand.

Taiming Assurance Broker Co., Ltd.

Investment Information on Mainland China

2022

Unit: Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Investee Company in Mainland China	Main Business Item	Paid-Up Capital	Investment Method (Note 1)	Cumulative Amount for Investments at the Beginning of the Period Remitted from Taiwan	Amount of Investment Remitted or Recovered During the Current Period		Cumulative Amount for Investments at the End of the Period Remitted from Taiwan	Profit or loss of investee for the period	Shareholdin g Ratio of the Company's Direct or Indirect Investments	Investment Profit or Loss Recognized for Current Period (Note 2)	Carrying Amount of Investments at End of Period	Repatriated Income from Investment by the End of Period	Notes
					Remitted	Recovered							
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	RMB5,000 thousand	(1)	\$ 2,928	\$ -	\$ -	\$ 2,928	(\$ 2,409)	14.94	(\$ 360) (C)	\$ 1,645	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	RMB10,000thousand	(1)	12,061	-	-	12,061	(7,161)	24.90	(1,783) (C)	(3,217)	-	

Accumulated amount of investment remitted out of Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on the Amount of Investment in Mainland China Stipulated by the Investment Commission, M.O.E.A.
RMB 3,362 thousand (NT\$14,989 thousands)	US\$493 thousands	NT\$320,506 thousands

- Note 1. Investment methods can be divided into the following three categories, simply mark the category:
- (1) Direct investment in mainland China.
 - (2) Reinvest in mainland China through a third region company (please specify the investment company in that third region).
 - (3) Other methods.
- Note 2. In the column of Current Period Recognized Investment Gains and Losses:
- (1) If there is no investment gain or loss in preparation, it shall be noted.
 - (2) The foundation for 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 an CPA firm of the Republic of China.
 - B. Financial statements audited by CPA 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 combined net value.

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Major Shareholder Information

December 31, 2022

Name of Major Shareholders	Shares	
	Number of shares held	Shareholding Ratio
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 Company 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.

Statements of Cash and Cash Equivalents

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Summary	Amount
Cash in Treasury and Petty Cash		\$ 158
Bank Deposit		
Demand Deposit		70,237
Checking Deposit		<u>1,419</u>
		<u>\$ 71,814</u>

Taiming Assurance Broker Co., Ltd.

Statement of Financial Assets at Fair Value through Profit or Loss

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Summary	Unit (1,000)	Face Amount (NT\$)	Total	Interest Rate %	Acquisition Cost	Fair Value		Notes
							Unit Price (NT\$)	Total	
Fund Beneficiary Certificate									
Fuh Hwa Rui Hwa Fund				\$ -		\$ 20,000	\$11.25	\$ 21,721	
Fuh Hwa Guardian Fund				-		20,000	19.23	20,986	
Yuanta Taiwan High-yield									
Leading Company Fund				-	-	5,000	10.77	5,385	
Cathay US Real Asset Income									
Strategy Fund				-	-	10,000	12.29	9,927	
				-		55,000		58,019	
Domestic Bank Debenture									
P06 Taichung Bank 2				-	4.27	45,000	99.89	44,950	
P06 O-Bank 2				-	4.00	10,000	99.92	9,992	
				-		55,000		54,942	
Total				\$ -		\$ 110,000		\$ 112,961	

Taiming Assurance Broker Co., Ltd.

Financial Assets Measured at Fair Value through Other Comprehensive Income - Statement of Current

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Summary	Unit (1,000)	Face Amount (NT\$)	Total	Interest Rate %	Acquisition Cost	Accumulated Impairment	Fair Value		Notes
								Unit Price (NT\$)	Total	
TWSE-Listed & TPEx-Listed Stocks										
Sirtec International		798	10	\$ 7,980	-	\$ 40,855	-	\$20.65	\$ 16,414	
Taichung Bank		1,786	10	<u>17,860</u>	-	<u>13,674</u>	-	12.80	<u>22,766</u>	
Total				<u>\$ 25,840</u>		<u>\$ 54,529</u>			<u>\$ 39,180</u>	

Taiming Assurance Broker Co., Ltd.

Financial Assets Measured at Fair Value through Other Comprehensive Income - Statement of Non-Current Changes

December 31, 2022

Unit: Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Financial Products	Opening Balance		Increase This Year		Decrease This Year		Year End Balance		Accumulated Impairment	Provision of Guarantee or Collateral
	Number of Shares (shares)	Fair Value	Number of Shares (shares)	Amount	Number of Shares (shares)	Amount	Number of Shares (shares)	Fair Value		
TWSE-Unlisted & TPEx-Unlisted Stocks (Notes)										
Top Taiwan X Venture Capital Co., Ltd.	5,400	\$ 68,364	-	\$ -	675	\$ 20,190	4,725	\$ 48,174	-	
Chengding Venture Capital Co., Ltd.	5,000	<u>63,242</u>	-	<u>-</u>	-	<u>11,992</u>	5,000	<u>51,250</u>	-	
Total		<u>\$ 131,606</u>		<u>\$ -</u>		<u>\$ 32,182</u>		<u>\$ 99,424</u>		

Note: The decrease of NT\$32,182 thousands for the year was due to the share payment refund of NT\$6,750 thousands for capital reduction and the unrealized gain (loss) of NT\$25,432 thousands on financial assets measured at fair value through other comprehensive income.

