

Stock Code: 5878



TAIMING ASSURANCE BROKER CO., LTD.

2020 Annual Report

Publication Date: March 30, 2021

Company Website: www.tabc.com.tw

Market Observation Post System: mops.twse.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.

I. Spokesperson

Name: Yang-Kuo Chen
Title: General Manager
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Deputy Spokesperson

Name: Shu-Fen Yang
Title: Deputy General Manager
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II. Address and Telephone Number of The Headquarter

Headquarter: 11F., Guanqian Rd., Zhongzheng Dist., Taipei City
Telephone number: (02) 5558-5988

Address and telephone number of the business locations:

<u>Name</u>	<u>Address</u>	<u>Telephone</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
Toufen	3F., No.485, Zhongyang Rd., Toufen City, Miaoli County	037-667-527
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: 4F., No.199, Sec. 3, Chongqing N. Rd., Datong District, Taipei City
Web: <https://www.ibfs.com.tw>
Telephone number: (02) 2593-6666

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 CPA firm: Deloitte & Touche
Add: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City
Web: <https://www.deloitte.com>
Tel: (02) 2725-9988

V. The name of the trading place where the overseas marketable securities are listed for sale and the method of inquiring the information of the overseas 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,

In 2020, as Taiwan's insurance market faced a decline in the interest rate of policy reserves, low declared interest rate of interest rate sensitivity policies, and the impact of the global COVID-19 pandemic, the overall life insurance industry premium income declined. According to the statistics from the Life Insurance Association of R.O.C, the total insurance premium income of the life insurance industry in 2020 decreased by 7.9% compared with the last year, of which the first-year premium income decreased by 28.7%. As for the performance of the property and casualty insurance, according to the industry's statistics, the premiums increased by around 6.24% compared to the last year, mainly thanks to the booming business in the auto market and the growth in engineering insurance premiums.

The Company operates both life insurance and property and casualty insurance business. Although the first-year life insurance performance slightly decreased due to the overall insurance environment, the proportion of traditional life insurance products and long-term insurance products increased, the performance of life insurance policy renewals was excellent, and the performance of property and casualty insurance, as well as increased collaboration with partners in the same industry, the consolidated revenue in 2020 increased by 5.91% year on year, with stable growth in a comprehensive manner.

In addition to the positive performance, the Company has long been paying attention to social issues, attaching importance to the spirit of environment, social, and corporate governance (ESG) aspects, and actively promoting public welfare activities. In addition to responding to blood donation events, caring for the elderly, helping disadvantaged children, and providing scholarships and grants, we purchased, in terms of environmental sustainability, Leopard Cat Rice, to support farmers in the Fung Shue Wo community who adopted eco-friendly approaches and to co-exist with the endangered Taiwanese leopard cats, while working with charitable organizations to donate the purchased Leopard Cat Rice to the Yong-He Angel Station of the Huashan Social Welfare Foundation, to maximize the synergy of charitable efforts. Because of the Company's attention to and investment in ESG, it won the 2020 Bronze Award of the Corporate Sustainability Report Awards in the Financial and Insurance Industry at the Taiwan Corporate Sustainability Awards (TCSA), making it the only insurance broker to have won the award.

In November 2020, the Company applied for a self-developed compliance course system. After an on-site inspection of information security, the Company obtained the approval of the self-developed system in January 2021, demonstrating the Company's development potential for digital training and the ability to manage information security have been recognized in addition to the strength in the use of financial technology for mobile insurance. The Company will adopt marketing and training technology tools to lay the solid foundation for salespeople's rapid sales business expansion and for recruitment of salespeople.

The Company's 2020 annual business operation, 2021 annual business plan, future development strategies, external competitions, and regulatory environment, and overall business environment are described as follows:

I. 2020 Financial and Business Performance

(1) Revenue:

The net operating revenue of the Company and its subsidiaries for 2020 was NT\$ 914,530 thousand, an increase of NT\$51,010 thousand from NT\$ 863,520 thousand for 2019, representing an increase of 5.91%.

(2) Profits

The Company and its subsidiaries consolidated net profit before tax for 2020 was NT\$108,975 thousand. Net profit after tax attributable to owners of the Company was NT\$86,844 thousand. The basic earnings per share before tax were NT\$4.35, and the basic earnings per share after tax was NT\$3.47.

II. 2021 Business Plan

- (1) In 2021, the Company will emphasize product mix and segmentation of insurance customers by needs. The professional thematic training will focus on sales promotion strategy; product-specific training will be organized in line with the latest financial trends. The Company will organize workshops for high-end customers in the northern, central and southern Taiwan, while providing complete product services to customers through tax law projects. To serve customers, the Line@products encyclopedia, trial calculations, and complete tools for portfolio analysis were added to i Taiming at the end of 2020; as such, salespeople can look up product information quickly and provide policy terms and descriptions to insurance customers in real time.
- (2) The Company will adopt financial technology as a development tool to assist salespeople to serve insurance customers anytime and anywhere to expand their business without time and space constraints and affected by the pandemic: The Company has built a complete electronic platform, ranging from a digital product information platform, mobile insurance app, digital learning platform, the province's direct recording and broadcasting to online live-streaming learning across Taiwan; as such, it has a competitive advantage from sales to recruitment.
- (3) The Company will plan the second-generation magic academy to train young second-generation talents and successors to further develop and operate the business system and create sustainable happiness, while meeting customers' demand providing uninterrupted services.

III. Developmental Strategies in the Future

- (1) Product strategy that focuses on protecting retirement brands.
- (2) Development strategy for expanding the business territory in the Greater China region.
- (3) The competition and cooperation strategy to work with insurance brokers and agents in the same industry.

IV. Influences from External, Regulatory and Overall Business Environment

In 2021, the overall insurance business environment will continue to face challenges, including the application of IFRS 17 accounting standards for the transformation of insurance products, the increasingly stringent supervisory environment, and the impact of the pandemic on the interaction between people. With the expected amendments to the Regulations Governing Insurance Brokers and the Regulations Governing Insurance Agents in the insurance brokerage and agency industry, the competent authority, in the future, will increase the intensity of supervising the persons in charge of insurance brokers and agents, which will prompt the insurance brokers and agents to strengthen the robust operation and the financial structure, to protect insurance customers' rights to use electronic insurance policies and to increase the minimum paid-in capital of the insurance brokerage and agency industry so as to increase its risk tolerance and improve the protection of consumers' rights. The Company considers the environmental and regulatory pressures above as a positive impact as it has focused on protection-based products, strengthened compliance training, increased the director and audit governance standards, and promoted mobile insurance using technology, as well as enhanced the capital and financial structure so as to strive for opportunities for business development and collaboration with competitors.

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

Chairman of the Board:
Cheng-Chin Lee

Manager:
Yang-Kuo Chen

Accounting Manager:
Hsin-Yi Wen

Chapter 2. Company Highlights

I. Date of Incorporation

October 18, 2002

II. Milestones

Year	Milestones
2002	Taiming Assurance Broker Co., Ltd. was established with an actual paid-in capital of 3,000,000. The Company's main business contains life insurance brokerage and property insurance brokerage. Received the Achievement of 97.9% Performance in the past 13 months from TransGlobe Life Insurance Inc.
2005	Signed the academic-industrial collaboration contract with the Department of Insurance and Financial Management at Chihlee University of Technology. Investment in "Ching-Guan Financial Management Consulting Co., Ltd."
2006	Won the IDA International Dragon Award - Corporate Awards
2008	Won the "Outstanding Business Entity with Uniform Invoice" Award from the Ministry of Finance
2009	Won the "Best Insurance Professional of the Year- Support Group Merit Award" from RMIM Inc.
2010	Won the "2010 Taiwan Top Ten Enterprises with Moral Character" from Chinese Humanist Personality Association
2011	Won the "Best Insurance Professional of the Year- Support Group Merit Award" from RMIM Inc.
2012	Won the "2012 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life Won the "2012 Best Persistency Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life Won the "5th Taiwan Insurance Excellence Award - Insurance Broker Excellence Silver Award"
2013	Won the "2013 Best Performance Award, New Contract Entry Quality Award, Health Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life. Won the "Business Quality Management Excellence Award" from TransGlobe. Officially issued the stocks on Taipei Exchange (5878). Officially listed company at emerging stock market on Taipei Exchange (5878).
2014	Won the "2014 Best Performance Award, New Contract Entry Quality Award, Health Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life. Officially registered company at over-the-counter market on Taipei Exchange (5878). Won the "Best Broker Award" from Farglory Life. Investment in "Family Safety CO LTD"
2015	Won the "2015 Best Performance Award, New Contract Entry Quality Award, Health Master Award, and Foreign Currency Master Award of Coniferin Honorary Assembly as Brokerage Agent" from Chinatrust Life. Issued the first "Corporate Social Responsibility Report" and was certified by BSI Taiwan.

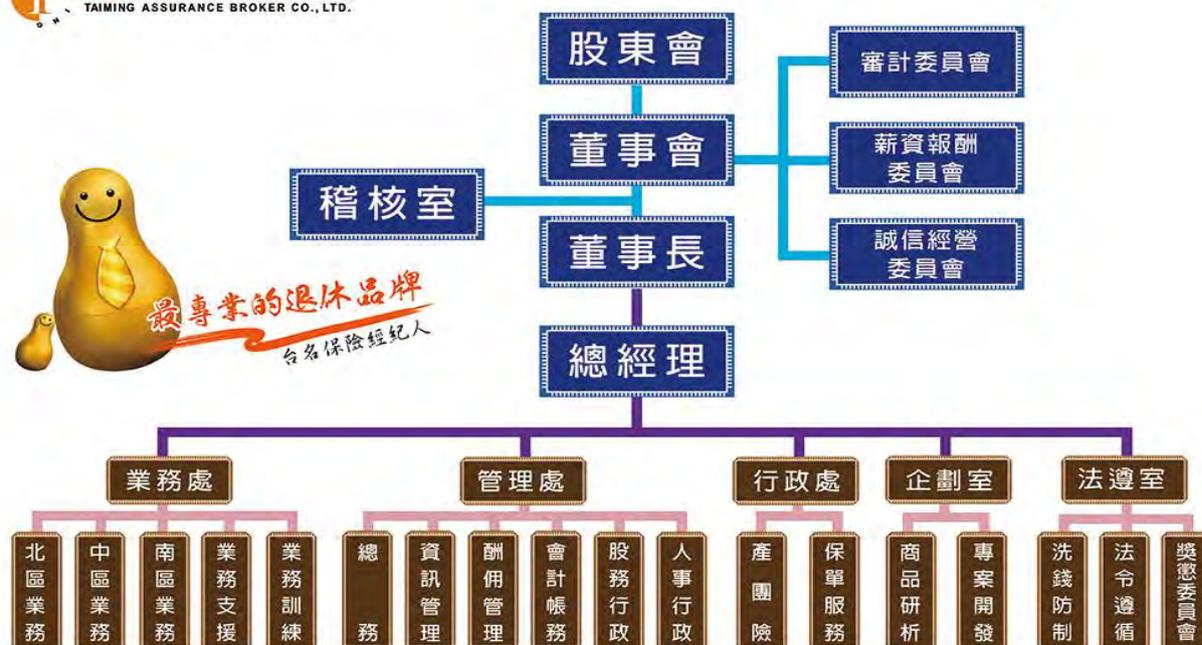
- 2016 Investment in "Shanghai Lianda Insurance Agency Co., Ltd."
 Won the "2016 Best Performance Award of Coniferin Honorary Assembly as Brokerage Agent" from TLG Insurance Co., Ltd.
 Won the "2016 Foreign Currency Master Award, Health Master Award, Best Persistency Award and Best Performance of Coniferin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

Taoyuan and Taichung workplace 2.0 completed and started the new era of mobile office
Won the 2020 Corporate Social Report Bronze Prize of 2020 (13th) Taiwan Corporate Sustainability Awards Finance and Insurance categories
Received the "2020 Quality Brokerage Company" from Farglory Life.
"Kun Shan Feng Sheng Insurance Agency Co. Ltd." renamed "Jiangsu Taiming Insurance Agency Co. Ltd." on April 15, 2020.
"Shanghai Lian Da Insurance Agency Co., Ltd." renamed "Shanghai Taiming Insurance Agency Co., Ltd." on April 29, 2020.

Chapter 3. Organization and Corporate Governance

I. Organization System

(I) Organizational Chart



Shareholders' Meeting	Shareholders Meeting	Department of Management	Department of Management
Board of Directors	Board of Directors	General Affairs	General Affairs
Audit Committee	Audit Committee	Information Management	Information Management
Remuneration Committee	Remuneration Committee	Commission Management	Commission Management
Auditing Office	Auditing Office	Accounting	Accounting
Chairman of the Board	Chairman of the Board	Stock Affairs Administration	Stock Affairs Administration
Vice Chairman of the Board	Vice Chairman of the Board	Personnel Administration	Personnel Administration
General Manager	General Manager	Department of Administration	Department of Administration
Department of Business	Department of Business	Property & Group Insurance	Property & Group Insurance
North District Business	North District Business	Insurance Policy Service	Insurance Policy Service
Central District Business	Central District Business	Planning Office	Planning Office
South District Business	South District Business	Commodity Research & Analysis	Commodity Research & Analysis
Business Support	Business Support	Project Development	Project Development
Business Training	Business Training	Legal Compliance Office	Legal Compliance Office
		Money Laundering Prevention	Money Laundering Prevention
		Legal Compliance	Legal Compliance
		Rewards & Disciplinary Committee	Rewards & Disciplinary Committee

(II) Divisional Scope of Responsibilities

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

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

(1) Board of Directors:

1. Directors' Information (I)

March 30, 2021

Title (Note 1)	Nationality or place of registration	Name	Male	Elected (Appointed) Date	Term of Office	Date of Initial Elected Date (Note 2)	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 3)	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 4)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
							Directors	Republic of China	Taiwan Navigator Asset Investment Co., Ltd.	-	May 31, 2019	3	November 7, 2012	9,025,907			36.07%	9,025,907	36.07%	
Republic of China	Representative: Cheng-Chin Lee	Male	May 31, 2019	3	November 7, 2012	887,874		3.55%	892,887	3.57%	384,274	1.54%	-	-	Studied in Construction Group of Public Engineering Department, China University and Technology 1. Sales Manager of TIANJIN EVEST INTL TRADING CO., LTD. 2. Sales Manager, Niche International Futures Company 3. The Congressional Aides of National Assembly 4. Deputy Director of Training Department, MetLife, Inc. Business Marketing Director, MetLife, Inc. Head of Sales and Marketing Division, Headquarter of MetLife, Inc. Manager of Banqiao Communications Department, MetLife, Inc.	1. Chairman of the Company 2. Chairman, Ching-Guan Financial Management Consulting CO., LTD. 3. Chairman, All Safe Co., Ltd. 4. Legal representative of Shanghai Taiming Insurance Agent CO LTD 5. Legal representative of Jiangsu Taiming Insurance Agent CO., LTD.	None	None	None	None
Republic of China	Representative: Jih-Jieh Wei	Male	September 6, 2019	3	September 6, 2019	-		-	-	-	-	-	-	-	Master of Business Administration, National University, California, USA. (Master of Business Administration, National University of California, USA.) Business Director of A-DATA Technology CO., LTD.	Senior Vice Manager of Electronic Division, SIRTEC INTERNATIONAL CO., LTD.	None	None	None	None
Directors	Republic of China	Cheng-Rong Enterprise Co., Ltd.	-	May 31, 2019	3	June 14, 2013	47,959	0.19%	47,959	0.19%	-	-	-	-			None	None	None	None
	Republic of China	Representative: Mo-Hang Wu	Female	May 31, 2019	3	May 31, 2019	-	-	-	-	-	-	-	-	EMBA, National Taiwan University FORLAND AUTO TRADE HOLDING CO., LTD. Representative of Judicial Person Director Representative of Juridical Person Director of FORLAND AUTO TRADE HOLDING CO., LTD. Legal Representative of Director of Zheng Yang Development Co., Ltd.	Chairman, Jiade Investment CO., LTD. Director, Yong Xin Development CO., LTD. Chairman, Navigator Investment Development CO., LTD. Director, 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 and legal representative, New Navigator Investment Co., Ltd. FORLAND AUTO TRADE HOLDING CO., LTD. Representative of Judicial Person Director AT BOUTIQUE HOTEL Director, legal representative Chairman,	None	None	None	None

Title (Note 1)	Nationality or place of registration	Name	Male	Elected (Appointed) Date	Term of Office	Date of Initial Elected Date (Note 2)	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 3)	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 4)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Title	Name	Relationship	
																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	May 31, 2019	3	May 31, 2019	-	-	-	-	-	-	-	-	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	Chuang-Teng Tsai	Male	May 31, 2019	3	June 15, 2016	-	-	-	-	-	-	-	-	Graduated from Bank Insurance Department of Feng Chia University Manager, Taiwan Cooperative Bank Deputy Manager, Farmers Bank of China	None	None	None	None	None
Independent Director	Republic of China	Fu-Kuei Huang	Male	May 31, 2019	3	May 31, 2019	-	-	-	-	-	-	-	-	Department of Accountancy, National Cheng Kung University Financial Assistant Manager, Tailung Capital Inc.	CPA, Shouxin Accounting Firm Independent Director of TAIWAN TAOMEE CO., LTD.	None	None	None	None

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

Note 2: Please list 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 3: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 4: 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 5: The Company established the Audit Committee to replace the Supervisors.

2. Substantial Shareholders of Judicial Person Shareholders (Table 1)

Book closure date: March 30, 2021

Name of Judicial Person Shareholders (Note 1)	Substantial Shareholders of Judicial Person Shareholders (Note 2)
Taiwan Navigator Asset Investment Co., Ltd.	Navigator Construction Co., Ltd. (28.12%), Jiade Investment Co., Ltd. (23.43%), Mayer Steel Pipe Corporation (14.06%), Dean Development Co., Ltd. (5.47%), Wanshun Investment Co., LTD (4.69%), HSIU-HSIU YU (4.69%), Xinliang Investment Co., LTD (4.69%), The Sincere Company Limited (4.69%), Wending Venture Capital Co., Ltd. (10.16%).
Cheng-Rong Enterprise Co., Ltd.	Jiade Investment CO LTD (34.483%), 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: If the institutional shareholder is not the organizer of the Company, the name of the shareholder and its shareholding ratio, that is, the name of the investor or contributor and its contribution or contribution ratio, shall be disclosed.

3. The Substantial Shareholders of the Table I Substantial Shareholders of Judicial Person Shareholders (Table II)

Book closure date: March 30, 2021

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.(16.611%), Tzu Chi International CO., LTD.(7.737%), Miramar Hotel CO., LTD.(7.10%), Xianda Investment CO., LTD.(6.83%), Yu Chi Investment CO., LTD.(4.28%), Dean Development CO., LTD.(2.10%), Jian Yu Xing Ye CO., LTD.(1.76%), Yuan Da Investment CO., LTD.(1.75%), Dewei Investment CO., LTD.(1.711%), The Sincere Company Limited(1.64%), Kwong Iee Steel Co., Ltd.(1.45%)

Name of Judicial Person (Note 1)	Substantial Shareholders of Judicial Person (Note 2)
Dean Development Co., Ltd.	Dewei Investment Co., Ltd. (32.31%), Deanxin Co., Ltd. (14.56%), Yuan Chuan Iron & Steel Co., Ltd. (12.38%), The Sincere Company Limited (10.81%), Er Xing Development Co., Ltd. (7.22%), Yi-Yun Hong (6.63%), Miramar Hotel Co., Ltd. (5.73%), Mayer Steel Pipe Corporation (1.27%), TZU-Yi Huang (1.22%) Hsiu-Mei Huang (1.59%)
Wanshun Investment Co., Ltd.	Zhong-Yi Li (8%), Yu-Ying Yang (8%), Yen-Liang Li (45%), Yen-Ying Li (12%), Li Yen-Hung (15%), Yen-Jing Li (12%).
The Sincere Company Limited	Dean Development Co., Ltd. (30.19%), Dexian Co., Ltd. (24.94%), Hong Kong Sincere Company Limited (18.42%), Dewei Investment Co., Ltd. (18.05%), Yi-Yun Hong (2.31%), Yung-Chieh Huang (1.25%), Chun-Wei Huang (1.19%), Cheng-Wei Li (1.17%), Yuhong Investment Co., Ltd. (0.99%), Ta-Yao Lo (0.53%).
Xinliang Investment Co., LTD	Zhong-Yi Li (9%), Yu-Ying Yang (9%), Yen-Liang Li (17%), Li Yen-Hung (15%), Yen-Jing Li (26%), Yen-Ying Li (24%).
TOP TAIWAN X VENTURE CAPITAL CO., LTD.	SIRTEC International Co., LTD (36%), ELAN Microelectronics Corporation (30%), Taiwan Fire & Marine Insurance Company LTD (24.75%), Taiming Assurance Broker Co., Ltd. (6.75%), Taiwan Navigator Asset Investment Co., Ltd. (2.5%).
Chanon Investment Co., Ltd.	Jian-Cheng Li(31.15%), Tai-Hung Li(27.43%), Chia-Keng Li(34.52%), AT BOUTIQUE HOTEL(6.90%)
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: If the institutional shareholder is not the organizer of the Company, the name of the shareholder and its shareholding ratio, that is, the name of the investor or contributor and its contribution or contribution ratio, shall be disclosed.

4. Directors' Information (II)

March 30, 2021

Name	Meet the following professional qualification requirements, together with at least five years' work experience.			Compliance with independence (note)												Number of other Taiwanese public companies concurrently serving as an Independent Director	
	Criteria	An instructor or higher position in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college or university	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded certificate in a profession necessary for the business of the company	Work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company	1	2	3	4	5	6	7	8	9	10	11		12
Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chin Lee			✓							✓	✓	✓	✓	✓	✓		0
Taiwan Navigator Asset Investment Co., Ltd. Representative: Jih-Jieh Wei			✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Cheng-Rong Enterprise Co., Ltd. Designee: Mo-Hang Wu			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0
Independent Director: Chien-Hsiang Chang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director: Fu-Kuei Huang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
Independent Director: Chuang-Teng Tsai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please check "✓" the corresponding boxes if the directors meet the following conditions during the two years prior to the nomination and during the term of office.

- (1) Employee not employed by the Company or its related companies.
- (2) Not a director or supervisor of the Company or any of its related companies (not applicable to the independent directors who are concurrently appointed by the company and its parent company and subsidiaries or subsidiaries belonging to the same parent company in accordance with this act or local laws).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of Aurora or is ranked in the top 10 in shareholdings.
- (4) Not the spouse, a direct lineal relative within the second degree of kinship or a within the third degree of kinship of the manager listed in (1) or the person listed in (2) and (3)
- (5) Not a Director, Supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total outstanding shares of the Company or ranks among the top 5 corporate

shareholders in the terms of share volume held or is assigned according to the Item 1 or 2, Article 27 of the Company Act. (This does not apply in cases where the person is an Independent Director of the Company, its parent or subsidiary established in pursuant to this law or local laws).

- (6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of Aurora's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).
- (7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of Aurora (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).
- (8)(8) Not a director (governor), supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. However, the aforementioned does not apply to the specified company or institution holding 20 percent or more and no more than 50 percent of the total number of issued shares of the public company and the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, managerial officer or spouse thereof that provides auditing service for Aurora or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years. However, this item shall not be applicable to members of the committee on remuneration, public acquisition review, or merger and acquisition who perform their functions and powers in accordance with the provisions of the Securities Exchange Act or Business Mergers and Acquisitions Act and other relevant regulations.
- (10) Not a spouse or a relative within the second degree of kinship to any other director of Aurora.
- (11) None of the circumstances in the subparagraphs of Article 30 of the Company Act apply.
- (12) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.

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

March 30, 2021

Title (Note 1)	Nationality	Name	Male	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	
President	Republic of China	Yang-Kuo Chen	Male	March 16, 2002	20,039	0.08%	-	-	-	-	Department of Electronic Engineering, Hwa Hsia University of Technology Manager/Director of Education Training Department, ChinFon Life Insurance Director of Sales Department, ChinFon Life Insurance Director of Training Department, MetLife, Inc. Associate Manager of Education Training Department, MetLife, Inc. Deputy General Manager, Southern Taiwan Business Department, Manulife Deputy General Manager, South District, PCA Life Assurance Co., Ltd.	Supervisor, All Safe Co., Ltd.	None	None	None	None
Deputy General Manager of Management Office	Republic of China	Shu-Fen Yang	Female	August 1, 2010	39,839	0.16%	-	-	-	-	Graduated from the Graduate School of Management, Rutgers University, New Jersey, USA Project Manager, Consulting Department, Jianda United CPA Firm Head of Accounting, Taiwan Express Co., LTD	None	None	None	None	None
Assistant Manager of Auditing Office	Republic of China	Kun-Lin Hsu	Male	November 1, 2012	3,780	0.02%	-	-	-	-	Graduated from Insurance Graduate School, National Chengchi University Business Director, Associate Manager, and Deputy Manager, Metlife, Inc. Manager and Business Director, Taiming Assurance Broker. General Manager, Hung Hsiang Insurance Broker	None	None	None	None	None
Assistant Manager of Planning Office	Republic of China	Ching-Wen Lin	Female	July 1, 2016	9,141	0.04%	-	-	-	-	Graduated from Commercial Japanese Department of Yu Da High School of Commerce and Home Economics Director of Business Support Office/Assistant Manager of Administration Division, Manager of Business Support, TABC	None	None	None	None	None
Assistant Manager	Republic of China	Kai-Ling Fan	Female	March 11, 2020	-	-	-	-	-	-	Business Management Department, Hsing Wu University	None	None	None	None	None

Title (Note 1)	Nationality	Name	Male	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	
of Department of Business (Note 4)											Science and Technology Application and Human Resource Development, National Taiwan Normal University Planning Department Manager, FullRich Insurance Recruitment, Education and Training Director, MetLife, Inc. Business Support Director, New York Life Insurance Deputy Manager, TransGlobe Life Insurance					
Assistant Manager of Department of Administration (Note 5)	Republic of China	Chang-Wu Chiao	Male	March 1, 2020	-	-	-	-	-	-	Department of Economics, Chinese Culture University General Manager, Panhsin Insurance Broker Assistance Manager of Bank Insurance Department, Farglory Life Assistance Manager, Chailease Insurance Broker Sub-manager of Comprehensive Business Department, Panhsin Bank Senior Section Chief of Group Insurance Department, China Life Insurance	General Manager, All Safe Co., Ltd.	None	None	None	None
Assistance Manager of Central District Business Department	Republic of China	Chien-Chang Lai	Male	September 1, 2010	2,076	0.01%	-	-	-	-	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 Office, TABC	None	None	None	None	None
Assistant Manager of Department of Administration	Republic of China	Shen-Tien Chen	Male	May 5, 2014	42,155	0.17%	-	-	-	-	Graduated from Graduate School of Risk Management and Insurance, National Kaohsiung First University of Science and Technology Section Chief, Taiwan Life Insurance Deputy Manager, TLG Insurance Co., Ltd.	None	None	None	None	None
Assistant Manager of Department of Business (Note 6)	Republic of China	Wei-Cheng Ho	Male	July 1, 2020	-	-	-	-	-	-	Graduated from Economic Department of Tunghai University Sales Director of Cathay Life Insurance Project Manager, Bank Insurance Department, Taiwan Life Insurance Product Manager/Discipline & Guidance Team Leader of SinoPac Life Insurance.	None	None	None	None	None

Title (Note 1)	Nationality	Name	Male	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	
											Project Manager of Marketing Management Department, Chinatrust Life Insurance					

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).

Note 4: Kai-Ling Fan first took office on March 11, 2020, and was resigned on June 12, 2020.

Note 5: Chang-Wu Chiao first took office on Mar. 1, 2020.

Note 6: Wei-Cheng Ho took office on July 1, 2020.

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, 2020 Unit: NT\$ thousands

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 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)			The Company	Companies in the consolidated financial statements (Note 7)		
																Cash amount	Stock amount	Cash amount	Stock amount					
Directors	Taiwan Navigator Asset Investment Co., Ltd.																							None
	Representative: Cheng-Chin Lee (Appointed on May 31, 2019)	-	-	-	-	2,154	2,154	180	195	2.69	2.70	2,440	2,440	-	-	-	-	-	-	5.50	5.51			None
	Representative: Wei, Chih-Chieh (Appointed on September 6, 2019)																							None
Directors	Cheng-Rong Enterprise Co., Ltd.																							None
	Representative: Mo-Hang Wu (Appointed on May 31, 2019)																							None
Independent Director	Chien-Hsiang Chang (Appointed on May 31, 2019)																							None
Independent Director	Fu-Kuei Huang (Appointed on May 31, 2019)																							None
Independent Director	Chuang-Teng Tsai (Appointed on May 31, 2019)							1,980	1,980	2.28	2.28													None
Independent Director	Tsung-Ju Li (left office on May 31, 2019)																							None
Independent Director	Tsung-Han Hsieh (left office on May 31, 2019)																							None

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

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

(1) Offer attendance fee to the attending Directors on the date of Board meetings

(2) Independent Directors receive transportation fees every month, but do not engage in the annual Director remuneration.

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

Table of Remuneration Ranges

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

Note 1: The names of directors shall be listed separately (for institutional shareholders, the names and representatives of institutional shareholders shall be listed separately), and the general directors and independent directors shall be listed separately, and the payment amount of each item shall be disclosed collectively. If a director also serves as a General Manager or Deputy General Manager, he/she should fill up this form and the form (3-2-1) or (3-2-2) below.

Note 2: Remuneration 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 president, vice president, 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. Furthermore, any compensation recognized in the IFRS 2 Share-Based Payment section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, should be included in the calculation of remuneration.

Note 6: If the directors who acted as employees concurrently (including president, vice president, 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 (2020), amounting to NT\$ 86,844,000.

Note 11: a. This column should clearly state the amount of remuneration received by the directors of the Company from the invested companies other than the Company's subsidiaries or from the parent company (if no, please fill in "no").

b. If the director receives remuneration from the invested companies other than the Company's subsidiaries or from the parent company, the said remuneration shall be included in Column J in the remuneration range table. The name of the column shall also be changed to "parent company and all reinvested companies".

c. Remuneration in this case shall refer to remuneration, rewards (including remunerations of employees, directors, or supervisors), business allowances, and other related payments received by the director of the Company for being a director, supervisor, or manager of the invested companies other than the Company's subsidiaries or the parent company.

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

(II) The remuneration for supervisors (range of remuneration with name disclosure): The Company sets up an Audit Committee, so it does not apply.

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

December 31, 2020 Unit: NT\$ thousands

Title	Name	Salary (A) (Note 2)		Separation Pay and Pensions (B)		Bonus and allowance 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	4,097	4,097	-	-	614	614	100	-	100	-	5.54	5.54	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 and 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. Furthermore, any compensation recognized in the IFRS 2 Share-Based Payment section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, should be included in the calculation of remuneration.
- 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. This column should clearly state the amount of remuneration received by the General Manager or Deputy General Manager of the Company from the invested companies other than the Company's subsidiaries or from the parent company (if no, please fill in "no").
- b. If the General Manager or Deputy General Manager of the Company receives remuneration from the invested companies other than the Company's subsidiaries or from the parent company, the said remuneration shall be included in Column E in the remuneration range table. The name of the column shall also be changed to "parent company and all reinvested companies".
- c. Remuneration in this case shall refer to remuneration, rewards (including remunerations of employees, directors, or supervisors), business 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, 2020 Unit: NT\$ thousands

	Title (note 1)	Name (Note 1)	Stock amount	Cash amount (Note 2)	Total	Proportion to Earnings After Tax (%)
Manager (Note 3)	President	Yang-Kuo Chen	-	385	385	0.44%
	Deputy General Manager	Shu-Fen Yang				
	Associate Manager	Kun-Lin Hsu				
	Associate Manager	Shen-Tien Chen				
	Associate Manager	Ching-Wen Lin				
	Associate Manager	Chien-Chang Lai				
	Associate Manager (Note 5)	Kai-Ling Fan				
	Associate Manager (Note 5)	Chang-Wu Chiao				
	Associate Manager (Note 5)	Wei-Cheng Ho				
	Accounting Manager (Note 5)	Hsin-Yi Wen				

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 year; if IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial reports in the most recent year.

Note 3: The scope of the term "manager" will be applied based on the below standards as stated by Memorandum No. 0920001301 issued on Mar. 27, 2013 by the TPEX:

- (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.

Note 5: Kai-Ling Fan first took office on March 11, 2020, and was resigned on June 12, 2020.

Chang-Wu Chiao first took office on March 1, 2020.

Wei-Cheng Ho first took office on July 1, 2020.

Hsin-Yi Wen took office on June 1, 2020.

* 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:

Title \ Items	Ratio of total remuneration to net after-tax profit in 2020		Ratio of total remuneration to net after-tax profit in 2019	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors (including independent directors)	4.97%	4.98%	5.02%	5.02%
Supervisor	Not Applicable	Not Applicable	Not Applicable	Not Applicable
General Manager and Deputy General Manager	5.54%	5.54%	9.14%	9.14%

Note: (1) The net after-tax profit in 2020 amounted to NT\$ 86,844 thousand, while that in 2019 amounted to NT\$ 74,501 thousand.

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

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

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

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

- a. Offer attendance fee to the attending Directors on the date of Board meetings.
- b. Independent Directors receive transportation fees every month, but do not engage in the annual Director remuneration.
- c. If a director serves as an employee concurrently, other than receiving the attendance fee and director remuneration, their salary as an employee should follow the relevant regulations of the Company.
- d. 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:

a. 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

b. 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 Company offers monthly salary and year-end bonus. 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 Company's bonus mainly includes performance bonus and employee remuneration. Performance 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.

(2) Procedures for determining remuneration:

The monthly salary and year-end bonus of the Company's managers are determined by considering their experience, special expertise, and standards in the industry. The amount shall be approved by the Remuneration Committee and resolved by the Board of Directors. Managers' performance bonus shall be based on the Company's performance and earnings of the current year. The performance evaluation shall be carried out every year including self-evaluation, first and second evaluations. The amount shall be approved by the Remuneration Committee and resolved by the Board of Directors.

(3) Business performance and future risks

For the remuneration of the managers, it shall be handled under the Articles of Association. If the year gains profit, 1% to 5% shall be distributed as Director remuneration.

The Company's performance bonus for managers and employee remuneration are closely related to the Company's operating performance. Managers are required to consider the Company's operating performance and the associated risks, and participate in the preparation of the Company's Corporate Social Responsibility Report (CSR) and present the concept.

