

**TAIWAN SECOM CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT AUDITORS  
FOR THE THREE-MONTH PERIODS ENDED  
MARCH 31, 2022 AND 2021**

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these consolidated financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language consolidated financial statements shall prevail.

# TAIWAN SECOM CO., LTD. AND SUBSIDIARIES

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## **Independent Auditors' Review Report Translated from Chinese**

To Taiwan Secom Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Taiwan Secom Co., Ltd. (the "Company") and its subsidiaries as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### **Scope of Review**

We conducted our reviews in accordance with Statement of Auditing Standards No.65, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As explained in Note 4(3), the financial statements of certain insignificant subsidiaries were not reviewed by independent accountants. Those statements reflect total assets of NT\$9,555,041 thousand and NT\$8,877,785 thousand, constituting 39% and 37% of the consolidated total assets, and total liabilities of NT\$2,220,144 thousand and NT\$2,344,897 thousand, constituting 19% and 20% of the consolidated total liabilities as of March 31, 2022 and 2021, respectively; and total comprehensive income of NT\$176,121 thousand and NT\$190,914 thousand, constituting 22% and 30% of the consolidated total comprehensive income for the three-month periods ended March 31, 2022 and 2021, respectively. As explained in Note 6(8), the financial statements of the associates accounted for using the equity method were not reviewed by independent accountants. The associate accounted for using the equity method amounted to NT\$371,910 thousand and NT\$365,890 thousand as of March 31, 2022 and 2021, respectively. The related shares of profit from associates accounted for using the equity method amounted to NT\$1,212 thousand and NT\$1,622 thousand, and the related shares of other comprehensive income from the associates accounted for using the equity method both amounted to NT\$0 thousand for the three-month periods ended March 31, 2022 and 2021, respectively. The information related to above subsidiaries, and the associate accounted for using the equity method disclosed in Note 13 was also not reviewed by independent accountants.

## **Qualified Conclusion**

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain insignificant subsidiaries, and the associate accounted for using equity method and the information disclosed in the footnotes been reviewed by independent accountants described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all materials respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2022 and 2021, their consolidated financial performance and cash flows for the three-month periods ended March 31, 2022 and 2021, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Wang, Yahn-Jyun

Hsu, Hsin-Min

Ernst & Young, Taiwan

May 11, 2022

### **Notice to Readers**

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2022, December 31, 2021 and March 31, 2021  
(March 31, 2022 and 2021 are unaudited)  
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of					
		March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	%	Amount	%	Amount	%
<b>Current assets</b>							
Cash and cash equivalents	4 and 6	\$5,021,658	20	\$4,665,344	20	\$5,863,789	24
Financial assets at fair value through profit or loss, current	4 and 6	1,037	-	1,020	-	1,096	-
Financial assets at fair value through other comprehensive income, current	4 and 6	276,393	1	267,133	1	246,016	1
Financial assets measured at amortized cost, current	4, 6 and 8	337,789	1	352,269	2	432,817	2
Contract assets, current	4 and 6	395,913	2	327,088	1	197,857	1
Notes receivable, net	4 and 6	161,542	1	182,628	1	182,626	1
Accounts receivable, net	4 and 6	954,813	4	873,644	4	873,589	3
Accounts receivable from related parties, net	4, 6 and 7	194,873	1	258,183	1	171,676	1
Operating lease receivables	4 and 6	48,914	-	86,766	-	51,020	-
Finance lease receivables	4 and 6	72,456	-	69,685	-	60,607	-
Inventories, net	4 and 6	495,687	2	540,406	2	721,585	3
Prepayments		742,238	3	632,546	3	736,195	3
Other current assets		174,442	1	215,895	1	153,813	1
<b>Total current assets</b>		<u>8,877,755</u>	<u>36</u>	<u>8,472,607</u>	<u>36</u>	<u>9,692,686</u>	<u>40</u>
<b>Non-current assets</b>							
Financial assets at fair value through profit or loss, non-current	4 and 6	106,753	-	42,138	-	-	-
Financial assets at fair value through other comprehensive income, non-current	4 and 6	219,077	1	207,080	1	162,190	1
Financial assets measured at amortized cost, non-current	4, 6 and 8	74,634	-	147,263	1	105,411	-
Investments accounted for under the equity method	4 and 6	4,489,668	18	4,112,111	17	3,853,268	16
Property, plant and equipment	4, 6, 7 and 8	7,514,751	31	7,178,382	30	7,000,133	29
Right-of-use assets	4, 6 and 7	571,321	2	644,652	3	770,332	3
Investment property	4, 6 and 8	38,656	-	38,758	-	39,064	-
Intangible assets	4 and 6	485,202	2	362,696	2	384,783	2
Deferred tax assets	4 and 6	430,260	2	420,305	2	429,342	2
Prepayment for equipment		1,283,896	5	1,237,226	5	1,046,651	4
Refundable deposits	7	321,324	1	350,770	1	356,199	2
Long-term receivables	6	56,955	-	54,276	-	59,012	-
Long-term lease receivables	4 and 6	164,999	1	181,414	1	143,353	1
Other assets, non-current		142,065	1	163,266	1	106,070	-
<b>Total non-current assets</b>		<u>15,899,561</u>	<u>64</u>	<u>15,140,337</u>	<u>64</u>	<u>14,455,808</u>	<u>60</u>
<b>Total assets</b>		<u>\$24,777,316</u>	<u>100</u>	<u>\$23,612,944</u>	<u>100</u>	<u>\$24,148,494</u>	<u>100</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
March 31, 2022, December 31, 2021 and March 31, 2021  
(March 31, 2022 and 2021 are unaudited)  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of					
		March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	%	Amount	%	Amount	%
<b>Current liabilities</b>							
Short-term loans	4, 6 and 8	\$1,630,000	7	\$500,000	2	\$1,000,000	4
Short-term bills payable	6	90,000	-	50,000	-	280,000	1
Contract liabilities, current	4 and 6	1,421,107	6	1,301,963	5	1,579,734	7
Notes payable		139,738	1	175,710	1	186,993	1
Accounts payable		564,619	2	636,401	3	476,940	2
Accounts payable to related parties	7	26,500	-	26,355	-	16,538	-
Other payables	6 and 7	1,502,087	6	2,370,494	10	1,436,480	6
Current tax liabilities	4 and 6	398,296	2	264,729	1	438,391	2
Lease liabilities	6	190,191	1	231,523	1	287,707	1
Lease liabilities to related parties	6 and 7	16,055	-	17,268	-	16,647	-
Current portion of long-term loans	4, 6 and 8	2,240,000	9	1,149,793	5	105,288	-
Other current liabilities	4 and 6	134,369	-	184,157	1	139,975	1
<b>Total current liabilities</b>		<b>8,352,962</b>	<b>34</b>	<b>6,908,393</b>	<b>29</b>	<b>5,964,693</b>	<b>25</b>
<b>Non-current liabilities</b>							
Contract liabilities, non-current	4 and 6	16,061	-	18,901	-	27,423	-
Long-term loans	4, 6 and 8	944,339	4	2,036,168	9	3,082,712	13
Provisions, non-current	4	52,956	-	7,200	-	7,200	-
Lease liabilities	6	342,162	1	371,605	1	442,560	2
Lease liabilities to related parties	6 and 7	19,464	-	23,184	-	24,023	-
Long-term payables		24,057	-	15,860	-	29,972	-
Net defined benefit liabilities, non-current	4 and 6	1,524,312	6	1,564,993	7	1,583,107	6
Guarantee deposits	6	652,098	3	648,061	3	664,270	3
<b>Total non-current liabilities</b>		<b>3,575,449</b>	<b>14</b>	<b>4,685,972</b>	<b>20</b>	<b>5,861,267</b>	<b>24</b>
<b>Total liabilities</b>		<b>11,928,411</b>	<b>48</b>	<b>11,594,365</b>	<b>49</b>	<b>11,825,960</b>	<b>49</b>
<b>Equity attributable to the parent</b>							
<b>Capital</b>							
Common stock	6	4,511,971	18	4,511,971	19	4,511,971	19
<b>Capital surplus</b>	6	824,811	3	824,811	3	813,963	3
<b>Retained earnings</b>	6						
Legal reserve		3,970,792	16	3,970,792	17	3,741,171	15
Special reserve		100,384	1	100,384	-	58,666	-
Unappropriated earnings		3,232,764	13	2,504,000	11	3,089,533	13
<b>Other components of equity</b>	4 and 6	46,282	-	(15,352)	-	(68,601)	-
<b>Treasury stock</b>	4 and 6	(288,389)	(1)	(288,389)	(1)	(288,389)	(1)
<b>Non-controlling interests</b>	6	450,290	2	410,362	2	464,220	2
<b>Total equity</b>		<b>12,848,905</b>	<b>52</b>	<b>12,018,579</b>	<b>51</b>	<b>12,322,534</b>	<b>51</b>
<b>Total liabilities and equity</b>		<b>\$24,777,316</b>	<b>100</b>	<b>\$23,612,944</b>	<b>100</b>	<b>\$24,148,494</b>	<b>100</b>

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
 For the three-month periods ended March 31, 2022 and 2021  
 (Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Item	Notes	2022		2021	
		Amount	%	Amount	%
<b>Operating revenue</b>		\$3,749,233	100	\$3,552,699	100
<b>Less : Sales returns and allowances</b>		(9,499)	-	(15,780)	-
<b>Net revenue</b>	4, 6 and 7	3,739,734	100	3,536,919	100
<b>Operating costs</b>	6 and 7	(2,525,084)	(68)	(2,257,834)	(64)
<b>Gross profit</b>		1,214,650	32	1,279,085	36
<b>Operating expenses</b>	6 and 7				
Sales and marketing expenses		(223,935)	(6)	(205,442)	(6)
General and administrative expenses		(381,571)	(10)	(353,785)	(10)
Research and development expenses		(28,641)	(1)	(27,872)	(1)
Expected credit losses		(1,626)	-	(1,787)	-
Subtotal		(635,773)	(17)	(588,886)	(17)
<b>Operating income</b>		578,877	15	690,199	19
<b>Non-operating income and loss</b>					
Interest income	6	1,910	-	2,441	-
Other income	6	9,704	-	15,856	-
Other gains and losses	6	(25,248)	-	(35,763)	-
Finance costs	6	(12,508)	-	(12,264)	-
Share of profit or loss of associates accounted for using the equity method		280,389	7	80,910	2
Subtotal		254,247	7	51,180	2
<b>Income before income tax</b>		833,124	22	741,379	21
<b>Income tax expenses</b>	4 and 6	(125,721)	(3)	(141,304)	(4)
<b>Net income</b>		707,403	19	600,075	17
<b>Other comprehensive income</b>	6				
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Unrealized gains on financial assets at fair value through other comprehensive income		51,862	1	22,237	1
Share of other comprehensive income (loss) of associates and joint ventures-may not be reclassified subsequently to profit or loss		13,954	-	15,222	-
<b>Items that may be reclassified subsequently to profit or loss</b>					
Exchange differences on translation of foreign operations		(2,128)	-	(988)	-
Share of other comprehensive (loss) income of associates and joint ventures-may be reclassified subsequently to profit or loss		27,490	1	(2,818)	-
<b>Total other comprehensive income (loss), net of tax</b>		91,178	2	33,653	1
<b>Total comprehensive income</b>	6	\$798,581	21	\$633,728	18
<b>Net income attributable to:</b>					
Shareholders of the parent		\$699,864		\$587,036	
Non-controlling interests		7,539		13,039	
<b>Comprehensive income attributable to:</b>	6				
Shareholders of the parent		\$790,398		\$618,746	
Non-controlling interests		8,183		14,982	
<b>Earnings per share (NT\$)</b>					
Basic earnings per share	6	\$1.59		\$1.33	
Diluted earnings per share	6	\$1.59		\$1.33	

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three-month periods ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Description	Equity Attributable to the Parent Company									Non-Controlling Interests	Total Equity
	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Treasury Stock	Total		
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain or Loss on Financial Assets at Fair Value Through other Comprehensive Income				
Balance as of January 1, 2021	\$4,511,971	\$813,963	\$3,741,171	\$58,666	\$2,502,570	\$(104,597)	\$4,213	\$(288,389)	\$11,239,568	\$459,044	\$11,698,612
Net income for the three-month periods ended March 31, 2021	-	-	-	-	587,036	-	-	-	587,036	13,039	600,075
Other comprehensive income for the three-month periods ended March 31, 2021	-	-	-	-	-	(2,818)	34,528	-	31,710	1,943	33,653
Total comprehensive income	-	-	-	-	587,036	(2,818)	34,528	-	618,746	14,982	633,728
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(9,751)	(9,751)
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	(626)	-	626	-	-	(55)	(55)
Disposal of equity instrument at fair value through other comprehensive income	-	-	-	-	553	-	(553)	-	-	-	-
Balance as of March 31, 2021	<u>\$4,511,971</u>	<u>\$813,963</u>	<u>\$3,741,171</u>	<u>\$58,666</u>	<u>\$3,089,533</u>	<u>\$(107,415)</u>	<u>\$38,814</u>	<u>\$(288,389)</u>	<u>\$11,858,314</u>	<u>\$464,220</u>	<u>\$12,322,534</u>
Balance as of January 1, 2022	\$4,511,971	\$824,811	\$3,970,792	\$100,384	\$2,504,000	\$(102,361)	\$87,009	\$(288,389)	\$11,608,217	\$410,362	\$12,018,579
Net income for the three-month periods ended March 31, 2022	-	-	-	-	699,864	-	-	-	699,864	7,539	707,403
Other comprehensive income for the three-month periods ended March 31, 2022	-	-	-	-	-	27,490	63,044	-	90,534	644	91,178
Total comprehensive income	-	-	-	-	699,864	27,490	63,044	-	790,398	8,183	798,581
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries	-	-	-	-	28,900	-	(28,900)	-	-	-	-
Increase through changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	20,000	20,000
Difference between consideration given/received and carrying amount	-	-	-	-	-	-	-	-	-	11,745	11,745
Balance as of March 31, 2022	<u>\$4,511,971</u>	<u>\$824,811</u>	<u>\$3,970,792</u>	<u>\$100,384</u>	<u>\$3,232,764</u>	<u>\$(74,871)</u>	<u>\$121,153</u>	<u>\$(288,389)</u>	<u>\$12,398,615</u>	<u>\$450,290</u>	<u>\$12,848,905</u>