Taiming Assurance Broker Co., Ltd.

Statement of Notes Receivable and Accounts Receivable

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Summary</u>	<u>Amount</u>
Notes Receivable		
Others (Note)	Commission	\$ 14
Accounts Receivable		
TransGlobe Life Insurance Inc.	Commission	24,858
Farglory Life Insurance Co., Ltd.	"	10,299
Taiwan Life Insurance	"	8,899
China Life Insurance	"	4,507
Hontai Life Insurance Co.,Ltd.	"	2,952
Others (Note)	"	<u>15,942</u>
		<u>67,457</u>
		<u>\$ 67,471</u>

Note: If the customer balance is less than 5% of the total amount, it shall be summarized.

Taiming Assurance Broker Co., Ltd.

Statement of Changes in Right-of-use Assets

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Opening Balance	Increase This Year	Decrease This Year	Year End Balance
Cost (Note)				
Building	\$ 41,482	\$ 40,644	\$ 23,802	\$ 58,324
Accumulated Depreciation				
Building	<u>28,568</u>	<u>15,053</u>	<u>23,763</u>	<u>19,858</u>
	<u>\$ 12,914</u>	<u>\$ 25,591</u>	<u>\$ 39</u>	<u>\$ 38,466</u>

Note: The increase of NT\$40,644 thousand for the year represents new leases; The decrease of NT\$23,802 thousand for the year represents NT\$23,329 thousand at lease expiration and about NT\$473 thousand at early termination.

Taiming Assurance Broker Co., Ltd.

Statement of Lease Liabilities

December 31, 2022

Unit: In Thousands of New Taiwan Dollars

Name	Lease Period	Discount rate (%)	Ending Balance
Building	April 1, 2020 - June 30, 2027	1.41~1.79	\$ 38,739
Less: current portion			<u>14,348</u>
Lease Liabilities - Non- current			<u>\$ 24,391</u>

Taiming Assurance Broker Co., Ltd.

Statement of Operating Income

2022

Unit: In Thousands of New Taiwan Dollars

Items	Amount
Life Insurance Commission Income	\$ 462,429
Property Insurance Commission Income	<u>77,340</u>
Operating Income	<u>\$ 539,769</u>

Taiming Assurance Broker Co., Ltd.

Statement of Operating Cost

2022

Unit: In Thousands of New Taiwan Dollars

Items	Amount
Commission Expenditure	\$ 375,520
Others	<u>30,523</u>
Total Operating Costs	<u>\$ 406,043</u>

Note: If the total amount of each cost category is less than 5%, the total amount shall be expressed in an aggregate number.

Taiming Assurance Broker Co., Ltd.

Statement of Operating Expense

2022

Unit: In Thousands of New Taiwan Dollars

Name	Amount
Salary Expenditure	\$ 50,964
Depreciation	5,715
Insurance Expense	5,558
Others	21,596
	<u>\$ 83,833</u>

Note: If the total amount of each expense category is less than 5%, the total amount shall be expressed.

Taiming Assurance Broker Co., Ltd.**Summary Table of Employee Benefits, Depreciation and Amortization Expenses Incurred During the Current Period**

2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	2022		2021	
	Operating Cost	Under Operating Expenses	Operating Cost	Under Operating Expenses
Employee Benefits Expenses (Note)				
Salary Expenses	\$ -	\$ 45,127	\$ -	\$ 47,073
Labor and Health Insurance Expenses	-	4,141	-	4,226
Retirement Allowance Expenses	-	2,019	-	2,087
Directors' Compensation	-	3,819	-	4,047
Other Employee Benefits Expenses	-	2,145	-	1,015
Total	<u>\$ -</u>	<u>\$ 57,251</u>	<u>\$ -</u>	<u>\$ 58,448</u>
Depreciation expenses	<u>\$ 13,098</u>	<u>\$ 5,715</u>	<u>\$ 13,154</u>	<u>\$ 6,070</u>
Amortization	<u>\$ -</u>	<u>\$ 1,187</u>	<u>\$ -</u>	<u>\$ 976</u>

Note 1. The number of employees in this year and the previous year were 64, among which the number of Directors who were not concurrent employees was 5.

Note 2. The average employee benefit costs in this year and the previous year were NT\$906 thousands and NT\$922 thousands respectively.

Note 3. The average salaries expense for employees in this year and the previous year were NT\$765 thousands 0 and NT\$798 thousands respectively.

Note 4. The average salary expenses for employees were adjusted by (4.14)%.

Note 5. Remuneration policy

a. Director

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 deficiency, the amount of losses shall be reserved in advance. 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.

b. Manager

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.

c. 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.