IV. Operations of Corporate Governance

(I) Operations of the Board of Directors

The Board of Directors has held 6 meetings (A) in recent years, and the attendance of directors is listed as follows:

(January 1 to December 31, 2020)

Title	Name (Note 1)	Times of in person attendance (B)	Number of attendance by Proxy Attendance	Rate of Actual Presence (Attendance) (%) [B/A] (Note 2)	Remark
E-Life CO LTD	Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chin Lee	6	0	100%	None
Directors	Taiwan Navigator Asset Investment Co., Ltd. Representative: Jhih-Jieh Wei	6	0	100%	None
Directors	Cheng-Rong Enterprise Co., Ltd. Designee: Mo-Hang Wu	6	0	100%	None
Independent Director	Chien-Hsiang Chang	6	0	100%	None
Independent Director	Chuang-Teng Tsai	6	0	100%	None
Independent Director	Fu-Kuei Huang	6	0	100%	None

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 listed in Article 14-3 of the Securities and Exchange Act: The Company established the Audit Committee, thus it does not apply.

Date of meeting (period)	Proposal Content	All independent directors' opinions and the follow-up
February 26, 2020 (The 5th meeting in the 7th term of the Board of Directors)	1.2019 Internal Audit Report 2.2019 Remuneration of employees and Directors 3.Declaration of the internal control system of the Company in 2019 and the declaration of internal control system for preventing money laundering and combating terrorism of the Company in 2019. 4.Amendment to the "Procedures for the Acquisition or Disposal of Assets". 5.CPA independence evaluation report. 6.CPA fee in 2020	Proceed upon approval of all independent directors
April 30, 2020 (The 6th meeting in the 7th term of the Board of Directors)	1.To amend certain articles of the Company's "Internal Control System". 2.Director remuneration in 2019	Proceed upon approval of all independent directors
May 27, 2020 (The 7th meeting in the 7th term of the Board of Directors)	1.Changing the Company's Accounting Manager 2.Profit distribution in cash dividend in 2020, deciding on the ex-dividend date and other relevant matters	Proceed upon approval of all independent directors

August 3, 2020 (The 8th meeting in the 7th term of the Board of Directors)	1.Report of the impact of COVID-19 on Q2 2020 financial report 2.Amended some provisions of the Company's Internal Control System	Proceed upon approval of all independent directors
October 29, 2020 (The 9th meeting in the 7th term of the Board of Directors)	1.To amend certain articles of the Company's "Internal Control System".	Proceed upon approval of all independent directors
December 29, 2020 (The 10th meeting in the 7th term of the Board of Directors)	1.Ratio of remuneration to Directors and employees in 2020 2.2021 Audit Plan 3.To amend certain articles of the Company's "Internal Control System".	Proceed upon approval of all independent directors

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
April 30, 2020 (The 6th meeting in the 7th term of the Board of Directors)	Cheng-Chin Lee, Chairman of the Board	Draft proposal on manager performance bonus in 2019	Parties to the proposal	He voluntarily withdrew and did not participate in the voting when discussing and voting on this proposal.
December 29, 2020 (The 10th meeting in the 7th term of the Board of Directors)	Cheng-Chin Lee, Chairman of the Board	The Company appointed All Safe Co., Ltd. to set up and maintain the mobile insurance system.	Cheng-Chin Lee, Chairman of the Board of All Safe Co., Ltd., is the same person as that of the Company.	He voluntarily withdrew and did not participate in the voting when discussing and voting on this proposal.

III. The TWSE & TPEX Listed Companies shall disclose 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 (2) Evaluation Implementation of the Board of Directors: refer to the Schedule II (2) Evaluation Implementation of the Board of Directors for details.

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 2019 is completed.
- 3.The Company has taken out liability insurance for all Directors and reported its insurance status before January 15 each year in accordance with regulations.
- 4.The Company uses the information observatory and the company website to expose the Company's important regulations, financial reports and major resolutions to improve information transparency.
- 5.The Company has established the "Rules of Procedure for Board of Directors Meetings" to strengthen the implementation of the functions of the Board of directors.

6. Handle the shareholder proposals. Shareholders who are entitled to submit proposals may apply for a proposal to the Company for review within the period. The Company will convene a Board of Directors' meeting in accordance with the relevant regulations. There is no shareholder proposal in 2019.

7. The Company has established the "Ethical Corporate Management Committee" in 2019 to strengthen the implementation of the Board of directors and build an ethical corporate culture.

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

Note 2: (1) If Directors and Supervisors 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 Board of Directors and the actual presence (attendance) during the term of service.

(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 attendance of this member.

Implementation of the evaluation of Board of Directors

Evaluation cycle (Note 1)	Period of evaluation (Note 2)	Scope of evaluation (Note 3)	Evaluation methods (Note 4)	Evaluation content (Note 5)
Executed in each year.	2020.1.1- 2020.12.31 Performance Evaluation	1.The entire Board 2.Individual directors (including independent directors) 3.Functional Committees (including the Remuneration Committee, the Audit Committee, and the Ethical Corporate Management Committee)	1.Self-evaluation by the Board of Directors 2.Self-evaluation by the directors 3.Evaluation among directors at the same level	1. The performance evaluation indicators of the Board of Directors include but are not limited to the following: The degree of participation in the operation of the company, the improvement of the quality of the Board of Directors' decision- making, the compositions and structure of the Board of Directors, the selection and continuous improvement of directors, internal control, etc. 2. The performance evaluation indicators of individual board members include but are not limited to the following: The Company's goals Missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and

				<p>communication, the director's professionalism and continuing education, and internal control</p> <p>3. The performance evaluation indicators of the functional committees include but are not limited to the following: The degree of participation in the operation of the company, understanding of the responsibilities of functional committees, quality of the functional committees' decision-making, compositions of the functional committee and selection of members, internal control, etc.</p>
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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, 2020.

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, 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, and internal control
- (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, 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 31, 2019, the term of office of the members of the 3rd Audit Committee is from May 31, 2019 to May 30, 2022.

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

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

2. The key emphasis in work for the Audit Committee in 2020 are as follows:

- (1) Review the financial reports for 2019 and the financial reports of the first quarter to the third quarter of 2020.
- (2) Appointment of CPAs for 2020 and review of fees remuneration.
- (3) According to the completion of various professional service indicators in 2020 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 2019.
- (4) To establish or amend procedures for acquiring or disposing of assets, engaging in derivative transactions, making capital loans and endorsements in accordance with subparagraph 1 of Article 36 of the Securities Exchange Act.
- (5) Items that involve the Directors' own interests.
- (6) Review of significant asset transactions.
- (7) Review of the amendment to the articles of Internal Control System
- (8) Appointment of Accounting Manager
- (9) Understanding of the audit result and communication with the audit manager to understand the internal control condition
- (10) Communication with the managers to understand the business operation of the Company
- (11) Other significant matters set forth by the Company or the competent authority.

A total of six (A) meetings were held by the Audit Committee in the most recent year (2020). The attendance of Independent Directors was as follows:

(2020.01.01-2020.12.31)

Title	Name	Times of Actual Attendance (B)	Times of proxy attendance	Rate of Actual Presence (Attendance) (%) [B/A] (Note 2)	Remark
Independent Director	Chien-Hsiang Chang	6	0	100%	None
Independent Director	Fu-Kuei Huang	6	0	100%	None
Independent Director	Chuang-Teng Tsai	6	0	100%	None

Other required disclosure:

I. If the audit Committee has any of the following circumstances, the date, period, proposal content, the resolution of the Audit Committee and the Company's reaction toward the audit Committee's opinions shall be specified.

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

Convening Date of Board Meeting (Period)	Proposal Content	Audit Committee Resolution	Company's response to the comments of the Audit Committee
February 26, 2020 (The 5th meeting in the 7th term of	1. Business Report of 2019 2. Financial Report of 2019 3. Draft of the Company's earnings	Approved by all attending members of	Propose for adoption by the Board of Directors;

the Board of Directors)	<p>distribution in 2019</p> <p>4.Declaration of the internal control system in 2019 and the declaration of internal control system for preventing money laundering and combating terrorism in 2019.</p> <p>5.To amend some articles of the Company's Corporate's Charter.</p> <p>6.Amendment to the "Procedures for the Acquisition or Disposal of Assets".</p> <p>7.To amend certain articles of "Audit Committee Charter" of the Company.</p> <p>8.To amend some articles of the Company's Rules of Independent Directors' Duties.</p> <p>9.CPA independence evaluation report.</p> <p>10.CPA fee in 2020</p>	the Audit Committee after discussion.	Approved by all attending Directors after discussion.
April 30, 2020 (The 6th meeting in the 7th term of the Board of Directors)	<p>1.The Company's consolidated financial statements for the first quarter of 2020.</p> <p>2.To amend certain articles of the Company's "Internal Control System".</p>	Approved by all attending members of the Audit Committee after discussion.	Propose for adoption by the Board of Directors; Approved by all attending Directors after discussion.
August 3, 2020 (The 8th meeting in the 7th term of the Board of Directors)	<p>1.The Company's consolidated financial statements for the second quarter of 2020.</p> <p>2.To amend certain articles of the Company's "Internal Control System".</p>	Approved by all attending members of the Audit Committee after discussion.	Propose for adoption by the Board of Directors; Approved by all attending Directors after discussion.
October 29, 2020 (The 9th meeting in the 7th term of the Board of Directors)	<p>1.The Company's consolidated financial statements for the third quarter of 2020.</p> <p>2.To amend certain articles of the Company's "Internal Control System".</p>	Approved by all attending members of the Audit Committee after discussion.	Propose for adoption by 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 (including the major issues, methods and results of the communication on the company's financial and business status, etc.):

The Independent Director has direct communication channels with the internal audit Director and the CPA, and the communication is good and there is no objection. The internal Audit Supervisor shall report to the Audit Committee and interact with the Independent Directors at each Audit Committee meeting according to the annual audit plan and actual execution process; CPAs shall

also attend in the quarterly Audit Committee and communicate and interact with Independent Directors on issues relating to the review or lookup of financial reports or financial, tax or internal controls. The important content of the communication and interaction between the Independent Directors on the Audit Committee and the finance Director, the internal audit Director and the CPA is disclosed on the Company's official website.

(I) The audit supervisor submitted the internal audit report to all independent directors in the next month of the termination of audit. The communication situation was good without objections. The communication items in 2020 are as follows:

Audit Committee Date (period)	Content of the communication	Communication situation and results
February 26, 2020 (5th meeting of the 3rd Audit Committee)	Report on the implementation of the internal audit report for the fourth quarter of 2019.	Approved by all attending members of the Audit Committee after discussion.
April 30, 2020 (6th meeting of the 3rd Board of Directors)	Report on the implementation of the internal audit plan in the first quarter of 2020.	Approved by all attending members of the Audit Committee after discussion.
August 3, 2020 (8th meeting of the 3rd Board of Directors)	Report on the implementation of the internal audit plan in the second quarter of 2020.	Approved by all attending members of the Audit Committee after discussion.
October 29, 2020 (9th meeting of the 3rd Board of Directors)	Report on the implementation of the internal audit plan in the third quarter of 2020.	Approved by all attending members of the Audit Committee after discussion.
December 29, 2020 (10th meeting of the 3rd Board of Directors)	Audit plan in 2021	Approved by all attending members of the Audit Committee after discussion.

(II) The CPA communicated in the Audit Committee and the Board of Directors meeting with directors (including independent directors) after auditing the financial statements. The directors (including independent directors) had no objection. The CPA attended the Audit Committee's communication on the audit procedure for the application of audit standards bulletin to the financial reports of 2019, and the Directors (including Independent Directors) had no objection. The communication items in 2020 are as follows:

Audit Committee Date (period)	Content of the communication	Communication situation and results
February 26, 2020 (5th meeting of the 3rd Audit Committee)	Financial Report of 2019	Approved by all attending members of the Audit Committee after discussion.
April 30, 2020 (6th meeting of the 3rd Board of Directors)	Consolidated financial statements for the first quarter of 2020	Approved by all attending members of the Audit Committee after discussion.
August 3, 2020 (8th meeting of the 3rd Board of Directors)	Consolidated financial statements for the second quarter of 2020	Approved by all attending members of the Audit Committee after discussion.

	October 29, 2020 (9th meeting of the 3rd Board of Directors)	Consolidated financial statements for the third quarter of 2020	Approved by all attending members of the Audit Committee after discussion.
	December 29, 2020 (10th meeting of the 3rd Board of Directors)	Deloitte & Touche communicated the auditing procedures of the bulletin of auditing standards applicable to the 2020 financial report.	Approved by all attending members of the Audit Committee after discussion.

Notes:

- * 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.
- * 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 attendance of this member.

(III) Corporate Governance Practices as Required by "Taiwan Corporate Governance Implementation"

Evaluation Item	Operations (Note 1)		Non-implementation and Its Reason(s)	
	Yes	No		
I. Does the Company follow "Taiwan Corporate Governance Implementation" to establish and disclose its corporate governance practices?	✓		I. In accordance with the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies, the Company has formulated the Corporate Governance Principles, which was adopted by the Board of Directors on Dec. 24th, 2013, and has been amended in accordance with the law, and the revised principles has been disclosed through the Market Observation Post System and the company's website for compliance.	In compliance with "Taiwan Corporate Governance Implementation"
II. Equity Structure and Stockholders' Equity of the Company	✓		(I) The Company has set up a spokesman mechanism in accordance with internal control, and has entrusted professional stock affairs agency to handle shareholder suggestions, doubts, disputes and litigation matters through the service window of investor relations.	In compliance with "Taiwan Corporate Governance Implementation"
(I) Does the Company have internal procedures in place to handle shareholder suggestions, questions, disputes and lawsuits, and to follow those procedures?	✓		(II) The Company has appointed a stock business agency to handle shareholder related matters, and mastered the information of the major shareholders and the final controller according to the list of shareholders of the stock business agency, and regularly reported the changes of the shareholding of Directors, Managers and major shareholders holding more than 10%. In addition, the Company and the stock business units maintained a good interactive relationship with the main shareholders, and paid attention to the important matters that may cause changes in the shareholding of the company.	In compliance with "Taiwan Corporate Governance Implementation"
(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?	✓		(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.	In compliance with "Taiwan Corporate Governance Implementation"
(III) Does the Company establish, implement risk management and firewall mechanisms with related companies?	✓		(IV) The Company has formulated the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct" and "Operating Procedure of Internal Major Information Processing and Prevention of Insider Trading Management" to establish a good internal major information processing and disclosure mechanism, avoid improper disclosure of information, and ensure the consistency and correctness of the Company's information published to the outside world.	In compliance with "Taiwan Corporate Governance Implementation"
(IV) Does the Company have internal rules that prohibit insiders from trading marketable securities using market information that is not publicly available?	✓			

Evaluation Item	Operations (Note 1)		Non-implementation and Its Reason(s)
	Yes	No	
<p>III. Composition and Responsibilities of the Board of Directors</p> <p>(I) Has the Company established a diversification policy for the composition of its Board of Directors and has it been implemented accordingly?</p>	✓		<p>In compliance with "Taiwan Corporate Governance Implementation"</p>
<p>(II) In addition to the legally-required Remuneration Committee and Audit Committee, has the Company voluntarily established other functional committees?</p>	✓		<p>In compliance with "Taiwan Corporate Governance Implementation"</p>
<p>(III) Does the Company establish the Procedures for Performance Evaluation of the Board of Directors and evaluation mode,</p>	✓		<p>In compliance with "Taiwan Corporate Governance Implementation"</p>

Evaluation Item	Operations (Note 1)		Non-implementation and Its Reason(s)
	Yes	No	
<p>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> <p>(IV) Does the Company regularly assess the independence of CPAs?</p>			<p>Directors and its members shall be performed at least once a year. The Company completed the performance evaluation of the 6th Board of Directors and board members before the end of December 2019, and submitted the evaluation results at the 5th meeting of the 7th Board of Directors on Feb. 26, 2020, and disclosed the results on the Company website.</p> <p>(IV) The Board of Directors of the Company regularly assesses the independence of the CPA and the assessment procedures are as follows:</p> <ol style="list-style-type: none"> (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 questionnaire of CPA competency. <p>The Audit Committee and Board of Directors of the Company have passed the independence evaluation of 2020 on February 25, 2021. The evaluation results are in line with the independence evaluation standards, indicating that the CPA evaluated is qualified to be the CPA of the Company.</p>
<p>IV. Whether the TWSE/TPEX listed companies are equipped with competent and appropriate number of corporate governance personnel, and specify the head of corporate governance to be responsible for corporate governance related matters (including but not limited to providing data required by Directors and Supervisors in the execution of business, assisting Directors and Supervisors to comply with laws and regulations, handling relevant matters of meetings of the Board of directors and shareholders' meeting in accordance with laws, and preparing records for the Board of Directors and shareholders' meetings, etc.)?</p>	✓		<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 financial affairs, stock affairs and business 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>The main responsibilities of the director of corporate governance are as follows:</p> <ol style="list-style-type: none"> 1. Implement compliance with statutory requirements and improve internal management. 2. Carry out works related to the shareholders' meetings. 3. Carry out works related to the Board of Directors and Audit Committee. <p>In compliance with "Taiwan Corporate Governance Implementation"</p>

Evaluation Item	Operations (Note 1)		Non-implementation and Its Reason(s)
	Yes	No	
			<p>4. Carry out registration of company change.</p> <p>5. Maintain information on the Company's English website, and disclose information and results related to the Company's financial, operational and corporate governance.</p> <p>6. Conduct performance evaluation on the Board of Directors annually and submit the evaluation results to the Board of Directors.</p> <p>II. The business planning for 2020 is as follows:</p> <p>1. Register the date of the shareholders' meeting in advance according to the law and prepare and report the meeting notice, meeting handbook, and meeting minutes within the time limit.</p> <p>2. Register the changes of the Company's operations.</p> <p>3. Annually check the compliance of corporate governance evaluation indicators one by one, and propose improvement plans and response measures for the unscored indicators.</p> <p>4. Responsible for issue important information on important resolutions after the board meeting and the meeting of shareholders on the same day and ensure the legality and correctness of information disclosure, so as to ensure the trading information of investors is equal.</p> <p>5. Assist the Board of Directors, Audit Committee and board of shareholders in matters of procedure and resolution.</p> <p>III. The further education in 2020 is disclosed on the Company's website.</p>
V. Does the Company establish communication channels and a dedicated section on the company website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		<p>The Company has established communication channels for different subjects (including stakeholders) in different departments, and has set up a special area for stakeholders on the company's website to properly adapt to stakeholders' concerns.</p>
VI. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓		<p>We have appointed Waterland Securities co., LTD. as our registrar for our Shareholders' Meetings.</p>
VII. Information disclosure (I) Does the Company have a website that exposes financial and corporate governance information?	✓		<p>(I) The Company has set up a company website, investor zone and stakeholder zone, and tasked the relevant departments to maintain, in order to detail and immediately reveal the company's financial business, corporate governance and Corporate Social Responsibility and other related information. The Company's official website (https://www.tabc.com.tw).</p> <p>(II) The Company has set up an English website with dedicated staff responsible for information disclosure and update. The Company clearly implements the spokesperson system and has a</p>
(II) Does the Company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be	✓		

Evaluation Item	Operations (Note 1)		Non-implementation and Its Reason(s)
	Yes	No	
<p>responsible for the collection and disclosure of company information, implementing a spokesman system, and placing judicial person briefings on the company website)?</p> <p>(III) Does the Company announce and declare the annual financial report 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.</p>		<p>✓</p> <p>(III) The Company didn't announce and declare the annual financial report within two months after the end of the fiscal year, but did announce and declare the first, second and third quarter financial reports and the operating conditions of each month before the prescribed period.</p>	
<p>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>	<p>✓</p>	<ol style="list-style-type: none"> 1. The Company attaches importance to the rights and interests of employees, has set up a "Staff Welfare Committee", and the monthly allocation of staff welfare funds, regular staff welfare activities, each year have detailed welfare planning and budget, to enhance the loyalty of employees. 2. Investor relations: the Company attaches importance to shareholders' equity, and immediately announces financial, business and material information on the Market Observation Post System. 3. Supplier relations: The Company has relevant management rules for suppliers, and establishes a long-term close relationship with the suppliers based on a win-win principle for achieving sustainable growth with mutual trust and mutual benefit. 4. Rights of interested parties: The Company has established various good and smooth communication channels, adheres to the principle of good faith, and acquit ourselves to our corporate social responsibilities to protect the rights and interests of interested parties. 5. The training of directors has been conducted in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" of the Taiwan Stock Exchange Co., Ltd. The details of the further education of the directors and managers' participation in corporate governance of relevant further education can be referred to ##page XX## 6. Risk management policy and the execution process of risk measure: 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 	<p>In compliance with "Taiwan Corporate Governance Implementation"</p>

Evaluation Item	Operations (Note 1)		Non-implementation and Its Reason(s)
	Yes	No	
			<p>Major Information Processing and Prevention of Insider Trading Management" and other relevant provisions for compliance.</p> <p>In the case of major bills, they are evaluated and analyzed by appropriate authorities and responsible departments and implemented according to the resolutions of the Board of Directors, so as to implement the supervision mechanism and control the implementation of various risk management.</p> <p>The Company regularly carries out internal control evaluation for each department as a preventive control, and the Board of Directors Auditing Office carries out audit control and other related operations.</p> <p>7. Implementation of Customer Policy: The Company adheres to the business philosophy of "Caring for Customers". It not only continuously optimizes administrative procedures to improve customer satisfaction, but also pays more attention to interaction with customers. It regularly conducts customer telephone interviews and handles customer complaints actively and quickly. The toll free hotline 080 is provided to handle customer issues.</p> <p>8. The Company is insured against Directors' liability insurance.</p> <p>9. The Company has disclosed corporate governance information, the structure and independence of the Board of Directors, the operation of the Board of Directors, the further education of Directors and other items in accordance with relevant regulations, and regularly disclosed them on the Market Observation Post System as required by the competent authority.</p>

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.

The Company annually reviews the results of the corporate governance evaluation and the corporate governance evaluation criteria issued in the most recent year, reviews the individual criteria that are in compliance with the evaluation standards and arranges improvement schedules to improve aspects that failed to meet the standards.

The Company continues to improve aspects that failed to meet the standards on the 7th corporate governance evaluation. The improvements for the two items that failed to meet the standards are as follows:

Assessment Item	Improvement Item
Did the Company disclose the English version of the annual financial report 7 days prior to the Annual General Meeting?	The Company prepared the English version of annual financial report and disclosed it 7 days prior to the 2021 Annual General Meeting.
Did the Company's annual report disclose the connection of performance evaluation and remuneration to Directors and managers?	The connection of performance evaluation and remuneration to Directors and managers were listed in page 23 to 24 of the annual report.
Did the Company adopt human rights policies and relevant management procedures referring to International Bill of Human Rights and disclose the information on its website or annual report?	The improvement schedule has been made.

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

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

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

1. Regular review of the Remuneration Committee charter and suggestions for revision.
2. Stipulation and Regular review on policies, systems, standards, and structures of compensation and performance evaluation of directors and managers.
3. Regular evaluation and stipulation on the compensation of directors and managers.

1. Information on Members of the Remuneration Committee

Title (Note 1)	Criteria Name	Meet the following professional qualification requirements, together with at least five years' work experience.			Criteria (Note 2)										Number of other public companies where the individual concurrently serves as a member of the remuneration Committee	Remark	
		Lecturer or above in business, legal, finance, accounting or corporate business in public or private tertiary institutions.	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialists who has passed a national examination and been awarded certificate in a profession necessary for the business of the company	Have Work Experience in the Area of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10			
Independent Director	Chuang-Teng Tsai			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Chien-Hsiang Chang			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Fu-Kuei Huang		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1	

Note 1: For title, please identify whether the person is a Director, Independent Director or other.

Note 2: Directors, during the two years before being elected and during the term of office, meet any of the following situations, please tick the appropriate corresponding boxes: ✓

- (1) Not an employee of the Company or any of its related companies;
- (2) Not a director or supervisor of the Company or any of its related companies (not applicable to the independent directors who are concurrently appointed by the company and its parent company and subsidiaries or subsidiaries belonging to the same parent company in accordance with this act or local laws).
- (3) Not the natural person shareholder who holds more than one 1% of total shares issued by the Company or is ranked top 10 in terms of number of shares held under his name, his spouse and minor children, or in the name of others.
- (4) Not the spouse, a direct lineal relative within the second degree of kinship or a within the third degree of kinship of the manager listed in (1) or the person listed in (2) and (3)
- (5) Not a director, supervisor, or employee of an institutional shareholder that directly holds 5% or more of the total number of issued shares of Aurora, or that ranks among the top 5 in shareholdings, or that designates its representative to serve as a director or supervisor of Aurora under Paragraph 1 or 2, Article 27 of the Company Act (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).
- (6) Not a director, supervisor or employee of a company controlled by the same person who has shares over half of Aurora's director seats or voting rights (except for an independent director appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).
- (7) Not a director, supervisor, or employee of another company or institution who, or whose spouse, is a chairman, president, or person holding an equivalent position of Aurora (except for an independent director

appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, Aurora and its parent or subsidiary or a subsidiary of the same parent).

- (8) Not a director (governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. However, the aforementioned does not apply to the specified company or institution holding 20 percent or more and no more than 50 percent of the total number of issued shares of the public company and the independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent.
- (9) Not a professional individual, sole proprietorship, partnership, owner of a company or institution, partner, director, supervisor, manager or spouse thereof that provides auditing service for the Company or any of its affiliates, or provides commercial, legal, financial, or accounting service with cumulative remuneration less than NT\$500,000 in the past two years. However, this item shall not be applicable to members of the committee on remuneration, public acquisition review, or merger and acquisition who perform their functions and powers in accordance with the provisions of the Securities Exchange Act or Business Mergers and Acquisitions Act and other relevant regulations.
- (10) Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.

2. Information on the operations of the Remuneration Committee:

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

(2) Third Remuneration Committee Term: May 31, 2019 to May 30, 2022 A total of 6

Remuneration Committee meetings were held in 2019. The information and attendance of the members were as follows:

(2020.01.01~2020.12.31)

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

Other required disclosure:

(1) In case that the Board of Directors does not adopt or amend the recommendations made by the Audit Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions of the Remuneration Committee by the Company shall be disclosed (for example, if the remuneration approved by the Board of Directors is better than that of the Remuneration Committee, the discrepancies and related reasons shall be stated):
None.

(2) In the case of any objection or reservation made by a member to a decision of the Remuneration Committee, the date, date, contents of the proposal, all member opinions and the handling of member opinions shall be clearly stated: none.

Note: 1. 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.

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 attendance in person during his term.

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 5th meeting of the 3rd Remuneration Committee (2020.02.26)	<ul style="list-style-type: none"> ● Proposal for the performance evaluation for Directors and Functional Committees in 2019. ● Discussion on the remuneration to employees and directors in 2019 ● Discussion on the proposal for overall KPI(key performance indicator) execution results in 2019. ● Discussion on the proposal for amending some articles of the Company's "Rules and Regulations for the Organization of the Remuneration Committee". ● Appointment and removal of the Company's personnel. 	All attending 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 6th meeting of the 3rd Remuneration Committee (2020.04.30)	<ul style="list-style-type: none"> ● Discussion of Director remuneration distribution in 2019 ● Discussion of manager bonus in 2019 ● Discussion of manager salary adjustment in 2020 ● Associate Manager proposal for Department of Business 	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 7th meeting of the 3rd Remuneration Committee (2020.05.27)	<ul style="list-style-type: none"> ● Discussion of Accounting Manager adjustment ● Proposal of payment of bonus at Dragon Boat Festival in 2020. 	All members of the committee voted in favor of the proposal without dissent.	The proposal was submitted to the Board of Directors and approved by all attending directors.
The 8th meeting of the 3rd Remuneration Committee (2020.08.03)	<ul style="list-style-type: none"> ● Proposal of the appointment of the Company's Compliance Officer. ● Discussion of the anti-money laundering and counter-terrorist financing supervisor ● Discussion on the proposal of payment of bonus at Mid-Autumn Festival in 2020. ● Associate Manager proposal for Department of Business ● 	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 9th meeting of the 3rd Remuneration Committee (2020.10.29)	<ul style="list-style-type: none"> ● Discussion on the proposed distribution of manager's remuneration in 2019. ● 	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 10th meeting of the 3rd Remuneration Committee (2020.12.29)	<ul style="list-style-type: none"> ● Discussion on the proposed proportion of directors' remuneration and employees' remuneration in 2020 ● Discussion on the proposal for the overall KPI in 2021. ● Discussion on proposal for the principle of year-end bonus payment and the proposed payment in 2020 ● Revise the Company "Board Performance Evaluation rules", selected articles and appendixes. ● Proposal of the appointment of the Company's Compliance Officer. ● Discussion of the anti-money laundering and counter-terrorist financing supervisor 	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) Performance of social responsibility and differences between the performance and Code of Practice on Corporate Social Responsibility of TWSE/TPEX Listed Companies and reasons

Evaluation Item	Operations (Note 1)			Differences between the code of practice on Corporate Social Responsibility of TWSE/TPEX Listed Companies
	Yes	No	Summary/Description (Note 2)	
I. 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 3)	✓		<p>I. The Company is mainly engaged in insurance brokerage business without environmental pollution due to the nature of the industry, and is committed to promoting energy conservation and carbon reduction.</p> <p>To implement operational security, the Company has introduced the information security management system, and adopted the ISO / IEC 27001:2013 Information Security Management System (ISMS) issued by BSI British Standards Institute, which is an international verification institution, and the third-party verification certificate to demonstrated 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.</p> <p>In the face of the government's active promotion of digital operation of the digital finance and insurance industry, digitalization and networking are the inevitable trend for the finance and insurance industry. Taiming Assurance Broker has always paid attention to the needs of consumers and the trend of market technology, not only actively developed digital insurance services, but also built the most perfect and safe information platform, which is also a concrete demonstration to continuously improve the quality of service to the insurance policy holder and the security of the information platform. The number of complaints regarding breaches of customer privacy and losses of customer data during the reporting period was proven to be zero.</p>	In line with the "Corporate Social Responsibility Best Practice Principles".
II. Does the company establish an exclusively (or concurrently) dedicated unit to implement corporate social responsibility and have management appointed by the Board of Directors to be in charge of corporate social responsibility and to report the implementation status to the Board of Directors?	✓		<p>II. In order to carry out the CSR implementation and management, the General Manager leads the Planning Office to formulate CSR policies and specifically promotes social charity projects such as blood donation, donation for the hearing and visually impaired people, and sponsorship for charity organizations such as year-end party for homeless people.</p> <p>The implementation of CSR in 2019 has</p>	In line with the "Corporate Social Responsibility Best Practice Principles".

Evaluation Item	Operations (Note 1)			Differences between the code of practice on Corporate Social Responsibility of TWSE/TPEX Listed Companies
	Yes	No	Summary/Description (Note 2)	
			been reported at the board meeting on Dec. 26th, 2019, and its member composition and work content were disclosed on the Company's website.	
III. Environmental Issues				In line with the "Corporate Social Responsibility Best Practice Principles".
(I) Has the Company set a suitable environmental management system designed to industry characteristics?	✓		(I) The Company has always paid attention to the needs of consumers and the trend of market technology, not only actively developed digital insurance services, but also built the most perfect and safe information platform, which is also a concrete demonstration to continuously improve the quality of service to the insurance policy holder and the security of the information platform.	
(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?	✓		(II) The company has implemented energy saving measures to effectively achieve the energy saving and carbon reduction target of the office building. Specific measures include increasing the cleaning and maintenance times of the cooling water tower from once a month to twice a month. Carrying out flexible opening time for the air conditioner host according to the season. From May to September or October every year, the start-up time of the air conditioner is set at 7:00, with a delay of 30 minutes. The shutdown time of the air condition is set at 17:30, with 30 minutes in advance. The air conditioner is only for air supply. From October to next April every year, the start-up time of the air conditioner set at 7:30, with a delay of 1 hour. The shutdown period of the air conditioner is from 17:00 to 17:30, with the conditioner shut down 1 hour before off work. The air conditioner is only for air supply.	
(III) Has the Company evaluate d the current and future potential risks and opportunities of climate change, and adopted countermeasures related to climate issues?	✓		(III) As a non-manufacturing industries, the Company takes measures to reduce operating costs by improving resource efficiency, reducing water consumption or water consumption, or saving electricity.	
(IV) Has the Company carried out statistic on the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and established the	✓		(IV) The company attaches great importance to environmental protection, including energy saving and carbon reduction, greenhouse gas reduction, water use reduction and other policies. Detailed implementation of energy	

Evaluation Item	Operations (Note 1)			Differences between the code of practice on Corporate Social Responsibility of TWSE/TPEX Listed Companies
	Yes	No	Summary/Description (Note 2)	
policies with regard to energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, and waste management?			saving and carbon reduction and greenhouse gas reduction are disclosed on the Company's website and corporate social responsibility report.	
IV. Social Issues				In line with the "Corporate Social Responsibility Best Practice Principles".
(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) According to the current relevant national laws, including the Labor Standard Law and Gender Equality in Employment Act, and in line with the Universal Declaration of Human Rights issued by the United Nations, the Company has formulated the Taiming "Human Rights Policy" to protect the legitimate rights of employees, shape the environment for full protection of human rights, ensure that basic human rights are not violated, and ensure that internal and external members of the company can be treated fairly.	
(II) Does the Company appropriately reflect the business performances or achievements in the employee remuneration policy (including salary, annual leave and other benefits)?	✓		(II) In accordance with the provisions of the articles of association of the company, if the Company makes any profit in the year, the Company shall set aside 1% to 5% of the profit for the remuneration of the employees and no more than 5% of the profit for the remuneration of the directors, and the remuneration of the employees shall be distributed in stock or cash. In addition, the Company conducts performance appraisal for employees every year, pays performance bonus to share the earnings with employees.	
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(III) The Company provides employees with a safe and healthy work environment. In addition to providing annual health checks for employees and regular fire drills and workplace disinfection, the Company maintains a safe work environment for the staff and values their physical and mental health.	
(IV) Does the company establish effective career development and training plans for its employees?	✓		(IV) The Company encourages its employees to pursue further study on the job to develop their professional competence and second expertise. The Company has a budget for education and training every year for the purpose of staff training. Internal education and training courses are offered on an irregular basis to improve employees' self-quality.	