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



TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS  
 For the three-month periods ended March 31, 2022 and 2021  
 (Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
<b>Cash flows from operating activities:</b>		
Profit before tax from continuing operations	\$833,124	\$741,379
Net income before tax	833,124	741,379
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Expected credit losses	1,626	1,787
Depreciation	361,156	356,239
Amortization	16,087	14,777
(Gain) loss of financial assets at fair value through profit or loss	(17)	12
Interest expense	12,508	12,264
Interest income	(1,910)	(2,441)
Loss (gain) on disposal of property, plant and equipment	17,894	(8)
Share of profit or loss of associates accounted for using the equity method	(280,389)	(80,910)
Gain on lease modification	(145)	(8)
Changes in operating assets and liabilities:		
Contract assets	(67,786)	(77,541)
Notes receivable, net	21,179	41,419
Accounts receivable, net	65,125	(41,633)
Accounts receivable from related parties, net	63,261	(21,979)
Inventories, net	11,623	(288,109)
Prepayments	(112,816)	(77,046)
Other current assets	43,022	32,580
Operating lease receivables	37,852	1,141
Finance lease receivables	13,644	14,381
Long-term receivables	(2,939)	(18,471)
Contract liabilities	116,304	293,673
Notes payable	(42,406)	(2,682)
Accounts payable	(181,319)	25,705
Accounts payable to related parties	145	3,406
Other payables	(892,542)	(748,278)
Provisions	45,992	-
Other current liabilities	(49,285)	29,017
Net defined liabilities, non-current	(40,681)	(41,031)
Cash (outflow) inflow generated from operations	(11,693)	167,643
Interest received	934	1,472
Interest paid	(10,286)	(9,622)
Income tax (paid) received	(42)	157
Net cash (used in) provided by operating activities	(21,087)	159,650
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(10,935)	(15,950)
Proceeds from disposal of financial assets at fair value through other comprehensive income	38,749	16,348
Capital deducted by cash of financial assets at fair value through other comprehensive income	-	553
Acquisition of financial assets at fair value through profit or loss	(64,615)	-
Acquisition of financial assets measured at amortized cost	(185,413)	(738,227)
Proceeds from disposal of financial assets measured at amortized cost	273,530	663,411
Acquisition of financial assets at fair value through profit or loss	(11,107)	(147,857)
Acquisition of subsidiary (net of cash acquired)	(488,903)	-
Acquisition of property, plant and equipment	(189,016)	(179,925)
Proceeds from disposal of property, plant and equipment	4,510	2,930
Decrease in refundable deposits	30,806	14,915
Acquisition of intangible assets	(14,748)	(15,216)
Increase in prepayment for equipment	(46,670)	(24,468)
Decrease in other assets	6,466	6,093
Net cash used in investing activities	(657,346)	(417,393)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans	1,111,000	(600,000)
(Decrease) increase in short-term bills payable	(10,000)	130,000
Increase in long-term loans	-	1,172,000
Decrease in long-term loans	(1,622)	-
Increase in guarantee deposits	4,037	4,166
Cash payments for the principal portion of lease liability	(88,330)	(84,683)
Changes in non-controlling interests	19,662	(9,751)
Net cash provided by financing activities	1,034,747	611,732
Effect of exchange rate changes on cash and cash equivalents	-	-
Net increase in cash and cash equivalents	356,314	353,989
Cash and cash equivalents at beginning of year	4,665,344	5,509,800
Cash and cash equivalents at end of year	\$5,021,658	\$5,863,789

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Stated)

1. History and Organization

Taiwan Secom Co., Ltd. (“the Company”) was incorporated under the laws of the Republic of China (“R.O.C.”) on November 8, 1977. The Company is engaged mainly in the security service. In December 1993, the Company listed its shares of stock on the Taiwan Stock Exchange (“TWSE”). The Company’s registered office and the main business location is at 6F., No.139, Zhengzhou Rd., Datong Dist., Taipei, R.O.C.

2. Date and Procedures of Authorization of Financial Statements for Issue

The consolidated financial statements of the Company and subsidiaries (“the Group”) for the three-month periods ended March 31, 2022 and 2021 were authorized for issue by the Board of Directors on May 11, 2022.

3. Newly Issued or Revised Standards and Interpretations

- (1) Changes in accounting policies resulting from the first-time adoption of certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2022. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
d	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
e	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
f	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendment to IAS 12	1 January 2023

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(e) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(f) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (c)~(e), it is not practicable to estimate their impact on the Group for the time being. The remaining new or amended standards and interpretations have no material impact on the Group

#### 4. Summary of Significant Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 "Interim Financial Reporting" which is endorsed and became effective by FSC.

(2) Basis of preparation

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

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- A. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements
- C. the Company’s voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;
- E. recognizes any surplus or deficit in profit or loss; and
- F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2022	December 31, 2021	March 31, 2021
The Company	Speed Investment Co., Ltd.	Investment holding	100.00%	100.00%	100.00%
The Company	Goyun Security Co., Ltd.	Security services providing	100.00%	100.00%	100.00%
The Company	LeeBao Security Co., Ltd.	Security services providing	100.00%	100.00%	100.00%
The Company	Chung Hsing E-Guard Co., Ltd.	Sales of electric, telecommunications and fireproof products	100.00%	100.00%	100.00%
The Company	Goldsun Express & Logistics Co., Ltd.	Air cargo transporting services	100.00%	100.00%	100.00%
The Company	Aion Technologies Inc.	Technology support services	73.75%	73.75%	73.75%
The Company	Golden Harvest Food Enterprise Ltd.	Food processing and manufacturing (Note 1)	97.84%	-	-
The Company, Speed Investment Co., Ltd., KuoHsing Security Co., Ltd., Lee Way Electronics Co., Ltd. and Titan Star International Co., Ltd.	TransAsia Catering Service Ltd.	Production and sales of instant foods and in-flight catering	91.82%	91.82%	91.82%
The Company, Goyun Security Co., Ltd., and KuoHsing Security Co., Ltd.	Gowin Building Management and Maintenance Co., Ltd.	Building management services providing	100.00%	100.00%	100.00%
The Company, Speed Investment Co., Ltd., and KuoHsing Security Co., Ltd.	Lee Way Electronics Co., Ltd.	Police-Citizen connection and AED rental services	90.24%	90.24%	90.24%
The Company, Speed Investment Co., Ltd. and Goyun Security Co., Ltd.	Lots Home Entertainment Co., Ltd.	Digital video and movie distribution (Note 2)	89.52%	89.52%	100.00%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2022	December 31, 2021	March 31, 2021
The Company and Gowin Building Management and Maintenance Co., Ltd.	KuoHsing Security Co., Ltd.	Corporate security guarding services	85.22%	85.22%	85.22%
The Company and Speed Investment Co., Ltd.	Taiwan Secom Insurance Brokerage Services Inc.	Insurance broker (Note 3)	100.00%	100.00%	70.00%
The Company, Speed Investment Co., Ltd and Titan Star International Co., Ltd.	Taiwan Video System Co., Ltd.	Sales and manufacture of digital signage and monitors (Note 4)	-	-	85.48%
The Company, Speed Investment Co., Ltd. Aion Technologies Inc. and Titan Star International Co., Ltd.	Brighton Technology and Engineering Corporation	Light controlling system services (Note 5)	92.12%	92.12%	93.87%
LeeBao Security Co., Ltd.	LeeBao Technology Co., Ltd.	Automated Teller Machine (ATM) services	100.00%	100.00%	100.00%
Lee Way Electronics Co., Ltd.	Lee Yuan Biomedical Co., Ltd.	Medical equipment and AED rental services	100.00%	100.00%	100.00%
Speed Investment Co., Ltd.	Titan Star International Co., Ltd.	Manufacturing, selling and processing of security-related equipment and parts	100.00%	100.00%	100.00%
Speed Investment Co., Ltd.	SVS Corporation	Vehicles maintenance services (Note 6)	-	-	100.00%
Speed Investment Co., Ltd.	Jiansheng International Co., Ltd.	Retail of medical equipment	100.00%	100.00%	100.00%
Speed Investment Co., Ltd	Sunseap Solutions Taiwan Limited	Energy-saving solutions technology (Note 7)	51.00%	51.00%	51.00%
Speed Investment Co., Ltd	Sphinx Foods Company Limited	Food manufacturing (Note 8)	-	-	100.00%
Speed Investment Co., Ltd.	Baohwa Trust Co., Ltd.	Information Security Services (Note 9)	60.00%	-	-
Speed Investment Co., Ltd.	Having Drama Entertainment Co., Ltd.	Video content development and investment (Note 10)	97.14%	-	-
Speed Investment Co., Ltd. and Goyun Security Co., Ltd.	Babyboss Co., Ltd.	Educational and recreational services (Note 2)	-	-	88.47%
Speed Investment Co., Ltd. and Goyun Security Co., Ltd.	Ching-Dian Tech Co., Ltd..	POS system for retail (Note 11)	100.00%	100.00%	64.30%
Speed Investment Co., Ltd. and Aion Technologies Inc.	Epic Tech Taiwan Inc.	Property Management Platform	97.50%	97.50%	97.50%
Goldsun Express & Logistics Co., Ltd.	Goldsun Express Ltd.	The custom broker services	100.00%	100.00%	100.00%

Name of the investors	Name of subsidiaries	Nature of Business	Percentage of ownership (%)		
			March 31, 2022	December 31, 2021	March 31, 2021
KuoHsing Security Co., Ltd.	Chung Po Rental Co., Ltd.	Mini-Storage rental services	100.00%	100.00%	100.00%
Goyun Security Co., Ltd.	Guoyun Technology Co., Ltd.	Car parking lot services	100.00%	100.00%	100.00%
Gowin Building Management and Maintenance Co., Ltd.	Gowin Security Co., Ltd.	Buildings' security guarding services	100.00%	100.00%	100.00%
Gowin Building Management and Maintenance Co., Ltd.	Gowin Smart Parking Co., Ltd.	Car parking lot services	100.00%	100.00%	100.00%
TransAsia Catering Services Ltd.	Livingplus Food and Beverage Co. Ltd.	Catering services (Note 12)	100.00%	100.00%	96.25%
Brightron Technology and Engineering Corporation	SIGMU D.P.T. Company Ltd.	Wholesale and installation of fire safety equipment (Note 5)	100.00%	100.00%	83.51%
Brightron Technology and Engineering Corporation	Comlink Fire Systems Inc.	Wholesale of fire safety equipment (Note 5)	100.00%	100.00%	100.00%
Golden Harvest Food Enterprose Ltd.	Tai-Shun Shi Ye Co., Ltd.	Garment Industry (Note 1)	100.00%	-	-

Note 1: Taiwan Secom Co., Ltd. acquired 12,010,227 shares of Golden Harvest Food Enterprise Ltd. for NT\$520,874 thousand in January 2022, and made Golden Harvest Food Enterprise Ltd. and its subsidiary—Tai-Shun Shi Ye Co., Ltd compiled into consolidated statement.

Note 2: In order to integrate the resources of the group and improve its operating efficiency, on April 13, 2021, the boards of directors of Lots Home Entertainment Co., Ltd. and Babyboss Co., Ltd. approved to merge in accordance with Business Mergers and Acquisitions Act. Babyboss Co., Ltd. dissolved after the merger. The record date for the merger was May 31, 2021. After the merger is completed, the Group's shareholding of Lots Home Entertainment Co., Ltd. decreased to 89.52%.

Note 3: Taiwan Secom Co., Ltd. acquired 304,200 shares of Taiwan Secom Insurance Brokerage Services Inc. from its non-controlling interest shareholders for NT\$9,464 thousand in June 2021. The percentage of ownership was increased to 100%.

Note 4: Taiwan Video System Co., Ltd.'s dissolution was resolved by its Extraordinary Shareholder's meeting on October 28, 2020 and the dissolution record date was October 29, 2020. The dissolution was approved by the Taipei City Government on November 6, 2020, and the approved document number is No.10955959300. Dissolution and liquidation were completed at the end of April 2021.



- Note 5: In order to integrate the resources of the group and improve its operating efficiency, on June 18, 2021, the Boards of Directors of Brightron Technology and Engineering Corporation, SIGMU D.P.T. Company Ltd. and Comlink Fire Systems Inc approved the stock swap in accordance with Business Mergers and Acquisitions Act. After the stock swap, Brightron Technology and Engineering Corporation obtained 100% equity of SIGMU D.P.T. Company Ltd. and Comlink Fire Systems Inc., respectively, and the Group's shareholding of Brightron Technology and Engineering Corporation decreased from 93.87% to 92.12%. The record date of the stock swap is July 31, 2021, and registered in authority-in-charge.
- Note 6: SVS Corporate dissolution was resolved by the Board of Directors' meeting and the dissolution record date was May 20, 2021. The dissolution was approved by the Taipei City Government on June 2, 2021, and the approved document number is No.11049918010. Dissolution and liquidation were completed at the end of January 2022.
- Note 7: Speed Investment Co., Ltd. joined the cash capital increase of Sunseap Solutions Taiwan Limited. Speed Investment Co., Ltd. acquired 1,224 thousand additional shares by investing NT\$12,240 thousand. The percentage of ownership remains as 51%.
- Note 8: Sphinx Foods Company Limited established by Speed Investment Co., Ltd. in June 2020. The issued capital amounted to NT\$20,000 thousand. In order to integrate the resources of the group and improve its operating efficiency, on April 19, 2021, the Boards of Directors of Speed Investment Co., Ltd. and Sphinx Foods Company Limited approved to merge in accordance with Business Mergers and Acquisitions Act, and Sphinx Foods Company Limited dissolved after the merger. The dissolution was approved by the Taipei City Government on June 1, 2021, and the approved document number is No.11001081610.
- Note 9: Speed Investment Co., Ltd. invested Baohwa Trust Co., Ltd. NT\$30,000 thousand in March 2022. The percentage of ownership was 60%.
- Note 10: Speed Investment Co., Ltd. invested Having Drama Entertainment Co., Ltd. NT\$102,000 thousand in March 2022. The percentage of ownership was 97.14%. The investment was approved by New Taipei City Government on April 20, 2022, Having Drama Entertainment Co., Ltd. then changed its Chinese name.
- Note 11: Speed Investment Co., Ltd. acquired 5,355,000 shares of Ching-Dian Tech Co., Ltd. from its non-controlling interest shareholders for NT\$61,690 thousand in April 2021. The percentage of ownership was increased to 100%.

Note 12: Speed Investment Co., Ltd. acquired 1,000,000 shares of Living Plus Food & Beverage Co., Ltd. from its non-controlling interest shareholders for NT\$875 thousand in April 2021. Speed Investment Co., Ltd. sold the 100% right of Living Plus Food & Beverage Co., Ltd. to TransAsia Catering Services Ltd. in October 2021 and the consideration was NT\$14,180 thousand. The transaction was completed on October 20, 2021 and registered in authority-in-charge.

We did not review the financial statements of certain subsidiaries, whose statements reflect total assets of NT\$9,555,041 thousand and NT\$8,877,785 thousand as of March 31, 2022 and 2021, respectively, and total liabilities of NT\$2,220,144 thousand and NT\$2,344,897 thousand as of March 31, 2022 and 2021, respectively, and total comprehensive income of NT\$176,121 thousand and NT\$190,914 thousand for the three-month periods ended March 31, 2022 and 2021, respectively.

#### (4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT\$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as of the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Group holds the asset primarily for the purpose of trading
- C. The Group expects to realize the asset within twelve months after the reporting period
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle
- B. The Group holds the liability primarily for the purpose of trading
- C. The liability is due to be settled within twelve months after the reporting period
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

#### (7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within three months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

##### A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- a. the Group's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

### Financial assets measured at amortized cost

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

- a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- a. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

### Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

#### Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

## B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

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

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

- a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- d. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

## C. Derecognition of financial assets

A financial asset is derecognized when:

- a. The rights to receive cash flows from the asset have expired
- b. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

## D. Financial liabilities and equity

### Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

### Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.



For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

### Financial liabilities

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

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- a. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- b. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- c. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

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

- a. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- b. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

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

#### Financial liabilities at amortized cost

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

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

#### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

### E. Offsetting of financial instruments

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

## (9) Fair value measurement

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

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

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

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

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

## (10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost on a weighted average basis

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

#### (11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

## (12) Property, plant and equipment

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

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

Buildings	51~61 years
Machinery and equipment	4~9 years
Security equipment	6~20 years
Office equipment	4~11 years
Transportation equipment	4~7 years
Other equipment	6~20 years

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

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

### (13) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

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

Buildings	9~61 years
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Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

#### (14) Leases

For contracts entered on the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
- B. the right to direct the use of the identified asset.

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

##### Group as a lessee

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

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

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

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

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

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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

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

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

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

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

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



### Group as a lessor

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

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

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

### (15) Intangible assets

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

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

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

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

### Customer relationship

The cost of customer relationship is amortized on a straight-line.

### Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (3 to 5 years).

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software	Customer relationship	Other intangible assets	Goodwill
Useful lives	Finite	Finite	Finite	Indefinite
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life (3-10 years)	No amortization
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired

## (16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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

#### (17) Provisions

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

##### Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

##### Provision for onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract or the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

## (18) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

## (19) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

### Sale of goods

The Group sells merchandise. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is security system equipment and revenue is recognized based on the consideration stated in the contract, as they are not accompanied by volume or other types of discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 15 to 120 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

### Rendering of services

A. The Group provides system security services, corporate security guarding services, and cash deliver services. Services fee is negotiated by contracts or orders, and provided based on contract periods. As the Group provides services over the contract period, the customers simultaneously receive and consume the benefits provided by the Group. Accordingly, the performance obligations are satisfied over time, and the related revenue are recognized by straight-line method over the contract period.

For most of the contractual considerations of the Group, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities. However, part of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets.

B. Most of the rendering of services contracts of the Group provide customized security system services based on customers' needs. The Group have the right to execute the considerations from the service when service already completed. Therefore, revenue is recognized by the proportion of completion of rendering of services. The price of the rendering of services contracts are usually fixed and the contractual considerations are collected according to the schedule agreed with the customers. When the rendering of services provided by the Group exceed the customers' payment, the contract assets are recognized. However, if the customers' payments exceed the services provided by the Group. Contract liabilities should be recognized accordingly.

The warranty provided by the Group is based on the assurance that the goods provided will operate as expected by the customer and is handled in accordance with IAS 37.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arising.

#### (20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### (21) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

## (22) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognizes restructuring-related costs

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

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

## (23) Income taxes

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

### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

### Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

#### (24) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as of the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.



Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

## 5. Significant Accounting Judgments, Estimates and Assumptions

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

### (1) Judgment

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

#### A. Investment properties

Certain properties of the Group comprise a portion held to earn rentals or for capital appreciation and the other portion is owner-occupied. If those portions could be sold separately, the Group accounts for those portions separately as investment properties and property, plant and equipment. If those portions could not be sold separately, the property is classified as investment property in its entirety only if the owner-occupied portion is under 5% of the total property.

## B. Operating lease commitment-Group as the lessor

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

## C. Significant influence of affiliated enterprises

The Group holds less than 20% voting rights in certain affiliated enterprises. However, the Group has significant influence after taking into consideration that the Group has the representation on the board of directors or equivalent governing body of the investee and other factors over certain affiliated enterprises. Additionally, the Group holds less than 50% voting rights in certain affiliated enterprises but the Group is the largest shareholder. However, after factoring into conditions such as absolute size of the Group's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Group reached the conclusion that it has not de facto control over these affiliates and only has significant influence. Please refer to Note 6(8) for further details.

## (2) Estimates and assumptions

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

### A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

### B. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

### C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and future salary increases.

### D. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

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

### E. Accounts receivables—estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

## 6. Contents of Significant Accounts

### (1) Cash and cash equivalents

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Petty cash	\$11,019	\$11,205	\$11,109
Cash on hand for cash delivery service	1,322,740	1,442,760	1,302,710
Checking and saving accounts	3,258,948	2,839,589	3,212,744
Time deposits	4,597	4,594	36,202
Cash equivalents	424,354	367,196	1,301,024
Total	<u>\$5,021,658</u>	<u>\$4,665,344</u>	<u>\$5,863,789</u>

### (2) Financial assets at fair value through profit or loss

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets designated at fair value through profit or loss:			
Fund	\$1,037	\$1,020	\$1,096
Convertible bond	42,138	42,138	-
Convertible preferred shares	28,379	-	-
Film investment agreement	36,236	-	-
Total	<u>\$107,790</u>	<u>\$43,158</u>	<u>\$1,096</u>
Current	\$1,037	\$1,020	\$1,096
Non-current	106,753	42,138	-
Total	<u>\$107,790</u>	<u>\$43,158</u>	<u>\$1,096</u>

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

### (3) Financial assets at fair value through other comprehensive income

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Equity instrument investments measured at fair value through other comprehensive income:			
Listed companies' stocks	\$176,776	\$158,738	\$121,809
Unlisted companies' stocks	165,450	160,186	117,820
Real estate investment trust	153,244	155,289	168,577
Total	<u>\$495,470</u>	<u>\$474,213</u>	<u>\$408,206</u>
Current	\$276,393	\$267,133	\$246,016
Non-current	219,077	207,080	162,190
Total	<u>\$495,470</u>	<u>\$474,213</u>	<u>\$408,206</u>

Financial assets at fair value through other comprehensive income were not pledged.

In terms of the Group's investment strategy, the Group disposed and derecognized partial equity instrument investments measured at fair value through other comprehensive income. Details on derecognition of such investments for the three-month periods ended March 31, 2022 and 2021 are as follow:

	For the three-month periods ended March 31,	
	2022	2021
The fair value of the investments at the date of derecognition	\$38,749	\$16,901
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	28,900	(73)

(4) Financial assets measured at amortized cost

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Time deposit	\$382,380	\$439,499	\$408,191
Financial bonds	30,043	60,033	130,037
Subtotal	412,423	499,532	538,228
Less: loss allowance	-	-	-
Total	<u>\$412,423</u>	<u>\$499,532</u>	<u>\$538,228</u>
Current	\$337,789	\$352,269	\$432,817
Non-current	74,634	147,263	105,411
Total	<u>\$412,423</u>	<u>\$499,532</u>	<u>\$538,228</u>

Please refer to Note 8 for more detail on financial assets measured at amortized cost under pledge. Please refer to Note 6(20) for more details on loss allowance and Note 12 for more details on credit risk.

(5) Notes receivable

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Notes receivable arising from operating activities	\$161,542	\$182,628	\$182,626
Less: loss allowance	-	-	-
Total	<u>\$161,542</u>	<u>\$182,628</u>	<u>\$182,626</u>

Notes receivable was not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(20) for more details on loss allowance and Note 12 for details on credit risk.

(6) Accounts receivable, accounts receivable from related parties, and long-term receivables

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Accounts receivable	\$993,369	\$910,235	\$905,961
Less: loss allowance	(38,556)	(36,591)	(32,372)
Subtotal	954,813	873,644	873,589
Accounts receivable from related parties	194,873	258,183	171,676
Less: loss allowance	-	-	-
Subtotal	194,873	258,183	171,676
Operating lease receivables	48,914	86,766	51,020
Less: loss allowance	-	-	-
Subtotal	48,914	86,766	51,020
Long-term receivables	56,955	54,276	59,012
Less: loss allowance	-	-	-
Subtotal	56,955	54,276	59,012
Total	\$1,255,555	\$1,272,869	\$1,155,297

Accounts receivable was not pledged.

Accounts receivable is generally on 15-120 day terms. The total carrying amount as of March 31, 2022, December 31, 2021 and March 31, 2021 are NT\$1,294,111 thousand, NT\$1,309,460 thousand and NT\$1,187,669 thousand, respectively. Please refer to Note 6(20) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Merchandise inventories	\$287,448	\$345,395	\$343,498
Finished goods	9,400	5,628	1,330
Work-in-progress	25,861	43,435	17,691
Raw materials	159,142	133,508	77,904
Others	13,836	12,440	281,162
Total	\$495,687	\$540,406	\$721,585

The cost of inventories recognized in expenses amounted to NT\$595,809 thousand for the three-month period ended March 31, 2022, including the write-down of inventories of NT\$26,502 thousand, and the reversal of write-down of inventories of NT\$2,401 thousand, due to the obsolete inventories were sold in the current period, the benefit of write-down of inventories occurred.

The cost of inventories recognized in expenses amounted to NT\$331,500 thousand for the three-month period ended March 31, 2021, including the write-down of inventories of NT\$0 thousand.

No inventories were pledged.

(8) Investments accounted for using the equity method

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

Investees	As of					
	March 31, 2022		December 31, 2021		March 31, 2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
<u>Listed companies</u>						
Goldsun Building Materials Co., Ltd.	\$4,117,758	16	\$3,741,288	15	\$3,487,378	15
TransAsia Airways Corp.	-	12	-	12	-	12
Subtotal	4,117,758		3,741,288		3,487,378	
<u>Non-listed companies</u>						
Tech Elite Holdings Ltd.	-	39	-	39	-	39
Anfeng Enterprise Co., Ltd.	15,018	30	14,497	30	14,121	30
HuaYa Development Co., Ltd.	292,482	43	293,338	50	298,011	50
eSkylink Inc.	23,437	20	22,062	20	20,994	20
Global Food Co., Ltd.	24,543	30	24,443	30	23,752	30
GALC Inc.	9,799	30	9,483	30	9,012	30
Pony Drink Dream Co., Ltd.	6,631	35	7,000	35	-	-
Subtotal	371,910		370,823		365,890	
Total	\$4,489,668		\$4,112,111		\$3,853,268	

The Company possessed less than 20% of ownership of Goldsun Building Material Co., Ltd. However, since the key management of the Company is the chairman of the board of Goldsun Building Materials Co., Ltd. and the Company has one representation on the board of directors of the investee, the significant influence of the Company over the Goldsun Building Materials Co., Ltd. was assumed to exist, and therefore the investment was accounted for using the equity method.

The Company have majority of the voting rights of HuaYa Development Co., Ltd. However, after factoring into conditions such as absolute size of the Company's holding, relative size of the other shareholdings and contractual arrangements between shareholders, then the Company holds the voting rights less than the other shareholders, and reached the conclusion that it has not de facto control over this investee but only has significant influence and therefore the investment was accounted for using the equity method.