Evaluation Item	Operations (Note 1)			Differences between the code of practice on Corporate Social Responsibility of TWSE/TPEX Listed Companies
	Yes	No	Summary/Description (Note 2)	
(V) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labeling and set policies to protect consumers' rights and consumer appeal procedures?	✓		(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 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. In accordance with the CSR policy, the supplier and its personnel are strictly prohibited from offering benefits to the Company's personnel for the purpose of facilitating the signing of the contract, seeking illegal profits, avoiding their own losses or other illegal intentions.	
V. Does the company follow the international reports to prepare standards or guidelines, corporate social responsibility reports and other reports that disclose non-financial information of the Company? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	✓		The Company's 2018 CSR report has been certified by SGS Taiwan Limited with a medium assurance of standard AA1000 and is available on the Market Observation Post System and the Company's website.	In line with the "Corporate Social Responsibility Best Practice Principles".
VI. If the Company has established its own corporate social responsibility practice principles according to the "Corporate Social Responsibility Best Practice Principles", please provide detailed information on the discrepancies between its operations and the prescribed best practices: No material discrepancy.				
VII. Other important information facilitating in understanding CSR operation: The Company's CSR performance in 2019				
<ol style="list-style-type: none"> 1. Gifts for the tail year-end party for the children in Datong Kindergarten 2. Dream fulfillment program of Make-A-Wish Association 3. Daily volunteer of Toy Story- Toy bank 4. Grant to Finance Department of Chihlee University of Technology 5. HelpAge of Huashan Social Welfare Foundation at Dragon Boat Festival 6. Life Insurance Educational Foundation 7. "2019 Eating Pomelo · Taking Care of Children Mid-Autumn Festival Pomelo Charity Sale" 8. Children's Insurance Manual Project of Insurance Broker Association 9. Joint blood donation activities in North, Central and South Districts 10. Lectures on the new trend of health financing in 2019 organized by Investweekly Magzter Inc. 				

Evaluation Item	Operations (Note 1)		Summary/Description (Note 2)	Differences between the code of practice on Corporate Social Responsibility of TWSE/TPEX Listed Companies
	Yes	No		
11. Subscription of new year's dish of Huashan Social Welfare Foundation at Dragon Boat Festival 12. Donation of Christmas gift to children in Datong Kindergarten				
Note 1: If "Yes" under the "Status of Operations" is ticked off, please explain the key policies, strategies, and measures adopted and their implementation results; if "No" is ticked off, please give the reason and specify related policies, strategies, and measures to be adopted in the future. Note 2: If the Company has prepared a CSR report, the operation situation may indicate the method of referring to the CSR report and the index page number instead. Note 3: The principle of materiality refers to environmental, social and corporate governance issues that have significant impacts on the company's investors and other stakeholders.				

(VI) 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	
<p>I. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(I) Has the company established the ethical corporate management policies approved by the Board of Directors and specified in its rules and external documents the ethical corporate management policies and practices and the commitment of the board of directors and senior management to rigorous and thorough implementation of such policies?</p> <p>(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activity within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs 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>✓</p> <p>✓</p> <p>✓</p>	<p>(I) The Company approved the Ethical Corporate Management Best Practice Principles through resolution of the board meeting on Apr. 29th, 2016 and disclosed such principles on the Market Observation Post System and the Company's website. The Company's Directors are highly disciplined. If the proposals by the Board of Directors are of interest to the Directors themselves or the corporates they are representing, and are jeopardizing the Company's interests, those Directors only make statements and provide answers but not participate in the discussion and voting. During discussion and voting, they shall be evaded and can't represent other Directors to exercise their voting rights.</p> <p>(II) The Company formulated the "Ethical corporate Management Policies, Procedures and Conduct Guidance" and submitted them to the Board of directors for Approval on Dec. 26th, 2019. The Company regularly organizes relevant education training and promotion for employees every year to ensure that all employees of the Company can comply with this standard.</p> <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>	<p>In line with the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies".</p>
II Implementation of Ethical Corporate Management			In line with the "Ethical

Evaluation Item	Implementation Status (Note)		Summary/Description	Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No		
<p>(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p> <p>(II) Has the Company set up 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>✓</p> <p>✓</p> <p>✓</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> <p>(II) In order to improve the 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. The Company regularly reports to the Board of Directors the execution result of ethical corporate management in the previous year. The execution report on the ethical corporate management in 2019 has been completed on Dec. 26th, 2019.</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>Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies".</p>
<p>(I) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention</p>	<p>✓</p>		<p>(I) The company has established an effective accounting system and internal control system. The internal auditors will also evaluate the high-risk activities listed in the annual audit plan and prepare the audit results into an audit report which will be submitted to the Audit Committee for review and directors attending the board meeting on a regular basis. In addition, departments are required to self-evaluate their internal control</p>	<p>In line with the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies".</p>

Evaluation Item	Implementation Status (Note)			Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary/Description	
<p>programs accordingly or entrusted a CPA to conduct the audit?</p> <p>(II) Does the Company regularly hold internal and external educational training on ethical corporate management?</p>	✓		<p>systems each year to ensure the effectiveness of the design and implementation.</p> <p>(II) 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 2019 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 mechanisms?</p> <p>(III) Does the Company take measures to protect the whistleblower against inappropriate disciplinary actions?</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>(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.</p>	In line with the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies".
<p>IV. Strengthening Information Disclosure</p> <p>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?</p>	✓		<p>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.</p>	In line with the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies".
<p>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.</p> <p>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..</p>				
<p>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).</p> <p>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</p>				

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

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

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

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

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

1. Pursuant to the operating procedures for handling material inside information, material information is disclosed immediately.
2. The Company established the Ethical Corporate Management Committee to discuss corporate governance every year.
3. The Company established the Remuneration Committee to review the relation among the appointment of managers, performance, and salary.
4. The Company established the Audit Committee to strengthen the communication between the audit manager and independent directors and understand the internal control and legal compliance.
5. Proposals of shareholders' meeting are resolved by voting on a proposal-by-proposal basis. Electronic voting was adopted over 50% for shareholders to fully exercise their rights.
6. The information regarding further education of the Company's Directors in 2020 and up to the date of publication of the annual report:

Title	Name	Initiation Date	Date of Appointment	Training Date	Organizer	Course Name	時	日	時	分	鐘
E-Life CO LTD	Cheng-Chin Lee	November 7, 2012	May 31, 2019	June 17, 2020	Securities and Futures Institute	Discussion on the Issues of Integration of Human Resources and Mergers and Acquisition (M&A) During the M&A Procedure of the Company.	3		Yes		None
				September 21, 2020	Taipei Exchange (TPEX)	Corporate Governance for Listed Company 3.0-Summit Forum for the Blueprint of Sustainable Development	3		Yes		None
Directors	Jhih-Jieh Wei	September 6, 2019	September 6, 2019	September 29, 2020	Taiwan Corporate Governance Association	Impact on Insurance Industry and Countermeasures by IFRS 17 and ICS	3		Yes		None
				September 29, 2020	Taiwan Corporate Governance Association	Anti-corruption and Anti-money Laundering Regulations and Case Study	3		Yes		None
Directors	Mo-Hang Wu	May 31, 2019	May 31, 2019	September 29, 2020	Taiwan Corporate Governance Association	Impact on Insurance Industry and Countermeasures by IFRS 17 and ICS	3		Yes		None
				September 29, 2020	Taiwan Corporate Governance Association	Anti-corruption and Anti-money Laundering Regulations and Case Study	3		Yes		None
Independent Director	Chien-Hsiang Chang	May 31, 2019	May 31, 2019	August 12, 2020	Securities and Futures Institute	Sharing Practices in Corporate Mergers and Acquisitions	3		Yes		None
				August 20, 2020	Securities and Futures Institute	Discussion on the Breach of Trust in Normal and Special Cases for Directors and Supervisors	3		Yes		None
Independent Director	Fu-Kuei Huang	May 31, 2019	May 31, 2019	September 2, 2020	Securities and Futures Institute	Practical discussion on the prevention and control of money laundering and the fight against capital terrorism	3		Yes		None
				September 29, 2020	Taiwan Corporate Governance Association	Anti-corruption and Anti-money Laundering Regulations and Case Study	3		Yes		None
Independent Director	Chuang-Teng Tsai	June 15, 2016	May 31, 2019	July 9, 2020	Securities and Futures Institute	Case study on financial statement fraud	3		Yes		None
				July 9, 2020	Securities and Futures Institute	New Corporate Governance and Matters for Compliance by the Board	3		Yes		None

(IX) Implementation of Internal Control System

1. Internal Control Statement

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

Date: February 25, 2021

The internal control system of the Company in 2020, 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 several categories. Please refer to "Handling Regulations" for the 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, 2020, 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 February 25, 2021, 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: Cheng-Chin Lee

General Manager: Yang-Kuo Chen

Taiming Assurance Broker Co., Ltd.

Statement of Internal Control System

Date: February 25, 2021

The internal control system of the Company in January 1 to December 31, 2020, 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. Control environment 2. Risk assessment 3. Control activities 4. Information and communication 5. Monitoring activities
- IV. The Company has evaluated 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 February 25, 2021, 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-Chin Lee

General Manager: Yang-Kuo Chen

Auditor: Kun-Hsi Hsu

Compliance Personnel: Chi-Keng Lo

2. CPA review report on the internal control system

CPA Internal Control System Audit Report

Taiming Assurance Broker Co., Ltd.

Attached is the statement of Taiming Insurance Broker Co., Ltd. on February 25, 2021 (including statements declared to the Taiwan Insurance Institute in accordance with the provisions of the "Measures for the Implementation of Internal Control Audit System and Solicitation Handling System of Insurance Broker Companies of Insurance Agents") indicating that the internal control system of Taiming Insurance Broker Co., Ltd. was effectively designed and implemented as at December 31, 2020 according to the Company's self-evaluation, a part of the Company's legal compliance system (whether there is a Legal Compliance Director, whether the Legal Compliance Director is appropriate, and whether the performance evaluation method for compliance is appropriate). The CPA have check and verified these documents. Establishing and maintaining an appropriate internal control system is the responsibility of the management personnel of the Company, and the CPA's responsibility is to give opinions, based on the result of the audit, toward the effectiveness of the internal control system and the abovementioned internal control system statement.

The CPA conducts the audit in accordance with the "Measures for the Implementation of the Internal Control and Audit System and the Solicitation and Handling System of An Insurance Agent and Broker Companies" (hereinafter referred to as the "Implementation Measures"), including the procedures for understanding the company's internal control system, the procedures for assessing the effectiveness of the overall internal control system by the management, the procedures for testing and evaluating the effectiveness of the design and implementation of the internal control system, and other review procedures as deemed necessary by the CPA. We believe that this audit procedure will serve as a reasonable proof of assessment.

Any internal control system has its inherent limitations, so the internal control system of Taiming Assurance Broker Co., Ltd. may still fail to prevent or detect errors or fraud that have already occurred. In addition, the environment in the future may change, and the degree of compliance with the internal control system may also be reduced. Therefore, the effective internal control system of this period does not mean that it will be effective in the future.

According to the suggestion of the CPA, the internal control system of Taiming Assurance Broker CO LTD related to financial reporting (including the statement to the Taiwan Insurance Institute according to the implementation measures) and asset security shall be designed and implemented on December 31, 2020 to maintain its effectiveness in all significant aspects in accordance with the project judgment of the effectiveness of the internal control system (to prevent unauthorized acquisition, use and disposal of assets).

The statement of Taiming Insurance Broker Co., Ltd. issued on February 25, 2021 indicating that the internal control system (including statements declared to the Taiwan Insurance Institute in accordance with Implementation measures and legal compliance) relating to financial reporting and assuring the asset safety was effectively designed and implemented as of December 31, 2020 according to the Company's self-evaluation. The CPA considers that the internal control is appropriate in all material respects.

Deloitte & Touche

CPA Wang-Sheng Lin

CPA Wen-Ya Hsu

April 22, 2021

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

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

1.The Company held the 2020 Annual Shareholders' Meeting on May 27, 2020. The Important resolutions and implementation are as follow:

Important Resolutions	Implementation
1. Adopted the 2019 Business Report and Financial Reports	Proceeded according to the content of the resolution.
2. Adopted the 2019 Earnings Distribution Plan.	On the Boarding meeting held on May 27, 2020, June 19 was set to be the ex-dividend date to distribute cash dividend NT\$75,072,909. The distribution shall be completed on July 3.
3. Approved the amendment of the Company's Articles of Association	The Company submitted the company registration changes to the Taipei City Government on June 1, 2020, which was approved on June 5 of the same year.
4. Approved the amendment of the Company's Rules of Shareholders' Meeting	The Company has handled the relevant operations according to the amended procedures and disclosed them on the Company's website.
5. Approved the amendment of Operating Procedure for Acquisition and Disposal of Assets	The amendment was uploaded to MOPS on June 2, 2020, and disclosed on the Company's website. The relevant procedures will be carried out under the amended regulations.
6. Approved the amendment of Procedures for the Acquisition or Disposal of Assets	The Company has handled the relevant operations according to the amended procedures and disclosed them on the Company's website.

2. Important resolutions by the Board of Directors in 2020 as of the publication of the annual report

Date of meeting (period)	Resolutions at the Meeting
February 26, 2020 (The 5th meeting in the 7th term of the Board of Directors)	1.2019 Remuneration of employees and Directors 2.Declaration Statement of Internal Control System in 2019 3.Amendment to the "Procedures for the Acquisition or Disposal of Assets". 4.CPA independence evaluation report. 5.CPA fee in 2020
April 30, 2020 (The 6th meeting in the 7th term of the Board of Directors)	1.To amend certain articles of the Company's "Internal Control System". 2.Director remuneration in 2019
May 27, 2020 (The 7th meeting in the 7th term of the Board of Directors)	1.Changing the Company's Accounting Manager 2.Profit distribution in cash dividend in 2020, deciding on the ex-dividend date and other relevant matters
August 3, 2020 (The 8th meeting in the 7th term of the Board of Directors)	1.Report of the impact of COVID-19 on Q2 2020 financial report 2.Amended some provisions of the Company's Internal Control System
October 29, 2020 (The 9th meeting in the 7th term of the Board of Directors)	1.To amend certain articles of the Company's "Internal Control System".
December 29, 2020 (The 10th meeting in the 7th term of the Board of Directors)	1.Ratio of remuneration to Directors and employees in 2020 2.2021 Audit Plan 3.To amend certain articles of the Company's "Internal Control System".

(XII) Major content for the resolution with any dissenting opinions or stated in a written statement made by directors or supervisors in 2017 and as of the date of annual financial report: None.

(XIII) In 2017 and as of the date of Annual Report, a summary of the resignations and dismissals of the chairman, president, accounting supervisor, financial supervisor, internal auditing supervisor and R&D supervisor: None.

V. CPA Fee Information

Name of CPA Firm	Name of CPA		Auditing Period	Remark
Deloitte & Touche	Wang-Sheng Lin	Wun-Ya Syu	January 1 to December 31, 2020	

Unit: NT\$ thousands

Interval of the Amount		Professional Fees	Audit Fees	Non-Audit Fees	Total
1	Less than NT\$ 2,000,000		✓	✓	-
2	NT\$ 2,000,000 (inclusive) to NT\$ 4,000,000				✓
3	NT\$ 4,000,000 (inclusive) to NT\$ 6,000,000		-	-	-
4	NT\$ 6,000,000 (inclusive) to NT\$ 8,000,000		-	-	-
5	NT\$ 8,000,000 (inclusive) to NT\$ 10,000,000		-	-	-
6	More than NT\$ 10,000,000 (inclusive)		-	-	-

- Where the non-audit fee for the CPA, CPA firm, or the affiliates reaches 25% or more, the total amount of non-audit fee and the service contents shall be listed.

Unit: NT\$ thousands

Name of CPA Firm	Name of CPA	Audit Fees	Non-Audit Fees					Audit Period by CPA	Remark
			System design	Business registration	Human Resources	Others (Note 2)	Subtotal		
Deloitte & Touche	Wang-Sheng Lin Wun-Ya Syu	1,600				400		2020.01.01~2020.12.31	Non-audit fee: NT\$400,000 of internal control review fee

- Note 1: Where the Company replaces the CPA or accounting firm, the auditing periods of the former and successor CPA or firm shall be annotated separately with the reason for replacement noted. The accounting and non-accounting fees paid to the former and successor CPA or firm shall also be disclosed.
- Note 2: Non-audit fees shall be annotated separately in various service items. If the "Others" column in non-audit fees reaches 25% of the total non-audit fees, the service details shall be listed in the "Note" column.

- 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: N/A.
- If the CPA fee is 10% or above less than the previous year, the amount, percentage, and reasons shall be stated: None.

VI Replacement of CPA

None.

VII. The Chairman of the Board, General Manager, and the managers in charge of financial or accounting affairs, who has worked in the CPA firm and its related enterprises in the recent one year, shall disclose his/her name, professional title and the period during which he/she worked in the CPA firm 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	2020		Current fiscal year as of March 30	
		Increase (decrease) in Shares Held	Increase (Decrease) in Hypothecation Shares Held	Increase (decrease) in Shares Held	Increase (Decrease) in Hypothecation Shares Held
Representative of juristic person director/Major Shareholder	Taiwan Navigator Asset Investment Co., Ltd.	-	-	-	-
Representative of Judicial Person Director	Cheng-Chin Lee	-	-	5,013	-
Representative of Judicial Person Director	Jhieh-Jieh Wei	-	-	-	-
Judicial Person Director	Cheng-Rong Enterprise Co., Ltd.	-	-	-	-
Representative of Judicial Person Director	Mo-Hang Wu	-	-	-	-
Independent Director	Chien-Hsiang Chang	-	-	-	-
Independent Director	Fu-Kuei Huang	-	-	-	-
Independent Director	Chuang-Teng Tsai	-	-	-	-
Manager	Yang-Kuo Chen	-	-	-	-
Manager	Shu-Fen Yang	-	-	-	-
Manager	Kun-Lin Hsu	-	-	-	-
Manager	Shen-Tien Chen	-	-	-	-
Manager	Chien-Chang Lai	-	-	-	-
Manager	Ching-Wen Lin	-	-	-	-
Manager (note 3)	Chang-Wu Chiao	-	-	-	-
Manager (note 4)	Kai-Ling Fan	-	-	-	-
Manager (Note 5)	Wei-Cheng Ho	-	-	-	-
Accounting Manager (Note 6)	Hsin-Yi Wen	-	-	-	-

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.

Note 3: Manager Chang-Wu Chiao took office on Mar. 1, 2020.

Note 4: Manager Kai-Ling Fan took office on March 11, 2020, and was resigned on June 12, 2020.

Note 5: Manager Wei-Cheng Ho took office on July 1, 2020.

Note 6: Accounting Manager Hsin-Yi Wen took office on June 1, 2020.

(II) Information on share transfers:

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
Cheng- Chin Lee	Acquired	January 5, 2021	Tai Fung Finance Management Co., Ltd.	Cheng-Chin Lee is the chairman of Tai Fung Finance Management Co., Ltd.	5,013	45.8

Note 1: Please specify the names of directors, supervisors, managerial officers, and shareholders who hold more than 10% of the Company's shares.

Note 2: Fill in either acquired or disposed.

(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 March 29, 2021 (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		The names of the top ten shareholders who are related parties, spouses, relatives within the second degree of kinship, or their name and relationship.		Remark
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Name (or Name)	Relationship	
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.07	-	-	-	-	None	None	None
Taiwan Navigator Asset Investment Co., Ltd. Representative: Cheng-Chin Lee	892,887	3.57	384,274	1.54	-	-	1.Han-Chieh Li 2. Yang-Lung Kuo 3. Hsiu - Chen Lin	1. Elder Sister's Spouse 2. Elder Brother-in-Law of the Spouse 3. Spouses	None
Taiwan Navigator Asset Investment Co., Ltd. Representative: Jih-Jieh Wei	-	-	-	-	-	-	None	None	None
Han-Chieh Li	1,851,082	7.40	-	-	-	-	Cheng-Chin Lee	Younger brother of the Spouse	None
Ching Chung Interior Decoration Design Co., Ltd.	1,490,099	5.95	-	-	-	-	None	None	None
Ching Chung Interior Decoration Design Co., Ltd. Representative: Pei-Chin Li	67,829	0.27	-	-	-	-	None	None	None
Taiwan Fire & Marine Insurance Company LTD	1,271,180	5.08	-	-	-	-	None	None	None
Taiwan Fire & Marine Insurance Company LTD Representative: Tai-Hung Li	-	-	-	-	-	-	None	None	None
Jian-An Chen	634,927	2.54	-	-	-	-	None	None	None
Cheng-Chin Lee	892,887	3.57	-	-	-	-	1.Han-Chieh Li 2. Yang-Lung Kuo 3. Hsiu - Chen Lin	1. Elder Sister's Spouse 2. Elder Brother-in-Law of the Spouse 3. Spouses	None
Yang-Lung Kuo	605,588	2.42	-	-	-	-	Cheng-Chin Lee	Younger Brother-in-Law of the Spouse	None
Chen-Han Ko	565,077	2.26	-	-	-	-	None	None	None
Yuan-Fang Tien	509,861	2.04	-	-	-	-	None	None	None
Hsiu-Chen Lin	384,274	1.54	-	-	-	-	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: Share; %

Reinvestment in Other Companies	Investment in the Company		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Total Ownership	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
TOP TAIWAN X VENTURE CAPITAL CO., LTD.	5,400,000	6.75	2,000,000	2.5	7,400,000	9.25

Note: The investment is a financial asset measured by other comprehensive profit and loss.

Chapter 4. Funding Status

I. Capital and Shares

(I) Source of Capital

Unit: Thousand shares/NT\$ thousands

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

Note 1: Taipei City Government Change Registration Number: 09986632010

Note 2: Taipei City Government Change Registration Number: 10086220500

Note 3: Taipei City Government Change Registration Number: 10186255800

Note 4: Taipei City Government Change Registration Number: 10286289700

Note 5: Taipei City Government Change Registration Number: 10389753800

Note 6: Taipei City Government Change Registration Number: 10487453400

Note 7: Taipei City Government Change Registration Number: 10850522710

Unit: Shares

Type of Stock	Authorized Share Capital			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) Status of Shareholders

As of March 29, 2020 (Stock transfer beginning date at the shareholder's regular meeting)

Shareholder Structure Number	Government Agencies	Financial Institutions	Other Juristic Persons	Personal	Foreign Institutions and Foreigners	Total
Number of Persons	-	1	14	1,509	1	1,525
Number of Shares Held	-	1,271,180	11,080,434	12,669,689	3,000	25,024,303
Shareholding Ratio	-	5.08%	44.28%	50.63%	0.01	100.00%

(III) Distribution of Shares

As of March 30, 2021 (Stock transfer beginning date at the shareholder's regular meeting)
Nominal Amount of Each Share = NT\$ 10

Class of Shareholding	Number of Shareholders	Number of shares held	Shareholding Percentage (%)
1~999	389	89,317	0.36
1,000~5,000	925	1,722,559	6.87
5,001~10,000	103	731,935	2.92
10,001~15,000	28	363,217	1.45
15,001~20,000	10	177,945	0.71
20,001~30,000	18	451,762	1.81
30,001~40,000	14	495,854	1.98
40,001~50,000	7	309,057	1.24
50,001~100,000	9	608,648	2.43
100,001~200,000	4	520,062	2.08
200,001~400,000	9	2,707,339	10.82
400,001~600,000	2	1,074,938	4.30
600,001~800,000	2	1,240,515	4.96
800,001~1,000,000	1	892,887	3.57
1,000,001 or more	4	13,638,268	54.50
Total	1,525	25,024,303	100.00

(IV) Major Shareholders

As of March 30, 2021 (Stock transfer beginning date at the shareholder's regular meeting)

Ownership Name of Major Shareholder	Number of Shares Held	Shareholding Ratio (%)
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.07
Han-Chieh Li	1,851,082	7.40
Ching Chung Interior Decoration Design Co., Ltd.	1,490,099	5.95
Taiwan Fire & Marine Insurance Company LTD	1,271,180	5.08
Cheng-Chin Lee	892,887	3.57
Jian-An Chen	634,927	2.54
Yang-Lung Kuo	605,588	2.42
Chen-Han Ko	565,077	2.26
Yuan-Fang Tien	509,861	2.04
Hsiu-Chen Lin	384,274	1.54

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

Unit: NTD; Thousand shares

Items		Year	2019- Consolidated	2020- Consolidated	Current year as of May 30, 2021 (Note 8)
Market price per share (Note 1)	Highest		46.50	49.30	49.30
	Lowest		43.00	43.00	45.30
	Average		45.18	46.01	46.80
Net Worth per Share (Note 2)	Before Distribution		21.43	22.08	
	After Distribution		18.43	18.88(Note 9)	
Earnings Per Share	Weighted average number of shares		25,024	25,024	
	Earnings Per Share (Note 3)	Before retrospective application	3.04	3.47	
		After retrospective application	3.04	3.47	
Dividends per Share	Cash dividend		3.00	3.20(Note 9)	
	Stock Dividends	Stock Dividend from Retained Earnings	-	-	
		Capital Surplus Distribution	-	-	
	Accumulated unpaid dividends		-	80,078(Note 9)	
Analysis of return on investment	Price-to-Earnings Ratio (Note 5)		14.86	13.26	
	Price-to-Dividend Ratio (Note 6)		15.06	14.38	
	Cash dividend yield (Note 7)		6.64%	6.96%	

*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: 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 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 of the the year/Earnings per share.

Note 6: Price/Dividend ratio = Average closing price per share of the TOPIX year/Cash dividends 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 2021 audited or reviewed by the CPAs.

Note 9: The dividend was resolved by the Board meeting on February 25, 2021. The number shall be updated after the resolution in the Annual Shareholders' Meeting in May 2021.

(VI) Dividend Policy and Implementation

1. Dividend Policy

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 percent 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. If there is still a surplus, the Board of Directors shall propose to the shareholders' meeting for distribution of this surplus.

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 50%.

However, the shareholders' meeting may have to adjust it according to the actual situation.

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

Taiming Assurance Broker Co., Ltd. Table of Distribution of Profits For the Year 2020

Unit: NT\$

Items	Subtotal	Total
Undistributed earnings at beginning of this period		14,392,929
Net income after tax	86,844,115	
Less: Remeasurement of defined benefit plan recognized in the retained earnings	(91,974)	
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.		86,752,141
Legal reserve appropriated (10%)		(8,675,214)
Reversal of special reserve from the previous period		10,093,285
Special reserve appropriated by law		(5,492,227)
Retained earnings available for distribution for this period		97,070,914
Distributable item:		
Cash dividend (NT\$3.2 per share)		(80,077,770)
Undistributed earnings at the end of the period		16,993,144

Notes:

1. Priority is given to the distribution of earnings for 2020, followed by the earnings for 2019 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\$2,154,111.
4. Two percent of the total amount is allocated as bonuses to Directors and distributed in cash in the amount NT\$2,154,111.
5. The distribution of dividends of the Company is calculated based on the total number of 25,024,303 shares outstanding.
6. 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.

(VII) Effect upon business performance and Earnings Per Share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: Not applicable.

(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 11th meeting of the 7th Board of Directors on February 25, 2021, the Company discussed and approved the consideration of NT\$2,154,111 for employees and bonus of NT\$2,154,111 to directors for 2020, totaling NT\$4,308,222. Both payments will be made in cash and will be executed after the approval of this shareholders' meeting. The sum stated above conformed to the sum recognized for the fiscal year.

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

The actual distribution of the remuneration of the employees and the directors in the previous year (2019) (including the number of shares, amount and share price). Where there is any difference between the remuneration of the employees, directors, and supervisors and that of the recognized, the reasons for the difference and the treatment situation shall be stated

The Company's 2019 remuneration of employees and directors was approved by the Shareholders' Meeting on May 30, 2020. The employee remuneration was NT\$ 1,923,150, and director remuneration was NT\$1,923,150, which was equivalent to the 2019 financial report.

Unit: NT\$

	Actual distribution resolved by the shareholders' meeting	Proposed distribution resolved by the Board of Directors	Discrepancy	Reason for the description
I. Distribution Status	(Cash)	(Cash)		
1. Employee Bonus	1,923,150	1,923,150	0	None
2. Remuneration of Directors	1,923,150	1,923,150	0	None

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

II. Corporate Bonds

None.

III. Preferred stock handling

None.

IV. Overseas depository receipt handling

None.

V. Employee stock option handling and restricted employee shares

None.

VI. Issuance of new shares in connection with the merger or acquisition of other companies

None.

VII. Execution process of application of funds

None.

Chapter 5. Operational Highlights

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\$ thousands

Operating Income	2019		2020	
	Amount	Share Percentage	Amount	Share Percentage
Life Insurance Brokerage Income	474,598	54.96%	457,107	49.98%
Renewed brokerage income	162,836	18.86%	201,316	22.01%
Commission, fees, and other income	157,886	18.28%	181,775	19.88%
Property insurance brokerage and other income	68,200	7.90%	74,332	8.13%
Total operating revenue	863,520	100.00%	914,530	100.00%

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

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

- (1) Personal insurance products sold by brokers 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 insurance services for the insured.
- (4) The Company has developed a mobile insurance APP system that is convenient for clerks to use, speeds up the policy process and conforms to the social trend of paperless environmental protection.
- (5) The Company has developed a legal compliance platform that provides online courses for sales members, Learning is not limited by time and space.

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. Upgrade the professional administration 2.0 platform used by salesman.
 - B. Connect the intelligent e-system for mobile insurance and marketing support in series
 - C. Expand the number of insurance companies in the mobile insurance platform.
 - D. Implement the LINE@ app for salesmen to review product details and the complete information of insurance customers

(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, based on the interests of the insured, negotiates an insurance contract, or provides related services and collects a commission or compensation. The insurance broker industry has been

booming in recent years. According to the data of the insurance development center (Table 1 and Table 2) as at the date of publication of this annual report, the number of insurance practitioners in China has reached 381,483 in 2019, of which 133,601 are registered in the insurance broker company, accounting for 35.02%, an increase of 4.1% compared to the last year.

As of the date of publication, according to the statistics of Taiwan Insurance Institute, the insurance brokerage premium income in 2019 amounted to NT\$369.7 billion, accounting for approximately 10.15% of the total insurance premium income of NT\$3,643.8 billion. In terms of property and life insurance, the 2019 premium income of the life insurance sector is NT\$ 3466.7 billion, NT\$34.08 billion of which came from insurance brokers (9.83% of the life insurance market); the premium income of the property insurance is NT\$177.1 billion, NT\$28.8 billion of which came from insurance broker (16.29% of the property insurance market). As for commission income, insurance brokerage industry throughout the year totaled NT\$ 27.0 billion, in which life insurance accounted for NT\$ 22.85 billion, while non-life insurance accounted for another NT\$ 4.15 billion. From the above data, the insurance brokerage industry is growing rapidly, playing an increasingly important role in Taiwan's insurance industry.

In 2020, even though the insurance market was affected by the portfolio structure changes and COVID-19, premium income dropped 8.01% compared to 2019, but the amount reached NT\$3352.1 billion, demonstrating a solid development in the insurance market.

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		Total Premium Income from Insurance Sector
					Property insurance	Property Insurance	
2011	57	323,396	282,509	40,887	113,033	2,198,171	2,311,204
2012	57	335,027	293,629	41,398	120,483	2,478,348	2,598,831
2013	56	336,430	295,414	41,016	124,904	2,583,532	2,708,436
2014	54	351,208	309,057	42,151	132,220	2,771,130	2,903,350
2015	54	367,036	324,091	42,945	136,119	2,926,677	3,062,796
2016	54	370,476	325,195	45,281	145,962	3,133,358	3,279,320
2017	54	384,432	338,363	46,069	156,712	3,420,233	35,769,45
2018	55	391,591	344,979	46,613	165,611	3,511,559	3,677,170
2019	54	381,483	368,468	41,107	177,130	3,466,688	3,643,818
2020	53	Note	Note	Note	188,111	3,163,965	3,352,076

※Source: Taiwan Insurance Institute

Note: As the printing date of this annual report was on March 30, 2021, Taiwan Insurance Institute has not updated the data of 2019 as of the date of publication.

Table 2. Insurance Brokerage Statistics

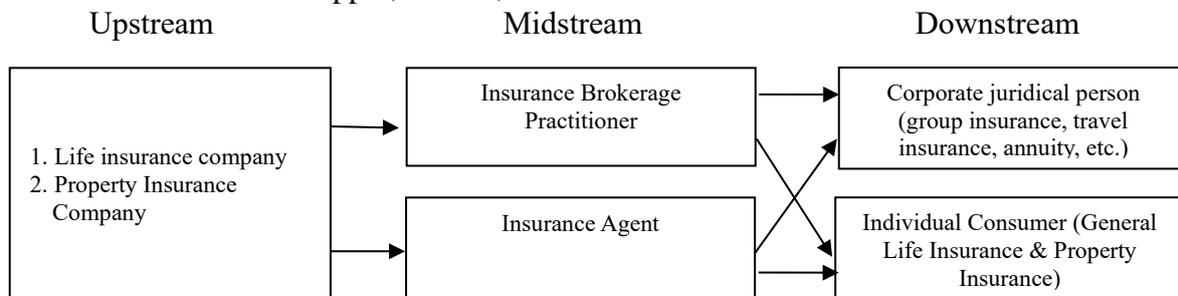
Unit: person; NT\$ thousands

Year	Number of Insurance Companies	Insurance Sales Representatives	Market Share (%)		Written Premiums		Commission Income	
			Property insurance					
2011	505	114,537	15.54	16.21	17,567,268	356,375,784	3,140,845	17,572,981
2012	503	116,057	20.52	16.76	24,724,470	415,327,237	3,316,518	25,675,600
2013	495	120,978	22.50	18.51	28,097,450	478,238,743	3,458,329	26,784,259
2014	488	120,764	19.74	20.29	26,101,507	562,279,203	3,409,251	34,142,540
2015	493	131,370	18.35	19.34	24,975,260	566,095,141	3,577,423	39,781,609
2016	490	137,351	16.51	12.52	24,105,271	392,265,680	3,331,933	28,330,918
2017	485	111,618	18.26	10.15	28,611,385	347,015,788	3,660,049	20,487,730
2018	476	121,105	14.32	10.16	23,709,742	356,906,312	3,730,790	20,180,026
2019	487	133,601	16.29	9.83	28,848,989	340,822,142	4,155,681	22,853,720
2020	Note	Note	Note	Note	Note	Note	Note	Note

※Source: Taiwan Insurance Institute

Note: As the printing date of this annual report was on March 30, 2021, Taiwan Insurance Institute has not updated the data of 2019 as of the date of publication.

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. Current Status and Future Development of the Industry

A. The Company proposed "Course focus" and "activity emphasis" as the annual promotion strategies:

Course focus: hold relevant project-based courses for product promotion, accept training courses and hold nationwide live morning briefing, use courses to focus on the core value of training.

Activity emphasis: hold VIP customer seminar, celebrity sharing, and organize activities to form the bond among the insurance customers, salesmen to improve the sales quality.

B. The Company will plan the second-generation magic academy to train young second-generation talents and successors to further develop and operate the business system and create sustainable happiness, while meeting customers' demand providing uninterrupted services.