On January 11, 2017, the shareholders meeting of TransAsia Airways Corp., which is the Group's investee recognized in investments accounted for using the equity method, approved the liquidation proposal. Full impairment loss has been provided to the related balance of investments accounted for under the equity method after assessing the impairment test in 2016.

Information on the material associate of the Group:

Company name: Goldsun Building Materials Co., Ltd.

Nature of the relationship with the associate: The key management of the Group and Goldsun Building Materials Co., Ltd. are the same.

Principal place of business (country of incorporation): Taiwan

Fair value of the investment in the associate when there is a quoted market price for the investment: Goldsun Building Materials Co., Ltd. is listed on the Taiwan Stock Exchange (TWSE). The fair value of the investment in Goldsun Building Materials Co., Ltd. was NT\$5,579,645 thousand, NT\$5,455,454 thousand and NT\$4,881,635 thousand, as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

The summarized financial information of the associate is as follows:

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$11,801,762	\$12,530,850	\$12,700,387
Non-current assets	23,283,359	23,229,633	22,429,504
Current liabilities	(5,811,092)	(7,137,852)	(6,945,445)
Non-current liabilities	(4,392,807)	(6,116,784)	(6,207,818)
Equity	24,881,222	22,505,847	21,976,628
Non-controlling interests	(1,139,252)	(1,115,589)	(1,160,836)
Shareholders of the parent	23,741,970	21,390,258	20,815,792
Proportion of the Group's ownership	15.51%	15.48%	14.90%
Subtotal	3,682,380	3,311,212	3,101,553
Goodwill	363,485	360,415	316,691
Others	71,893	69,661	69,134
Carrying amount of the investment	<u>\$4,117,758</u>	<u>\$3,741,288</u>	<u>\$3,487,378</u>



	For the three-month periods ended March 31,	
	2022	2021
Operating revenue	\$4,852,951	\$5,093,190
Profit or loss from continuing operations	\$2,107,717	\$551,178
Other comprehensive income	267,335	86,081
Total comprehensive income	<u>\$2,375,052</u>	<u>\$637,259</u>

The Group's investments in other companies are not individually material. The aggregate carrying amount of the Group's interests in other companies is NT\$371,910 thousand, NT\$370,823 thousand and NT\$365,890 thousand, as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. The aggregate financial information based on Group's share of other companies is as follows:

	For the three-month periods ended March 31,	
	2022	2021
Profit or loss from continuing operations	\$1,212	\$1,622
Other comprehensive income (post-tax)	-	-
Total comprehensive income	<u>\$1,212</u>	<u>\$1,622</u>

The associates had no contingent liabilities or capital commitments as of March 31, 2022, December 31, 2021 and March 31, 2021.

The associates accounted for using the equity method amounted to NT\$371,910 thousand and NT\$365,890 thousand as of March 31, 2022 and 2021, respectively. The related shares of profit from associate accounted for using the equity method amounted to NT\$1,212 thousand and NT\$1,622 thousand, and the related shares of other comprehensive income from the associates accounted for using the equity method both amounted to NT\$0 thousand for the three-month periods ended March 31, 2022 and 2021. The information related to above subsidiaries, and the associate accounted for under the equity method was also not reviewed by independent accountants.

(9) Property, plant and equipment

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Owner occupied property, plant and equipment	\$7,373,335	\$7,028,768	\$6,852,188
Property, plant and equipment leased out under operating leases	141,416	149,614	147,945
Total	<u>\$7,514,751</u>	<u>\$7,178,382</u>	<u>\$7,000,133</u>

## A. Owner occupied property, plant and equipment

	Land and land improvements		Machinery and equipment	Security equipment	Office equipment	Transportation equipment	Other equipment	Total
Cost:								
As of January 1, 2022	\$2,894,240	\$1,563,538	\$493,813	\$8,842,477	\$710,535	\$938,890	\$1,114,271	\$16,557,764
Additions	-	2,549	12,270	126,734	21,311	17,421	6,736	187,021
Disposals	-	-	(15,010)	(11,980)	(13,596)	(22,945)	(16,319)	(79,850)
Acquisitions through business combinations	283,470	84,613	36,969	-	256	395	16,531	422,234
Other changes	-	-	-	20,727	169	-	-	20,896
As of March 31, 2022	<u>\$3,177,710</u>	<u>\$1,650,700</u>	<u>\$528,042</u>	<u>\$8,977,958</u>	<u>\$718,675</u>	<u>\$933,761</u>	<u>\$1,121,219</u>	<u>\$17,108,065</u>
As of January 1, 2021	\$2,725,140	\$1,528,669	\$582,341	\$8,779,203	\$702,739	\$958,997	\$1,055,082	\$16,332,171
Additions	-	363	9,633	100,207	15,084	23,131	24,898	173,316
Disposals	-	-	(6,090)	(734)	(12,732)	(18,371)	(441)	(38,368)
Other changes	-	-	-	23,949	-	-	-	23,949
As of March 31, 2021	<u>\$2,725,140</u>	<u>\$1,529,032</u>	<u>\$585,884</u>	<u>\$8,902,625</u>	<u>\$705,091</u>	<u>\$963,757</u>	<u>\$1,079,539</u>	<u>\$16,491,068</u>
Depreciation and impairment:								
As of January 1, 2022	\$-	\$500,437	\$400,285	\$6,701,562	\$562,429	\$525,537	\$838,817	\$9,529,067
Depreciation	-	11,123	9,613	182,630	14,828	21,318	23,525	263,037
Disposals	-	-	(8,631)	(11,557)	(12,371)	(13,642)	(11,245)	(57,446)
Other changes	-	-	-	-	72	-	-	72
As of March 31, 2022	<u>\$-</u>	<u>\$511,560</u>	<u>\$401,267</u>	<u>\$6,872,635</u>	<u>\$564,958</u>	<u>\$533,213</u>	<u>\$851,097</u>	<u>\$9,734,730</u>
As of January 1, 2021	\$-	\$464,842	\$496,606	\$6,545,240	\$576,892	\$544,019	\$787,324	\$9,414,923
Depreciation	-	8,818	6,721	189,868	12,334	20,408	21,259	259,408
Disposals	-	-	(6,090)	(598)	(12,495)	(15,885)	(383)	(35,451)
As of March 31, 2021	<u>\$-</u>	<u>\$473,660</u>	<u>\$497,237</u>	<u>\$6,734,510</u>	<u>\$576,731</u>	<u>\$548,542</u>	<u>\$808,200</u>	<u>\$9,638,880</u>
Net carrying amount as of:								
March 31, 2022	<u>\$3,177,710</u>	<u>\$1,139,140</u>	<u>\$126,775</u>	<u>\$2,105,323</u>	<u>\$153,717</u>	<u>\$400,548</u>	<u>\$270,122</u>	<u>\$7,373,335</u>
December 31, 2021	<u>\$2,894,240</u>	<u>\$1,063,101</u>	<u>\$93,528</u>	<u>\$2,140,915</u>	<u>\$148,106</u>	<u>\$413,353</u>	<u>\$275,525</u>	<u>\$7,028,768</u>
March 31, 2021	<u>\$2,725,140</u>	<u>\$1,055,372</u>	<u>\$88,647</u>	<u>\$2,168,115</u>	<u>\$128,360</u>	<u>\$415,215</u>	<u>\$271,339</u>	<u>\$6,852,188</u>

B. Property, plant and equipment leased out under operating leases

	<u>Other equipment</u>
Cost:	
As of January 1, 2022	\$534,550
Additions	1,995
Disposals	-
Other changes	3,765
As of March 31, 2022	<u>\$540,310</u>
As of January 1, 2021	\$475,087
Additions	6,609
Disposals	(14)
Other changes	6,494
As of March 31, 2021	<u>\$488,176</u>
Depreciation and impairment:	
As of January 1, 2022	\$384,865
Depreciation	14,029
Disposals	-
Other changes	-
As of March 31, 2022	<u>\$398,894</u>
As of January 1, 2021	\$325,291
Depreciation	14,949
Disposals	(9)
As of March 31, 2021	<u>\$340,231</u>
Net carrying amounts as at:	
March 31, 2022	<u>\$141,416</u>
December 31, 2021	<u>\$149,614</u>
March 31, 2021	<u>\$147,945</u>

The major components of the buildings are main building structure, air conditioning and elevators, which are depreciated over 51 years, 6 years and 16 years, respectively.

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(10) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2022	\$26,010	\$16,986	\$42,996
As of March 31, 2022	\$26,010	\$16,986	\$42,996
As of January 1, 2021	\$26,010	\$16,986	\$42,996
As of March 31, 2021	\$26,010	\$16,986	\$42,996
Depreciation and impairment:			
As of January 1, 2022	\$-	\$4,238	\$4,238
Depreciation	-	102	102
As of March 31, 2022	\$-	\$4,340	\$4,340
As of January 1, 2021	\$-	\$3,830	\$3,830
Depreciation	-	102	102
As of March 31, 2021	\$-	\$3,932	\$3,932
Net carrying amount as of:			
March 31, 2022	\$26,010	\$12,646	\$38,656
December 31, 2021	\$26,010	\$12,748	\$38,758
March 31, 2021	\$26,010	\$13,054	\$39,064
	For the three-month periods ended March 31,		
	2022	2021	
Rental income from investment property	\$1,345	\$927	
Less : Direct operating expense generated from rental income of investment property	(102)	(102)	
Total	\$1,243	\$825	

Please refer to Note 8 for more details on investment property under pledge.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT\$100,253 thousand as of December 31, 2021. The fair value has been determined based on valuations performed by an independent valuer. The fair value of investment properties was NT\$100,253 thousand and NT\$89,978 thousand, respectively. The fair value was measured based on aforementioned valuations information and relevant market information. The valuation method used is direct capitalized method, and the inputs used are discount rates and growth rates:

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Capitalization Rate	1.76%~1.77%	1.76%~1.77%	1.77%~1.85%

(11)Intangible assets

	Goodwill	Computer software	Customer relationship	Other	Total
Cost:					
As of January 1, 2022	\$519,653	\$214,824	\$17,432	\$1,500	\$753,409
Addition-acquired separately	-	13,268	-	1,480	14,748
Acquisitions through business combinations	123,845	-	-	-	123,845
Expired	-	(13,837)	-	-	(13,837)
As of March 31, 2022	<u>\$643,498</u>	<u>\$214,255</u>	<u>\$17,432</u>	<u>\$2,980</u>	<u>\$878,165</u>
As of January 1, 2021	\$549,822	\$207,059	\$17,432	\$-	\$774,313
Addition-acquired separately	-	15,216	-	-	15,216
Other changes	-	201	-	-	201
Expired	-	(12,392)	-	-	(12,392)
As of March 31, 2021	<u>\$549,822</u>	<u>\$210,084</u>	<u>\$17,432</u>	<u>\$-</u>	<u>\$777,338</u>
Amortization and impairment:					
As of January 1, 2022	\$252,711	\$123,516	\$14,319	\$167	\$390,713
Impairment	-	15,002	622	463	16,087
Expired	-	(13,837)	-	-	(13,837)
As of March 31, 2022	<u>\$252,711</u>	<u>\$124,681</u>	<u>\$14,941</u>	<u>\$630</u>	<u>\$392,963</u>
As of January 1, 2021	\$260,550	\$117,830	\$11,829	\$-	\$390,209
Amortization	-	14,155	622	-	14,777
Other changes	-	(39)	-	-	(39)
Expired	-	(12,392)	-	-	(12,392)
As of March 31, 2021	<u>\$260,550</u>	<u>\$119,554</u>	<u>\$12,451</u>	<u>\$-</u>	<u>\$392,555</u>
Net carrying amount as of:					
March 31, 2022	<u>\$390,787</u>	<u>\$89,574</u>	<u>\$2,491</u>	<u>\$2,350</u>	<u>\$485,202</u>
December 31, 2021	<u>\$266,942</u>	<u>\$91,308</u>	<u>\$3,113</u>	<u>\$1,333</u>	<u>\$362,696</u>
March 31, 2021	<u>\$289,272</u>	<u>\$90,530</u>	<u>\$4,981</u>	<u>\$-</u>	<u>\$384,783</u>

Recognized as amortization of intangible assets are as follows.

	For the three-month periods ended March 31,	
	2022	2021
Operating costs	<u>\$5,411</u>	<u>\$4,814</u>
Operating expenses	<u>\$10,676</u>	<u>\$9,963</u>

(12) Short-term loans

	Interest Rates (%)	As of		
		March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank loans	0.60%~0.90%	\$1,600,000	\$500,000	\$1,000,000
Secured bank loans	1.22%	30,000	-	-
Total		<u>\$1,630,000</u>	<u>\$500,000</u>	<u>\$1,000,000</u>

The Group's unused short-term lines of credits amounted to NT\$3,061,235 thousand, NT\$2,740,000 thousand and NT\$1,840,000 thousand, as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

Please refer to Note 8 for more details on investment property and property, plant and equipment pledged as security for short-term loans.