C. The Company will continue to make efforts to expand cross-industry alliances and inter-industry cooperation projects, in order to expand the market and increase the income of various businesses.

(III) Technology and R&D Overview:

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

(1) Improve the Quality of Administrative Platform

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

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

The Company adopted online approval system to increase the administrative efficiency for supervisors 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 can plan golden retirement life for customers themselves, and become all-round insurance planners.

(3) Comprehensive value-adding services

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

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

2. R&D personnel and their academic qualifications: The Company is in insurance brokerage sector and therefore is not applicable.
3. R&D expenses in the recent 5 years: The Company is in insurance brokerage sector and therefore 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:

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

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

B. Build comprehensive online Fintech platform

The Company will build five main systems for salesmen:

(1) Marketing resource inquiry

(2) Portfolio analysis system

(3) Business organization and administrative inquiry system

(4) Mobile insurance app

(5) Online learning space breaking the limitation of time and space

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

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

2. Long-Term Business Development Plans:

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

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

II. Market and Production & Marketing Overview

(I) Market Analysis

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

Units: NT\$ thousands; %

Items \ Year	2019		2020	
	Amount	%	Amount	%
Domestic sales	863,520	100.00	914,530	100.00
Foreign Sales	-	-	-	-
Total	863,520	100.00	914,530	100.00

2. Market share: Based on the statistics of commission income of insurance brokerage industry of China in 2020 and 2019 issued by the Insurance Industry Development Center, the market share of commission income of the Company is listed as follows

Units: NT\$ thousands; %

Items \ Year	2019		2020	
	Property	Property	Property	Property
Total commission	4,155,681	22,853,720	Note 2	Note 2
Taiming	68,200	795,320	74,332	840,198
Market Shares	1.64%	3.48%	-%	-%

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

Note 2: As the printing date of this annual report was on March 29, 2020, Taiwan Insurance Institute only updated the data till 2019.

3. Future Market Supply & Demand Situation and Growth

- (1) According to the statistics of Taiwan Insurance Institute, the number of insurance brokerages dropped over the ten years from 562 to 487 in 2019. Among them, the number of brokerages covering both life and property insurance was only 305. This indicates that under the strict legal compliance regulations, increasing capital, and market condition, small and mid-size brokerages merged and became large-scale insurance brokerages.
- (2) According to the population statistics of the Ministry of the Interior, in 2020, Taiwan's newborn population was only about 165,000, reaching the lowest number of births in its history, with the population showing a negative growth for the first time; Compared with the development of medical technology, the proportion of the elderly population is higher, and the demands for insurance such as retirement, medical care and long-term care will increase in the future. In order to provide the insurance customers with security, the Company will combine the retirement medical product portfolio and provide services in the future, and the demand for insurance will continue to grow.

4. Competitive Niches:

- (1) Regularly disclose financial status to improve the Company's financial transparency.
- (2) The Company owns many insurance products from partnered insurance companies, which provides insurance buyers with professional services as well as one-stop

shopping needs. In the meantime, the Company maintains friendly relationship with industry peers to capture the latest market dynamics and information.

- (3) The management team of the Company adheres to the strict management and operation management, which can not only strengthen the service quality of the business team, but also take transparency in financial reporting and information reporting, and cooperate with internal audit and internal control system and law and edict system, which makes the Company stand out in the competitive insurance brokerage industry.
- (4) The increase in unmarried population, change in demographics, and lengthened average life expectancy all caused more aging population year by year. This phenomenon benefits business expansion in healthcare, long-term care, and pension schemes.

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

(1) Favorable Factors

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

(2) Unfavorable Factors

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

(3) Coping Strategies

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

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

1. Modern society is full of risks and uncertainty, which often impact on our lives and property. The major function of insurance is to diversify potential risks to everyone through the way of self-help, so that an individual avoids the unaffordable impact when accidents happen. Hence, insurance products 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\$ thousands

Items	2019				2020				Q1 2021 (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 2	
1	TransGlobe Life Insurance Inc.	162,991	18.88	None	TransGlobe Life Insurance Inc.	234,577	25.65	None				
2	Farglory Life Insurance Inc.	149,932	17.36	None	Farglory Life Insurance Inc.	160,065	17.5	None				
3	Yuanta Life Insurance	94,391	10.93	None	Note 1	-	-	None				
	Others	456,206	52.83	None	Others	519,888	56.85	None				
	Net Sales	863,520	100.00	None	Net Sales	914,530	100.00	None				

Note 1: The amount of revenue does not amount to 10% of the merged company's total revenue.

Note 2: Reasons 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.

(V) Production volume in the past two years: Not applicable as the Company is an insurance brokerage that only agent's insurance products for selling, so there is no volume of manufacture

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

III. Employee Information

Employee statistics in the past two years up to publication date
March 30, 2021 Unit: Person; age; %

Year		2019	2020	Current Fiscal Year Up To March 30, 2021
Number of Employees	Total staff	42	41	46
	Business unit staff	21	19	20
	Total	63	60 (Note)	66 (Note)
Average age		42	42.8	42.2
Average Years of Service		7	8.5	7.9
Education distribution ratio (%)	Ph.D.	0	0	0
	Master's	11.1	8.33	7.58
	University/College	73	76.67	78.79
	Senior High School	15.9	15.00	13.64
	Under Senior High School	0	0	0

Note: The annual report discloses that the number of employees does not include the number of Directors of non-concurrent employees. In 2020, the number of Directors of non-concurrent employees is 5. One employee who is on leave without pay is not included.

IV. Information Regarding Environmental Protection Expenditure

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) Employee group insurance.
- (2) Birthday gift money, Mid-Autumn festival and Dragon Boat Festival bonus, year-end bonus, and performance bonus.
- (3) Marriage and fertility gift money, funeral solatium and injury solatium.
- (4) Employee health check.
- (5) Irregular activities including birthday party, festivities, and employee trip, etc.
- (6) menstruation leaves with pay, family care leave, maternity leave, paternity leave, parental leave. Rules of Leave with Pay were enacted.
- (7) Encourage further education by providing subsidy.

2. Further Education and Training

The Company provides equal training opportunities to 60 employees regardless of gender. In 2020, administrative staff received an average of 16.6 hours of training per person per year, and 100% of all internal staff received regular performance and career development reviews. The Company provides on-the-job trainings or subsidizes external courses to encourage career development for employees.

In-house Staff Training Courses and Training Hours:

- (1) In-house training: From time to time, at meetings of each department, the unit supervisors pass on professional skills for 1 to 3 hours per session.
- (2) External trainings: The Company provides regular subsidies of NT\$4,000 per person per year.
- (3) Special functional courses: special functional courses, such as information security awareness training, insurance regulations training and legal education courses for competent authorities, are held from time to time every year.
- (4) Online courses: In response to the epidemic, digital learning is fully enabled and teaching videos are available anytime, anywhere and on time.
- (5) In-house Staff Training Hours:

Gender	Category	Number of participants	Total training hours	Average training hours
Female	Management Roles	6	114	19
	Non-Management Roles	39	540	13.8
Male	Management Roles	11	288	26.2
	Non-Management Roles	4	54	13.5
Total	Total staff	60	996	16.6

Note 1: Management role refers to supervisors that are above managers

Note 2: Staff trained does not include those on parental leave.

Note 3: Because male managers often hold other concurrent positions in other committees, the average training hours are more than those of other in-house colleagues.

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.

5. Employee Equity Protection Measures:

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

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

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

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

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

VI. Important Contracts

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restrictive Covenants
Broker Contract	Global Life Insurance	2002/11/15 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Hontai Life Insurance	2002/12/01 (Automatic Renewal) 2009/01/01 (Automatic Renewal) 2013/01/01 (Automatic Renewal) 2014/12/01 (Automatic Renewal) 2017/01/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	China Life Insurance	2004/01/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Farglory Life Insurance	2005/03/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Fubon Life Insurance	2005/05/26 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Shin Kong Life Insurance	2005/07/25 (Automatic Renewal) 2011/01/01 (Automatic Renewal) 2013/02/01 (Automatic Renewal) 2014/12/15 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Chubb Group (Note 1)	2006/09/01 (Automatic Renewal) 2013/10/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Taiwan Life Insurance (Note 2)	2012/01/05 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	BankTaiwan Life Insurance	2008/01/02 (Automatic Renewal) 2008/10/22 (Automatic Renewal) 2012/12/25 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	AIA Life Insurance	2011/05/17 (Automatic Renewal) 2014/03/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Cigna Life Insurance	2013/03/11 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Allianz Life Insurance	2007/02/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Yuanta Life Insurance	2016/01/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Cathay Life Insurance	2016/08/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Prudential Life Insurance	2018/04/13 (Automatic Renewal) 2021/01/01 (Automatic Renewal)	Solicitation of Life Insurance	-
Broker Contract	Want Want Union Insurance Company (Note 3)	2004/12/15 (Automatic Renewal) 2011/07/01 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Tokio Marine Newa Insurance	2008/04/01 (Automatic Renewal) 2016/03/04 (Automatic Renewal) 2019/01/06 (Automatic Renewal) 2020/07/10 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Fubon Property Insurance	2007/01/01 (Automatic Renewal) 2012/03/16 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Cathay Century Insurance Co., Ltd.	2010/09/30 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Taiwan Property Insurance	2011/03/07- 2014/03/07 2014/02/17 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Chubb Property Insurance	2007/03/01 (Automatic Renewal) 2009/09/01 (Automatic Renewal)	Solicitation of Property Insurance	-

Nature of Contract	The Principal	Contract Start/End Date	Main Content	Restrictive Covenants
Broker Contract	Taian Insurance	2008/12/09 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	CTBC Insurance	2010/04/02 (Automatic Renewal) 2010/12/10 (Automatic Renewal) 2017/12/06 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Chung Kuo Insurance	2010/09/29 (Automatic Renewal) 2011/08/11 (Automatic Renewal) 2014/01/27 (Automatic Renewal) 2016/04/06 (Automatic Renewal) 2020/11/09 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Nan Shan General Insurance (Note 4)	2003/10/09 (Automatic Renewal) 2011/03/01 (Automatic Renewal) 2012/01/01 (Automatic Renewal) 2017/10/20 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	South China Insurance	2007/12/14 (Automatic Renewal) 2012/12/14 (Automatic Renewal) 2015/12/14 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	MSIG Mingtai Insurance	2011/01/25 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	The First Insurance	2012/04/20 (Automatic Renewal) 2014/02/25 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Shinkong Insurance	2009/11/25 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Nan Shan Life Insurance	2008/08/04(Group Insurance - Automatic) 2010/06/30(Group Insurance - Automatic)	Solicitation of Group Insurance	-
Broker Contract	BNP Paribas Cardif	2014/06/25 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	Ho Tai Property Insurance (Note 5)	2014/08/01 (Automatic Renewal) 2016/08/01 (Automatic Renewal) 2019/11/15 (Automatic Renewal) 2020/11/09 (Automatic Renewal)	Solicitation of Property Insurance	-
Broker Contract	AIG Asia Pacific Insurance	2016/09/01 (Automatic Renewal)	Solicitation of Property Insurance	-
Share Conversion Contract	Link-aim Life Insurance Broker Co., Ltd.	Signing Date 2018/12/27	The parties shall agree on the matters of share conversion.	-

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

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

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

Note 4: The memorandum was signed on September 1, 2008 by the former Central Property Insurance, which was renamed AIA Life Insurance. On March 1, 2011, it was renamed as Mei Ya Property Insurance, and on September 1, 2016, it was renamed as Nan Shan General Insurance.

Note 5: Formerly Zurich Property Insurance, it was renamed as Ho Tai Property Insurance on March 1, 2017.

Note 6: Formerly TLG Insurance. It was renamed CTBC Insurance on January 1, 2021.

Chapter 6. Financial Information

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

(I) Financial Information Adopting International Financial Reporting Standards:

Consolidated Condensed Balance Sheet

Unit: NT\$ thousands

Items		Year	Financial Information for the Most Recent 5 Years (Note 1)				
			2016	2017	2018	2019	2020
Current assets			430,032	361,713	406,367	425,848	424,677
Financial Assets Measured at Cost			54,000	104,000	-	-	-
Property and equipment			46,906	48,601	47,458	52,492	51,638
Net Amount of Real Estate Investment			69,036	68,672	68,308	67,944	67,580
Intangible Asset			-	-	-	-	-
Other Assets			9,207	13,011	125,584	263,229	256,790
Total Assets			609,181	595,997	647,717	809,513	800,685
Current Liability	Before Distribution		137,458	111,097	154,785	201,018	193,085
	After Distribution		213,259	186,898	223,602	276,091	(Note 2)
Non-Current Liability			19,996	20,964	40,971	72,246	55,071
Total Liabilities	Before Distribution		157,454	132,061	195,756	273,264	248,156
	After Distribution		233,255	207,862	264,573	348,337	(Note 2)
Equity attributable to owners of the parent company			451,727	463,936	446,388	536,249	552,529
Equity			236,880	236,880	236,880	250,243	250,243
Capital surplus			51,892	51,892	51,892	92,500	92,500
Retained earnings	Before Distribution		162,846	176,652	189,537	203,600	215,279
	After Distribution		87,045	100,851	120,720	128,527	(Note 2)
Other equity interests			109	(1,488)	(31,921)	(10,094)	(5,493)
Treasury Stock			-	-	-	-	-
Non-controlling Interests			-	-	5,573	-	-
Equity	Before Distribution		451,727	463,936	451,961	536,249	552,529
	After Distribution		375,926	388,135	383,144	461,176	(Note 2)
Total Amount			375,926	388,135	383,144	461,176	(Note 2)

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

Note 2: The 2020 earnings allocation was approved on the 11th meeting of the 7th term of the Board of Directors on February 25, 2021, and is subject to the Shareholders' Meeting resolution in 2021.

2. Parent Company Only Condensed Balance Sheet

Unit: NT\$ thousands

Year		Financial Information for the Most Recent 5 Years (Note 1)				
		2016	2017	2018	2019	2020
Items						
Current assets		429,650	361,379	399,285	351,241	351,241
Financial Assets Measured at Cost		54,000	104,000	-	-	-
Investments accounted for using the equity method		2,156	5,358	5,776	120,499	120,499
Property and equipment		46,906	48,601	46,955	44,783	44,783
Net Amount of Real Estate Investment		69,036	68,672	68,308	67,944	67,944
Intangible Asset		-	-	-	-	-
Other Assets		7,433	7,983	120,338	170,860	170,860
Total Assets		609,181	595,993	640,662	755,327	755,327
Current Liability	Before Distribution	137,458	111,093	153,303	155,717	155,717
	After Distribution	213,259	186,894	222,120	230,790	(Note 2)
Non-Current Liability		19,996	20,964	40,971	63,361	63,361
Total Liabilities	Before Distribution	157,454	132,057	194,274	219,078	219,078
	After Distribution	233,255	207,858	263,091	294,151	(Note 2)
Equity attributable to owners of the parent company		451,727	463,936	446,388	536,249	536,249
Equity		236,880	236,880	236,880	250,243	250,243
Capital surplus		51,892	51,892	51,892	92,500	92,500
Retained earnings	Before Distribution	162,846	176,652	189,537	203,600	203,600
	After Distribution	87,045	100,851	120,720	128,527	(Note 2)
Other equity interests		109	(1,488)	(31,921)	(10,094)	(10,094)
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	451,727	463,936	446,388	536,249	536,249
	After Distribution	375,926	388,135	377,571	461,176	(Note 2)

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

Note 2: The 2020 earnings allocation was approved on the 11th meeting of the 7th term of the Board of Directors on February 25, 2021, and is subject to the Shareholders' Meeting resolution in 2021.

3. Consolidated Concise Composite Comprehensive Income:

Unit: NT\$ thousands

Items \ Year	Financial Information for the Most Recent 5 Years (Note 1)				
	2016	2017	2018	2019	2020
Operating revenue	722,611	655,617	720,606	863,520	914,530
Gross profit	171,599	164,010	178,758	189,142	198,661
Operating Gain or Loss	90,372	80,826	75,987	85,471	103,135
Non-operating income and expenses	9,067	23,996	8,051	2,626	5,840
Net income before tax	99,439	104,822	84,038	88,097	108,975
Net Income from Continuing Operations in the Current Period	82,707	89,701	64,870	67,512	86,844
Loss from Discontinued Operations	-	-	-	-	-
Net Income	82,707	89,701	64,870	67,512	86,844
Other Comprehensive Income (Loss), After Tax	5,639	(1,691)	(31,138)	21,884	4,509
Total Comprehensive Income in the Current Period	88,346	88,010	33,732	89,396	91,353
Net Income Attributable to Owners of Parent Company	85,787	89,701	75,806	74,501	86,844
Net Income Attributable to Non-Controlling Interests	(3,080)	-	(10,936)	(6,989)	-
Total Comprehensive Income Attributable to Owners of the Parent Company	91,426	88,010	45,131	96,279	91,353
Total Comprehensive Income Attributable to Non-controlling Interests	(3,080)	-	(11,399)	(6,883)	-
Earnings Per Share (NT\$)	3.62	3.79	3.2	3.04	3.47

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

4. Parent Company Only Concise Composite Comprehensive Income:

Unit: NT\$ thousands

Items	Year	Financial Information for the Most Recent 5 Years (Note 1)				
		2016	2017	2018	2019	2020
Operating revenue		722,521	655,559	714,467	726,599	718,716
Gross profit		171,549	163,972	177,290	168,220	158,986
Operating Gain or Loss		95,359	80,818	90,605	82,235	74,579
Non-operating income and expenses		7,160	24,004	4,369	10,393	28,774
Net income before tax		102,519	104,822	94,974	92,628	103,353
Net Income from Continuing Operations in the Current Period		85,787	89,701	75,806	74,501	86,844
Loss from Discontinued Operations		-	-	-	-	-
Net Income		85,787	89,701	75,806	74,501	86,844
Other Comprehensive Income (Loss), After Tax		5,639	(1,691)	(30,675)	21,778	4,509
Total Comprehensive Income in the Current Period		91,426	88,010	45,131	96,279	91,353
Net Income Attributable to Owners of Parent Company		85,787	89,701	75,806	74,501	86,844
Net Income Attributable to Non-Controlling Interests		-	-	-	-	-
Total Comprehensive Income Attributable to Owners of the Parent Company		91,426	88,010	45,131	96,279	91,353
Total Comprehensive Income Attributable to Non-controlling Interests		-	-	-	-	-
Earnings Per Share (NT\$)		3.62	3.79	3.2	3.04	3.47

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

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

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

Audit Year	Auditing CPA Firm	Auditing CPA	Audit Opinion
2016	Deloitte & Touche	Cheng-Hsiu Yang, Hsu-Jan Cheng	Unqualified Opinion
2017	Deloitte & Touche	Wang-Sheng Lin, Cheng-Hsiu Yang	Unqualified Opinion
2018	Deloitte & Touche	Wang-Sheng Lin, Cheng-Hsiu Yang	Unqualified opinion
2019	Deloitte & Touche	Wang-Sheng Lin, Wun-Ya Syu	Unqualified opinion
2020	Deloitte & Touche	Wang-Sheng Lin, Wun-Ya Syu	Unqualified opinion

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

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

II. Financial Analysis for the Most Recent 5 Years

(1) Adopting International Financial Reporting Standards:

1. Consolidated financial analysis:

Analysis Item		Year	Financial Analysis for the Most Recent 5 Years			
		2016	2017	2018	2019	2020
Financial Structure	Ratio of Liabilities to Assets	25.85	22.16	30.22	33.76	30.99
	Ratio of Long-Term Capital to Real Estate and Equipment	1,005.68	997.72	1,026.93	1159.21	1,176.65
Solvency	Current Ratio (%)	312.85	325.58	262.54	211.85	219.94
	Quick Ratio (%)	312.25	324.55	261.27	210.97	218.74
	Interest Coverage Ratio	-	-	-	-	-
Operating Performance	Receivables Turnover Rate (Times)	7.25	6.60	7.62	7.32	7.24
	Average Collection Days	50	55	48	50	50
	Inventory Turnover (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Payables Turnover Rate (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average Days for Sale	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Real Estate and Equipment Turnover Rate (Times)	15.08	13.73	15.16	17.28	Not Applicable
	Total Asset Turnover Rate (Times)	1.23	1.09	1.16	1.19	1.14
Profitability Capacity	Rate of Return on Assets (%)	14.66	14.89	10.43	9.27	10.79
	Rate of Return on Equity (%)	19.43	19.59	14.17	13.66	15.95
	Ratio of Net Profit Before Tax to Paid-Up Capital (%)	41.98	44.25	35.48	35.20	43.55
	Net Profit Margin (%)	11.87	13.68	9	7.82	9.5
	Earnings Per Share (NT\$)	3.62	3.79	3.20	3.04	3.47
Cash Flow	Cash Flow Ratio (%)	58.07	85.00	46.82	32.05	60.49
	Cash Flow Adequacy Ratio (%)	152.70	155.31	122.21	117.40	112.11
	Cash Flow Reinvestment Ratio (%)	2.30	5.44	(0.94)	(1.36)	11.97
Degree of Leverage	Degree of Operating Leverage	1.79	1.95	2.18	2.06	1.85
	Degree of Financial Leverage	1.00	1.00	1.00	1.00	1.00

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

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

1. Financial Structure

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

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

2. Solvency

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

(2) Quick Ratio = Current Asset – Goods on Hand – Prepaid Expense) / Current Liability.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure.

3. Operating Performance

(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 Capacity

(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. Degree of 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, considering 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 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 is 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.

2. Parent Company Only financial analysis:

Analysis Items (Note 2)		Financial Analysis for the Most Recent 5 Years (Note 1)				
		2016	2017	2018	2019	2020
Financial Structure	Ratio of Liabilities to Assets	25.85	22.16	30.32	29.00	26.40
	Ratio of Long-Term Capital to Real Estate and Equipment	1,005.68	997.72	1,037.93	1338.92	1,276.27
Solvency	Current Ratio (%)	312.57	325.29	260.45	225.56	232.60
	Quick Ratio (%)	311.98	324.27	259.85	224.66	231.39
	Interest Coverage Ratio	-	-	-	-	-
Operating Performance	Receivables Turnover Rate (Times)	7.25	6.60	7.56	7.26	7.59
	Average Collection Days	50	55	48	50	48
	Inventory Turnover (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Payables Turnover Rate (Times)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Average Days for Sale	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Real Estate and Equipment Turnover Rate (Times)	15.08	13.73	15	15.84	15.65
	Total Asset Turnover Rate (Times)	1.24	1.09	1.16	1.04	0.95
Profitability Capacity	Rate of Return on Assets (%)	13.79	14.89	12.26	10.67	11.53
	Rate of Return on Equity (%)	19.43	19.59	16.65	15.16	15.95
	Ratio of Net Profit Before Tax to Paid-Up Capital (%)	43.28	44.25	40.09	37.02	41.30
	Net Profit Margin (%)	11.87	13.68	10.61	10.25	12.08
	Earnings Per Share (NT\$)	3.62	3.79	3.20	3.04	3.47
Cash Flow	Cash Flow Ratio (%)	60.26	85.05	55.81	42.11	53.02
	Cash Flow Adequacy Ratio (%)	157.58	159.73	130.59	125.54	107.48
	Cash Flow Reinvestment Ratio (%)	3.10	5.46	2.82	(1.12)	1.53
Degree of Leverage	Degree of Operating Leverage	1.72	1.95	1.88	1.96	2.02
	Degree of Financial Leverage	1.00	1.00	1.00	1.00	1.00

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

Note 2: At the end of this table of the annual report, the following calculation 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. Operating Performance

(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).

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

4. Profitability Capacity

(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. Degree of 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, considering 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 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 is 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. Supervisors' Committee Report for the Most Recent Fiscal Year's Financial Statement

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 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,

2021 Annual General Shareholders' Meeting of TABC

Convener of the Audit Committee: Chien-Hsiang Chang

March 24, 2021

IV. Financial Statements for the Most Recent Fiscal Year

2020 Consolidated Financial Statements:

Refer to the attachment.

2020 Parent Company Only Financial Statements:

Refer to the attachment.

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

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

I. Financial Position

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:

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

Unit: NT\$ thousands; %

Year	2020	2019	Increase (Decrease) Amount	Change Ratio %
Items				
Current assets	424,677	425,848	(1,171)	(0.27)
Non-current Assets	376,008	383,665	(7,657)	(2.00)
Total Assets	800,685	809,513	(8,828)	(1.09)
Current Liability	193,085	201,018	(7,933)	(3.95)
Non-Current Liability	55,071	72,246	(17,175)	(23.77)
Total Liabilities	248,156	273,264	(25,108)	(9.19)
Equity Attributable to Owners of Parent Company	552,529	536,249	16,280	3.04
Retained earnings	215,279	203,600	11,679	5.74
Other equity interests	(5,493)	(10,094)	4,601	45.58
Total Equity	552,529	536,249	16,280	3.04

The major reasons, impacts and future for major changes in assets, liabilities, and shareholders' equity in the recent two years (changes of more than 20% in the preceding and later periods and amount changes of NT\$ 10 million).

(I) Reasons:

Decrease in non-current assets: mainly due to the payment of workplace rent that decreased the lease liability.

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

(II) Impact:

None

(III) Future Contingency Plan:

Based on the above analysis, it can be inferred that the major changes in the Company's financial position in the recent two years are the benign effects of normal operating activities.

II. Financial Performance

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

Consolidated Comprehensive Income with the Comparison of the Recent Two Years

Unit: NT\$ thousands; %

Items \ Year	2020	2019	Increase (Decrease) Amount	Variable Proportion %
Operating revenue	914,530	863,520	51,010	5.91
Operating costs	715,869	674,378	41,491	6.15
Gross profit	198,661	189,142	9,519	5.03
Operating Expenses	95,526	103,671	(8,145)	(7.86)
Net operating profit	103,135	85,471	17,664	20.67
Non-operating income and expenses	5,840	2,626	3,214	122.39
Net income before tax	108,975	88,097	20,878	23.70
Income Tax Expense	22,131	20,585	1,546	7.51
Net Income	86,844	67,512	19,332	28.63
Net Income Attributable to Owners of the Company	86,844	74,501	12,343	16.57

Analysis of changes in the proportion of variation of more than 20% in the last two years:

(I) Anticipated sales volume in the next year and its basis: The Company is in insurance brokerage sector and therefore has no estimated sales volume.

1. Increase in operating net profit: mainly due to the decrease in operating expense.

2. Increase in non-operating income and expenditure: mainly due to the increase in 2020 financial asset valuation profit.

3. Increase in current net income: mainly due to the increase in operating margin and non-operating income in 2020.

(II) Impact of changes in financial performance in the last two years: It has no significant effect on financial performance.

(III) Future contingency plan: 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

Cash Flow Analysis

Unit: NT\$ thousands

Cash and Cash Equivalents at Beginning of Year (A)	Net Cash Flow from Operating Activities Throughout the Year (B)	Net Cash Inflow (Outflow) From Investment and Financing Activities Throughout the Year (C)	Cash Surplus (Inadequacy) Amount (A+B+C)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financing Plan
85,152	116,794	(107,456)	94,490	None	None

Description:

1. Analysis of current year's cash flow changes:

(1) Operating activities: The net cash inflow from operating activities in this year is NT\$ 116,794,000, which is caused by the increase in net profit before tax in this year.

(2) Investing activities: The net cash outflow from investing activities in this year is NT\$ 10,218,000, which is mainly due to the capital increase through cash for Jiangsu Taiming Assurance Broker Co., Ltd. and workplace renovation and rent.

(3) Financing activities: The net cash outflow for financing activities in this year is NT\$ 97,238,000, which is due to the cash dividend distribution and rent liability payment.

2. Remedial measures for insufficient cash and liquidity analysis: N/A.

3. Analysis of cash liquidity in the next year:

Cash and Cash Equivalents at Beginning of Year (A)	Net Cash Flow from Operating Activities Throughout the Year (B)	Net Cash Inflow (Outflow) From Investment and Financing Activities Throughout the Year (C)	Cash Surplus (Inadequacy) Amount (A+B+C)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Investment Plan
94,490	120,000	(110,000)	104,490	None	None

IV. The Impact of Recent Material 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. Recent Annual Reinvestment Policy, Main Reason for Income or Loss, Improvement Plan and Investment Plan for the Next Year

1. The Company's policies on reinvestment enterprises are based on the "investment cycle", the "measured on supervision and management of subsidiaries" and the "Procedures for the Acquisition and Disposal of Assets" formulated for the internal control system, which serve as the standards for the operation and management of reinvestment enterprises.

2. The 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.

The investment interest recognized by equity method in 2020 is NT\$ 18,402 thousand.

3. The company takes the greater China market as the company's development territory, and takes the long-term goal of joint development with the economic security industry as a strategy.

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 interest earned of the Company is mainly generated by depositing funds in the bank's fixed deposit and demand deposit, which accounts for a low proportion of the annual operating income and gain or loss, and there is no bank loan, so there is no interest expenditure. It is expected that the future interest rate changes will not have a significant influence on the overall operation and gain or loss of the Company.

2. Impact on Exchange Rate Changes

The sales of the Company are mainly based on the domestic market, and most of the offered prices are quoted in NT\$. Therefore, the trend of international foreign currency has limited impact on the gain or loss of the Company.

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:

The Company is mainly engaged in insurance brokering business and does not set up an R&D department. Therefore, there is no relevant R&D expenditure.

Due to the sector characteristics, the R&D investment of general manufacturing enterprises is not applicable to the Company.

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

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.

The Company complies with national policies and decrees, and relevant units can pay attention to the changes of important policies and laws at any time, and cooperates and adjusts the internal system and business activities of the Company to ensure the smooth operation of the Company, and takes appropriate strategies to reduce the impact of changes of important policies and laws at home and abroad on the Company's financial business.

In 2019 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, 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 has always maintained the business philosophy of sustainable management, and has actively participated in various social services and public care activities. Up to now, nothing has happened to affect the corporate image or violate the law.

(VII) Expected benefits from business combination, possible risks, and countermeasures:

The Company and Link-Aim Life Insurance Broker Co., Ltd (hereinafter referred to as "Link-Aim") held a board meeting on Dec. 27th, 2018 and a provisional meeting of shareholders on Feb. 20th, 2019, and passed the proposal of taking all shares of Link-Aim with the consideration of cash and issuance of common shares, making Link-Aim a 100% shareholding subsidiary of the Company.

The share exchange ratio between the Company and Link-Aim is that each ordinary share (with par value of NT \$10 per share) of the Company can exchange 0.0011225 ordinary shares (with par value of NT\$ 10,000 per share) of Link-Aim. The Company issued 1,336,303 new shares.

The share conversion has been reported and taken effect in the document numbered JGZF No. 1080317698 of the Financial Supervisory Commission on May 31st, 2019. The benchmark date of share conversion is set on Jun 1st, 2019. Taiming Company has completed the registration of the change of shares on Jun. 18th, 2019.

The Company and Link-Aim are aware of the trend of global aging and future development of financial technology, and will jointly develop retirement insurance in Greater China market by taking financial technology as operation tool, insurance professional service quality as foundation and professional retirement insurance brand as goal. Therefore, both parties will join hands to enter the international market after this acquisition through the cooperation of the elite teams of the financial and insurance businesses of both sides, and expand the Taming market shares. It is expected that both sides will have a larger scale of operation and create higher value for shareholders after resource integration.

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

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

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

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

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

(XII) Any material litigation, non-litigation, or administrative litigation, or any material litigation, non-litigation, or administrative litigation that may be a material impact on the Company's and the Company's Directors, supervisors, General Managers, persons in charge, and major litigation, non-litigious, or administrative disputes that have a significant impact on the Company's and the Company's Directors, the amount of the underlying assets, and the handling of the relevant activities as of the publication date of this annual report: None.

(XIII) Other Material risks and response measures:

1. Due to the spread of the COVID-19 epidemic at the beginning of 2020, global economic development is facing a huge impact. The sudden decrease of operating income, dispatching of capital flow and personal health and safety all cause impact and pressure on enterprises and individuals, which tests the strength and resilience of all enterprises' operation and personnel to withstand the pressure. The arrival of this unexpected black swan highlights the importance of risk control and insurance guarantee. After the successful development of detoxification vaccine and the control of the epidemic, the insurance demand will also experience explosive growth. While the risk of virus infection is higher when the entities trade and train face to face, the technology tool without physical touch between entities will be more valued in the future, and the Company has already developed and built this tool first.

The Company will uphold the concept of insurance as the cornerstone of social stability, continue to advocate the importance of insurance for all customers in the greater China region, and will continue to be committed to the innovative development of financial technology to assist business colleagues in their services to the insured.

2. The Company has introduced the information security management system, and adopted the ISO/IEC 27001:2013 Information Security Management System (ISMS) issued by BSI British Standards Institute, which is an international verification institution, and the third-party verification certificate to demonstrated that the information security protection mechanism has been in line with the international standards and specifically demonstrate the performance and determination to embrace the era of insurance technology and improve information security.

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

VII. Other Important Items

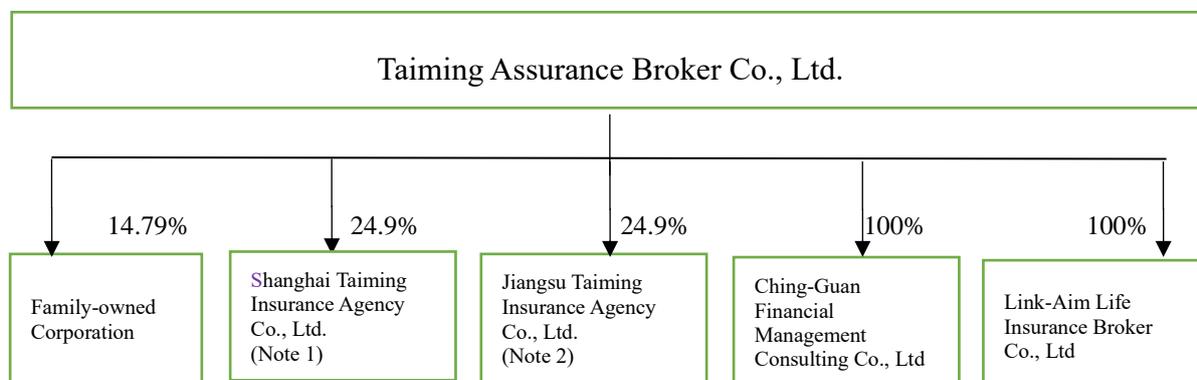
None.