(13) Short-term bills payables

Nature	Guarantee Agency	As of March 31, 2022	Interest Rate (%)	Period
Commercial paper	Ta Ching Bills Finance Corporation	\$50,000	1.06%	30 days
Commercial paper	Mega Bills Finance Corporation	10,000	1.52%	58 days
Commercial paper	China Bills Finance Corporation	30,000	1.24%	59 days
Subtotal		<u>90,000</u>		
Less: discount on short-term bills payable		-		
Net		<u><u>\$90,000</u></u>		

Nature	Guarantee Agency	As of December 31, 2021	Interest Rate (%)	Period
Commercial paper	Ta Ching Bills Finance Corporation	\$10,000	1.06%	30 days
Commercial paper	Ta Ching Bills Finance Corporation	40,000	0.90%	51 days
Subtotal		<u>50,000</u>		
Less: discount on short-term bills payable		-		
Net		<u><u>\$50,000</u></u>		

Nature	Guarantee Agency	As of March 31, 2021	Interest Rate (%)	Period
Commercial paper	China Bills Finance Corporation	\$230,000	0.90%~0.94%	3~60 days
Commercial paper	Grand Bills Finance Corporation	30,000	0.94%	28 days
Commercial paper	Dah Chung Bills Finance Corporation	20,000	0.94%	29 days
Subtotal		<u>280,000</u>		
Less: discount on short-term bills payable		-		
Net		<u><u>\$280,000</u></u>		

No assets pledged as security for short-term bills payables.

(14) Other payables

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Other accrued expenses	\$1,057,551	\$1,354,780	\$898,174
ATM replenishment payable	371,133	906,512	469,107
Others	73,403	109,202	69,199
Total	<u>\$1,502,087</u>	<u>\$2,370,494</u>	<u>\$1,436,480</u>

(15) Long-term loans

Details of long-term loans are as follows:

Lenders	As of March 31, 2022	Interest Rates (%)	Maturity date and terms of repayment
<u>Unsecured Loan</u>			
Bank of Tokyo-Mitsubishi UFJ	\$40,000	0.70%~1.55%	Loan starting from May 18, 2017 till May 18, 2022; installment payment by every 6 months after 6 months of borrowing; interest paid every 3 months.
Bank of Tokyo-Mitsubishi UFJ	500,000	0.85%~0.86%	Loan starting from December 18, 2020 till December 16, 2022; repayment at the maturity date; interest paid every month
Bank of Tokyo-Mitsubishi UFJ	400,000	0.85%	Loan starting from January 15, 2021 till January 13, 2023; repayment at the maturity date; interest paid every 3 months.
Sumitomo Mitsui Banking Corporation	600,000	0.93%	Loan starting from December 18, 2020 till December 16, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	600,000	0.99%	Loan starting from December 18, 2020 till December 18, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	700,000	0.88%	Loan starting from February 20, 2021 till February 20, 2023; repayment at the maturity date; interest paid every month
Mizuho Bank, Ltd.	100,000	0.92%	Loan starting from March 22, 2021 till March 22, 2024; repayment at the maturity date; interest paid every 3 months.
KGI Bank Co., Ltd.	100,000	0.90%	Loan starting from May 12, 2021 till April 27, 2024; repayment at the maturity date; interest paid every month
<u>Secured Loan</u>			
Sunny Bank Ltd.	144,339	1.45%	Loan starting from July 28, 2020 till July 28, 2035 installment payment by every month; interest paid every month.
Subtotal	<u>3,184,339</u>		
Less: current portion	<u>(2,240,000)</u>		
Total	<u>\$944,339</u>		

As of December 31, Interest Rates			
Lenders	2021	(%)	Maturity date and terms of repayment
<u>Unsecured Loan</u>			
Bank of Tokyo-Mitsubishi UFJ	\$40,000	0.70%-1.55%	Loan starting from May 18, 2017 till May 18, 2022; installment payment by every 6 months after 6 months of borrowing; interest paid every 3 months.
Bank of Tokyo-Mitsubishi UFJ	500,000	0.85%-0.86%	Loan starting from December 18, 2020 till December 16, 2022; repayment at the maturity date; interest paid every month
Bank of Tokyo-Mitsubishi UFJ	400,000	0.85%	Loan starting from January 15, 2021 till January 13, 2023; repayment at the maturity date; interest paid every 3 months.
Sumitomo Mitsui Banking Corporation	600,000	0.93%	Loan starting from December 18, 2020 till December 16, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	600,000	0.99%	Loan starting from December 18, 2020 till December 18, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	700,000	0.88%	Loan starting from February 20, 2021 till February 20, 2023; repayment at the maturity date; interest paid every month
Mizuho Bank, Ltd.	100,000	0.92%	Loan starting from March 22, 2021 till March 22, 2024; repayment at the maturity date; interest paid every 3 months.
KGI Bank Co., Ltd.	100,000	0.90%	Loan starting from May 12, 2021 till April 27, 2024; repayment at the maturity date; interest paid every month
<u>Secured Loan</u>			
Sunny Bank Ltd.	145,961	1.45%	Loan starting from July 28, 2020 till July 28, 2035 installment payment by every month; interest paid every month.
Subtotal	3,185,961		
Less: current portion	(1,149,793)		
Total	<u>\$2,036,168</u>		



Lenders	As of December 31, Interest Rates		Maturity date and terms of repayment
	2021	(%)	
<u>Unsecured Loan</u>			
Bank of Tokyo-Mitsubishi UFJ	\$18,000	0.88%~1.20%	Loan starting from May 13, 2016 till May 13, 2022; installment payment by every 3 months after 6 months of borrowing; interest paid every 3 months.
Bank of Tokyo-Mitsubishi UFJ	120,000	0.70%~1.55%	Loan starting from May 18, 2017 till May 18, 2021; installment payment by every 6 months after 6 months of borrowing; interest paid every 3 months.
Bank of Tokyo-Mitsubishi UFJ	500,000	0.85%~0.86%	Loan starting from December 18, 2021 till December 16, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	600,000	0.93%	Loan starting from December 18, 2021 till December 16, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	600,000	0.99%	Loan starting from December 18, 2021 till December 18, 2022; repayment at the maturity date; interest paid every month
Bank of Tokyo-Mitsubishi UFJ	400,000	0.85%	Loan starting from January 15, 2022 till January 13, 2023; repayment at the maturity date; interest paid every 3 months.
Sumitomo Mitsui Banking Corporation	700,000	0.88%	Loan starting from February 20, 2022 till February 20, 2023; repayment at the maturity date; interest paid every month
Mizuho Bank, Ltd.	100,000	0.92%	Loan starting from March 22, 2022 till March 22, 2024; repayment at the maturity date; interest paid every month.
<u>Secured Loan</u>			
Sunny Bank Ltd.	150,000	1.45%	Loan starting from July 28, 2022 till June 28, 2035 installment payment by every month; interest paid every month.
Subtotal	3,188,000		
Less: current portion	(105,288)		
Total	\$3,082,712		

Certain property, plant and equipment-land and buildings are pledged for long-term loans, please refer to Note 8.

(16)Guarantee deposits

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Performance security deposit	\$507,298	\$502,358	\$510,339
Security line deposit	136,221	136,770	146,091
Others	8,579	8,933	7,840
Total	<u>\$652,098</u>	<u>\$648,061</u>	<u>\$664,270</u>

(17)Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2022 and 2021 were NT\$58,517 thousand and NT\$54,300 thousand, respectively.

Defined benefits plan

Expenses under the Defined benefits plan for the three-month periods ended March 31, 2022 and 2021 were NT\$15,092 thousand and NT\$14,822 thousand, respectively.

(18)Equity

A. Common stock

The Company's authorized and issued capital were NT\$5,000,000 thousand, and divided into 451,197,093 shares at NT\$10 par value, as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Additional paid-in capital	\$4,291	\$4,291	\$40,387
Treasury share transactions	713,128	713,128	664,396
Changes in net assets of associates and joint ventures accounted for under the equity method	104,433	104,433	106,221
Donated surplus	2,959	2,959	2,959
Total	<u>\$824,811</u>	<u>\$824,811</u>	<u>\$813,963</u>

According to the Company Act, the capital reserve shall not be used except for filling the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

#### C. Treasury stock

As of March 31, 2022, December 31, 2021 and March 31, 2021, the Company's shares held by the subsidiaries were NT\$288,389 thousand, and the number of the Company's shares held by subsidiaries were 10,273,805 shares. These shares held by subsidiaries were acquired for the purpose of financing before the amendment of the Company Act on November 12, 2001.

#### D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall be distributed as follows:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% of the remaining amount after deducting items a. and b. as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The growth potential of the Company remains as past in business environment. The Company would, therefore, focus on the economic environment to pursue perpetual operation and long-term development. As a result, the earnings distribution proposal made by the Board of Directors should reflect the stability and growth of the dividends. Distribution shall be made by way of cash dividend and stock dividend, with at least 10% of cash dividend.

According to the Company Act, a company needs distribute the legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to fill the deficit of a company. When a company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital, by issuing new shares or by distributing cash in proportion to the number of shares held by each shareholder.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On 31 March 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution. As of March 31, 2022, December 31, 2021 and March 31, 2021, the special reserve were NT\$100,384 thousand, NT\$100,384 thousand and NT\$58,666 thousand, respectively.

Details of the 2021 and 2020 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on March 15, 2022 and July 2, 2021, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$249,266	\$229,621		
Special reserve	(85,032)	41,718		
Common stock-cash dividend	2,255,985	2,219,890	\$5	\$4.92

In addition, the Company's Board of Director approved to distribute cash dividend NT\$0.08 per share and the total amount of NT\$36,096 thousand from additional paid-in capital on July 2, 2021.

Please refer to Note 6(22) for further details on employees' compensation and remuneration to directors and supervisors.

#### E. Non-controlling interests

	For the three-month periods ended March 31,	
	2022	2021
Beginning balance after retrospective application	\$410,362	\$459,044
Profit attributable to non-controlling interests	7,539	13,039
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of a foreign operation	(2,128)	-
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	2,772	2,932
Other		(1,044)
Capital deducted by cash of investments accounted for subsidiary	-	(9,751)
Changes in parent's interest in subsidiaries	20,000	-
Difference between consideration given/received and carrying amount of interests in subsidiaries	11,745	-
Ending balance	<u>\$450,290</u>	<u>\$464,220</u>

(19) Operating revenue

	For the three-month periods ended March 31,	
	2022	2021
Revenue from contracts with customers		
Sale of goods revenue	\$498,848	\$457,512
Rendering of service revenue	3,166,987	3,011,080
Subtotal	3,665,835	3,468,592
Other revenue	73,899	68,327
Total	<u>\$3,739,734</u>	<u>\$3,536,919</u>

Analysis of revenue from contracts with customers for the three-month periods ended March 31, 2022 and 2021 is as follows:

A. Classification of revenue

For the three-month period ended March 31, 2022:

	Electronic Systems Department	Security Services Department	Cash Delivery Department	Logistics Department	Other Department	Total
Sale of goods	\$148,563	\$-	\$-	\$19,672	\$330,613	\$498,848
Rendering of services	1,512,667	598,350	339,504	210,199	506,267	3,166,987
Total	<u>\$1,661,230</u>	<u>\$598,350</u>	<u>\$339,504</u>	<u>\$229,871</u>	<u>\$836,880</u>	<u>\$3,665,835</u>

Timing of revenue  
recognition:

At a point in time	\$148,563	\$-	\$-	\$19,672	\$330,613	\$498,848
Over time	1,512,667	598,350	339,504	210,199	506,267	3,166,987
Total	<u>\$1,661,230</u>	<u>\$598,350</u>	<u>\$339,504</u>	<u>\$229,871</u>	<u>\$836,880</u>	<u>\$3,665,835</u>

For the three-month period ended March 31, 2021:

	Electronic Systems Department	Security Services Department	Cash Delivery Department	Logistics Department	Other Department	Total
Sale of goods	\$153,873	\$-	\$-	\$34,950	\$268,689	\$457,512
Rendering of services	1,480,073	584,495	300,910	210,095	435,507	3,011,080
Total	<u>\$1,633,946</u>	<u>\$584,495</u>	<u>\$300,910</u>	<u>\$245,045</u>	<u>\$704,196</u>	<u>\$3,468,592</u>

Timing of revenue  
recognition:

At a point in time	\$153,873	\$-	\$-	\$34,950	\$268,689	\$457,512
Over time	1,480,073	584,495	300,910	210,095	435,507	3,011,080
Total	<u>\$1,633,946</u>	<u>\$584,495</u>	<u>\$300,910</u>	<u>\$245,045</u>	<u>\$704,196</u>	<u>\$3,468,592</u>

## B. Contract balances

### a. Contract assets - current

	2022.3.31	2021.12.31	2021.3.31	2021.1.1
Rendering of services	\$395,913	\$327,088	\$197,857	\$120,316
Total	<u>\$395,913</u>	<u>\$327,088</u>	<u>\$197,857</u>	<u>\$120,316</u>

The balances of contract assets during the three-month periods ended March 31, 2022 and 2021, respectively, that is based on whether the Company obtained an unconditional right to receive the consideration then transferred tract assets to trade receivables when the unconditional right exists. Please refer to Note 6(20) for more details on the impairment impact.

### b. Contract liabilities – current and non-current

	2022.3.31	2021.12.31	2021.3.31	2021.1.1
Current	\$1,421,107	\$1,301,963	\$1,579,734	\$1,283,052
Non-current	16,061	18,901	27,423	30,432
Total	<u>\$1,437,168</u>	<u>\$1,320,864</u>	<u>\$1,607,157</u>	<u>\$1,313,484</u>

The significant changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2022 and 2021 are as follows:

	For the three-month periods ended March 31,	
	2022	2021
The opening balance transferred to revenue	\$(667,259)	\$(692,997)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	783,563	986,670

## C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$1,437,168 thousand as of March 31, 2022. Management expects that 92% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue during the year 2023. The remaining amount will be recognized during the 2024 financial year.

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$1,607,157 thousand as of March 31, 2021. Management expects that 87% of the transaction price allocated to unsatisfied performance obligations will be recognized as revenue during the year 2022. The remaining amount will be recognized during the 2023 financial year.

D. Assets recognized from costs to fulfil a contract

None.

(20) Expected credit losses

	For the three-month periods ended March 31,	
	2022	2021
Operating expenses - Expected credit losses		
Contract assets	\$-	\$-
Trade receivables	1,626	1,787
Subtotal	1,626	1,787
Non-operating income and expenses - Expected credit losses		
Financial assets measured at amortized cost	-	-
Total	\$1,626	\$1,787

Please refer to Note 12 for more details on credit risk.

The credit risk for the Group's financial assets measured at amortized cost are assessed as low (the same as the assessment result in the beginning of the period). As the trade partners are financial institutions with good credit, the loss allowance is NT\$0 thousand measured at a loss ratio of 0%.

The Group measures the loss allowance of its contract assets and trade receivables (including notes receivables, accounts receivables, operating lease receivables, finance lease receivables and long-term receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group loss allowance is as follows:

A. The loss allowance of contract asset amounted to NT\$0 thousand which is measured at expected credit loss ratio of 0%.

B. The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As of March 31, 2022

Group 1	Not yet due (note)	Overdue					Total
		1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$985,859	\$82,268	\$15,948	\$3,422	\$909	\$11,449	\$1,099,855
Loss ratio	0-3%	3-10%	10-30%	30-50%	50-80%	80-100%	
Lifetime expected credit losses	(2,781)	(2,889)	(3,104)	(1,191)	(604)	(11,449)	(22,018)
Subtotal	983,078	79,379	12,844	2,231	305	-	\$1,077,837

Group 2	Overdue						Total
	Not yet due (note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$577,817	\$622	\$87	\$176	\$-	\$14,551	\$593,253
Loss ratio	0-2%	0-2%	1-10%	10-50%	50-90%	90-100%	
Lifetime expected credit losses	(1,889)	(9)	(9)	(80)	-	(14,551)	(16,538)
Subtotal	575,928	613	78	96	-	-	576,715
Total							<u>\$1,654,552</u>

As of December 31, 2021

Group 1	Overdue						Total
	Not yet due (note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$1,069,212	\$46,682	\$9,078	\$976	\$879	\$13,239	\$1,140,066
Loss ratio	0-5%	3-10%	10-30%	30-60%	60-80%	80-100%	
Lifetime expected credit losses	(3,403)	(1,738)	(1,857)	(390)	(596)	(13,239)	(21,223)
Subtotal	1,065,809	\$44,944	\$7,221	\$586	\$283	\$-	1,118,843

Group 2	Overdue						Total
	Not yet due (note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$558,721	\$28,837	\$586	\$145	\$-	\$14,832	\$603,121
Loss ratio	0-2%	0-2%	1-10%	10-50%	50-90%	90-100%	
Lifetime expected credit losses	(444)	(3)	(25)	(64)	-	(14,832)	(15,368)
Subtotal	558,277	28,834	561	81	-	-	587,753
Total							<u>\$1,706,596</u>

As of March 31, 2021

Group 1	Overdue						Total
	Not yet due (note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$994,633	\$44,621	\$1,286	\$4,661	\$6,171	\$9,036	\$1,060,408
Loss ratio	0-2%	2-10%	10-30%	30-50%	50-80%	80-100%	
Lifetime expected credit losses	(3,727)	(1,651)	(283)	(1,787)	(3,708)	(9,036)	(20,192)
Subtotal	990,906	42,970	1,003	2,874	2,463	-	1,040,216



Group 2	Overdue						Total
	Not yet due (note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$486,236	\$13,595	\$1,634	\$155	\$1,796	\$10,431	\$513,847
Loss ratio	0-2%	0-2%	1-10%	10-50%	50-90%	90-100%	
Lifetime expected credit losses	(541)	(9)	(3)	(70)	(1,126)	(10,431)	(12,180)
Subtotal	485,695	13,586	1,631	85	670	-	501,667
Total							<u>\$1,541,883</u>

Note: The Group's notes receivable, operating lease receivables, finance lease receivables, long-term receivables, and long-term lease receivables are not overdue.

The movement in the loss allowance of trade receivables for the three-month periods ended March 31, 2022 and 2021 is as follows:

	Trade receivables	Notes receivable	Others (Note)
Balance as of January 1, 2022	\$36,591	\$-	\$-
Addition/(reversal) for the current period	1,626	-	-
Write off	(879)	-	-
Acquisitions through business combinations	1,218	-	-
Balance as of March 31, 2022	<u>\$38,556</u>	<u>\$-</u>	<u>\$-</u>
Balance as of January 1, 2021	\$31,579	\$-	\$-
Addition/(reversal) for the current period	1,787	-	-
Write off	(994)	-	-
Balance as of March 31, 2021	<u>\$32,372</u>	<u>\$-</u>	<u>\$-</u>

Note: Others contain operating lease receivables, finance lease receivables, long-term receivables and long-term lease receivables.

## (21) Leases

### A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment, and other equipment. The lease terms range from 1 to 15 years.

The Group's leases effect on the financial position, financial performance and cash flows is as follows:

a. Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Land and land improvement	\$38,786	\$46,737	\$48,067
Buildings	413,719	470,652	617,547
Transportation equipment	116,755	124,410	99,403
Other equipment	2,061	2,853	5,315
Total	<u>\$571,321</u>	<u>\$644,652</u>	<u>\$770,332</u>

During the three-month periods ended March 31, 2022 and 2021, the Group's additions to right-of-use assets amounted to NT\$15,288 thousand and NT\$35,091 thousand, respectively.

(ii) Lease liabilities

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Lease liabilities	<u>\$567,872</u>	<u>\$643,580</u>	<u>\$770,937</u>
Current	\$206,246	\$248,791	\$304,354
Non-current	361,626	394,789	466,583

Please refer to Note 6(23)(4) for the interest on lease liabilities recognized for the three-month periods ended March 31, 2022 and 2021 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of March 31, 2022 and 2021.

b. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the three-month periods ended March 31,	
	2022	2021
Land and land improvement	\$4,710	\$4,709
Buildings	70,555	68,739
Transportation equipment	7,931	7,512
Other equipment	792	820
Total	<u>\$83,988</u>	<u>\$81,780</u>

c. Income and costs relating to leasing activities

	For the three-month periods ended March 31,	
	2022	2021
The expenses relating to short-term leases	\$10,261	\$6,373
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	3,295	3,482
Total	<u>\$13,556</u>	<u>\$9,855</u>

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company recognized as reduction in rental expenses for the three-month periods ended March 31, 2022 and 2021 were both NT\$0 thousand, to reflect changes in lease payments that arise from such rent concessions to which the Group has applied the practical expedient.

d. Cash outflow relating to leasing activities

The Group's total cash outflows for leases amounted to NT\$101,886 thousand and NT\$94,538 thousand for the three-month periods ended March 31, 2022 and 2021, respectively.

e. Other information relating to leasing activities

(i) Extension and termination options

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

## B. Group as a lessor

Please refer to Note 6(10) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

The Group has entered into leases on certain machinery and equipment with lease terms range from one to five years. These leases are classified as finance leases as they transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the three-month periods ended March 31,	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$76,395	\$70,255
Subtotal	76,395	70,255
Lease income for finance leases		
Selling profit or loss	368	-
Finance income on the net investment in the lease	1,066	1,557
Subtotal	1,434	1,557
Total	\$77,829	\$71,812

Please refer to Note 6(9) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2022, December 31, 2021 and March 31, 2021 are as follows:

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Within one year	\$244,209	\$226,987	\$228,412
Beyond one year but not later than two years	187,739	26,794	165,805
Beyond two years but not later than three years	5,085	4,864	10,113
Beyond three years but not later than four years	1,591	1,948	2,878
Beyond four years but not later than five years	60	72	1,849
Beyond five years	-	-	280
Total	\$438,684	\$260,665	\$409,337

For finance leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of March 31, 2022, December 31, 2021 and March 31, 2021 are as follow:

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Within one year	\$77,248	\$74,537	\$65,181
Beyond one year but not later than two years	72,982	77,158	57,414
Beyond two years but not later than three years	49,324	53,307	53,148
Beyond three years but not later than four years	28,653	34,600	29,491
Beyond four years but not later than five years	19,833	19,752	8,819
Beyond five years	-	3,292	-
Total undiscounted lease payment	248,040	262,646	214,053
Less: Unearned finance income to finance leases	(10,585)	(11,547)	(10,093)
Less: loss allowance	-	-	-
Net investment in the lease (Finance lease receivables)	<u>\$237,455</u>	<u>\$251,099</u>	<u>\$203,960</u>
Current	\$72,456	\$69,685	\$60,607
Non-current	164,999	181,414	143,353

(22) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the three-month periods ended March 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	\$979,091	\$402,029	\$1,381,120	\$913,800	\$383,530	\$1,297,330
Labor and health insurance	108,374	34,419	142,793	99,443	31,474	130,917
Pension	57,056	16,553	73,609	53,099	16,023	69,122
Other employee benefits expense	48,865	10,678	59,543	47,720	10,686	58,406
Depreciation	296,884	64,272	361,156	294,443	61,796	356,239
Amortization	5,411	10,676	16,087	4,814	9,963	14,777

According to the Articles of Incorporation, no less than 1% of profit of the current year is distributable as employees' compensation and no higher than 4% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the three-month period ended March 31, 2022, the Company estimated and recognized the amounts of the employees' compensation and remuneration to directors and supervisors to be NT\$8,081 thousand and NT\$32,324 thousand, respectively, which were recognized as payroll expenses. Based on the profit of the three-month period ended March 31, 2021, the Company estimated and recognized the amounts of the employees' compensation and remuneration to directors and supervisors to be NT\$6,995 thousand and NT\$27,979 thousand, respectively, which were recognized as payroll expenses.

A resolution was passed at a Board of Directors meeting held on March 15, 2022 to distribute NT\$29,435 thousand and NT\$117,741 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2021, respectively. No material differences exist between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

No material differences exist between the estimated amount and the actual distribution of the employee compensation NT\$28,568 thousand and remuneration to directors and supervisors NT\$114,272 thousand for the year ended December 31, 2020.

(23) Non-operating income and expenses

A. Interest income

	For the three-month periods ended March 31,	
	2022	2021
Financial assets measured at amortized cost	\$310	\$308
Cash in banks	1,211	1,272
Short-term commercial papers	300	843
Others	89	18
Total	<u>\$1,910</u>	<u>\$2,441</u>

B. Other income

	For the three-month periods ended March 31,	
	2022	2021
Rental income	\$2,496	\$1,928
Other	7,208	13,928
Total	<u>\$9,704</u>	<u>\$15,856</u>

### C. Other gains and losses

	For the three-month periods ended March 31,	
	2022	2021
(Losses) gains on disposal of property, plant and equipment	\$(17,894)	\$8
Foreign exchange income, net	200	316
Other loss	(7,716)	(36,083)
Gains (losses) on financial assets at fair value through profit or loss (Note 1)	17	(12)
Gains on lease modification	145	8
Total	<u>\$(25,248)</u>	<u>\$(35,763)</u>

Note:1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss

### D. Finance costs

	For the three-month periods ended March 31,	
	2022	2021
Interest on borrowings from bank	\$(10,286)	\$(9,622)
Interest on lease liabilities	(2,214)	(2,640)
Other	(8)	(2)
Total finance costs	<u>\$(12,508)</u>	<u>\$(12,264)</u>

### (24) Components of other comprehensive income

For the three-month periods ended March 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$51,862	\$-	\$51,862	\$-	\$51,862
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	13,954	-	13,954	-	13,954
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(2,128)	-	(2,128)	-	(2,128)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	27,490	-	27,490	-	27,490
Total of other comprehensive (loss) income	<u>\$91,178</u>	<u>\$-</u>	<u>\$91,178</u>	<u>\$-</u>	<u>\$91,178</u>

For the year ended March 31, 2021

			Income tax relating to components of		
		Reclassification	Other	other	Other
	Arising during the	adjustments	comprehensive	comprehensive	comprehensive
	period	during the period	income, before tax	income	income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	\$22,237	\$-	\$22,237	\$-	\$22,237
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	15,222	-	15,222	-	15,222
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(988)	-	(988)	-	(988)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(2,818)	-	(2,818)	-	(2,818)
Total of other comprehensive (loss) income	\$33,653	\$-	\$33,653	\$-	\$33,653

(25) Income tax

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

Income tax expense (income) recognized in profit or loss

	For the three-month periods ended March 31,	
	2022	2021
Current income tax expense (income):		
Current income tax charge	\$133,287	\$134,968
Adjustments in respect of current income tax of prior periods	1,981	458
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(9,468)	5,819
Deferred tax expense (income) relating to origination and reversal of tax loss and tax credit	(79)	34
Other components of deferred tax expense	-	25
Total income tax expense (income)	\$125,721	\$141,304