Chapter. 8 Special Noted Items

I. Information on Affiliates

(I) Consolidated business report of associates

1. Organization Chart of Related Companies



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

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

2. Basic information of affiliates

December 31, 2020 Unit: NT\$ thousands

Name of Ken the Enterprise	Date of Incorporation	Address	Paid-in Capital	Major Business or Production Items
Family-owned Corporation	March 23, 2011	11F., No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City	NT\$55,000	Information software Services
Shanghai Taiming Insurance Agency Co., Ltd.	December 12, 2004	Room MN, 20th floor, No. 99, Huaihai East Road, Huangpu District, Shanghai	RMB\$3,000	Insurance agency
Jiangsu Taiming Insurance Agency Co., Ltd.	April 13, 2009	Room 1508, Building 2, Jitian International Plaza, 999 Bolu South Road, Development Zone, Kunshan City	RMB\$10,000	Insurance agency
Ching-Guan Financial Management Consulting Co., Ltd.	June 5, 2003	11F., No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City	NT\$1,000	Investment Advisory
Link-aim Life Insurance Broker Co., Ltd.	March 30, 2015	15/F, No. 573, Qingping Road, 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. Please refer to item 2.

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

Unit: 1,000 shares; %

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

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

6. Operating Status of Related Enterprises

December 31, 2020; Unit: NT\$ thousands/ 1,000 shares

Reinvestment in Other Companies	Main Business	Investment Cost	Carrying Number 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	
Family-owned Corporation	Information Software Services	8,135	3,729	814	14.79	Not Applicable	Equity Method	(233)	-	None
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	2,928	(287)	Note	24.9	Not Applicable	Equity Method	(883)		None
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	12,061	313	Note	24.9	Not Applicable	Equity Method	(2,958)		None
Ching-Guan Financial Management Consulting Co., Ltd.	Management Consultancy	900	149	100	100	Not Applicable	Equity Method	(61)	-	None
Link-aim Life Insurance Broker Co., Ltd.	Insurance broker	120,000	115,524	3,000	100	Not Applicable	Equity Method	22,537	22,740	None

(II) Consolidated Financial Statements of Affiliates

Consolidated Financial Report of Related Companies

In year 2020 (from January 1, 2020 to December 31, 2020), pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Related Enterprises, the Company's entities that shall be included in preparing the Consolidated Financial Statements for Related Enterprises and the Parent-Subsidiary Consolidated Financial Statements for International Financial Reporting Standards (IFRS) 10 are the same. Moreover, the disclosure information required for the Consolidated Financial Statements for Related Enterprises has been fully disclosed in the Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements for Related Enterprises will not be prepared.

Special Declaration

Company Name: Taiming Assurance Broker Co., Ltd

Person in Charge: Cheng-Chin Lee

March. 24th, 2021

(III) Report of related companies: None.

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

None.

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

None.

IV. Other necessary supplementary Information

None.

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

None

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

**Consolidated Financial Statements for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report**

Address: 11F, No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City

Tel.: (02)55585988

Representation Letter

The entities that are required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2020 are all the same as those included in the consolidated financial statements of Taiming Assurance Broker Co., Ltd. and Subsidiaries prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements of Taiming Assurance Broker Co., Ltd. and Subsidiaries. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

Company Name: Taiming Assurance Broker Co., Ltd.

By

Cheng-Chin Lee

Chairman

March 24, 2021

Independent Auditors' Report

The Board of Directors and Stockholders

Taiming Assurance Broker Co., Ltd.,

Opinion

We have reviewed the consolidated balance sheets of Taiming Assurance Broker Co., Ltd. (the "Company") and Subsidiaries (collectively, the "Group") for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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 Opinion

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

Key Audit Matters

Key audit matters refer to the most vital matters in our audit of the consolidated financial statements of the Group for the year ended December 31, 2020 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, 2020 are stated as follows:

Revenue recognition

Key audit matters

The Group operating revenue for 2020 totaled NT\$914,530 thousand, in which, NT\$503,471 thousand were commissions for the first year premium and renewed annual premium from the top 10 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 commission details of the life insurance and group insurance policies of the top ten insurance companies from the policy information system to confirm the completeness of the data, select samples, and verify them with the statement details provided by these insurance companies or recalculate to check whether they are consistent with the commissions that include the transaction prices received.
3. Review the calculation table of the transaction prices allocated to each performance obligation and check if the allocation method and logic are consistent.

Other matter

The Company has also compiled Standalone Financial Statements for the years ended December 31, 2020 and 2019, and they have also received our unqualified audit opinion for your reference.

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

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

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

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

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

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

We also performed the following tasks:

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

6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Company, to express an opinion on the consolidated financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on the Group. We are responsible for the guidance, supervision, and implementation of the Group's audit and for forming the audit opinion of the Group.

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

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

From the matters communicated with the governance bodies, we determined the key audit matters for the audit of the Group's consolidated financial statements for the year ended December 31, 2020. We have clearly indicated such matters in the auditors' report. Unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, where we decided not to communicate over specific items in the auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche

CPA

Wang-Sheng Lin

CPA

Wun-Ya Syu

Financial Supervisory Commission Approval
Document No.

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

Securities and Futures Bureau Approval Document
No.

Tai-Cai-Zheng-Liu No. 0920123784

March 24, 2021

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Taiwan, the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the ROC.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language auditors' report and consolidated financial statements shall prevail.

Taiming Assurance Broker Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 94,490	12	\$ 85,152	11
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	114,601	14	110,347	14
1120	Financial assets at fair value through other comprehensive income-current (Notes 4 and 8)	38,979	5	41,574	5
1140	Contract assets - current (Notes 4 and 18)	57,756	7	48,872	6
1170	Notes and accounts receivable (Notes 4, 9 and 26)	115,581	15	137,078	17
1200	Other Receivables	951	-	1,070	-
1470	Other current assets	2,319	-	1,755	-
11XX	Total current assets	<u>424,677</u>	<u>53</u>	<u>425,848</u>	<u>53</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	113,230	14	105,355	13
1550	Investments accounted for using equity method (Notes 4 and 10)	4,042	1	4,562	1
1560	Contract assets - non-current (Notes 4, and 18)	22,514	3	22,674	3
1600	Property and equipment (Notes 4 and 11)	51,638	7	52,492	7
1755	Right-of-use asset assets (Notes 4, 12, and 26)	33,851	4	48,687	6
1760	Investment property (Notes 4 and 13)	67,580	8	67,944	8
1805	Goodwill (Notes 4 and 24)	68,537	9	68,537	8
1840	Deferred income tax assets (Notes 4 and 21)	2,096	-	2,194	-
1920	Guarantee deposits paid (Note 26)	10,183	1	10,162	1
1990	Other non-current assets (Notes 4 and 16)	2,337	-	1,058	-
15XX	Total non-current assets	<u>376,008</u>	<u>47</u>	<u>383,665</u>	<u>47</u>
1XXX	Total assets	<u>\$ 800,685</u>	<u>100</u>	<u>\$ 809,513</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2150	Notes payable	\$ 237	-	\$ 30	-
2200	Other payables (Note 14)	153,625	19	161,418	20
2230	Current income tax liabilities (Notes 4 and 21)	11,102	1	8,018	1
2280	Lease liabilities – current (Notes 4, 12, and 26)	19,644	3	20,066	3
2399	Other current liabilities	8,477	1	11,486	1
21XX	Total current liabilities	<u>193,085</u>	<u>24</u>	<u>201,018</u>	<u>25</u>
	Non-current liabilities				
2550	Provisions – non-current (Notes 4 and 15)	10,394	1	10,692	1
2570	Deferred income tax liabilities (Notes 4 and 21)	109	-	100	-
2580	Lease liabilities – non-current (Notes 4, 12, and 26)	14,648	2	29,142	4
2610	Long-term payables (Note 14)	29,125	4	29,727	4
2645	Guarantee deposit received	508	-	506	-
2650	Credit balance of investments under equity method (Note 10)	287	-	2,079	-
25XX	Total non-current liabilities	<u>55,071</u>	<u>7</u>	<u>72,246</u>	<u>9</u>
2XXX	Total liabilities	<u>248,156</u>	<u>31</u>	<u>273,264</u>	<u>34</u>
	Equity attributable to owners of parent (Notes 4 and 17)				
3110	Share capital of ordinary shares	250,243	31	250,243	31
3200	Capital surplus	92,500	12	92,500	11
	Retained earnings				
3310	Legal reserve	104,041	13	96,629	12
3320	Special reserve	10,094	1	31,921	4
3350	Undistributed earnings	101,144	13	75,050	9
3300	Total Retained Earnings	215,279	27	203,600	25
3400	Other equity interests	(5,493)	(1)	(10,094)	(1)
31XX	Total equity attributable to owners of the parent	<u>552,529</u>	<u>69</u>	<u>536,249</u>	<u>66</u>
3XXX	Total equity	<u>552,529</u>	<u>69</u>	<u>536,249</u>	<u>66</u>
	Total liabilities and equity	<u>\$ 800,685</u>	<u>100</u>	<u>\$ 809,513</u>	<u>100</u>

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

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2020 and 2019

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

Code		2020		2019	
		Amount	%	Amount	%
4000	Operating revenue (Notes 4, 18, and 26)	\$ 914,530	100	\$ 863,520	100
5000	Operating cost (Notes 19 and 26)	<u>715,869</u>	<u>78</u>	<u>674,378</u>	<u>78</u>
5950	Gross profit	<u>198,661</u>	<u>22</u>	<u>189,142</u>	<u>22</u>
	Operating expenses (Notes 19 and 26)				
6100	Selling and marketing expenses	8,355	1	12,754	1
6200	Administrative expenses	<u>87,171</u>	<u>10</u>	<u>90,917</u>	<u>11</u>
6000	Total operating expenses	<u>95,526</u>	<u>11</u>	<u>103,671</u>	<u>12</u>
6900	Net operating profit	<u>103,135</u>	<u>11</u>	<u>85,471</u>	<u>10</u>
	Non-operating income and expenses				
7010	Other revenue (Note 19)	7,351	1	7,088	1
7020	Other gains and losses (Note 19)	3,206	-	1,858	-
7050	Finance costs	(643)	-	(957)	-
7060	Share of profit (loss) of associates and joint ventures accounted for under equity method	(4,074)	-	(5,363)	(1)
7000	Total non-operating income and expenses	<u>5,840</u>	<u>1</u>	<u>2,626</u>	<u>-</u>
7900	Net income before tax	108,975	12	88,097	10
7950	Income tax expenses (Notes 4 and 21)	<u>22,131</u>	<u>2</u>	<u>20,585</u>	<u>2</u>
8200	Net profit for the year	<u>86,844</u>	<u>10</u>	<u>67,512</u>	<u>8</u>

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Code		2020		2019	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(\$ 115)	-	(\$ 61)	-
8316	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	4,546	-	21,849	2
8349	Relevant income taxes of effects of remeasurement of defined benefit plans	<u>23</u>	-	<u>12</u>	-
		<u>4,454</u>	-	<u>21,800</u>	<u>2</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operation	<u>55</u>	-	<u>84</u>	-
		<u>55</u>	-	<u>84</u>	-
8300	Other comprehensive income (net, after tax)	<u>4,509</u>	-	<u>21,884</u>	<u>2</u>
8500	Total comprehensive income for the year	<u>\$ 91,353</u>	<u>10</u>	<u>\$ 89,396</u>	<u>10</u>
	Net profit attributable to:				
8610	Owners of the company	\$ 86,844	10	\$ 74,501	9
8620	Non-controlling Interests	-	-	(6,989)	(1)
8600		<u>\$ 86,844</u>	<u>10</u>	<u>\$ 67,512</u>	<u>8</u>
	Total comprehensive income attributable to:				
8710	Owners of the company	\$ 91,353	10	\$ 96,279	11
8720	Non-controlling Interests	-	-	(6,883)	(1)
8700		<u>\$ 91,353</u>	<u>10</u>	<u>\$ 89,396</u>	<u>10</u>
	Earnings per share (Note 22)				
9750	Basic	<u>\$ 3.47</u>		<u>\$ 3.04</u>	
9850	Diluted	<u>\$ 3.46</u>		<u>\$ 3.04</u>	

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

Taiming Assurance Broker Co., Ltd. and Subsidiaries

**Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars**

Code		Equity attributable to owners of the parent					Other equity items		Total	Non-controlling Interests (Note 17)	Total equity
		Share capital of ordinary shares	Capital surplus	Legal reserve	Special reserve	Retained earnings	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations			
A1	Balance as of January 1, 2019	\$ 236,880	\$ 51,892	\$ 89,048	\$ 1,488	\$ 99,001	(\$ 179)	(\$ 31,742)	\$ 446,388	\$ 5,573	\$ 451,961
A3	Effects of retrospective application and retrospective restatement	-	-	-	-	(331)	-	-	(331)	(145)	(476)
A5	Adjusted balance as of January 1, 2019	236,880	51,892	89,048	1,488	98,670	(179)	(31,742)	446,057	5,428	451,485
	Appropriations and distribution of 2018 earnings										
B1	Legal reserve	-	-	7,581	-	(7,581)	-	-	-	-	-
B3	Reversal of special reserve	-	-	-	30,433	(30,433)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	(60,058)	-	-	(60,058)	-	(60,058)
	Other changes in capital surplus:										
C7	Changes in equity of associates and joint ventures accounted for under the equity method	-	2,729	-	-	-	-	-	2,729	-	2,729
C15	Cash dividends distributed from capital surplus	-	(8,758)	-	-	-	-	-	(8,758)	-	(8,758)
H1	Issuance of new shares through merger	13,363	46,637	-	-	-	-	-	60,000	-	60,000
O1	Non-controlling Interests	-	-	-	-	-	-	-	-	1,455	1,455
D1	2019 net income	-	-	-	-	74,501	-	-	74,501	(6,989)	67,512
D3	2019 Other comprehensive Income (loss) after tax	-	-	-	-	(49)	(22)	21,849	21,778	106	21,884
D5	Total comprehensive income (loss) for 2019	-	-	-	-	74,452	(22)	21,849	96,279	(6,883)	89,396
Z1	Balance as of December 31, 2019	250,243	92,500	96,629	31,921	75,050	(201)	(9,893)	536,249	-	536,249
	Appropriations and distribution of 2019 earnings										
B1	Appropriated as legal reserve	-	-	7,412	-	(7,412)	-	-	-	-	-
B3	Appropriated as special reserve	-	-	-	(21,827)	21,827	-	-	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(75,073)	-	-	(75,073)	-	(75,073)
D1	2020 net income	-	-	-	-	86,844	-	-	86,844	-	86,844
D3	2020 other comprehensive Income (loss) after tax	-	-	-	-	(92)	55	4,546	4,509	-	4,509
D5	Total comprehensive income (loss) for 2020	-	-	-	-	86,752	55	4,546	91,353	-	91,353
Z1	Balance as of December 31, 2020	\$ 250,243	\$ 92,500	\$ 104,041	\$ 10,094	\$ 101,144	(\$ 146)	(\$ 5,347)	\$ 552,529	\$ -	\$ 552,529

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

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows For the Years Ended December 31, 2020 and 2019 Unit: In Thousands of New Taiwan Dollars

Code		2020	2019
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 108,975	\$ 88,097
A20010	Income and expenses		
A20100	Depreciation expenses	28,403	26,087
A20200	Amortization expenses	484	51
A20300	Gain on reversal of bad debts	(233)	(61)
A20400	Net gain on financial assets at fair value through profit or loss	(3,221)	(1,575)
A20900	Finance costs	643	957
A21200	Interest income	(2,336)	(2,431)
A21300	Dividend income	(2,866)	(2,288)
A22300	Share of profit or loss of the associates and joint ventures using equity method	4,074	5,363
A29900	Profit (loss) of lease modification	(111)	(31)
A29900	Other income	(13)	-
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(8,724)	(12,356)
A31150	Notes receivable and accounts receivable	21,497	(21,442)
A31180	Other Receivables	1,297	4,353
A31220	Prepaid pension cost	(99)	(100)
A31240	Other current assets	(564)	(438)
A32130	Notes payable	207	(3,782)
A32180	Other payables	(8,395)	10,540
A32200	Provisions	(298)	752
A32230	Other current liabilities	(3,009)	1,314
A33000	Cash inflows from operations	135,711	93,010
A33500	Income tax paid	(18,917)	(28,587)
AAAA	Net cash inflows from operating activities	<u>116,794</u>	<u>64,423</u>

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Code		2020	2019
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(\$ 734)	\$ -
B00050	Disposal of financial assets at amortized cost	-	13,500
B00100	Acquisition of financial assets at fair value through profit or loss	(30,000)	-
B00200	Disposal of financial assets at fair value through profit or loss	28,967	-
B01800	Acquisition of investment using equity method	(5,291)	(2,000)
B02200	Acquisition of net cash inflow from subsidiaries	-	(17,328)
B02700	Acquisition of property and equipment	(5,617)	(2,375)
B03700	Decrease (increase) in guarantee deposits paid	(21)	90
B06700	Decrease (increase) in other non-current assets	(1,779)	158
B02300	Net cash outflow from subsidiaries derecognized	-	(4,688)
B07500	Interest received	1,391	1,486
B07600	Dividends received	<u>2,866</u>	<u>2,288</u>
BBBB	Net cash outflow from investing activities	(<u>10,218</u>)	(<u>8,869</u>)
	Cash flows from financing activities		
C00100	Increase in short-term loans	-	9,100
C03100	Increase (decrease) in guarantee deposits received	2	(1)
C04020	Repayment of the principal portion of lease liabilities	(22,167)	(20,172)
C04500	Cash dividends issued	(75,073)	(68,816)
C05600	Interest paid	<u>-</u>	<u>(225)</u>
CCCC	Net cash outflow from financing activities	(<u>97,238</u>)	(<u>80,114</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	9,338	(24,560)
E00100	Balance of cash and cash equivalents, at beginning of year	<u>85,152</u>	<u>109,712</u>
E00200	Balance of cash and cash equivalents at end of year	<u>\$ 94,490</u>	<u>\$ 85,152</u>

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

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2019

(Unless otherwise stated, the amount unit shall be in NTS 1,000)

1. Company History

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

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

2. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Company's board of directors on February 25, 2021.

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

- b. IFRSs issued by IABS and endorsed by FSC that are applicable from 2021 onwards

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 4 "Deferral Of Effective Date of IFRS 9"	Effective immediately upon promulgation
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"	Effective for the annual reporting periods beginning on or after January 1, 2021

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

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRSs 2018-2020 Cycle”	January 1, 2022 (Note 2)
Amendment to IFRS 3 - "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 7)

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

Note 2: The amendment to IFRS 9 applies prospectively to modifications of terms of or exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoption of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendment applies to business combination with the acquisition date in the annual reporting periods beginning on or after January 1, 2022.

Note 4: The amendment applies to property, plant and equipment that are in line with the location and condition necessary for them to be capable of operating in the manner expected by the management on or after January 1, 2021.

Note 5: The amendment applies to the contracts with the obligations not fully fulfilled as of January 1, 2022.

Note 6: The amendments are applied prospectively for the annual reporting period beginning on or after January 1, 2023.

Note 7: 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.

As of the date the consolidated financial statements were approved for release, the Group is continuously assessing the possible impact of the application of other standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed and issued into effect by the FSC.

b. Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

d. Basis of consolidation

The consolidated financial statements contain the financial reports of the Company and the individual entities (subsidiaries) controlled by the Company. The consolidated statements of comprehensive income have included the operating gain or loss of the acquired or disposed

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

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

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

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

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

e. Business combinations

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

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

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

f. Foreign currencies

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. Investment 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. In addition, changes in the Group's equity in associates are recognized based on its ownership percentage.

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 associate 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 associate shall be reclassified in proportion to the reduction, and the accounting treatment shall be based on the same basis as the direct disposal of relevant assets or liabilities by the associate; if the adjustment as referred to in the preceding paragraph shall be debited to the capital surplus, and if the balance of the capital surplus generated from investments under the equity method is insufficient, the difference is debited to the 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. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

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

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

h. Property and equipment

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

Property and equipment are depreciated using the straight-line method over their useful lives. Each significant part is depreciated separately. The Group shall conduct at least one annual

review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, while applying the effect of changes in accounting estimates prospectively.

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

i. Investment property

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

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

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

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

j. Goodwill

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

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

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

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

k. Intangible assets

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

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

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

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

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

m. Financial instruments

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

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

1) Financial Assets

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

a) Measurement types

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

i. Financial assets at FVTPL

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

Such assets are measured at fair value, of which any dividends and interest accrued are recognized in other income, and remeasurement gains or losses are recognized in other gains or losses. Please refer to Note 25 for the determination of fair value.

ii. Financial assets measured at amortized cost

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

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

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

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

- i) For the purchased or originated credit-impaired financial asset, the interest income is calculated by multiplying the credit-adjusted effective interest rate by the cost of amortization of financial assets.

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

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

- iii. Investments in equity instruments measured at FVTOCI

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

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

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

- b) Impairment of financial assets and contract assets

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

The Group'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. Provision

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

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

o. Revenue 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 for the change in a consideration resulting from the renewal of the policy in history, the recognition of revenue and contract assets over the years, and the transfer of accounts receivable upon completion of the remaining obligations.

p. Leases

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

1) The Group as lessor

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

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

When a lease simultaneously include land and building elements, the Group classifies them as finance lease or operating lease based on whether most risks and rewards from

ownership of the elements have been transferred to the lessee. Lease payments are apportioned to land and buildings in proportion to the fair value of land and building lease rights on the contract establishment date. If lease payments can be apportioned reliably to these two elements, each element is treated according to the applicable lease classification. If lease payments cannot be allocated reliably between the two elements, the entire lease is classified under finance lease. If both elements clearly meet the standards of operating leases, the entire lease is classified under operating lease.

2) The Group as lessee

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

A right-of-use asset is initially measured at cost (including the initial measured amount of lease liabilities, the amount of lease payments made to the lessor less lease incentives received prior to the inception of a lease, initial direct costs, and the estimated costs of restoring underlying assets), and subsequently measured at cost less accumulated depreciation and accumulated impairment and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets. A right-of-use asset is depreciated on a straight-line basis over the period from the lease commencement date to the end of its useful life, or to the end of the lease term, whichever is earlier.

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

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

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

q. Borrowing costs

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

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

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

r. Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

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

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

3) Termination benefits

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

s. Income taxes

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

1) Current income tax

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

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

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

2) Deferred income tax

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

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

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

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

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

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

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

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

The Group takes into account the economic 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, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 187	\$ 187
Checking accounts and demand deposits	<u>94,303</u>	<u>84,965</u>
	<u>\$ 94,490</u>	<u>\$ 85,152</u>

7. Financial assets at FVTPL - current

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Mandatorily at FVTPL</u>		
Fund beneficiary certificate	\$ 59,122	\$ 55,052
Bank debentures	<u>55,479</u>	<u>55,295</u>
	<u>\$ 114,601</u>	<u>\$ 110,347</u>

8. Financial assets at FVTOCI

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Investment in equity instruments	<u>\$ 38,979</u>	<u>\$ 41,574</u>
<u>Non-current</u>		
Investment in equity instruments	<u>\$ 113,230</u>	<u>\$ 105,355</u>

Investment in equity instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Domestic Investment		
Domestic unlisted equity		
Sirtec International Co., Ltd	\$ 22,058	\$ 24,600
Taichung Commercial Bank Co., Ltd.	<u>16,921</u>	<u>16,974</u>
	<u>\$ 38,979</u>	<u>\$ 41,574</u>
<u>Non-current</u>		
Domestic Investment		
Unlisted equity		
Wending Venture Capital Co., Ltd.	\$ 62,863	\$ 56,836
Chengding Venture Capital Co., Ltd.	<u>50,367</u>	<u>48,519</u>
	<u>\$ 113,230</u>	<u>\$ 105,355</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 Company recognized dividend income of NT\$2,866 thousand and NT\$2,288 thousand for 2020 and 2019, respectively, of which NT\$ 0 and NT\$ 0 related to the investments were derecognized for the years then ended, and NT\$2,866 thousand and NT\$2,288 thousand related to the investments that are still held as of December 31, 2020 and 2019, respectively.

9. Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 259	\$ 414
Accounts receivable	<u>115,322</u>	<u>136,664</u>
	<u>\$115,581</u>	<u>\$137,078</u>

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

The Group has no overdue receivables, and its loss allowance for bad debts as at December 31, 2020 and 2019 after evaluation is both NT\$ 0.

The Company adopts the simplified method of IFRS 9 to recognize the accounts receivable as the allowance for losses in accordance with the lifetime ECLs during the term of duration. It

considers customers' past default records and current financial and industrial economic positions. Due to the historical experience of credit loss of the Group, there is no significant difference in the types of loss among different customer groups. Therefore, the ECL rate is only based on the number of overdue days of accounts receivable.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Associates that are not individually material		
All Safe Co., Ltd.	\$ 3,729	\$ 3,962
Shanghai Taiming Insurance Agency Co., Ltd.	-	600
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>313</u>	<u>-</u>
	<u>\$ 4,042</u>	<u>\$ 4,562</u>
Shanghai Taiming Insurance Agency Co., Ltd.	(\$ 287)	\$ -
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>-</u>	<u>(2,079)</u>
	<u>(\$ 287)</u>	<u>(\$ 2,079)</u>

<u>Company Name</u>	<u>Percentage of ownership and voting rights</u>		
	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>Description</u>
All Safe Co., Ltd.	14.79%	14.79%	-
Shanghai Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	1
Jiangsu Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	2

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

Summary information on associates that are not individually material

	<u>2020</u>	<u>2019</u>
Share owned by the Group		
Net Income from continuing operations	(\$ 4,074)	(\$ 5,363)
Other comprehensive income	<u>55</u>	<u>(22)</u>
Total Comprehensive Income	<u>(\$ 4,019)</u>	<u>(\$ 5,385)</u>

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

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

11. Property and equipment

	Private Land	Buildings	Other equipment	Leasehold improvements	Total
<u>Cost</u>					
Balance as of January 1, 2019	\$ 21,460	\$ 27,634	\$ 19,497	\$ 17,143	\$ 85,734
Additions	-	-	1,737	638	2,375
Acquired through business combinations	-	-	2,963	6,267	9,230
Effects of derecognizing subsidiaries	-	-	(578)	-	(578)
Balance as of December 31, 2019	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 23,619</u>	<u>\$ 24,048</u>	<u>\$ 96,761</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2019	\$ -	\$ 6,364	\$ 15,895	\$ 16,017	\$ 38,276
Depreciation expenses	-	937	3,221	1,943	6,101
Effects of derecognizing subsidiaries	-	-	(108)	-	(108)
Balance as of December 31, 2019	<u>\$ -</u>	<u>\$ 7,301</u>	<u>\$ 19,008</u>	<u>\$ 17,960</u>	<u>\$ 44,269</u>
Net amount as of December 31, 2019	<u>\$ 21,460</u>	<u>\$ 20,333</u>	<u>\$ 4,611</u>	<u>\$ 6,088</u>	<u>\$ 52,492</u>
<u>Cost</u>					
Balance as of January 1, 2020	\$ 21,460	\$ 27,634	\$ 23,619	\$ 24,048	\$ 96,761
Additions	-	-	2,112	3,505	5,617
Balance as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 25,731</u>	<u>\$ 27,553</u>	<u>\$102,378</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2020	\$ -	\$ 7,301	\$ 19,008	\$ 17,960	\$ 44,269
Depreciation expenses	-	936	2,550	2,985	6,471
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 8,237</u>	<u>\$ 21,558</u>	<u>\$ 20,945</u>	<u>\$ 50,740</u>
Net amount as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 19,397</u>	<u>\$ 4,173</u>	<u>\$ 6,608</u>	<u>\$ 51,638</u>

In the year of 2020 and 2019, as there is no sign of impairment, the Group did not conduct impairment assessment.

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

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

12. Lease agreements

a. Right-of-use assets - 2019

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of right-of-use asset		
Buildings	\$ 33,648	\$ 47,670
Transportation equipment	<u>203</u>	<u>1,017</u>
	<u>\$ 33,851</u>	<u>\$ 48,687</u>
	<u>2020</u>	<u>2019</u>
Additions of right-of-use asset	<u>\$ 6,156</u>	<u>\$ 25,114</u>
Depreciation expenses of right-of-use asset		
Buildings	\$ 20,754	\$ 19,144
Transportation equipment	<u>814</u>	<u>478</u>
	<u>\$ 21,568</u>	<u>\$ 19,622</u>

b. Lease liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of lease liabilities		
Current	<u>\$ 19,644</u>	<u>\$ 20,066</u>
Non-current	<u>\$ 14,648</u>	<u>\$ 29,142</u>
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Interest expense – lease obligations payable	<u>\$ 630</u>	<u>\$ 732</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Buildings	1.25%–1.60%	1.60%
Transportation equipment	1.60%	1.60%

c. Material leasing activities and terms

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

d. Other lease information

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Short-term lease expenses	<u>\$ 83</u>	<u>\$ 90</u>
Lease expenses of low-value assets	<u>\$ 757</u>	<u>\$ 642</u>
Total cash (outflow) from leases	<u>(\$ 23,007)</u>	<u>(\$ 20,904)</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Lease commitments	<u>\$ -</u>	<u>\$ 1,087</u>

13. Investment property

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2019	\$ 65,730	\$ 5,459	\$ 71,189
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31, 2019	<u>\$ 65,730</u>	<u>\$ 5,459</u>	<u>\$ 71,189</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2019	\$ -	\$ 2,881	\$ 2,881
Depreciation expenses	<u>-</u>	<u>364</u>	<u>364</u>
Balance as of December 31, 2019	<u>\$ -</u>	<u>\$ 3,245</u>	<u>\$ 3,245</u>
Net amount as of December 31, 2019	<u>\$ 65,730</u>	<u>\$ 2,214</u>	<u>\$ 67,944</u>
<u>Cost</u>			
Balance as of January 1, 2020	\$ 65,730	\$ 5,459	\$ 71,189
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31, 2020	<u>\$ 65,730</u>	<u>\$ 5,459</u>	<u>\$ 71,189</u>
<u>Accumulated depreciation</u>			
Balance as of January 1, 2020	\$ -	\$ 3,245	\$ 3,245
Depreciation expenses	<u>-</u>	<u>364</u>	<u>364</u>
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 3,609</u>	<u>\$ 3,609</u>
Net amount as of December 31, 2020	<u>\$ 65,730</u>	<u>\$ 1,850</u>	<u>\$ 67,580</u>

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
1st year	\$ 1,570	\$ 2,212
2nd year	<u>-</u>	<u>1,785</u>
	<u>\$ 1,570</u>	<u>\$ 3,997</u>

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

Buildings	15 Years
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In 2020, 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\$492 thousand in total.

The fair value of investment property is measured at Level 3 inputs by independent appraisers. The valuation is based on the comparative approach and income approach. The fair values as of December 31, 2020 and 2019 were NT\$91,068 thousand and NT\$87,445 thousand, respectively. The important unobservable inputs adopted included discount rate of 2.17% and 1.82%, respectively.

14. Other payables and long-term payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Commissions and bonuses payable	\$149,147	\$159,208
Salaries and year-end bonuses payable	12,074	9,222
Remuneration payable to employees and directors	4,595	5,095
Provident fund of voluntary contribution payable to business representatives	10,394	10,692
Others	<u>6,540</u>	<u>6,928</u>
	<u>\$182,750</u>	<u>\$191,145</u>
Other payables - current	\$153,625	\$161,418
Long-term payables - non-current	<u>29,125</u>	<u>29,727</u>
	<u>\$182,750</u>	<u>\$191,145</u>

15. Provisions - non-current

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Provident fund reserve - voluntary contribution by company	<u>\$ 10,394</u>	<u>\$ 10,692</u>

The changes of provident fund reserve are as follows:

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 10,692	\$ 9,940
Increase	1,059	1,406
Payment	<u>(1,357)</u>	<u>(654)</u>
Ending balance	<u>\$ 10,394</u>	<u>\$ 10,692</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 plan under the management of the government of R.O.C. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes an amount, which equals to 2% of each employee' total monthly salary and wage, which is deposited by the Supervisory Committee of Business Entities' Labor Retirement Reserve in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will contribute an amount to make up for the difference in a lump sum by the end of March of the following

year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligation	\$ 1,566	\$ 1,382
Fair value of plan assets	(<u>2,046</u>)	(<u>1,879</u>)
Net defined benefit assets	(<u>\$ 480</u>)	(<u>\$ 497</u>)

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>
Balance as of January 1, 2019	\$ 1,252	(\$ 1,709)	(\$ 457)
Service cost			
Interest expense (income)	<u>17</u>	(<u>24</u>)	(<u>7</u>)
Recognized in profit or loss	<u>1,269</u>	(<u>1,733</u>)	(<u>464</u>)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(52)	(52)
Actuarial (gain) loss - changes in demographic assumptions	12	-	12
Actuarial (gain) loss - changes in financial assumptions	85	-	85
Actuarial (gain) loss - experience adjustments	<u>16</u>	<u>-</u>	<u>16</u>
Recognized in other comprehensive income	<u>113</u>	(<u>52</u>)	<u>61</u>
Contributions from the employer	<u>-</u>	(<u>94</u>)	(<u>94</u>)
December 31, 2019	<u>1,382</u>	(<u>1,879</u>)	(<u>497</u>)
Service cost			
Interest expense (income)	<u>14</u>	(<u>19</u>)	(<u>5</u>)
Recognized in profit or loss	<u>1,396</u>	(<u>1,898</u>)	(<u>502</u>)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(55)	(55)
Actuarial (gain) loss - changes in demographic assumptions	9	-	9
Actuarial (gain) loss - changes in financial assumptions	122	-	122
Actuarial (gain) loss - experience adjustments	<u>39</u>	<u>-</u>	<u>39</u>
Recognized in other comprehensive income	<u>170</u>	(<u>55</u>)	<u>115</u>
Contributions from the employer	<u>-</u>	(<u>93</u>)	(<u>93</u>)
December 31, 2020	<u>\$ 1,566</u>	(<u>\$ 2,046</u>)	(<u>\$ 480</u>)

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.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Discount Rate	0.5%	1.0%
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, 2020</u>	<u>December 31, 2019</u>
Discount Rate		
Increase by 0.25%	(<u>\$ 63</u>)	(<u>\$ 57</u>)
Decrease by 0.25%	<u>\$ 66</u>	<u>\$ 60</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 64</u>	<u>\$ 59</u>
Decrease by 0.25%	(<u>\$ 61</u>)	(<u>\$ 56</u>)

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
The expected contributions to the plan for the following year	<u>\$ 93</u>	<u>\$ 93</u>
The average duration of the defined benefit obligation	16.3 years	17 years

17. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Number of authorized shares (in thousands)	<u>30,000</u>	<u>30,000</u>
Authorized capital stock	<u>\$300,000</u>	<u>\$300,000</u>
Number of shares issued and fully paid (in thousands)	<u>25,024</u>	<u>25,024</u>
Issued share capital	<u>\$250,243</u>	<u>\$250,243</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

By a resolution of the board meeting on December 27, 2018, the Company obtained the full equity of Link-Aim Life Insurance Broker Co., Ltd. and made it a 100% owned subsidiary of the Company with considerations of the cash of NT\$60,000 thousand and the issuance of ordinary shares worth NT\$60,000 thousand. The above-mentioned share swap proposal has been approved at the provisional meeting of shareholders of the Company on February 20, 2019. The Company has set June 1, 2019 as the record date of share swap, and issued 1,336 thousand ordinary shares as a result. Refer to Note 23.

b. Capital surplus

	<u>December 31, 2020</u>	<u>December 31, 2019</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 in equity of associates and joint ventures accounted for under the equity method	<u>2,729</u>	<u>2,729</u>
	<u>\$ 92,500</u>	<u>\$ 92,500</u>

1) Such capital surplus may be used to offset the deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (up to a certain percentage of the Company's paid-in capital once a year).

c. Retained earnings and dividend policy

Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, setting aside 10% of the remaining profit as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings

shall be adopted by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved at the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of remuneration to employees and to directors as set forth in the Company's Articles of Incorporation, refer to Note 19(5) "remuneration to employees and to directors".

As the current industrial environment is constantly changing, in response to the future operation expansion plan, the dividends to shareholders may be paid in the forms of cash and stock. The proportion of cash dividends in the total dividends shall be no less than 50%, but the shareholders' meeting may adjust it according to the actual situation.

Appropriation of earnings to legal reserve shall be made until the legal reserve reaches the total of the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to share capital or distributed in cash.

The Company set aside and reversed a special reserve in accordance with the FSC Letters Jin-Guan-Zheng-Fa No. 1010012865, Jin-Guan-Zheng-Fa No. 1010047490, and Jin-Guan-Zheng-Fa No. 1030006415, as well as the directive, entitled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs".

The distribution of earnings for 2019 and 2018, which were proposed and approved in the annual shareholders' meetings on May 27, 2020 and May 31, 2019, respectively, were as follows:

	Earnings distribution plan		Dividends per share (NTD)	
	2019	2018	2019	2018
Legal reserve	\$ 7,412	\$ 7,581	\$ -	\$ -
Special reserve	(21,827)	30,433	-	-
Cash dividend	75,073	60,058	3.0	2.4

In addition, the Company, by the resolution of the shareholders' regular meeting on May 31, 2019, paid out NT\$ 8,758 thousand in cash from capital surplus, with NT\$ 0.35 per share.

The proposal for earnings distribution for 2020 put forth by the Company's board of directors on February 25, 2021 is as follows:

	Earnings	Dividends per share
	distribution plan	(NTD)
Legal reserve	\$ 8,675	\$ -
Special reserve	(4,601)	-
Cash dividend	80,078	3.2

The distribution of earnings for 2020 is pending the resolution of the shareholders' meeting to be held on May 28, 2021.

d. Non-controlling interests

	2020	2019
Opening balance	\$ -	\$ 5,573
Effects of retrospective application and retrospective restatement	-	(145)
Net loss for the period	-	(6,989)
Effects of loss of the Group's control	-	1,455
Other comprehensive income for the period		
Exchange differences on translation of the financial statements of foreign operation	-	106
Ending balance	<u>\$ -</u>	<u>\$ -</u>

18. Income

	2020	2019
Customer contract income		
Commission income	<u>\$914,530</u>	<u>\$863,520</u>

For the sale of multi-year insurance products by the broker of the Group, the broker may, in addition to the initial commission income, receive the commission income on renewal of the policy upon completion of the premium payment in the following year. Therefore, the amount of the revenue recognized by the Group for 2020 and 2019 under the IFRS15 "Revenue from Customer Contracts" includes the consideration for the changes arising from the historical renewal of the policy.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Contract balance</u>		
Accounts receivable (Note 9)	<u>\$ 115,322</u>	<u>\$ 136,664</u>
Contract assets - current	\$ 57,756	\$ 48,872
Contract asset s- non-current	<u>22,514</u>	<u>22,674</u>
	<u>\$ 80,270</u>	<u>\$ 71,546</u>

The changes of contract assets are as follows:

	2020	2019
Opening balance	\$ 71,546	\$ 50,031
Reclassified to accounts receivable	(48,824)	(40,266)
Increase	57,548	52,622
Acquired through business combinations	-	9,159
Ending balance	<u>\$ 80,270</u>	<u>\$ 71,546</u>

19. Net income from continuing operations

a. Other income

	2020	2019
Interest income	\$ 2,336	\$ 2,431
Rental Income	2,149	2,369
Dividend income	<u>2,866</u>	<u>2,288</u>
	<u>\$ 7,351</u>	<u>\$ 7,088</u>

b. Other gains (losses)

	2020	2019
Gains on financial assets at FVTPL	\$ 3,221	\$ 1,575
Other income and expenditure - net	(15)	283
	<u>\$ 3,206</u>	<u>\$ 1,858</u>

c. Depreciation and amortization

	2020	2019
Right-of-use assets	\$ 21,568	\$ 19,622
Property and equipment	6,471	6,101
Investment property	364	364
Other non-current assets - intangible assets	484	51
	<u>\$ 28,887</u>	<u>\$ 26,138</u>
Aggregate depreciation expenses by function		
Operating costs	\$ 20,905	\$ 18,010
Operating expenses	7,498	8,077
	<u>\$ 28,403</u>	<u>\$ 26,087</u>
Aggregate amortized cost by function		
Operating costs	\$ 194	\$ 51
Operating expenses	290	-
	<u>\$ 484</u>	<u>\$ 51</u>

d. Employee benefits expenses

	2020	2019
Employee benefits expenses		
Salary expenses	\$ 52,524	\$ 51,771
Labor and health insurance expenses	4,447	4,211
Pension expenses	2,257	2,126
Remuneration to directors	4,344	3,965
Other employee benefits expenses	2,571	2,407
Total employee benefits expenses	<u>\$ 66,143</u>	<u>\$ 64,480</u>
Aggregated by Function		
Operating expenses	<u>\$ 66,143</u>	<u>\$ 64,480</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 2020 and 2019 was resolved by the board of directors on February 25, 2021 and February 26, 2020, respectively.

Estimated ratio

	2020	2019
Remuneration to employees	2%	2%
Remuneration to directors	2%	2%

Amount

	<u>2020</u>	<u>2019</u>
Bonus for employees	\$ 2,154	\$ 1,923
Remuneration to directors	2,154	1,923

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 2019 and 2018 and the amounts recognized on the consolidated financial statements for 2019 and 2018.

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>2020</u>	<u>2019</u>
Commission expenditure	\$665,658	\$631,003
Provident fund expenses	<u>1,059</u>	<u>1,406</u>
	<u>\$666,717</u>	<u>\$632,409</u>
Aggregated by Function		
Operating costs	<u>\$666,717</u>	<u>\$632,409</u>

20. Subsidiaries

a. Subsidiaries included in consolidated financial statements

The main body of the consolidated financial statements is as follows:

<u>Name of Company</u>	<u>Name of Subsidiary</u>	<u>Nature of Business</u>	<u>Percentage of ownership</u>		<u>Description</u>
			<u>December 31, 2020</u>	<u>December 31, 2019</u>	
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	1

- 1) The Company, by the resolution of the board meeting on December 27, 2018, acquired Link-Aim Life Insurance Broker Co., Ltd. with cash and issuance of common shares as consideration. Please refer to Note 23 for disclosure of the acquisition of Link-Aim Life Insurance Broker Co., Ltd.

b. Information on derecognition of subsidiaries

After the re-election of the Company's directors in June 2019, the Company held less than half of the seats of directors of Jiangsu Taiming Insurance Agency Co., Ltd. After considering the voting rights and the number of director seats above, the Company had no control over Jiangsu Taiming Insurance Agency Co., Ltd. and derecognized the relevant assets, liabilities, and non-controlling interests. The Company's remaining investment in the subsidiary is recognized as the original cost of the investment in the associates at the fair value of NT\$331 thousand at the end of May 2019 on the date of loss of control, and the subsidiary's net assets and non-controlling interests are derecognized.

Analysis on assets and liabilities over which the Group lost control

	<u>May 31, 2019</u>
Current assets	
Cash and cash equivalents	\$ 4,688
Other current assets	2,552
Non-current assets	
Property and equipment	470
Right-of-use assets	6,929
Other non-current assets	896
Current liabilities	
Accounts payable	(1,250)
Short-term borrowings	(9,100)
Non-current liabilities	
Lease Liabilities	(<u>7,121</u>)
Net assets derecognized	(<u>\$ 1,936</u>)

Net cash outflow from subsidiaries derecognized

	<u>January 1, 2019 to May 31, 2019</u>
Balance of cash and cash equivalents derecognized	<u>\$ 4,688</u>

c. 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:

	<u>2020</u>	<u>2019</u>
Current income tax		
Generated during the year	\$ 21,274	\$ 19,900
Surtax on undistributed earnings	673	1
Adjustments in respect of prior years	54	2,942
Deferred income tax		
Generated during the year	<u>130</u>	(<u>2,258</u>)
Income tax expenses recognized in profit or loss	<u>\$ 22,131</u>	<u>\$ 20,585</u>

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

	<u>2020</u>	<u>2019</u>
Net income before tax from continuing operations	<u>\$108,975</u>	<u>\$ 88,097</u>
Income tax expenses calculated at statutory tax rate for net profit before tax	\$ 21,807	\$ 20,983
Tax exemption income	(403)	(1,193)
Surtax on undistributed earnings	673	1
Unrecognized temporary difference	-	(2,148)
Adjustments in respect of current income tax expenses of prior years	<u>54</u>	<u>2,942</u>
Income tax expenses recognized in profit or loss	<u>\$ 22,131</u>	<u>\$ 20,585</u>

b. Income tax recognized in other comprehensive income

	<u>2020</u>	<u>2019</u>
<u>Deferred income tax</u>		
Generated during the year		
- Remeasurement of defined benefit plans	<u>\$ 23</u>	<u>\$ 12</u>

c. Current income tax liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current income tax liabilities		
Income tax payable	<u>\$ 11,102</u>	<u>\$ 8,018</u>

d. Deferred tax assets and liabilities

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

2020

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Others</u>	<u>Ending balance</u>
<u>Deferred tax assets</u>					
Temporary differences					
Provisions	\$ 2,138	(\$ 59)	\$ -	\$ -	\$ 2,079
Allowance for bad debts	64	(47)	-	-	17
Cumulative compensated absences	(8)	(5)	-	13	-
	<u>\$ 2,194</u>	<u>(\$ 111)</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 2,096</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Defined benefit pension plan	\$ 100	\$ 19	(\$ 23)	\$ -	\$ 96
Cumulative compensated absences	-	-	-	13	13
	<u>\$ 100</u>	<u>\$ 19</u>	<u>(\$ 23)</u>	<u>\$ 13</u>	<u>\$ 109</u>

2019

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
<u>Deferred tax assets</u>				
Temporary differences				
Provisions	\$ 1,988	\$ 150	\$ -	\$ 2,138
Allowance for bad debts	76	(12)	-	64
Cumulative compensated absences	-	(8)	-	(8)
Other payables	<u>7,858</u>	<u>(7,858)</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,922</u>	<u>(\$ 7,728)</u>	<u>\$ -</u>	<u>\$ 2,194</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit pension plan	\$ 92	\$ 20	(\$ 12)	\$ 100
Contract assets	<u>10,006</u>	<u>(10,006)</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,098</u>	<u>(\$ 9,986)</u>	<u>(\$ 12)</u>	<u>\$ 100</u>

e. Income tax approval status

The filings of the Company's profit-seeking enterprise income tax up to 2018 have been approved by the tax collection agency.

22. Earnings per share

	Unit: NT\$ per share	
	2020	2019
Basic earnings per share	<u>\$ 3.47</u>	<u>\$ 3.04</u>
Diluted earnings per share	<u>\$ 3.46</u>	<u>\$ 3.04</u>

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

Net income for the year

	2020	2019
Net profit attributable to owners of the company/the earnings calculated as diluted earnings per share	<u>\$ 86,844</u>	<u>\$ 74,501</u>

Number of Shares

	Unit: In thousand shares	
	2020	2019
Weighted average number of ordinary shares used to calculate basic earnings per share	25,024	24,471
The effect of potential ordinary share with dilutive effect:		
Remuneration to employees	<u>64</u>	<u>43</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>25,088</u>	<u>24,514</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 remuneration will be paid in stock, and the weighted average number of outstanding shares in circulation will be included when the potential ordinary shares have dilutive effect, so as to calculate the diluted earnings per share. The dilutive effect of these ordinary shares will also be taken into account in the calculation of earnings per diluted share prior to the resolution of employee remuneration by the shareholders' meeting in the following year.

23. Business combinations

a. Acquisition of subsidiaries

	Main operating activities	Date of acquisition	All ownership interest with voting rights / acquisition ratio (%)	Consideration transfer
Link-Aim Life Insurance Broker Co., Ltd.	Life insurance and property insurance brokerage business	June 1, 2019	100%	<u>\$ 120,000</u>

The acquisition of Link-Aim Life Insurance Broker Co., Ltd. by the Group aims to enhance the overall operating efficiency, strengthen the overall financial structure, and help the Group to grow steadily and enhance profitability.

b. Consideration transfer

	<u>Link-Aim Life Insurance Broker Co., Ltd.</u>
Cash	\$ 60,000
Issuance of equity instruments (Note)	<u>60,000</u>
	<u>\$ 120,000</u>

Note: The Company issued an additional 1,336,000 ordinary shares with par value of NT\$ 10 as part of the consideration for the acquisition of Link-Aim Life Insurance Broker Co., Ltd. The fair value of these ordinary shares, as determined by the closing price on the acquisition date, totals to NT\$ 60,000 thousand.

c. Assets acquired and liabilities assumed on acquisition date

	<u>Link-Aim Life Insurance Broker Co., Ltd.</u>
Current assets	
Cash and cash equivalents	\$ 42,672
Contract assets - current	7,219
Notes receivable and accounts receivable	16,744
Other Receivables	3,057
Other current assets	592

	Link-Aim Life Insurance Broker Co., Ltd.
Non-current assets	
Contract asset s- non-current	1,940
Property and equipment	9,230
Right-of-use assets	10,703
Other intangible assets - net	44
Other non-current assets - others	4,441
Current liabilities	
Notes payable	(3,795)
Other payables	(28,437)
Current income tax liabilities	(1,379)
Other current liabilities - others	(779)
Non-current liabilities	
Lease liabilities - non-current	(<u>10,789</u>)
	<u>\$ 51,463</u>

d. Goodwill arising from acquisition

	Link-Aim Life Insurance Broker Co., Ltd.
Consideration transfer	\$ 120,000
Minus: Fair value of identifiable net assets acquired	(<u>51,463</u>)
Goodwill arising from acquisition	<u>\$ 68,537</u>

The goodwill generated by the acquisition of Link-Aim Life Insurance Broker Co., Ltd. is mainly derived from the control premium. In addition, the consideration paid for the combination includes the combination of expected synergies, revenue growth, and future market development. However, if the recognition criteria for an intangible asset are not met, they are not separately recognized.

The recoverable amount of the above-mentioned goodwill is determined on the basis of the value in use, and calculated by the annual discount rate of % based on the estimated cash flow of the financial budget for the next 5 years approved by the management of the Group. The cash flow over 5 years is extrapolated with zero growth rate. Other key assumptions include projected operating income and gross profit on sales, which are based on the past operations of cash generating unit and the management's expectations of the market. The recoverable amount of Link-Aim Life Insurance Broker Co., Ltd. on December 31, 2020 is greater than the carrying amount after evaluation, so there is no impairment loss.

e. Net cash outflow from acquisition of subsidiary

	Link-Aim Life Insurance Broker Co., Ltd.
Consideration paid in cash	\$ 60,000
Less: Balance of cash and cash equivalents acquired	(<u>42,672</u>)
	<u>\$ 17,328</u>

f. Impact of business combination on operating results

The operating results from the acquired company (Link-Aim Life Insurance Broker Co., Ltd.) since June 1, 2019, the date of acquisition, are as follows:

Operating revenue	<u>\$ 131,177</u>
Net income for the year	<u>\$ 9,827</u>

If the acquisition date of the above-said business combination was at the beginning of the fiscal year, the Group's pro forma business revenues from April 1, 2019 to May 31, 2019, and January 1, 2019 to May 31, 2019, would have been NT\$32,293 thousand and NT\$80,250 thousand, and pro forma net income would have been NT\$639 thousand, and NT\$5,503 thousand respectively. When such amounts cannot reflect whether the business combination had been completed at the beginning of the fiscal year in the year of acquisition, the actual revenue and business performance that could arise for the Group cannot be used toward predicting future operating performance.

24. Capital risk management

The Group carries out capital management to ensure that it can continue to operate under the premise of optimizing the balance of debt and equity, to maximize the return on shareholders' equity. The overall strategy of the Group has not changed significantly since its establishment.

The capital structure of the Group consists of the equity (i.e., share capital, capital surplus, retained earnings and other equity items) attributable to owners of the Company.

The Group is not subject to any other external capital requirements.

25. 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, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 59,122	\$ -	\$ -	\$ 59,122
Bank debentures	-	<u>55,479</u>	-	<u>55,479</u>
Total	<u>\$ 59,122</u>	<u>\$ 55,479</u>	<u>\$ -</u>	<u>\$ 114,601</u>

Financial assets at FVTOC

Investment in equity instruments

- Domestic listed equity	\$ 38,979	\$ -	\$ -	\$ 38,979
- Domestic unlisted equity	-	-	<u>113,230</u>	<u>113,230</u>
Total	<u>\$ 38,979</u>	<u>\$ -</u>	<u>\$ 113,230</u>	<u>\$ 152,209</u>

December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 55,052	\$ -	\$ -	\$ 55,052
Bank debentures	-	55,295	-	55,295
Total	<u>\$ 55,052</u>	<u>\$ 55,295</u>	<u>\$ -</u>	<u>\$ 110,347</u>

Financial assets at FVTOC

Investment in equity instruments				
- Domestic listed equity	\$ 41,574	\$ -	\$ -	\$ 41,574
- Domestic unlisted equity	-	-	105,355	105,355
Total	<u>\$ 41,574</u>	<u>\$ -</u>	<u>\$ 105,355</u>	<u>\$ 146,929</u>

2) The valuation technique and Level 2 fair value inputs

<u>Type of financial instruments</u>	<u>Valuation technique and inputs</u>
Domestic bond investment	Cash flow discount method: Discounted based on the market rate reflecting the current similar products and credit rating at the end of the bond issuer's term.

3) The valuation technique and Level 3 fair value inputs

Domestic unlisted equity investment is based the asset-based approach, and its fair value is evaluated by referring to the net asset value measured by independent experts according to the fair value. 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, 2020 and 2019 by NT\$1,132 thousand and NT\$1,054 thousand, respectively.

c. Type of financial instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Measured at FVTPL	\$114,601	\$110,347
Financial assets at amortized cost (Note 1)	221,205	233,462
Financial assets at FVTOCI	152,209	146,929
<u>Financial liabilities</u>		
Measured at Amortized Cost (Note 2)	183,495	191,681

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance includes financial liabilities measured at amortized cost, such as notes payable, other payables, other receivables, long-term payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The main financial instruments of the Group include equity investment, notes receivable and accounts receivable, notes payable and accounts payable, and other payables. The financial management department of the Group provides services to the business units, coordinates the operation of the domestic financial market, and supervises and manages the financial risks related to the operation of the Group by analyzing the internal risk reports of the risks according to the degree and breadth of risks. Such risks include market risk (including price risk), credit risk, and liquidity risk.

The financial management department reports quarterly to the board of directors of the Company.

1) Market Risk

a) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Group with exposure to interest rate risk at the balance sheet dates are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Interest rate risks with fair value		
- financial assets	\$ 55,479	\$ 55,295
Interest rate risks with cash flow		
- financial assets	91,016	81,216

Sensitivity analysis

The sensitivity analysis below is prepared based on the exposure of non-derivative instruments to the interest rate risk at the balance sheet date. In reporting the interest rate to the management of the Group, the rate of change adopted is 100 basis points increase or decrease in the interest rate, which also represents the management's evaluation of reasonable possible change scope of interest rate.

If interest rate increases/decreases by 100 basis points, with other variables held constant, the Group's income before tax will increase/decrease by NT\$1,465 thousand and NT\$1,365 thousand for 2020 and 2019, respectively, which is mainly because of the changes in the Group's current bank demand deposits with floating interest rates and changes in the fair value of debt instruments with fixed interest measured at FVTPL.

b) Other price risk

The Company is exposed to the equity price risk arising from the investment in securities.

Sensitivity analysis

If the equity price rises/falls by 1%, the pre-tax other comprehensive income for 2020 and 2019 will increase/decrease by NT\$1,522 thousand and NT\$1,469 thousand due to changes in the fair value of financial assets measured at FVTOCI.

2) Credit risk

Credit risk refers to risk that causes a financial loss to the Group due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the maximum credit risk (regardless of collateral or other credit enhancement instruments, and the maximum amount of irrevocable exposure) that the Group may be exposed to, which may cause financial losses to the Group due to a counterparty's failure to perform its obligations and the financial guarantees provided by the Group mainly comes from the carrying amount of financial assets recognized in the consolidated balance sheet.

3) Liquidity risk

The Group supports the group-wide business operations and reduces the impact of cash flow fluctuations through appropriate management and the maintenance of sufficient positions cash and cash equivalents. The Group's management supervises the use of bank financing facilities and ensures compliance with the loan contract terms.

26. Related-party transactions

The transactions, account balances, income and expenses between the Company and Subsidiaries (which are related parties of the Company) are all eliminated upon consolidated, so they are not disclosed in this note.

The relationship with the Group during the period covered by the financial statements is as follows:

a. Name of Related Party and Relationship

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Taiwan Fire & Marine Insurance Co., Ltd.	Substantive Related Party
All Safe Co., Ltd.	Investee Accounted for Using Equity Method
Jian-An Chen	Chairman of the Subsidiary
Major management personnel	Chairman of the Board, directors, General Managers, and Managers

b. Operating income

<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
Substantive Related Party		
Taiwan Fire & Marine Insurance Co., Ltd.	<u>\$ 10,667</u>	<u>\$ 9,981</u>

c. Receivables from related parties

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable and accounts receivable	Substantive Related Party		
	Taiwan Fire & Marine Insurance Co., Ltd.	<u>\$ 1,003</u>	<u>\$ 1,116</u>

d. Administrative expense

<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 18</u>	<u>\$ 18</u>

e. Lease agreements (lessee)

<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
<u>Acquisition of right -of-use assets</u>		
Chairman of the Subsidiary		
Jian-An Chen	<u>\$ 2,134</u>	<u>\$ -</u>

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Lease Liabilities	Substantive Related Party		
	Taiwan Fire & Marine Insurance Co., Ltd.	\$ 11,095	\$ 19,757
	Chairman of the Subsidiary		
	Jian-An Chen	<u>1,870</u>	<u>806</u>
		<u>\$ 12,965</u>	<u>\$ 20,563</u>

<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
<u>Interest expense</u>		
Substantive Related Party		
Taiwan Fire & Marine Insurance Co., Ltd.	\$ 220	\$ 346
Chairman of the Subsidiary		
Jian-An Chen	<u>10</u>	<u>21</u>
	<u>\$ 230</u>	<u>\$ 367</u>
<u>Rental expenses</u>		
Major management personnel	<u>\$ 90</u>	<u>\$ -</u>

f. Guarantee deposits paid

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Guarantee deposits paid	Chairman of the Subsidiary		
	Jian-An Chen	<u>\$ 180</u>	<u>\$ 180</u>

g. Lease agreement (lessor)

Operating lease

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

Category/Name of Related Party	December 31, 2020	December 31, 2019
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	\$ <u>70</u>	\$ <u>70</u>

The total rental income is summarized as follows:

Category/Name of Related Party	2020	2019
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	\$ <u>102</u>	\$ <u>102</u>

h. Major management remuneration information

	2020	2019
Short-Term Employee Benefits	\$ <u>19,881</u>	\$ <u>22,900</u>

The remuneration to directors and other major management personnel shall be determined by the Remuneration Committee in accordance with individual performance and market trends and then sent to the Board of Directors for resolution.

27. Information on foreign-currency-denominated assets and liabilities with significant influence

The following information is expressed in aggregate in foreign currencies other than the functional currencies of each entity of the Group, and the disclosed exchange rate refers to the conversion rate of such foreign currencies into functional currencies. Foreign currency assets with significant influence are as follows:

	December 31, 2020			December 31, 2019		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
<u>Foreign Currency Assets</u>						
<u>Non-Monetary Items</u>						
Investments under Equity Method						
CNY	\$ 83	4.38	\$ 313	\$ 139	4.31	\$ 600
Credit Balance of Investments Using Equity Method						
CNY	66	4.38	287	472	4.31	2,079

28. Additional Disclosures

a. Information on material transactions and b. investees:

- 1) Financings provided to others (None)
- 2) Endorsements/guarantees provided to others (None)
- 3) Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures) (Table 1)

- 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 real Estate at cost in excess of NT\$300 million or 20% of paid-in capital (None)
 - 6) Disposal of real Estate 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 2)
- c. Information on investment in mainland China
- 1) Information on any investees in mainland China: The name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 3)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
 - a) Purchase amount and percentage, and the ending balance and percentage of payables.
 - b) Sales amount and percentage, and the ending balance and percentage of receivables.
 - c) Property transaction amount and the resulting profit or loss.
 - d) Ending balance of endorsement, guarantee, or collateral provided and purposes.
 - e) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.
 - f) Other transactions having a significant impact on profit or loss or financial position of the period, such as providing or receiving services
- d. Information on major shareholders: Name of shareholders with a shareholding ratio of 5% or more, the amount, and proportion of shares held: (Table 4)

29. Segment information

Information provided to key business decision makers to allocate resources and evaluate the performance of each segment, with the emphasis on each type of product or service delivered or provided.

The Group mainly engages in life insurance brokerage and property insurance brokerage business, which can be classified to a single segment. The information of profit and loss, assets, and liabilities of each segment is consistent with that in the financial statements. Please refer to the consolidated balance sheet and consolidated income statement for details.

Major customer information

Of the total operating revenue of NT\$914,530 thousand and NT\$863,520 thousand in 2020 and 2019, respectively, the amounts of NT\$ 234,577 thousand and NT\$162,991 thousand were from the largest customer of the Group.

Individual customers from whom at least 10% of net revenue of the Group is generated are as follows:

	<u>2020</u>	<u>2019</u>
TransGlobe Life Insurance	\$ 234,577	\$ 162,991
Farglory Life Insurance Inc.	160,065	149,932
Yuanta Life Insurance	<u>Note</u>	<u>94,391</u>
	<u>\$ 394,642</u>	<u>\$ 407,314</u>

Note: The amount of revenue does not amount to 10% of the Group's total revenue.

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period

December 31, 2020

Unit: In Thousands of New Taiwan Dollars

Company	Type and Name of Marketable Securities	Relationship with the Issuer of marketable Securities	Financial Statement Account	End of Period				Note
				Unit (1,000) s / (1,000) Shares	Carrying Amount	Shareholding Ratio %	Fair Value	
Taiming Assurance Broker Co., Ltd.	<u>Fund beneficiary certificate</u>							
	Fuh Hwa Rui Neng No. 2 Balance Fund	None	Financial assets at FVTPL - Current	3,000	\$ 32,810	-	\$ 32,810	
	Fuh Hwa Rui Hwa Fund	"	"	1,931	20,017	-	20,017	
	Yuanta Taiwan High-yield Leading Company Fund	"	"	500	6,295	-	6,295	
	<u>Domestic Bank Debentures</u>							
	P06 Taichung Bank 2	None	Financial assets at FVTPL - Current	-	45,368	-	45,368	
	P06 O-Bank 2	"	"	-	10,111	-	10,111	
	<u>Domestic Listed Stocks</u>							
	Sirtec International Co., Ltd.	Substantive Related Party	Financial Assets at FVTOCI - Current	798	22,058	0.77%	22,058	
	Taichung Bank	None	"	1,567	16,921	0.04%	16,921	
<u>Domestic Unlisted Stocks</u>								
Top Taiwan X Venture Capital Co., Ltd.	Substantive Related Party	Financial Assets at FVTOCI - Non-Current	5,400	62,863	6.75%	62,863		
Chengding Venture Capital Co., Ltd.	None	"	5,000	50,367	3.70%	50,367		

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Information on Investees

2020

Unit: In Thousands of New Taiwan Dollars/Thousand Shares

Name of Company	Name of Investee	Location	Main Business Items	Original Investment Amount		Held at the End of the Period			Gain (Loss) on Investee	Gain (Loss) on Investment	Note
				End of Current Period	End of Last Year	Number of Shares	Percentage	Carrying Amount			
Taiming Assurance Broker Co., Ltd.	Ching-Guan Financial Management Consulting Co., Ltd.	Taipei City	Management consulting	\$ 900	\$ 900	100	100.00	\$ 149	(\$ 61)	(\$ 61)	Subsidiary
	All Safe Co., Ltd.	Taipei City	Information software services	8,135	8,135	814	14.79	3,729	(1,575)	(233)	
	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	115,524 (Note 3)	22,537	22,537	Subsidiary

Note 1: The subsidiaries above have been incorporated into the consolidated financial statements and the relevant 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 Incorporation of the company were changed in the fourth quarter of 2019.

Note 3: The carrying amount includes the investment gains recognized under the equity method of NT\$22,537 thousand and the deduction of the distributed cash dividend of NT\$22,740 thousand.

Taiming Assurance Broker Co., Ltd. and Subsidiaries

Information on Investment in Mainland China
2020

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

Name of Investee in Mainland China	Main Business Items	Paid-in Capital	Investment Method (Note 1)	Beginning of the Current Period Outward Remittance of Cumulative Investment from Taiwan	Amount of Investment Remitted or Recovered During the Current Period		End of Current Period Outward Remittance of Cumulative Investment from Taiwan	Profit or Loss on Investee	Shareholding Ratio of the Company's Direct or Indirect Investments	Investment Recognized Gains and Losses (Note 2)	Investment at the End of the Period Carrying Amount	Up to the Current Period Repatriated Income from Investment	Note
					Outward Remittance	Recovered							
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 3,000 thousand	(1)	\$ 2,928	\$ -	\$ -	\$ 2,928	(\$ 3,546)	24.90	(\$ 883) (C)	(\$ 287)	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 10,000 thousand	(1)	6,770	5,291	-	12,061	(11,879)	24.90	(2,958) (C)	313	-	

Cumulative Outward Remittance from Taiwan at the End of the Period Investment Amount in Mainland China	Investment Commission, MOEA Approved Investment Amount	Investment Ceiling in Mainland China in accordance with Investment Commission, MOEA
CNY 3,362 thousand (NT\$14,989 thousand)	US\$ 493 thousand	NT\$331,517 thousand

Note 1: Investment methods can be divided into the following three categories, simply mark the category:

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through a third region company (please specify the investment company in the third region).
- (3) Other methods.

Note 2: In the column of Gain (Loss) on Investment:

- (1) If there is no investment gain or loss in preparation, it shall be noted.
- (2) The basis of recognition of investment gains and losses shall be noted in the following three categories.
 - A. Financial statements audited by an international CPA firm in partnership with a CPA firm of the Republic of China.
 - B. Financial statements audited by CPAs of parent company in Taiwan.
 - C. Others.

Note 3: In accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the limit is 60% of the net value.

Taiming Assurance Broker Co., Ltd. and Subsidiaries**Major Shareholder Information****December 31, 2020**

Name of Major Shareholder	Ownership	
	Number of Shares Held	Percentage
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.06%
Han-Chieh Li	1,851,082	7.39%
Ching Chung Interior Decoration Design Co., Ltd.	1,490,099	5.95%
Taiwan Fire & Marine Insurance Co., Ltd.	1,271,180	5.07%

Note: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. The share capital recorded in the Company's consolidated financial statements and the actual number of shares, for which electronic registration and delivery were completed, may not be consistent due to different bases of preparation and calculation.

Taiming Assurance Broker Co., Ltd.

**Parent Company Only Financial Statements for the
Years Ended December 31, 2020 and 2019 and
Independent Auditors' Report**

Address: 11F, No. 49, Guanqian Rd., Zhongzheng Dist., Taipei City

Tel.: (02)55585988

Independent Auditors' Report

The Board of Directors and Stockholders

Taiming Assurance Broker Co., Ltd.,

Opinion

We have audited the accompanying parent company only balance sheets of Taiming Assurance Broker Co., Ltd. (the "Company") for the years ended December 31, 2020 and 2019 and the relevant parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and relevant notes, including a summary of significant accounting policies (collectively referred to as the parent company only financial statements).

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019 and for the years then ended, and its individual financial performance and its individual cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibility under those standards are further described in the section of "Auditor's Responsibilities for the Audit of the parent company only Financial Statements". We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that we have acquired enough and appropriate audit evidence to serve as the basis of audit opinion.

Key Audit Matters

Key audit matters refer to the most vital matters in our audit of the parent company only financial statements of the Company for the year ended December 31, 2020 based on our professional judgment. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not express a separate opinion on these matters.

Key audit matters of the parent company only financial statements of the Company for the year ended December 31, 2020 are stated as follows:

Revenue recognition

Key audit matters

The Company's operating revenue for 2020 totaled NT\$718,716 thousand, in which, NT\$403,768 thousand were commissions for the first year premium and renewed annual premium from the top 10 insurance companies, accounting for 56% of the total revenue.

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

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

Audit procedures

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

Responsibilities of the management and governance bodies for the Parent Company Only financial statements

The responsibilities of the management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal control associated with the preparation in order to ensure that the financial statements are free from material misstatement arising from fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

We also performed the following tasks:

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

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

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

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

From the matters communicated with the governance bodies, we determined the key audit matters for the audit of the Company's Parent company only financial statements for the year ended December 31, 2020. 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-Liu No. 0920123784

March 24, 2021

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally

accepted in Taiwan, the Republic of China (ROC) and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the ROC.

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

Taiming Assurance Broker Co., Ltd.
Parent Company Only Balance Sheets
December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 58,761	8	\$ 55,193	7
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	114,601	16	110,347	15
1120	Financial assets at fair value through other comprehensive income- current (Notes 4 and 8)	38,979	5	41,574	6
1140	Contract assets - current (Notes 4 and 18)	45,908	6	40,242	5
1170	Notes and accounts receivable (Notes 4, 9 and 24)	87,887	12	101,409	13
1200	Other receivables	1,238	-	1,070	-
1470	Other current assets	1,817	-	1,406	-
11XX	Total current assets	<u>349,191</u>	<u>47</u>	<u>351,241</u>	<u>46</u>
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	113,230	15	105,355	14
1550	Investments accounted for using equity method (Notes 4 and 10)	119,715	16	120,499	16
1560	Contract assets - non-current (Notes 4, and 18)	18,976	3	18,683	3
1600	Property and equipment (Notes 4 and 11)	47,062	6	44,783	6
1755	Right-of-use assets (Notes 4 and 12)	25,208	3	38,009	5
1760	Investment property (Notes 4 and 13)	67,580	9	67,944	9
1840	Deferred income tax assets (Notes 4 and 20)	2,093	-	2,169	-
1920	Guarantee deposits paid	5,861	1	5,840	1
1990	Other non-current assets (Notes 4 and 16)	1,849	-	804	-
15XX	Total non-current assets	<u>401,574</u>	<u>53</u>	<u>404,086</u>	<u>54</u>
1XXX	Total assets	<u>\$ 750,765</u>	<u>100</u>	<u>\$ 755,327</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2150	Notes payable	\$ 237	-	\$ 30	-
2220	Other payables (Note 14)	120,595	16	125,129	17
2230	Current income tax liabilities (Notes 4 and 20)	7,417	1	6,110	1
2280	Lease liabilities – current (Notes 4 and 12)	14,613	2	14,421	2
2399	Other current liabilities	7,266	1	10,027	1
21XX	Total current liabilities	<u>150,128</u>	<u>20</u>	<u>155,717</u>	<u>21</u>
	Non-current liabilities				
2550	Provisions - non-current (Notes 4 and 15)	10,394	1	10,692	1
2570	Deferred income tax liabilities (Notes 4 and 20)	109	-	100	-
2580	Lease liabilities - non-current (Notes 4 and 12)	10,944	2	24,008	3
2610	Long-term payables (Note 14)	25,866	3	25,976	4
2645	Guarantee deposit received	508	-	506	-
2650	Credit balance of investments under equity method (Note 10)	287	-	2,079	-
25XX	Total non-current liabilities	<u>48,108</u>	<u>6</u>	<u>63,361</u>	<u>8</u>
2XXX	Total liabilities	<u>198,236</u>	<u>26</u>	<u>219,078</u>	<u>29</u>
	Equity (Notes 4 and 17)				
3110	Share capital of ordinary shares	250,243	34	250,243	33
3200	Capital surplus	92,500	12	92,500	12
	Retained earnings				
3310	Legal reserve	104,041	14	96,629	13
3320	Special reserve	10,094	1	31,921	4
3350	Undistributed earnings	101,144	14	75,050	10
3300	Total retained earnings	<u>215,279</u>	<u>29</u>	<u>203,600</u>	<u>27</u>
3400	Other equity interests	(5,493)	(1)	(10,094)	(1)
3XXX	Total equity	<u>552,529</u>	<u>74</u>	<u>536,249</u>	<u>71</u>
	Total liabilities and equity	<u>\$ 750,765</u>	<u>100</u>	<u>\$ 755,327</u>	<u>100</u>

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.**Parent Company Only Statements of Comprehensive Income
For the Years Ended December 31, 2020 and 2019
In Thousands of New Taiwan Dollars, Except Earnings Per Share**

<u>Code</u>		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Notes 4, 18, and 24)	\$ 718,716	100	\$ 726,599	100
5000	Operating cost (Notes 19 and 24)	<u>559,730</u>	<u>78</u>	<u>558,379</u>	<u>77</u>
5950	Gross profit	<u>158,986</u>	<u>22</u>	<u>168,220</u>	<u>23</u>
	Operating expenses (Notes 19 and 24)				
6100	Selling and marketing expenses	8,355	1	6,671	1
6200	Administrative expenses	<u>76,052</u>	<u>11</u>	<u>79,314</u>	<u>11</u>
6000	Total operating expenses	<u>84,407</u>	<u>12</u>	<u>85,985</u>	<u>12</u>
6900	Net operating profit	<u>74,579</u>	<u>10</u>	<u>82,235</u>	<u>11</u>
	Non-operating income and expenses				
7010	Other income (Note 19)	7,393	1	7,136	1
7020	Other gains and losses (Note 19)	3,475	-	1,781	-
7050	Finance costs	(496)	-	(608)	-
7070	Shares of profit (loss) of subsidiaries, associates, and joint ventures accounted for using the equity method	<u>18,402</u>	<u>3</u>	<u>2,084</u>	<u>1</u>
7000	Total non-operating income and expenses	<u>28,774</u>	<u>4</u>	<u>10,393</u>	<u>2</u>
7900	Net income before tax	103,353	14	92,628	13
7950	Income tax expenses (Note 4 and 20)	<u>16,509</u>	<u>2</u>	<u>18,127</u>	<u>3</u>
8000	Net profit for the year	<u>86,844</u>	<u>12</u>	<u>74,501</u>	<u>10</u>

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Code		2020		2019	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(\$ 115)	-	(\$ 61)	-
8316	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	4,546	1	21,849	3
8349	Income tax relating to items that are not reclassified (Notes 4 and 20)	23	-	12	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operation	<u>55</u>	<u>-</u>	<u>(22)</u>	<u>-</u>
8300	Other comprehensive income for the year (net, after tax)	<u>4,509</u>	<u>1</u>	<u>21,778</u>	<u>3</u>
8500	Total comprehensive income for the year	<u>\$ 91,353</u>	<u>13</u>	<u>\$ 96,279</u>	<u>13</u>
	Earnings per share (Note 21)				
9750	Basic	<u>\$ 3.47</u>		<u>\$ 3.04</u>	
9850	Diluted	<u>\$ 3.46</u>		<u>\$ 3.04</u>	

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.

Parent Company Only Statements of Changes in Equity

For the Years Ended December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

Code		Retained earnings				Other equity items			Total equity
		Share capital of ordinary shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gain (loss) on equity instruments measured at fair value through other comprehensive income	
A1	Balance as of January 1, 2019	\$ 236,880	\$ 51,892	\$ 89,048	\$ 1,488	\$ 99,001	(\$ 179)	(\$ 31,742)	\$ 446,388
A3	Effects of retrospective application and retrospective restatement	-	-	-	-	(331)	-	-	(331)
A5	Restated balance as of January 1, 2019	236,880	51,892	89,048	1,488	98,670	(179)	(31,742)	446,057
	Appropriations and distribution of 2018 earnings:								
B1	Legal reserve	-	-	7,581	-	(7,581)	-	-	-
B5	Cash dividend	-	-	-	30,433	(30,433)	-	-	-
B17	Reversal of special reserve	-	-	-	-	(60,058)	-	-	(60,058)
	Other changes in capital surplus:								
C7	Changes of associates and joint ventures accounted for under the equity method	-	2,729	-	-	-	-	-	2,729
C15	Cash dividends distributed from capital surplus	-	(8,758)	-	-	-	-	-	(8,758)
H1	Issuance of new shares through merger	13,363	46,637	-	-	-	-	-	60,000
D1	2019 net income	-	-	-	-	74,501	-	-	74,501
D3	2019 Other comprehensive Income (loss) after tax	-	-	-	-	(49)	(22)	21,849	21,778
D5	Total comprehensive income (loss) for 2019	-	-	-	-	74,452	(22)	21,849	96,279
Z1	Balance as of December 31, 2019	250,243	92,500	96,629	31,921	75,050	(201)	(9,893)	536,249
	Appropriations and distribution of 2019 earnings								
B1	Legal reserve	-	-	7,412	-	(7,412)	-	-	-
B3	Appropriated as special reserve	-	-	-	(21,827)	21,827	-	-	-
B5	Cash dividend attributable to shareholders	-	-	-	-	(75,073)	-	-	(75,073)
D1	2020 net income	-	-	-	-	86,844	-	-	86,844
D3	2020 other comprehensive Income (loss) after tax	-	-	-	-	(92)	55	4,546	4,509
D5	Total comprehensive income (loss) for 2020	-	-	-	-	86,752	55	4,546	91,353
Z1	Balance as of December 31, 2020	\$ 250,243	\$ 92,500	\$ 104,041	\$ 10,094	\$ 101,144	(\$ 146)	(\$ 5,347)	\$ 552,529

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.**Parent Company Only Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
Unit: In Thousands of New Taiwan Dollars**

Code		2020	2019
	Cash flows from operating activities		
A10000	Net income before tax for the year	\$ 103,353	\$ 92,628
A20010	Income and expenses		
A20100	Depreciation expenses	18,497	18,281
A20200	Amortization expenses	290	9
A20300	Gain on reversal of bad debts	(125)	(185)
A20400	Net gain on financial assets at fair value through profit or loss	(3,221)	(1,575)
A20900	Finance costs	482	608
A21200	Interest income	(2,318)	(2,419)
A21300	Dividend income	(2,866)	(2,288)
A22300	Share of profit or loss of associates and joint ventures using equity method	(18,402)	(2,084)
A29900	Profit (loss) of lease modification	(111)	(27)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(5,959)	(8,894)
A31150	Note's receivable and accounts receivable	13,522	(2,531)
A31180	Other receivables	902	1,005
A31220	Prepaid pension cost	(99)	(100)
A31230	Prepayments	(412)	(480)
A31240	Other current assets	1	(1)
A31250	Other non-current assets	(1,351)	(315)
A32130	Notes payable	207	13
A32180	Other Payables	(4,644)	(852)
A32200	Provisions	(298)	752
A32230	Other current liabilities	(2,761)	655
A33000	Cash inflows from operations	94,687	92,200
A33500	Income tax paid	(15,094)	(26,633)
AAAA	Net cash inflows from operating activities	<u>79,593</u>	<u>65,567</u>

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Code		2020	2019
	Cash flows from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(\$ 734)	\$ -
B00050	Disposal of financial assets at amortized cost	-	13,500
B00100	Acquisition of financial assets at fair value through profit or loss	(30,000)	-
B00200	Disposal of financial assets at fair value through profit or loss	28,967	-
B01800	Acquisition of associates	(5,291)	(62,000)
B02700	Acquisition of property and equipment	(5,514)	(952)
B03700	Decrease (increase) in guarantee deposits paid	(21)	20
B07500	Interest received	1,373	1,474
B07600	Dividends received	<u>25,606</u>	<u>16,388</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>14,386</u>	(<u>31,570</u>)
	Cash flows from financing activities		
C03000	Increase (decrease) in guarantee deposits received	2	(1)
C04020	Repayment of the principal portion of lease liabilities	(15,340)	(15,231)
C04500	Cash dividends issued	(75,073)	(68,816)
C05600	Interest paid	<u>-</u>	(<u>7</u>)
CCCC	Net cash outflow from financing activities	(<u>90,411</u>)	(<u>84,055</u>)
EEEE	Net increase (decrease) in cash and cash equivalents	3,568	(50,058)
E00100	Balance of cash and cash equivalents, at beginning of year	<u>55,193</u>	<u>105,251</u>
E00200	Balance of cash and cash equivalents at end of year	<u>\$ 58,761</u>	<u>\$ 55,193</u>

The accompanying notes are a part of the Parent Company Only Financial Statements.

Taiming Assurance Broker Co., Ltd.

Notes to the Parent Company Only Financial Statements

For the Years Ended December 31, 2020 and 2019

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

1. Company History

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

The parent company only financial statements are expressed in the Company's functional currency.

2. Date and Procedure for Approval of Financial Statements

The parent company only financial statements were approved by the Company's board of directors on February 25, 2021.

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

b. IFRSs issued by IABS and endorsed by FSC that are applicable from 2021 onwards

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB</u>
Amendments to IFRS 4 "Deferral Of Effective Date of IFRS 9"	Effective immediately upon promulgation
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - "Interest Rate Benchmark Reform - Phase 2"	Effective for the annual reporting periods beginning on or after January 1, 2021

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

<u>New/Revised/Amended Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
“Annual Improvements to IFRSs 2018-2020 Cycle”	January 1, 2022 (Note 2)
Amendment to IFRS 3 - "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 6)
Amendment to IAS 8 - "Definition of Accounting Estimates"	January 1, 2023 (Note 7)

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

Note 2: The amendment to IFRS 9 applies prospectively to modifications of terms of or exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 “Agriculture” are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 “First-time Adoption of IFRSs” are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendment applies to business combination with the acquisition date in the annual reporting periods beginning on or after January 1, 2022.

Note 4: The amendment applies to property, plant and equipment that are in line with the location and condition necessary for them to be capable of operating in the manner expected by the management on or after January 1, 2021.

Note 5: The amendment applies to the contracts with the obligations not fully fulfilled as of January 1, 2022.

Note 6: The amendments are applied prospectively for the annual reporting period beginning on or after January 1, 2023.

Note 7: 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.

As of the date the parent company only financial statements were approved for release, the Company is continuously assessing the possible impact of the application of other standards and interpretations on its financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements are prepared on the basis of historical costs, except for financial instruments measured at fair value and present value of defined benefit obligations less the net defined benefit liabilities recognized at the fair value of the plan assets. The fair value measurement is classified into three levels based on the observability and significance of relevant inputs:

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

When preparing the parent company only financial statements, the Company adopted the equity method to account for its investments in subsidiaries, associates, or joint ventures. In order to enable the amounts of the net income for the year, other comprehensive income for the year, and total equity in the parent company only financial statements to be the same as the ones attributable to the owners of the Company in its consolidated financial statements, regarding the differences arising from accounting treatments between the parent company only basis and the consolidation basis, adjustments were made to the investments accounted for using the equity method and the share of profit or loss of equity-accounted subsidiaries and associates in the parent company only financial statements.

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

Current assets include:

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

Current liabilities include:

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

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

d. Foreign currencies

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

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

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

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

When preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into New Taiwan dollar. Income and expense items are translated at the average exchange rates for the period. The resulting currency exchange differences are recognized in other comprehensive income.

e. Investment in subsidiaries

The Company adopts the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

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

Changes in the Company's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. Any difference

between the carrying amount of an investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary exceeds its equity in said subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term equity that, in substance, forms part of the Company's net investment in said subsidiary), the Company continues recognizing its share of further losses.

The amount of acquisition cost in excess of the Company's share of the net fair value of identifiable assets and liabilities of a subsidiary that constitute the business at the date of acquisition is recognized as goodwill, which is included in the carrying amount of investment and shall not be amortized. Any excess of the Company's share of the net fair value of identifiable assets and liabilities of an investment over the acquisition cost is recognized immediately in profit or loss.

When the Company assesses the impairment, it considers the cash-generating unit in the financial statements and compares its recoverable amount with the carrying amount. If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss shall be recognized in gains, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the carrying amount of the asset less amortization without impairment loss recognized. Impairment loss attributable to goodwill may not be reversed after the balance sheet date.

When the Company loses control over a subsidiary, it measures its remaining investment in said subsidiary based on the fair value on the day when the control is lost. The fair value of the remaining investment and the difference between any disposal price and the carrying amount of the investment on the day when the control is lost are recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to said subsidiary are accounted for on the same basis as the one adopted for the Company's direct disposal of the relevant assets or liabilities.

The unrealized profit or loss on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. Profit or loss on downstream and lateral transactions between the Company and its subsidiaries is recognized in the parent company only financial statements only to the extent that it does not affect the Company's interests in the subsidiaries.

f. Investments in associates

An associate is an entity over which the Company has significant influence and is not a subsidiary. The Company adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other

comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates based on the percentage of ownership.

When the Company's share of losses on an associate 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 Company's net investment in the associate), the Company discontinues recognizing its share of further losses.

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

Any further loss shall be disregarded when the Company's share of loss to the associate is equal to or greater than its interest (including the carrying amount of an investment in an associate under the Equity Method and other long-term equity that are essentially part of the Company's net investment in the associate) in the associate. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of said associate.

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

The Company ceases to use the equity method on the day when its investment ceases to be in an associate, and its retained equity in the original associate is measured at fair value. The fair value and the difference between the proceeds from the disposal and the carrying amount of the investment on the day when the equity method ceased to be used are recognized in profit and loss for the period. In addition, the accounting treatment of all amounts recognized in

other comprehensive income in relation to the associate shall be based on the same basis that the associate must follow if the associate directly disposes of the relevant assets or liabilities.

g. Property and equipment

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

Property and equipment are depreciated using the straight-line method over their useful lives. Each significant part is depreciated separately. The Company shall conduct at least one annual review at the end of each year to assess the estimated useful life, residual value, and depreciation methods, while applying the effect of changes in accounting estimates prospectively.

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

h. Investment property

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

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

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

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

i. Intangible assets

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

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

j. Impairment of property and equipment as well as right-of-use and intangible assets

The Company assesses if there are any signs of possible impairment in property and equipment as well as right-of-use and intangible assets at each balance sheet date. If there is any sign of impairment, an estimate is made of its recoverable amount. If it is not possible to

determine the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

k. Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instruments.

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

1) Financial assets

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

a) Measurement types

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

i. Financial assets at FVTPL

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

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

recognized in other gains or losses. Please refer to Note 23 for the determination of fair value.

ii. Financial assets measured at amortized cost

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

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

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

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

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

The cash equivalents include highly liquid time deposits which can be converted into impress 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. Investments in equity instruments measured at FVTOCI

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

Investments in an equity instrument measured at FVTOCI are measured at fair value, and any subsequent fair value changes are recognized in other

comprehensive income and accumulated in other equity. Upon disposal of investments, cumulative gain or loss is directly transferred to retained earnings and are not reclassified to profit or loss.

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

b) Impairment of financial assets and contract assets

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

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

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

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

1. Provisions

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

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

m. Revenue recognition

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

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

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

n. Leases

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

1) The Company as lessor

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

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

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

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is amortized over the lease term. If changes in the index or rate used to determine the lease payment over the lease term led to changes in future lease payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss on the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented on a separate line in the parent company only balance sheets.

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

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

The defined benefit cost under the defined benefit pension plan (including service cost, net interest, and rereasurement) is calculated based on the projected unit credit method.

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

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

3) Termination benefits

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

q. Income taxes

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

1) Current income tax

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

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

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

2) Deferred income tax

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

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

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

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

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

the way the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred income taxes

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

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

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

The Company considers the economic 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, 2020</u>	<u>December 31, 2019</u>
Cash on hand and petty cash	\$ 157	\$ 157
Checking accounts and demand deposits	<u>58,604</u>	<u>55,036</u>
	<u>\$ 58,761</u>	<u>\$ 55,193</u>

7. Financial assets at FVTPL - current

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Measured at FVTPL</u>		
Fund beneficiary certificate	\$ 59,122	\$ 55,052
Bank debentures	<u>55,479</u>	<u>55,295</u>
	<u>\$ 114,601</u>	<u>\$ 110,347</u>

8. Financial assets at FVTOCI

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Investment in equity instruments	<u>\$ 38,979</u>	<u>\$ 41,574</u>
<u>Non-current</u>		
Investment in equity instruments	<u>\$ 113,230</u>	<u>\$ 105,355</u>

Investment in equity instruments at FVTOCI

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Current</u>		
Domestic Investment		
Domestic unlisted equity		
Sirtec International Co., Ltd	\$ 22,058	\$ 24,600
Taichung Commercial Bank Co., Ltd.	<u>16,921</u>	<u>16,974</u>
	<u>\$ 38,979</u>	<u>\$ 41,574</u>
<u>Non-current</u>		
Domestic Investment		
Unlisted equity		
Top Taiwan X Venture Capital Co., Ltd.	\$ 62,863	\$ 56,836
Chengding Venture Capital Co., Ltd.	<u>50,367</u>	<u>48,519</u>
	<u>\$ 113,230</u>	<u>\$ 105,355</u>

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

The Company recognized dividend income of NT\$2,866 thousand and NT\$2,288 thousand for 2020 and 2019, respectively, of which NT\$ 0 and NT\$ 0 related to the investments were derecognized for the years then ended, and NT\$2,866 thousand and NT\$2,288 thousand related to the investments that are still held as of December 31, 2020 and 2019, respectively.

9. Notes and accounts receivable

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable	\$ 91	\$ 250
Accounts receivable	<u>87,796</u>	<u>101,159</u>
	<u>\$ 87,887</u>	<u>\$ 101,409</u>

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

The Company has no overdue receivables, and the loss allowance for bad debts of the Company as at December 31, 2020 and 2019 after evaluation is both NT\$ 0.

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Investments accounted for using the equity method</u>		
Investments in subsidiaries	\$ 115,673	\$ 115,937
Investment in associates	<u>4,042</u>	<u>4,562</u>
	<u>\$ 119,715</u>	<u>\$ 120,499</u>
<u>Credit balance of investments accounted for using the equity method</u>		
Investment in associates	(\$ <u>287</u>)	(\$ <u>2,079</u>)

a. Investments in subsidiaries

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Link-aim Life Insurance Broker Co., Ltd.	\$ 115,524	\$ 115,727
Ching-Guan Financial Management Consulting Co., Ltd.	<u>149</u>	<u>210</u>
	<u>\$ 115,673</u>	<u>\$ 115,937</u>

<u>Name of Subsidiary</u>	<u>Percentage of ownership interest and voting rights</u>	
	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Link-aim Life Insurance Broker Co., Ltd.	100%	100%
Ching-Guan Financial Management Consulting Co., Ltd.	100%	100%

The Company, by the resolution of the board meeting on December 27, 2018 and the provisional meeting of shareholders on February 20, 2019, acquired Link-Aim Life Insurance Broker Co., Ltd. with cash and issuance of common shares as a consideration. Please refer to Note 23 to the Company's 2020 consolidated financial statements for disclosure of the acquisition of Link-Aim Life Insurance Broker Co., Ltd.

After the re-election of the Company's directors in June 2019, the Company held less than half of the seats of directors of Jiangsu Taiming Insurance Agency Co., Ltd. After considering the voting rights and the number of director seats above, the Company had no control over Jiangsu Taiming Insurance Agency Co., Ltd. and derecognized the relevant assets, liabilities, and non-controlling interests. The Company's remaining investment in the subsidiary is recognized as the original cost of the investment in the associates at the fair value of NT\$331 thousand at the end of May 2019 on the date of loss of control, and the subsidiary's net assets and non-controlling interests are derecognized. Please refer to Note 20 to the Company's 2020 consolidated financial statements for details.

The shares of profit or loss and other comprehensive income of the subsidiaries under the equity method are recognized according to the CPA-audited financial statements of the associates during the same period, except for the financial statements of Ching-Guan Financial Management Consulting Co., Ltd., which have not been audited by CPAs. However, the management of the Company considers that the financial statements of the investee not audited by CPAs will not cause a material impact.

b. Investments in associates

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	
Associates that are not individually material			
All Safe Co., Ltd.	\$ 3,729	\$ 3,962	
Shanghai Taiming Insurance Agency Co., Ltd.	-	600	
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>313</u>	<u>-</u>	
	<u>\$ 4,042</u>	<u>\$ 4,562</u>	
Shanghai Taiming Insurance Agency Co., Ltd.	(\$ 287)	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	<u>-</u>	<u>(2,079)</u>	
	<u>(\$ 287)</u>	<u>(\$ 2,079)</u>	
	<u>Percentage of ownership and voting rights</u>		
<u>Company Name</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>Description</u>
All Safe Co., Ltd.	14.79%	14.79%	-
Shanghai Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	1
Jiangsu Taiming Insurance Agency Co., Ltd.	24.90%	24.90%	2

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

Summary information on associates that are not individually material

	<u>2020</u>	<u>2019</u>
Share owned by the Company		
Continuing Operations Net Income for the Current Year	(\$ 4,074)	(\$ 7,679)
Other comprehensive income	<u>55</u>	<u>(22)</u>
Total comprehensive income	<u>(\$ 4,019)</u>	<u>(\$ 7,701)</u>

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

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

11. Property and equipment

	<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, 2019	\$ 21,460	\$ 27,634	\$ 18,932	\$ 17,143	\$ 85,169
Additions	<u>-</u>	<u>-</u>	<u>952</u>	<u>-</u>	<u>952</u>
Balance as of December 31, 2019	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 19,884</u>	<u>\$ 17,143</u>	<u>\$ 86,121</u>
<u>Accumulated depreciation and impairment</u>					
Balance as of January 1, 2019	\$ -	\$ 6,364	\$ 15,832	\$ 16,018	\$ 38,214
Depreciation expenses	<u>-</u>	<u>937</u>	<u>1,517</u>	<u>670</u>	<u>3,124</u>
Balance as of December 31, 2019	<u>\$ -</u>	<u>\$ 7,301</u>	<u>\$ 17,349</u>	<u>\$ 16,688</u>	<u>\$ 41,338</u>
Net amount as of December 31, 2019	<u>\$ 21,460</u>	<u>\$ 20,333</u>	<u>\$ 2,535</u>	<u>\$ 455</u>	<u>\$ 44,783</u>
<u>Cost</u>					
Balance as of January 1, 2020	\$ 21,460	\$ 27,634	\$ 19,884	\$ 17,143	\$ 86,121
Additions	<u>-</u>	<u>-</u>	<u>2,009</u>	<u>3,505</u>	<u>5,514</u>
Balance as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 27,634</u>	<u>\$ 21,893</u>	<u>\$ 20,648</u>	<u>\$ 91,635</u>
<u>Accumulated depreciation and impairment</u>					
Balance as of January 1, 2020	\$ -	\$ 7,301	\$ 17,349	\$ 16,688	\$ 41,338
Depreciation expenses	<u>-</u>	<u>936</u>	<u>1,559</u>	<u>740</u>	<u>3,235</u>
Balance as of December 31, 2020	<u>\$ -</u>	<u>\$ 8,237</u>	<u>\$ 18,908</u>	<u>\$ 17,428</u>	<u>\$ 44,573</u>
Balance as of December 31, 2020	<u>\$ 21,460</u>	<u>\$ 19,397</u>	<u>\$ 2,985</u>	<u>\$ 3,220</u>	<u>\$ 47,062</u>

In the year of 2020 and 2019, as there is no sign of impairment, the Company did not conduct impairment assessment.

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

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

12. Lease agreements

a. Right-of-use assets

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of right-of-use assets		
Building	<u>\$ 25,208</u>	<u>\$ 38,009</u>

	<u>2020</u>	<u>2019</u>
Additions of right-of-use assets	<u>\$ 1,521</u>	<u>\$ 19,751</u>
Depreciation expenses of right-of-use assets		
Building	<u>\$ 14,898</u>	<u>\$ 14,793</u>

b. Lease liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Carrying amount of lease liabilities		
Current	<u>\$ 14,613</u>	<u>\$ 14,421</u>
Non-current	<u>\$ 10,944</u>	<u>\$ 24,008</u>
Interest expense – lease obligations payable	<u>\$ 482</u>	<u>\$ 601</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Building	1.25%~1.60%	1.60%

c. Material leasing activities and terms

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

d. Other lease information

	<u>2020</u>	<u>2019</u>
Short-term lease expenses	<u>\$ 83</u>	<u>\$ 90</u>
Lease expenses of low-value assets	<u>\$ 436</u>	<u>\$ 460</u>
Total cash (outflow) from leases	<u>(\$ 15,859)</u>	<u>(\$ 15,781)</u>

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Lease commitments	<u>\$ -</u>	<u>\$ 400</u>

13. Investment property

	<u>Land</u>	<u>Building</u>	<u>Total</u>
<u>Cost</u>			
Balance as of January 1, 2019	\$ 65,730	\$ 5,459	\$ 71,189
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Balance as of December 31, 2019	<u>\$ 65,730</u>	<u>\$ 5,459</u>	<u>\$ 71,189</u>

<u>Accumulated depreciation</u>			
Balance as of January 1, 2019	\$ -	\$ 2,881	\$ 2,881
Depreciation expenses	-	<u>364</u>	<u>364</u>
Balance as of December 31, 2019	<u>\$ -</u>	<u>\$ 3,245</u>	<u>\$ 3,245</u>
Net amount as of December 31, 2019	<u>\$ 65,730</u>	<u>\$ 2,214</u>	<u>\$ 67,944</u>

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

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

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
1st year	\$ 1,570	\$ 2,212
2nd year	-	<u>1,785</u>
	<u>\$ 1,570</u>	<u>\$ 3,997</u>

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

Buildings	15 Years
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In 2020, 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\$492 thousand in total.

The fair value of investment property is measured at Level 3 inputs by independent appraisers. The valuation is based on the comparative approach and income approach. The fair values as of December 31, 2020 and 2019 were NT\$91,068 thousand and NT\$87,445 thousand, respectively. The important unobservable inputs adopted included discount rate of 2.17% and 1.82%, respectively.

14. Other payables and long-term payables

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Commissions and bonuses payable	\$ 115,494	\$ 121,625
Salaries and year-end bonuses payable	11,615	9,222
Remuneration payable to employees and directors	4,308	4,703
Provident fund of voluntary contribution payable to business representatives	10,394	10,692
Others	<u>4,650</u>	<u>4,863</u>
	<u>\$ 146,461</u>	<u>\$ 151,105</u>
Other payables - current	\$ 120,595	\$ 125,129
Long-term payables - non-current	<u>25,866</u>	<u>25,976</u>
	<u>\$ 146,461</u>	<u>\$ 151,105</u>

15. Provisions - non-current

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Provident fund reserve - voluntary contribution by company	<u>\$ 10,394</u>	<u>\$ 10,692</u>

The changes of provident fund reserve are as follows:

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 10,692	\$ 9,940
Increase	1,059	1,406
Payment	(<u>1,357</u>)	(<u>654</u>)
Ending balance	<u>\$ 10,394</u>	<u>\$ 10,692</u>

16. Post-employment benefit plans

a. Defined contribution plan

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

b. Defined benefit plan

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is the defined benefit pension plan under the management of the government of R.O.C. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes an amount, which equals to 2% of each employee' total monthly salary and wage, which is deposited by the Supervisory Committee of Business Entities' Labor Retirement Reserve in the pension account with the Bank of Taiwan in the name of the committee. Before the end of each year, if the balance in the pension account assessed is inadequate to pay for the retirement benefits for employees who meet the retirement requirements in the following year, the Company will

contributes an amount to make up for the difference in a lump sum by the end of March of the following year. The pension account is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment management strategy.

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Present value of defined benefit obligation	\$ 1,566	\$ 1,382
Fair value of plan assets	(<u>2,046</u>)	(<u>1,879</u>)
Net defined benefit assets	(<u>\$ 480</u>)	(<u>\$ 497</u>)

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>
Balance as of January 1, 2019	\$ 1,252	(\$ 1,709)	(\$ 457)
Service cost			
Interest expense (income)	<u>17</u>	(<u>24</u>)	(<u>7</u>)
Recognized in profit or loss	<u>1,269</u>	(<u>1,733</u>)	(<u>464</u>)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(52)	(52)
Actuarial (gain) loss - changes in demographic assumptions	12	-	12
Actuarial (gain) loss - changes in financial assumptions	85	-	85
Actuarial (gain) loss - experience adjustments	<u>16</u>	<u>-</u>	<u>16</u>
Recognized in other comprehensive income	<u>113</u>	(<u>52</u>)	<u>61</u>
Contributions from the employer	<u>-</u>	(<u>94</u>)	(<u>94</u>)
December 31, 2019	<u>1,382</u>	(<u>1,879</u>)	(<u>497</u>)
Service cost			
Interest expense (income)	<u>\$ 14</u>	(<u>\$ 19</u>)	(<u>\$ 5</u>)
Recognized in profit or loss	<u>1,396</u>	(<u>1,898</u>)	(<u>502</u>)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(55)	(55)
Actuarial (gain) loss - changes in demographic assumptions	9	-	9
Actuarial (gain) loss - changes in financial assumptions	122	-	122
Actuarial (gain) loss - experience adjustments	<u>39</u>	<u>-</u>	<u>39</u>
Recognized in other comprehensive income	<u>170</u>	(<u>55</u>)	<u>115</u>
Contributions from the employer	<u>-</u>	(<u>93</u>)	(<u>93</u>)
December 31, 2020	<u>\$ 1,566</u>	(<u>\$ 2,046</u>)	(<u>\$ 480</u>)

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, 2020</u>	<u>December 31, 2019</u>
Discount rate	0.5%	1.0%
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, 2020</u>	<u>December 31, 2019</u>
Discount rate		
Increase by 0.25%	(<u>\$ 63</u>)	(<u>\$ 57</u>)
Decrease by 0.25%	<u>\$ 66</u>	<u>\$ 60</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 64</u>	<u>\$ 59</u>
Decrease by 0.25%	(<u>\$ 61</u>)	(<u>\$ 56</u>)

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

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
The expected contributions to the plan for the following year	<u>\$ 93</u>	<u>\$ 93</u>
The average duration of the defined benefit obligation	16.3 years	17 years

17. Equity

a. Share capital

Ordinary shares

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Number of authorized shares (in thousands)	<u>30,000</u>	<u>30,000</u>
Authorized capital stock	<u>\$ 300,000</u>	<u>\$ 300,000</u>
Number of shares issued and fully paid (in thousands)	<u>25,024</u>	<u>25,024</u>
Issued share capital	<u>\$ 250,243</u>	<u>\$ 250,243</u>

The ordinary shares issued, with a par value of NT\$10 per share, are entitled to one voting right per share and to the right to receive dividends.

By a resolution of the board meeting on December 27, 2018, the Company obtained the full equity of Link-Aim Life Insurance Broker Co., Ltd., and made it a 100% owned subsidiary of the Company with a consideration of the cash of NT\$60,000 thousand and the issuance of ordinary shares worth NT\$60,000 thousand. The above-mentioned share swap proposal has been approved at the provisional meeting of shareholders of the Company on February 20 2019. The Company has set June 1, 2019 as the record date of share swap, and issued 1,336 thousand ordinary shares as a result.

b. Capital surplus

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Premium of shares issued	\$ 43,134	\$ 43,134
Consolidated excess	46,637	46,637
<u>May be used to offset a deficit only</u>		
Changes of associates and joint ventures accounted for under the equity method	<u>2,729</u>	<u>2,729</u>
	<u>\$ 92,500</u>	<u>\$ 92,500</u>

1) Such capital surplus may be used to offset the deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or stock dividends (up to a certain percentage of the Company's paid-in capital once a year).

c. Retained earnings and dividend policy

Under the earnings distribution policy as set forth in the Company's Articles of Incorporation, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, setting aside 10% of the remaining profit as legal reserve, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be adopted

by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved at the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of remuneration to employees and to directors as set forth in the Company's Articles of Incorporation, refer to Note 19(5) "remuneration to employees and to directors".

As the current industrial environment is constantly changing, in response to the future operation expansion plan, the dividends to shareholders may be paid in the forms of cash and stock. The proportion of cash dividends in the total dividends shall be no less than 50%, but the shareholders' meeting may adjust it according to the actual situation.

Appropriation of earnings to legal reserve shall be made until the legal reserve reaches the total of the Company's paid-in capital. The legal reserve may use 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 2019 and 2018, which were proposed and approved in the annual shareholders' meetings on May 27, 2020 and May 31, 2019, respectively, were as follows:

	Earnings distribution plan		Dividends per share (NTD)	
	2019	2018	2019	2018
Legal reserve	\$ 7,412	\$ 7,581	\$ -	\$ -
Special reserve	(21,827)	30,433	-	-
Cash dividend	75,073	60,058	3.0	2.4

In addition, the Company, by the resolution of the annual shareholders' meeting on May 31, 2019, paid out NT\$ 8,758 thousand in cash from capital surplus, with NT\$ 0.35 per share.

The proposal for earnings distribution for 2020 put forth by the Company's board of directors on February 25, 2021 is as follows:

	Earnings distribution plan	Dividends per share (NTD)
Legal reserve	\$ 8,675	\$ -
Special reserve	(4,601)	-
Cash dividend	80,078	3.2

The distribution of earnings for 2020 is pending the resolution of the annual shareholders' meeting to be held on May 28, 2021.

18. Income

	<u>2020</u>	<u>2019</u>
Customer contract income		
Commission income	<u>\$ 718,716</u>	<u>\$ 726,599</u>

For the sale of multi-year insurance products by the broker of the Company, the broker may, in addition to the initial commission income, receive the commission income on renewal of the policy upon completion of the premium payment in the following year. Therefore, the amount of the revenue recognized by the Company for 2020 and 2019 under the IFRS15 "Revenue from Customer Contracts" includes the consideration for the changes arising from the historical renewal of the policy.

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Contract balance</u>		
Accounts receivable (Note 9)	<u>\$ 87,796</u>	<u>\$ 101,159</u>
Contract assets - current	\$ 45,908	\$ 40,242
Contract asset s- non-current	<u>18,976</u>	<u>18,683</u>
	<u>\$ 64,884</u>	<u>\$ 58,925</u>

The changes of contract assets are as follows:

	<u>2020</u>	<u>2019</u>
Opening balance	\$ 58,925	\$ 50,031
Reclassified to accounts receivable	(40,193)	(37,189)
Increase	<u>46,152</u>	<u>46,083</u>
Ending balance	<u>\$ 64,884</u>	<u>\$ 58,925</u>

19. Net income from continuing operations

a. Other income

	<u>2020</u>	<u>2019</u>
Interest income	\$ 2,318	\$ 2,419
Rental Income	2,209	2,429
Dividend income	<u>2,866</u>	<u>2,288</u>
	<u>\$ 7,393</u>	<u>\$ 7,136</u>

b. Other gains (losses)

	<u>2020</u>	<u>2019</u>
Gains on financial assets at FVTPL	\$ 3,221	\$ 1,575
Other income and expenditure - net	<u>254</u>	<u>206</u>
	<u>\$ 3,475</u>	<u>\$ 1,781</u>

c. Depreciation and amortization

	<u>2020</u>	<u>2019</u>
Right-of-use assets	\$ 14,898	\$ 14,793
Property and equipment	3,235	3,124
Investment property	364	364
Other non-current assets - intangible assets	<u>290</u>	<u>9</u>
	<u>\$ 18,787</u>	<u>\$ 18,290</u>
Aggregate depreciation expenses by function		
Operating costs	\$ 12,405	\$ 12,093
Operating expenses	<u>6,092</u>	<u>6,188</u>
	<u>\$ 18,497</u>	<u>\$ 18,281</u>
Aggregate amortized cost by function		
Operating costs	\$ -	\$ 9
Operating expenses	<u>290</u>	<u>-</u>
	<u>\$ 290</u>	<u>\$ 9</u>

d. Employee benefits expenses

	<u>2020</u>	<u>2019</u>
Employee benefits expenses		
Salary expenses	\$ 46,258	\$ 47,747
Labor and health insurance expenses	3,820	3,838
Pension expenses	1,969	1,948
Remuneration to directors	4,314	3,743
Other employee benefits expenses	<u>2,503</u>	<u>2,126</u>
Total employee benefits expenses	<u>\$ 58,864</u>	<u>\$ 59,402</u>
Aggregated by Function		
Operating expenses	<u>\$ 58,864</u>	<u>\$ 59,402</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 2020 and 2019 was resolved by the board of directors on February 25, 2021 and February 26, 2020, respectively.

Estimated ratio

	<u>2020</u>	<u>2019</u>
Remuneration to employees	2%	2%
Remuneration to directors	2%	2%

Amount

	<u>2020</u>	<u>2019</u>
Remuneration to employees	\$ 2,154	\$ 1,923
Remuneration to directors	2,154	1,923

If there is any change in the amount after the publication of the annual Parent company only financial statements were approved for release, the differences will be recorded as a change in the accounting estimate and accounted for in the next year.

There is no difference between the amount distributed as remuneration to employees and to directors for 2019 and 2018 and the amounts recognized on the parent company only financial statements for 2019 and 2018.

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>2020</u>	<u>2019</u>
Commission expenditure	\$ 527,739	\$ 525,290
Provident fund expenses	<u>1,059</u>	<u>1,406</u>
	<u>\$ 528,798</u>	<u>\$ 526,696</u>
Aggregated by Function		
Operating costs	<u>\$ 528,798</u>	<u>\$ 526,696</u>

20. Income tax on continuing operations

a. Major components of income tax expenses recognized in profit or loss are as follows:

	<u>2020</u>	<u>2019</u>
Current income tax		
Generated during the year	\$ 15,664	\$ 17,418
Surtax on undistributed earnings	673	-
Adjustments in respect of prior years	64	2,942
Deferred income tax		
Generated during the year	<u>108</u>	<u>(2,233)</u>
Income tax expenses recognized in profit or loss	<u>\$ 16,509</u>	<u>\$ 18,127</u>

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

	<u>2020</u>	<u>2019</u>
Net income before tax from continuing operations	<u>\$ 103,353</u>	<u>\$ 92,628</u>
Income tax expenses calculated at statutory tax rate for net profit before tax	\$ 20,670	\$ 18,526
Tax exemption income	(4,898)	(1,193)
Surtax on undistributed earnings	673	-
Unrecognized temporary difference	-	(2,148)
Adjustments in respect of current income tax expenses of prior years	<u>64</u>	<u>2,942</u>
Income tax expenses recognized in profit or loss	<u>\$ 16,509</u>	<u>\$ 18,127</u>

b. Income tax recognized in other comprehensive income

	<u>2020</u>	<u>2019</u>
<u>Deferred income tax</u>		
Generated during the year		
- Remeasurement of defined benefit plans	\$ <u>23</u>	\$ <u>12</u>

c. Current income tax liabilities

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Current income tax liabilities		
Income tax payable	\$ <u>7,417</u>	\$ <u>6,110</u>

d. Deferred tax assets and liabilities

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

2020

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Others</u>	<u>Ending balance</u>
<u>Deferred tax assets</u>					
Temporary differences					
Provisions	\$ 2,138	(\$ 59)	\$ -	\$ -	\$ 2,079
Allowance for bad debts	39	(25)	-	-	14
Cumulative compensated absences	(<u>8</u>)	(<u>5</u>)	<u>-</u>	<u>13</u>	<u>-</u>
	<u>\$ 2,169</u>	<u>(\$ 89)</u>	<u>\$ -</u>	<u>\$ 13</u>	<u>\$ 2,093</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Defined benefit pension plan	\$ 100	\$ 19	(\$ 23)	\$ -	\$ 96
Cumulative compensated absences	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
	<u>\$ 100</u>	<u>\$ 19</u>	<u>(\$ 23)</u>	<u>\$ 13</u>	<u>\$ 109</u>

2019

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Ending balance</u>
<u>Deferred tax assets</u>				
Temporary differences				
Provisions	\$ 1,988	\$ 150	\$ -	\$ 2,138
Allowance for bad debts	76	(37)	-	39
Cumulative compensated absences	-	(8)	-	(8)
Other Payables	<u>7,858</u>	<u>(7,858)</u>	<u>-</u>	<u>-</u>
	<u>\$ 9,922</u>	<u>(\$ 7,753)</u>	<u>\$ -</u>	<u>\$ 2,169</u>
<u>Deferred tax liabilities</u>				
Temporary differences				
Defined benefit pension plan	\$ 92	\$ 20	(\$ 12)	\$ 100
Contract assets	<u>10,006</u>	<u>(10,006)</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,098</u>	<u>(\$ 9,986)</u>	<u>(\$ 12)</u>	<u>\$ 100</u>

e. Income tax approval status

The filings of the Company's profit-seeking enterprise income tax up to 2018 have been approved by the tax collection agency.

21. Earnings per share

	Unit: NT\$ per share	
	2020	2019
Basic earnings per share	<u>\$ 3.47</u>	<u>\$ 3.04</u>
Diluted earnings per share	<u>\$ 3.46</u>	<u>\$ 3.04</u>

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

Net profit for the year

	2020	2019
Net profit attributable to owners of the company / the earnings calculated as diluted earnings per share	<u>\$ 86,844</u>	<u>\$ 74,501</u>

Number of Shares

	Unit: In thousand shares	
	2020	2019
Weighted average number of ordinary shares used to calculate basic earnings per share	25,024	24,471
The effect of potential ordinary share with dilutive effect:		
Remuneration to employees	<u>64</u>	<u>43</u>
Weighted average number of ordinary shares used to calculate diluted earnings per share	<u>25,088</u>	<u>24,514</u>

If the Company may choose to pay its employees in stock or cash, when calculating the diluted earnings per share, it is assumed that the employee remuneration will be paid in stock, and the weighted average number of outstanding shares in circulation will be included when the potential ordinary shares have dilutive effect, to calculate the diluted earnings per share. The dilutive effect of these ordinary shares will also be considered in the calculation of earnings per diluted share prior to the resolution of employee remuneration in the following year.

22. Capital risk management

The Company carries out capital management to ensure that it can continue to operate under the premise of optimizing the balance of debt and equity, to maximize the return on shareholders' equity. The overall strategy of the Company has not changed significantly since its establishment. The capital structure of the Company consists of the equity (i.e., share capital, capital surplus, retained earnings and other equity items) attributable to owners of the Company.

The Company is not subject to any other external capital requirements.

23. Financial instruments

- a. Fair value information - financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair value.

b. Fair value information - financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 59,122	\$ -	\$ -	\$ 59,122
Bank debentures	<u>-</u>	<u>55,479</u>	<u>-</u>	<u>55,479</u>
Total	<u>\$ 59,122</u>	<u>\$ 55,479</u>	<u>\$ -</u>	<u>\$ 114,601</u>

Financial assets at FVTOCI

<u>Investment in equity instruments</u>				
- Domestic listed equity	\$ 38,979	\$ -	\$ -	\$ 38,979
- Domestic unlisted equity	<u>-</u>	<u>-</u>	<u>113,230</u>	<u>113,230</u>
Total	<u>\$ 38,989</u>	<u>\$ -</u>	<u>\$ 113,230</u>	<u>\$ 152,209</u>

December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at FVTPL</u>				
Fund beneficiary certificate	\$ 55,052	\$ -	\$ -	\$ 55,052
Bank debentures	<u>-</u>	<u>55,295</u>	<u>-</u>	<u>55,295</u>
Total	<u>\$ 55,052</u>	<u>\$ 55,295</u>	<u>\$ -</u>	<u>\$ 110,347</u>

Financial assets at FVTOCI

<u>Investment in equity instruments</u>				
- Domestic listed equity	\$ 41,574	\$ -	\$ -	\$ 41,574
- Domestic unlisted equity	<u>-</u>	<u>-</u>	<u>105,355</u>	<u>105,355</u>
Total	<u>\$ 41,574</u>	<u>\$ -</u>	<u>\$ 105,355</u>	<u>\$ 146,929</u>

2) The valuation technique and Level 2 fair value inputs

<u>Type of financial instruments</u>	<u>Valuation technique and inputs</u>
Domestic bond investment	Cash flow discount method: Discounted based on the market rate reflecting the current similar products and credit rating at the end of the bond issuer's term.

3) The valuation technique and Level 3 fair value inputs

Domestic unlisted equity investment is based the asset-based approach, and its fair value is evaluated by referring to the net asset value measured by independent experts according to the fair value. 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, 2020 and 2019 by NT\$1,132 thousand and NT\$1,054 thousand, respectively.

c. Type of financial instruments

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
<u>Financial assets</u>		
Measured at FVTPL	\$ 114,601	\$ 110,347
Financial assets at amortized cost (Note 1)	153,747	163,512
Financial assets at FVTOCI	152,209	146,929
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	147,206	151,641

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, notes receivable, accounts receivable, other receivables, and guarantee deposits paid.

Note 2: The balance includes financial liabilities measured at amortized cost, such as notes payable, other payables, other receivables, long-term payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The main financial instruments of the Company include equity investment, notes receivable and accounts receivable, notes payable and accounts payable, and other payables. The financial management department of the Company provides services to the business units, coordinates the operation of the domestic financial market, and supervises and manages the financial risks related to the operation of the Company by analyzing the internal risk reports of the risks according to the degree and breadth of risks. Such risks include market risk (including price risk), credit risk, and liquidity risk.

The financial management department reports quarterly to the board of directors of the Company.

1) Market risk

a) Interest rate risk

The carrying amounts of financial assets and financial liabilities of the Company with exposure to interest rate risk at the balance sheet dates are as follows:

	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Interest rate risks with fair value		
- financial assets	\$ 55,479	\$ 55,295
Interest rate risks with cash flow		
- financial assets	56,783	52,877

Sensitivity analysis

The sensitivity analysis below is prepared based on the exposure of non-derivative instruments to the interest rate risk at the balance sheet date. In reporting the interest rate to the management, the rate of change adopted is 100 basis points increase or decrease in the interest rate, which also represents the management's evaluation of reasonable possible change scope of interest rate.

If interest rate increases/decreases by 100 basis points, with other variables held constant, the Company's income before tax will increase/decrease by NT\$1,123 thousand and NT\$1,082 thousand for 2020 and 2019, respectively, which is mainly because of the changes in the Company's current bank demand deposits with floating interest rates and changes in the fair value of debt instruments with fixed interest measured at FVTPL.

b) Other price risks

The Company is exposed to the equity price risk arising from the investment in securities.

Sensitivity analysis

If the equity price rises/falls by 1%, the pre-tax other comprehensive income for 2020 and 2019 will increase/decrease by NT\$1,522 thousand and NT\$1,469 thousand due to changes in the fair value of financial assets measured at FVTOCI.

2) Credit risk

Credit risk refers to risk that causes a financial loss to the Company due to a counterparty's delay in performing contractual obligations. As of the balance sheet date, the maximum credit risk (regardless of collateral or other credit enhancement instruments, and the maximum amount of irrevocable exposure) that the Company may be exposed to, which may cause financial losses to the Company due to a counterparty's failure to perform its obligations and the financial guarantees provided by the Company mainly comes from the carrying amount of financial assets recognized in the balance sheet.

3) Liquidity risk

The Company supports the business operations of the group and reduces the impact of cash flow fluctuations through appropriate management and the maintenance of sufficient positions cash and cash equivalents. The Company's management supervises the use of bank financing facilities and ensures compliance with the loan contract terms.

24. Related-party transactions

a. Name of related party and relationship

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

<u>Name of Related Party</u>	<u>Relationship with the Company</u>
Taiwan Fire & Marine Insurance Co., Ltd.	Substantive Related Party
Ching-Guan Financial Management Consulting Co., Ltd.	Subsidiary of the Company
All Safe Co., Ltd.	Investee Accounted for Using Equity Method
Major management personnel	Chairman of the Board, General Managers, Managers, and directors

b. Operating income

<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
Substantive Related Party		
Taiwan Fire & Marine Insurance Co., Ltd.	<u>\$ 10,667</u>	<u>\$ 9,981</u>

c. Receivables from related parties

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Notes receivable and accounts receivable	Substantive Related Party		
	Taiwan Fire & Marine Insurance Co., Ltd.	<u>\$ 1,003</u>	<u>\$ 1,116</u>

d. Administrative expense

<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
Investee Accounted for Using Equity Method		
All Safe Co., Ltd.	<u>\$ 18</u>	<u>\$ 18</u>

e. Lease agreements (lessee)

<u>Accounting Items</u>	<u>Category/Name of Related Party</u>	<u>December 31, 2020</u>	<u>December 31, 2019</u>
Lease liabilities	Substantive Related Party Taiwan Fire & Marine Insurance Co., Ltd.	<u>\$ 11,095</u>	<u>\$ 19,757</u>
	<u>Category/Name of Related Party</u>	<u>2020</u>	<u>2019</u>
<u>Interest expenses</u>			
	Substantive Related Party Taiwan Fire & Marine Insurance Co., Ltd.	<u>\$ 220</u>	<u>\$ 346</u>
<u>Rental Expenses</u>			
	Major management personnel	<u>\$ 90</u>	<u>\$ -</u>

f. Lease agreements (lessor)

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, 2020</u>	<u>December 31, 2019</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>2020</u>	<u>2019</u>
Subsidiary Ching-Guan Financial Management Consulting Co., Ltd.	<u>\$ 60</u>	<u>\$ 60</u>
Investee Accounted for Using Equity Method All Safe Co., Ltd.	<u>102</u>	<u>102</u>
	<u>\$ 162</u>	<u>\$ 162</u>

g. Major management remuneration information

	<u>2020</u>	<u>2019</u>
Short-term employee benefits	<u>\$ 19,493</u>	<u>\$ 21,608</u>

The remuneration to directors and other major management personnel shall be determined by the Remuneration Committee in accordance with individual performance and market trends and then sent to the Board of Directors for resolution.

25. Information on foreign-currency-denominated assets and liabilities with significant influence

The following information is expressed in aggregate in foreign currencies other than the functional currencies of each entity of the Company, and the disclosed exchange rate refers to the conversion rate of such foreign currencies into functional currencies. Foreign currency assets with significant influence are as follows:

Unit: Foreign Currency/In Thousands of New Taiwan Dollars

	December 31, 2020			December 31, 2019		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Foreign Currency Assets						
<u>Non-Monetary Items</u>						
Investment Using Equity Method.						
CNY	\$ 83	4.38	\$ 313	\$ 139	4.31	\$ 600
Credit Balance of Investments Using Equity Method						
CNY	66	4.38	287	472	4.31	2,079

26. Additional Disclosures

a. Information on material transactions and b. investees:

- 1) Financings provided to others (None)
- 2) Endorsements/guarantees provided to others (None)
- 3) Marketable securities held at the end of period (excluding investments in subsidiaries, related enterprises, and joint ventures) (Table 1)
- 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 2)

c. Information on investment in mainland China

- 1) Information on any investees in mainland China: The name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 3)
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
 - a) Purchase amount and percentage, and the ending balance and percentage of payables.
 - b) Sales amount and percentage, and the ending balance and percentage of receivables.
 - c) Property transaction amount and the resulting profit or loss.
 - d) Ending balance of endorsement, guarantee, or collateral provided and purposes.
 - e) The maximum balance, ending balance, interest rate range and total amount of current interest of financing.
 - f) Other transactions having a significant impact on profit or loss or financial position of the period, such as providing or receiving services.
- d. Information on major shareholders: Name of shareholders with a shareholding ratio of 5% or more, the amount, and proportion of shares held: (Table 4)

Taiming Assurance Broker Co., Ltd.

Marketable Securities Held at the End of the Period

For the Year Ended December 31, 2020.

Unit: In Thousands of New Taiwan Dollars

Company	Type and Name of Marketable Securities (Note 1)	Relationship with the Issuer of Marketable Securities	Financial Statement Account	End of Period				Note
				Unit (1,000) s / (1,000) Shares	Carrying Amount	Shareholding Ratio %	Fair Value	
Taiming Assurance Broker Co., Ltd.	<u>Fund beneficiary certificate</u>							
	Fuh Hwa Rui Neng No. 2 Balance Fund	None	Financial assets at FVTPL - current	3,000	\$ 32,810	-	\$ 32,810	
	Fuh Hwa Rui Hwa Fund	"	"	1,931	20,017	-	20,017	
	Yuanta Taiwan High-yield Leading Company Fund	"	"	500	6,295	-	6,295	
	<u>Domestic Bank Debentures</u>							
	P06 Taichung Bank 2	None	Financial assets at FVTPL - current	-	45,368	-	45,368	
	P06 O-Bank 2	"	"	-	10,111	-	10,111	
	<u>Domestic listed stocks</u>							
	Sirtec International Co., Ltd	Substantive Related Party	Financial assets at FVTOCI - current	798	22,058	0.77%	22,058	
	Taichung Bank	None	"	1,567	16,921	0.04%	16,921	
	<u>Domestic unlisted stocks</u>							
	TOP TAIWAN X VENTURE CAPITAL CO., LTD.	Substantive Related Party	Financial assets at FVTOCI - non-current	5,400	62,863	6.75%	62,863	
Chengding Venture Capital Co., Ltd.	None	"	5,000	50,367	3.70%	50,367		

Taiming Assurance Broker Co., Ltd.

Information on Investees

For the Year Ended December 31, 2020

Unit: In Thousands of New Taiwan Dollars/Thousand Shares

Name of Company	Name of Investee	Location	Main Business Item	Original Investment Amount		End of the Period			Investee gain (Loss)	Investment Gain (Loss) Recognized in the Current Period	Note
				End of Current Period	End of Last Year	Number of Shares	Percentage	Carrying Amount			
Taiming Assurance Broker Co., Ltd.	Ching-Guan Financial Management Consulting Co., Ltd.	Taipei City	Management Consultancy	\$ 900	\$ 900	100	100.00	\$ 149	(\$ 61)	(\$ 61)	Subsidiary
	All Safe Co., Ltd.	Taipei City	Information Software Services	8,135	8,135	814	14.79	3,729	(1,575)	(233)	
	Link-aim Life Insurance Broker Co., Ltd.	Taichung City	Life insurance and property insurance brokerage business	120,000	120,000	3,000 (Note 2)	100.00	115,524 (Note 3)	22,537	22,537	Subsidiary

Note 1: The subsidiaries above have been incorporated into the consolidated financial statements and the relevant investments and gains and losses have been eliminated.

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

Note 3: The carrying amount includes the investment gains recognized under the equity method of NT\$22,537 thousand and the deduction of the distributed cash dividend of NT\$22,740 thousand.

Taiming Assurance Broker Co., Ltd.

Information on Investment in Mainland China
For the Year Ended December 31, 2020

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

Name of Investee	Main Business Item	Paid-in Capital	Investment Method (Note 1)	Beginning of the Current Period outward Remittance of Cumulative Investment from Taiwan	Amount of Investment Remitted or Recovered During the Current Period		End of Current Period Outward Remittance of Cumulative Investment from Taiwan	Gain or Loss on Investee	Shareholding Ratio of the Company's Direct or Indirect Investments	Gain or Loss on Investment (Note 2)	Investment at the End of the Period Carrying Amount	Up to the Current Period Repatriated Income from Investment	Note
					Outward Remittance	Recovered							
Shanghai Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 3,000 thousand	(1)	\$ 2,928	\$ -	\$ -	\$ 2,928	(\$ 3,546)	24.9	(\$ 883) (C)	(\$ 287)	\$ -	
Jiangsu Taiming Insurance Agency Co., Ltd.	Insurance agency	CNY 10,000 thousand	(1)	6,770	5,291	-	12,061	(11,879)	24.9	(2,958) (C)	313	-	

Cumulative Outward Remittance from Taiwan at the End of the Period Investment Amount in Mainland China	Investment Commission, MOEA Approved Investment Amount	Investment Ceiling in Mainland China in accordance with Investment Commission, MOEA
CNY 3,362 thousand (NT\$14,989 thousand)	US\$ 493 thousand	NT\$331,517 thousand

Note 1: Investment methods can be divided into the following three categories, simply mark the category:

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through a third region company (please specify the investment company in the third region).
- (3) Other methods.

Note 2: In the column of Gain or Loss on Investment:

- (1) If there is no investment gain or loss in preparation, it shall be noted.
- (2) The basis of recognition of investment gains and losses shall be noted in the following three categories.
 - A. Financial statements audited by an international CPA firm in partnership with a CPA firm of the Republic of China.
 - B. Financial statements audited by CPAs of parent company in Taiwan.
 - C. Others.

Note 3: In accordance with the "Principles for Review of Investment or Technical Cooperation in Mainland China", the limit is 60% of the net value.

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

Major Shareholder Information
For the Year Ended December 31, 2020.

Name of Major Shareholder	Ownership	
	Number of Shares Held	Percentage
Taiwan Navigator Asset Investment Co., Ltd.	9,025,907	36.06%
Han-Chieh Li	1,851,082	7.39%
Ching Chung Interior Decoration Design Co., Ltd.	1,490,099	5.95%
Taiwan Fire & Marine Insurance Co., Ltd.	1,271,180	5.07%

Note: The major shareholder information in this table is based on Taiwan Depository & Clearing Corporation's data of shareholders who hold more than 5% of the Company's ordinary shares and preferred stock (including treasury shares), for which electronic registration and delivery were completed, on the last business day of the quarter. The share capital recorded in the Company's financial statements and the actual number of shares, for which electronic registration and delivery were completed, may not be consistent due to different bases of preparation and calculation.

Taiming Assurance Broker Co., Ltd.

Statements of Cash and Cash Equivalents
For the Year Ended December 31, 2020.
Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Summary</u>	<u>Amount</u>
Cash on Hand and Petty Cash		\$ 157
Bank Deposits		
Demand Deposits		56,783
Checking Deposits		<u>1,821</u>
		<u>\$ 58,761</u>

Taiming Assurance Broker Co., Ltd.

Statement of Financial Assets at Fair Value Through Profit or Loss
 For the Year Ended December 31, 2020.
 Unit: In Thousands of New Taiwan Dollars

Name	Summary	Unit (1,000)	Face Value (NT\$)	Total Amount	Interest Rate %	Acquisition Cost	Fair Value		Note
							Unit Price (NT\$)	Total Amount	
Fund beneficiary certificate									
Fuh Hwa Rui Neng No. 2 Balance Fund				\$ -	-	\$ 30,000	10.94	\$ 32,810	
Fuh Hwa Rui Hwa Fund				-		20,000	10.37	20,017	
Yuanta Taiwan High-yield Leading Company Fund				-	-	5,000	12.59	6,295	
				-		55,000		59,122	
Domestic Bank Debentures									
P06 Taichung Bank 2				-	4.14	45,000	100.82	45,368	
P06 O-Bank 2				-	4.00	10,000	101.11	10,111	
				-		55,000		55,479	
Total				\$ -		\$ 110,000		\$ 114,601	

Taiming Assurance Broker Co., Ltd.

Statement of Financial Assets Measured at Fair Value Through Other Comprehensive Income - Current
 For the Year Ended December 31, 2020.
 Unit: In Thousands of New Taiwan Dollars

Name	Summary	Unit (1,000)	Face Value (NT\$)	Total Amount	Interest Rate %	Acquisition Cost	Accumulated Impairment	Fair Value		Note
								Unit Price (NT\$)	Total Amount	
Listed Stocks										
Sirtec International		798	10	\$ 7,980	-	\$ 40,855	-	27.75	\$ 22,058	
Taichung Bank		1,567	10	<u>15,670</u>	-	<u>12,880</u>	-	10.85	<u>16,921</u>	
Total				<u>\$ 23,650</u>		<u>\$ 53,735</u>			<u>\$ 38,979</u>	

Taiming Assurance Broker Co., Ltd.

Statement of Changes in Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current
For the Year Ended December 31, 2020.

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

Name of Financial Products	Opening balance		Increase		Decrease		Ending balance		Accumulated Impairment	Collateral or Pledge
	Number of Shares (shares)	Fair Value	Number of Shares (shares)	Amount	Number of Shares (shares)	Amount	Number of Shares (shares)	Fair Value		
Unlisted Stocks										
TOP TAIWAN X VENTURE CAPITAL CO., LTD.	5,400	\$ 56,836	-	\$ 6,027	-	\$ -	5,400	\$ 62,863	-	
Chengding Venture Capital Co., Ltd.	5,000	48,519	-	1,848	-	-	5,000	50,367	-	
Total		\$ 105,355	-	\$ 7,875		\$ -		\$ 113,230		

Taiming Assurance Broker Co., Ltd.**Statement of Notes Receivable and Accounts Receivable****For the Year Ended December 31, 2020.****Unit: In Thousands of New Taiwan Dollars**

<u>Name</u>	<u>Summary</u>	<u>Amount</u>
Notes receivable		
Others (Note)	Commission	<u>\$ 91</u>
Accounts receivable		
TransGlobe Life Insurance	Commission	38,145
Farglory Life Insurance Inc.	"	14,991
Taiwan Life Insurance	"	6,088
Fubon Life Insurance	"	5,118
Others (Note)	"	<u>23,454</u>
		<u>87,796</u>
		<u>\$ 87,887</u>

Note: If the customer balance is less than 5% of the total amount, it shall be presented in an aggregate number.

Taiming Assurance Broker Co., Ltd.**Statement of Changes in Right-of-use Assets****For the Year Ended December 31, 2020.****Unit: In Thousands of New Taiwan Dollars**

Name	Opening balance	Increase	Decrease	Ending balance
Cost (Note)				
Building	\$ 51,304	\$ 2,097	\$ 332	\$ 53,069
Accumulated depreciation				
Building	<u>13,295</u>	<u>14,898</u>	<u>332</u>	<u>27,861</u>
	<u>\$ 38,009</u>	(<u>\$ 12,801</u>)	<u>\$ -</u>	<u>\$ 25,208</u>

Note: The increase of NT\$2,097 thousand this year is because of the new lease of NT\$1,521 thousand and the lease modification of NT\$576 thousand; the decrease of NT\$332 thousand this year is due to the maturity of leases.

Taiming Assurance Broker Co., Ltd.**Statement of Lease Liabilities****For the Year Ended December 31, 2020.****Unit: In Thousands of New Taiwan Dollars**

<u>Name</u>	<u>Lease Term</u>	<u>Discount rate (%)</u>	<u>Ending balance</u>
Building	2017.04.01-2024.03.31	1.25~1.60	\$ 25,557
Less: current portion			(<u>14,613</u>)
Lease liabilities - non-current			<u>\$ 10,944</u>

Taiming Assurance Broker Co., Ltd.

Statement of Operating Income
For the Year Ended December 31, 2020
Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Amount</u>
Life Insurance Commission Income	\$ 655,010
Property Insurance Commission Income	<u>63,706</u>
Operating Income	<u>\$ 718,716</u>

Taiming Assurance Broker Co., Ltd.

Statement of Operating Cost
For the Year Ended December 31, 2020
Unit: In Thousands of New Taiwan Dollars

<u>Item</u>	<u>Amount</u>
Commission expenditure	\$ 527,739
Others	<u>31,991</u>
Total Operating Costs	<u>\$ 559,730</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 Expenses
For the Year Ended December 31, 2020
Unit: In Thousands of New Taiwan Dollars

<u>Name</u>	<u>Amount</u>
Salary Expenditure	\$ 52,541
Depreciation	6,092
Insurance Expense	4,728
Others	<u>21,046</u>
	<u>\$ 84,407</u>

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

Taiming Assurance Broker Co., Ltd.

Table of Employee Benefits, Depreciation, and Amortization Expenses Incurred by Function During the Current Period
for the Years Ended December 31, 2020 and 2019

Unit: In Thousands of New Taiwan Dollars

	2020		2019	
	Operating Costs	Operating Expenses	Operating Costs	Operating Expenses
Employee Benefits Expenses (Note)				
Salary expenses	\$ -	\$ 46,258	\$ -	\$ 47,747
Labor and health insurance expenses	-	3,820	-	3,838
Pension expenses	-	1,969	-	1,948
Remuneration to directors	-	4,314	-	3,743
Other employee benefits expenses	-	2,503	-	2,126
Total	\$ -	\$ 58,864	\$ -	\$ 59,402
Depreciation expenses	\$ 12,405	\$ 6,092	\$ 12,093	\$ 6,188
Amortization expenses	\$ -	\$ 290	\$ 9	\$ -

Note 1: As of December 31, 2020 and 2019, the Company had 65 and 64 employees, respectively, and the number of directors who did not serve as employees concurrently were both 5.

Note 2: The average employee benefit expenses for 2020 and 2019 were NT\$909 thousand and NT\$943 thousand, respectively.

Note 3: The average salary expenses for employees for 2020 and 2019 were NT\$771 thousand and NT\$809 thousand, respectively.

Note 4: The average salary expenses for employees were adjusted by (4.70) %.

Note 5: Remuneration policy

(1) Directors

The remuneration to the Company's Chairman of the Board, directors (including independent directors) shall be determined by the board of directors authorized in accordance with Article 16 of the Articles of Incorporation, by considering their degree of participation in the Company's operations and the value of their contribution while with reference to the standards in the industry.

If the Company has earnings, it shall appropriate no greater than 5% of the balance as remuneration to the directors. However, if the Company has accumulated losses, the earnings shall be reserved to make up for the losses first. The remuneration to the directors shall only be paid in cash.

The payment of remuneration to directors is handled in accordance with the "Regulations on Remuneration to Directors". The main principles are: (1) directors shall be paid with an attendance fee for attendance to each board meeting on the day of the meeting; (2) independent directors shall be paid with monthly honoraria, but are not eligible for the annual remuneration to directors; (3) if a director serves as an employee concurrently, in addition to being paid with attendance fees and remuneration to directors from earnings distributed, the salary of the concurrent employee position shall be handled in accordance with the position and relevant regulations of the Company.

(2) Managers

The remuneration to the Company's managers is handled in accordance with Article 17 of the Company's Articles of Incorporation and Article 29 of the Company Act.

The monthly salary of the Company's managers is determined by considering their experience, special expertise, and qualifications set by the competent authority; the Company may refer to the price index, standards in the industry, operating results, financial position, the Company's salary policies, and personal performance to conduct annual salary adjustments.

The managers' bonuses are mainly determined based on the Company's performance and earnings of the current year, while with reference to the personal performance in the current year; managers may be eligible for employee remuneration distributed.

The managers' salary determination and adjustment, as well as bonus and remuneration determination shall be processed after approved by the Remuneration Committee and then resolved by the board of directors.

(3) Employees

The employees' salary is determined by referring to the overall salary standards in the industry and individuals' seniority and experience. The Company may refer to the price index, standards in the industry, operating results, financial position, the Company's salary policy, and personal performance to conduct annual salary adjustments.

Based on the Company's performance and earnings of the current year, while with reference to personal performance in the current year, the employees' bonuses are determined by the annual personal, supervisor's, and comprehensive performance evaluations.

According to the Company's Articles of Incorporation, if the Company makes any profit in the current year, the Company shall appropriate 1% to 5% as employee remuneration, and the employee remuneration may be paid in stocks or cash.