## The assessment of income tax returns

As of March 31, 2022, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns	Notes
The Company	Assessed and approved up to 2020	-
Speed Investment Co., Ltd.	Assessed and approved up to 2020	-
Goyun Security Co., Ltd.	Assessed and approved up to 2020	-
Gowin Building Management and Maintenance Co., Ltd.	Assessed and approved up to 2020	-
Gowin Security Co., Ltd.	Assessed and approved up to 2019	-
KuoHsing Security Co., Ltd.	Assessed and approved up to 2019	-
LeeBao Security Co., Ltd.	Assessed and approved up to 2020	-
LeeBao Technology Co., Ltd.	Assessed and approved up to 2020	-
Lee Way Electronics Co., Ltd.	Assessed and approved up to 2020	-
Titan Star International Co., Ltd.	Assessed and approved up to 2020	-
Goldsun Express & Logistics Co., Ltd.	Assessed and approved up to 2020	-
Goldsun Express Ltd.	Assessed and approved up to 2020	-
Taiwan Secom Insurance Brokerage Services Inc.	Assessed and approved up to 2020	-
Babyboss Co., Ltd.	Assessed and approved up to 2020	-
Chung Hsing E-Guard Co., Ltd.	Assessed and approved up to 2020	-
SVS Corporation	Assessed and approved up to 2021	-
Brightron Technology and Engineering Corporation	Assessed and approved up to 2019	-
Taiwan Video System Corporation	Assessed and approved up to 2020	-
Lots Home Entertainment Co., Ltd.	Assessed and approved up to 2020	-
Aion Technologies Inc.	Assessed and approved up to 2020	-
Ching-Dian Tech Co., Ltd.	Assessed and approved up to 2020	-
Goyun Technology Co., Ltd.	Assessed and approved up to 2020	-
Comlink Fire Systems Inc.	Assessed and approved up to 2020	-
TransAsia Catering Services Ltd.	Assessed and approved up to 2019	-
Gowin Smart Parking Co., Ltd.	Assessed and approved up to 2020	-
Chung Po Rental Co., Ltd.	Assessed and approved up to 2020	-
SIGMU D.P.T. Company Ltd.	Assessed and approved up to 2020	-
Lee Yuan Biomedical Co., Ltd.	Assessed and approved up to 2020	-
Livingplus Food and Beverage Co. Ltd.	Assessed and approved up to 2020	-
Jiansheng International Co., Ltd.	Assessed and approved up to 2020	-
Sunseap Solutions Taiwan Limited	Assessed and approved up to 2020	-
Epic Tech Taiwan Inc.	Assessed and approved up to 2020	-
Sphinx Foods Company Limited	Assessed and approved up to 2020	-
Golden Harvest Food Enterprise Ltd.	Assessed and approved up to 2019	-
Tai-Shun Shi Ye Co., Ltd.	Assessed and approved up to 2020	-

(26) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the three-month periods ended March 31,	
	2022	2021
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	\$699,864	\$587,036
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	440,923	440,923
Basic earnings per share (NT\$)	\$1.59	\$1.33
	For the three-month periods ended March 31,	
	2022	2021
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	\$699,864	\$587,036
Employee bonus (in thousands)	-	-
Profit attributable to ordinary equity holders of the Company after dilution (in thousands)	\$699,864	\$587,036
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	440,923	440,923
Effect of dilution:		
Employee bonus-stock (in thousands)	304	347
Weighted average number of ordinary shares outstanding after dilution (in thousands)	441,227	441,270
Diluted earnings per share (NT\$)	\$1.59	\$1.33

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(27) Business combinations

Acquisition of Golden Harvest Food Enterprise Ltd. and its subsidiary

In order to expand the group's diversified operations and expand the food processing and catering business, the Company acquired 97.84% of voting rights of Golden Harvest Food Enterprise Ltd. on January 3, 2022, and acquired indirectly its 100% subsidiary, Tai-Shun Shi Ye Co., Ltd. After the combination, the group will use the fresh food, low-temperature freezing technology and manpower of Golden Harvest Food Enterprise Ltd., and combine the advantages of the related catering business in meals and bakery products in the group and the Secom Infinite Plus Internet of Things system, in a parallel integration model, to build a more fulfilling life service platform.

The fair value of the identifiable assets and liabilities of Golden Harvest Food Enterprise Ltd. and its subsidiary as at the date of acquisition were:

	<u>Fair value recognized on the acquisition date</u>
Assets	
Cash and cash equivalents	\$29,662
Financial assets at fair value through profit or loss, current	5,824
Notes and accounts receivable	149,003
Other receivable	3
Current tax assets	858
Inventory	8,974
Prepayments	857
Other current assets	138
Financial assets measured at amortized cost, non-current	971
Property, plant and equipment	422,234
Other assets, non-current	6,745
Total	<u>625,269</u>
Liabilities	
Short-term loans	(19,000)
Short-term bills payable	(50,000)
Notes and accounts payable	(116,186)
Other payables	(30,955)
Other current liabilities	(1,034)
Net defined benefit liabilities, non-current	(2,300)
Total	<u>(219,475)</u>
Identifiable net assets	<u><u>\$405,794</u></u>

Goodwill of Golden Harvest Food Enterprise Ltd. and its subsidiary is as follows:

Purchase consideration	\$520,874
Add: non-controlling interests at fair value (2.16% of Identifiable net assets)	8,765
Less: identifiable net assets at fair value	(405,794)
Goodwill	<u>\$123,845</u>

The fair value and the total contractual amount of the trade receivables amounts to NT\$149,003 thousand and NT\$150,221 thousand, including expected credit losses NT\$1,218 thousand.

The net assets recognized in the financial statements ended January 3, 2022, were based on a fair value as the Group had sought an independent valuation.

The goodwill of NT\$123,845 thousand comprises the value of expected synergies arising from the acquisition and operations team, which is not separately recognized. The goodwill recognized is not to be deductible for income tax purposes.

From the acquisition date, Golden Harvest Food Enterprise Ltd. and its subsidiary has contributed NT\$196,173 thousand of revenue and NT\$4,039 thousand to the net profit before tax of the Group. If the combination had taken place at the beginning of the year, the amount would be the same.

Analysis of cash flows on acquisition:

Transaction costs of the acquisition	\$520,874
Net cash acquired with the subsidiary	(29,662)
Net cash flow on acquisition	<u>\$491,212</u>

The transaction costs including the lawyer consultation fee and acquisition value assessment are included in the administrative expenses.

#### Acquisition of Having Drama Entertainment Co., Ltd.

Having Drama Entertainment Co., Ltd. increased capital through issuance of new shares, 10,200,000 shares, on March 23, 2022, all shares are acquired by the Group, the percentage of ownership is 97.14%, consequently the Group recognized non-controlling interests NT\$2,980 thousand.

Analysis of cash flows on acquisition:

Transaction costs of the acquisition	\$102,000
Net cash acquired with the subsidiary	(104,309)
Net cash flow on acquisition	<u>\$(2,309)</u>

### Acquisition of Baohwa Trust Co., Ltd.

Baohwa Trust Co., Ltd. was established through issuance new 5,000,000 shares on January 18, 2022. The Group acquired 3,000,000 of new shares amounted to NT\$30,000 thousand, the percentage of ownership is 60.00%, consequently the Group recognized non-controlling interests NT\$20,000 thousand.

## 7. Related Party Transactions

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

### Name and nature of relationship of the related parties

Related Party Name	The Relationship with the Group
SECOM Co., Ltd.	Entity with joint control or significant influence over the Company
eSkylink Inc.	Associate
Goldsun Building Materials Co., Ltd.	Associate
Anfeng Enterprise Co., Ltd.	Associate
Wellpool Co., Ltd.	Associate
Raixin Quality Products Ltd.	Associate
Kuoyung Construction & Engineering Co., Ltd	Associate
Goldsun Nihon Cement Co., Ltd.	Associate
Taipei Port Terminal Company Limited	Associate
HQ Design Co., Ltd.	Other related party
Hobby Werks Co., Ltd.	Other related party
Cheng-Shin Investment Company	Other related party
Shin Lan Enterprise Inc.	Other related party
Azure International Holdings Taiwan Inc.	Other related party

### Significant transactions with related parties

#### (1) Sales

	For the three-month periods ended March 31,	
	2022	2021
Associates	\$249,446	\$237,170
Other related parties	2,630	337
Total	<u>\$252,076</u>	<u>\$237,507</u>

The selling price to the above related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 15-190 days, while for third party domestic sales was month-end 15-190 days. The outstanding balance at every quarter end was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Accounts receivables from related parties

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Associates			
Goldsun Building Materials Co., Ltd.	\$67,206	\$142,855	\$73,971
Anfeng Enterprise Co., Ltd.	126,402	113,589	96,675
Others	996	1,599	776
Subtotal	194,604	258,043	171,422
Other related parties	269	140	254
Total	194,873	258,183	171,676
Less: loss allowance	-	-	-
Net	\$194,873	\$258,183	\$171,676

(3) Trade and other payables to related parties

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Entity with joint control or significant influence over the Company	\$467	\$755	\$793
Associates	25,729	22,206	15,045
Other related parties	304	3,394	700
Total	\$26,500	\$26,355	\$16,538

(4) Lease expenditure

	For the three-month periods ended March 31,	
	2022	2021
Associates	\$90	\$90
Other related parties	-	-
Total	\$90	\$90

The lease deposits to related parties amounted to NT\$2,024 thousand, NT\$2,024 thousand, NT\$2,169 thousand as of March 31, 2022, December 31, 2021 and March 31, 2021, respectively.

(5) Right-of-use asset

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Associates	\$18,043	\$19,458	\$23,700
Other related parties	17,087	20,601	16,579
Total	<u>\$35,130</u>	<u>\$40,059</u>	<u>\$40,279</u>

(6) Lease expenditure

	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Associates	\$18,344	\$19,744	\$23,921
Other related parties	17,175	20,708	16,749
Total	<u>\$35,519</u>	<u>\$40,452</u>	<u>\$40,670</u>

(7) Property transactions

The Group has purchased electronic anti-theft equipment, electronic fireproof equipment, and rental decoration equipment, which were recognized as property plant and equipment:

	For the three-month periods ended March 31,	
	2022	2021
Entity with joint control or significant influence over the Company	\$647	\$997
Other related parties	1,990	10,145
Total	<u>\$2,637</u>	<u>\$11,142</u>

(8) Joint technological development

The Company has signed joint technological development contract with the entity with joint control or significant influence over the Company. The royalty fee was calculated in proportion of annual net sales deducted by related cost. The royalty fee was NT\$11,323 thousand and NT\$11,416 thousand for the three-month periods ended March 31, 2022 and 2021, respectively. The royalty payable was NT\$33,978 thousand and NT\$34,374 thousand as of March 31, 2022 and 2021, respectively, which was recognized as other payables.

(9) Key management personnel compensation

	For the three-month periods ended March 31,	
	2022	2021
Short-term employee benefits	\$67,171	\$62,383
Post-employment benefits	560	534
Total	<u>\$67,731</u>	<u>\$62,917</u>

8. Assets Pledged as Security

The following table lists assets of the Group pledged as security:

	Carrying amount			
	As of			
Assets pledged for security	March 31, 2022	December 31, 2021	March 31, 2021	Secured liabilities
Financial assets measured at amortized cost, current	\$53,630	\$51,510	\$10,546	Contract security deposit
Financial assets measured at amortized cost, non-current	64,526	137,154	105,411	Contract security deposit and oil passbook guarantee
Property, plant and equipment - land and buildings	439,175	314,272	234,074	Long-term loans and short-term loans
Investment properties - buildings	3,165	3,185	3,246	Short-term loans
Total	\$560,496	\$506,121	\$353,277	

9. Commitments and Contingencies

The performance guarantee issued by bank as of March 31, 2022 for customs declaration and bids for Government projects are NT\$280,820 thousand.

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

None.



## 12. Others

### (1) Categories of financial instruments

<u>Financial assets</u>	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets designated at fair value through profit or loss	\$107,790	\$43,158	\$1,096
Financial assets at fair value through other comprehensive income	495,470	474,213	408,206
Financial assets measured at amortized cost:			
Cash and cash equivalents	3,687,899	3,211,379	4,549,970
Financial assets measured at amortized cost	412,423	499,532	538,228
Trade receivables	1,654,552	1,706,596	1,541,883
Refundable deposits	321,324	350,770	356,199
Subtotal	6,076,198	5,768,277	6,986,280
Total	<u>\$6,679,458</u>	<u>\$6,285,648</u>	<u>\$7,395,582</u>
<u>Financial liabilities</u>	As of		
	March 31, 2022	December 31, 2021	March 31, 2021
Financial liabilities at amortized cost:			
Short-term loans	\$1,630,000	\$500,000	\$1,000,000
Short-term bills payable	90,000	50,000	280,000
Trade and other payables	2,257,001	3,224,820	2,146,923
Long-term loans (include expired within one year)	3,184,339	3,185,961	3,188,000
Lease liabilities	567,872	643,580	770,937
Guarantee deposits	652,098	648,061	664,270
Total	<u>\$8,381,310</u>	<u>\$8,252,422</u>	<u>\$8,050,130</u>

### (2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

### (3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk includes currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. In other words, there is usually interdependency between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependency between risk variables.

#### Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, and the amounts are usually insignificant, therefore natural hedge is self-fulfilled. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analyses is as follows:

- A. When NTD strengthens/weakens against USD by 10%, the profit for the three-month periods ended March 31, 2022 and 2021 is decreased/increased by NT\$9,285 thousand and NT\$6,605 thousand, respectively.
- B. When NTD strengthens/weakens against RMB by 10%, the profit for the three-month periods ended March 31, 2022 and 2021 is decreased/increased by NT\$12 thousand and NT\$12 thousand, respectively.

### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Group manages its interest rate risk by maintaining a balanced portfolio of fixed and floating interest loans and debts, along with interest rate swaps. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items assumed to be possessed for a fiscal year and exposed to interest rate risk as of the end of the reporting period, including borrowings with floating interest rates. The analysis indicates that when the interest rates increase/decrease by ten basis points, the Group's profit would decrease/increase by NT\$4,814 thousand and NT\$4,188 thousand for the three-month periods ended March 31, 2022 and 2021, respectively.

### Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price of the listed companies' stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT\$33,002 thousand and NT\$29,039 thousand on the equity attributable to the Group for the three-month periods ended March 31, 2022 and 2021, respectively.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

## **(4) Credit risk management**

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of March 31, 2022, December 31, 2021 and March 31, 2021, amounts receivables from top ten customers are minor compared to the total accounts receivable of the Group. The credit concentration risk of other accounts receivable is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Group will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic and Industry information, and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

#### (5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with floating interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of March 31, 2022					
Borrowings	\$3,895,987	\$811,674	\$4,119	\$161,501	\$4,873,281
Short-term bills payable	90,000	-	-	-	90,000
Trade and other payables	2,257,001	-	-	-	2,257,001
Lease liabilities	213,511	215,982	75,420	88,960	593,873

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Borrowings	\$1,680,087	\$1,934,168	\$23,690	\$101,669	\$3,739,614
Short-term bills payable	50,000	-	-	-	50,000
Trade and other payables	3,224,820	-	-	-	3,224,820
Lease liabilities	256,598	237,949	84,152	91,014	669,713
As of March 31, 2021					
Borrowings	\$1,134,620	\$2,989,773	\$23,690	\$109,566	\$4,257,649
Short-term bills payable	280,000	-	-	-	280,000
Trade and other payables	2,146,923	-	-	-	2,146,923
Lease liabilities	312,819	280,759	100,592	104,571	798,741

Notes:

1. Including cash flows resulted from short-term leases or leases of low-value assets.
2. Information about the maturities of lease liabilities is provided in the table below:

	Maturities					
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	Total
2022.3.31	\$206,246	\$246,720	\$52,660	\$60,453	\$1,793	\$567,872
2021.12.31	248,791	271,601	60,394	60,407	2,387	643,580
2021.3.31	304,354	336,064	61,279	65,079	4,161	770,937

The table above contains the undiscounted net cash flows of derivative financial instruments.

(6) Reconciliation for liabilities arising from financing activities

Reconciliation of liabilities for three-month period ended March 31, 2022:

	Short-term loans	Long-term loans	Lease liabilities	Short-term bills payable	Balance of liabilities arising from financing activities
2022.1.1	\$500,000	\$3,185,961	\$643,580	\$50,000	\$4,379,541
Cash flow	1,111,000	(1,622)	(88,330)	(10,000)	1,011,048
Non-cash changes	-	-	12,622	-	12,622
Acquisition	19,000	-	-	50,000	69,000
2022.3.31	<u>\$1,630,000</u>	<u>\$3,184,339</u>	<u>\$567,872</u>	<u>\$90,000</u>	<u>\$5,472,211</u>

Reconciliation of liabilities for three-month period ended March 31, 2021:

	Short-term loans	Long-term loans	Lease payables	Short-term bills payable	Balance of liabilities arising from financing activities
2021.1.1	\$1,600,000	\$2,016,000	\$819,777	\$150,000	\$4,585,777
Cash flow	(600,000)	1,172,000	(84,683)	130,000	617,317
Non-cash changes	-	-	35,843	-	35,843
2021.3.31	<u>\$1,000,000</u>	<u>\$3,188,000</u>	<u>\$770,937</u>	<u>\$280,000</u>	<u>\$5,238,937</u>

## (7) Fair values of financial instruments

### A. The methods and assumptions applied in determining the fair value of financial instruments:

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

- a. The carrying amount of cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

### B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

### C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

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

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

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

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

B. Fair value measurement hierarchy of the Group's assets and liabilities

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

As of March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$1,037	\$-	\$-	\$1,037
Convertible bond	-	-	42,138	42,138
Convertible preferred shares	-	-	28,379	28,379
Film investment agreement	-	-	36,236	36,236
Equity instrument measured at fair value through other comprehensive income	330,020	-	165,450	495,470

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$1,020	\$-	\$-	\$1,020
Convertible bond	-	-	42,138	42,138
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	314,027	-	160,186	474,213

As of March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	\$1,096	\$-	\$-	\$1,096
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	290,386	-	117,820	408,206

Transfers between Level 1 and Level 2 during the period

For three-month periods ended March 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

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

	Assets			
	Measured at fair value through other comprehensive income	fair value through profit or loss		
	Stock	Convertible bond	Convertible preferred shares	Film investment agreement
Beginning balances as of January 1, 2022	\$160,186	\$42,138	\$-	\$-
Total losses recognized for three-month period ended March 31, 2022:				
Amount recognized in profit or loss (presented in "other profit or loss")	-	-	-	-
Amount recognized in OCI (present in unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	44,013	-	-	-
Acquisition/issue for three-month period ended March 31, 2022	-	-	28,379	36,236
Disposition/acquittance for three-month period ended March 31, 2022	(38,749)	-	-	-
Ending balances as of March 31, 2022	\$165,450	\$42,138	\$28,379	\$36,236



	Assets
	Measured at fair value through other comprehensive income
	Stock
Beginning balances as of January 1, 2021	\$102,912
Total losses recognized for three-month period ended March 31, 2021:	
Amount recognized in OCI (present in Unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	14,908
Acquisition/issue for three-month period ended March 31, 2021	-
Disposition/acquittance for three-month period ended March 31, 2021	-
Ending balances as of March 31, 2021	<u>\$117,820</u>

### Information on significant unobservable inputs to valuation

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

As of March 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Measured at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$18,745 thousand
Measured at fair value through profit or loss					
Film investment agreement	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$3,624 thousand

As of December 31, 2021

	Valuation	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
techniques					
Financial assets:					
Measured at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$17,490 thousand

As of March 31, 2021

	Valuation	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
techniques					
Financial assets:					
Measured at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$11,944 thousand

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

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyzed the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of March 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	\$-	\$-	\$100,253	\$100,253
Investments accounted for using the equity method (please refer to Note 6)	5,579,645	-	-	5,579,645

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	\$-	\$-	\$100,253	\$100,253
Investments accounted for using the equity method (please refer to Note 6)	5,455,454	-	-	5,455,454

As of March 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6)	\$-	\$-	\$89,978	\$89,978
Investments accounted for using the equity method (please refer to Note 6)	4,881,635	-	-	4,881,635

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

March 31, 2022			
	Foreign currencies	Foreign exchange rate	NTD (thousand)
<u>Financial assets</u>			
Monetary items:			
USD	\$3,382,087	28.6250	\$96,812
EURO	517	31.9200	16
RMB	26,748	4.5060	121

Financial liabilities

Monetary items:

USD	138,508	28.6250	3,965
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December 31, 2021			
	Foreign currencies	Foreign exchange rate	NTD (thousand)
<u>Financial assets</u>			
Monetary items:			
USD	\$3,006,613	27.6800	\$83,223
EURO	517	31.3201	16
RMB	186,771	4.3440	811

Financial liabilities

Monetary items:

USD	337,478	27.6800	9,341
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March 31, 2021			
	Foreign currencies	Foreign exchange rate	NTD (thousand)
<u>Financial assets</u>			
Monetary items:			
USD	\$2,723,171	28.5350	\$77,706
EURO	517	33.4798	17
RMB	26,657	4.3440	116

Financial liabilities

Monetary items:

USD	408,637	28.5350	11,660
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The consolidated entities' functional currencies are various, so it is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies.

The foreign exchange loss was NT\$200 thousand and NT\$316 thousand for the three-month periods ended March 31, 2022 and 2021, respectively.

The above information is disclosed based on book value of foreign currency (after conversion to functional currency).

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(11) The information of parent company shares held by subsidiaries is as follows

Name of subsidiaries	As of March 31, 2022		
	Shares	Amount	Purpose of holding
Speed Investment Co., Ltd.	3,447,198	\$375,745	Financial assets at fair value through other comprehensive income
Kuo Hsing Security Co., Ltd	3,625,284	395,156	Financial assets at fair value through other comprehensive income
Gowin Building Management and Maintenance Co., Ltd.	2,232,564	243,350	Financial assets at fair value through other comprehensive income
Goyun Security Co., Ltd.	252,820	27,557	Financial assets at fair value through other comprehensive income
Chung Hsing E-Guard Co., Ltd.	552,655	60,239	Financial assets at fair value through other comprehensive income
Lee Way Electronics Co., Ltd.	163,284	17,798	Financial assets at fair value through other comprehensive income
Total	<u>10,273,805</u>	<u>\$1,119,845</u>	

Name of subsidiaries	As of December 31, 2021		
	Shares	Amount	Purpose of holding
Speed Investment Co., Ltd.	3,447,198	\$358,509	Financial assets at fair value through other comprehensive income
Kuo Hsing Security Co., Ltd	3,625,284	377,029	Financial assets at fair value through other comprehensive income
Gowin Building Management and Maintenance Co., Ltd.	2,232,564	232,187	Financial assets at fair value through other comprehensive income
Goyun Security Co., Ltd.	252,820	26,293	Financial assets at fair value through other comprehensive income
Chung Hsing E-Guard Co., Ltd.	552,655	57,476	Financial assets at fair value through other comprehensive income
Lee Way Electronics Co., Ltd.	163,284	16,982	Financial assets at fair value through other comprehensive income
Total	<u>10,273,805</u>	<u>\$1,068,476</u>	

Name of subsidiaries	As of March 31, 2021		
	Shares	Amount	Purpose of holding
Speed Investment Co., Ltd.	3,447,198	\$321,624	Financial assets at fair value through other comprehensive income
Kuo Hsing Security Co., Ltd	3,625,284	338,239	Financial assets at fair value through other comprehensive income
Gowin Building Management and Maintenance Co., Ltd.	2,232,564	208,298	Financial assets at fair value through other comprehensive income
Goyun Security Co., Ltd.	252,820	23,588	Financial assets at fair value through other comprehensive income
Chung Hsing E-Guard Co., Ltd.	552,655	51,563	Financial assets at fair value through other comprehensive income
Lee Way Electronics Co., Ltd.	163,284	15,234	Financial assets at fair value through other comprehensive income
Total	<u>10,273,805</u>	<u>\$958,546</u>	

### 13. Additional Disclosures

(1) The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

- A. Significant intercompany transactions between consolidated entities: Please refer to Attachment 1.
- B. Financing provided to others: Please refer to Attachment 2.
- C. Endorsement/Guarantee provided to others: Please refer to Attachment 3.
- D. Securities held: Please refer to Attachment 4.
- E. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock: Please refer to Attachment 5.
- F. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock: None.
- G. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock: None.
- H. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock: Please refer to Attachment 6.
- I. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock: Please refer to Attachment 7.
- J. Financial instruments and derivative transactions: None.

(2) Information on investees:

- A. Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Attachment 8.
- B. Additional disclosures from above A.~J. of investee companies: Please refer to Attachment 2, 3 and 4.

(3) Information on investment in Mainland China:

A. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 9.

B. Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

(4) Major shareholder information: Please refer to Attachment 10

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has four reportable operating segments as follows:

- (1) Electronic systems: segment engages in security system related service.
- (2) Security services: segment engages in security guarding related service.
- (3) Cash delivery services: segment engages in cash delivery service.
- (4) Logistics services: segment engages in logistic service.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(1) Information on profit or loss, assets and liabilities of the reportable segment:

For three-month period ended March 31, 2022

	Electronic systems segment	Security services segment	Cash delivery services segment	Logistics services segment	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
Revenue								
External customer	\$1,661,230	\$598,350	\$339,504	\$244,923	\$2,844,007	\$895,727	\$-	\$3,739,734
Inter-segment	41,876	69,177	102,272	4,224	217,549	291,602	(509,151)	-
Total revenue	\$1,703,106	\$667,527	\$441,776	\$249,147	\$3,061,556	\$1,187,329	\$(509,151)	\$3,739,734
Segment profit	\$708,541	\$141,497	\$192,899	\$12,822	\$1,055,759	\$125,938	\$(348,573)	\$833,124

For three-month period ended March 31, 2021

	Electronic systems segment	Security services segment	Cash delivery services segment	Logistics services segment	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
Revenue								
External customer	\$1,633,946	\$584,495	\$300,910	\$258,671	\$2,778,022	\$758,897	\$-	\$3,536,919
Inter-segment	48,809	65,814	74,843	4,085	193,551	248,542	(442,093)	-
Total revenue	\$1,682,755	\$650,309	\$375,753	\$262,756	\$2,971,573	\$1,007,439	\$(442,093)	\$3,536,919
Segment profit	\$619,230	\$120,675	\$136,234	\$14,259	\$890,398	\$177,845	\$(326,864)	\$741,379

Inter-segment revenue is eliminated on consolidation and recorded under the “adjustment and elimination” column. All other adjustments and eliminations are disclosed below.

Information on assets and liabilities of segment as of March 31, 2022, December 31, 2021 and March 31, 2021:

Segment assets

	Electronic systems segment	Security services segment	Cash delivery services segment	Logistics services segment	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
2022.3.31 segment assets	\$20,252,155	\$2,207,446	\$3,605,448	\$1,100,682	\$27,165,731	\$11,303,414	\$(13,691,829)	\$24,777,316
2021.12.31 segment assets	\$19,617,219	\$2,137,193	\$3,149,609	\$1,174,646	\$26,078,667	\$10,531,372	\$(12,997,095)	\$23,612,944
2021.3.31 segment assets	\$19,335,373	\$2,079,977	\$3,456,991	\$1,154,239	\$26,026,580	\$10,182,896	\$(12,060,982)	\$24,148,494

Segment liabilities

	Electronic systems segment	Security services segment	Cash delivery services segment	Logistics services segment	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
2022.3.31 segment liabilities	\$7,848,106	\$295,872	\$2,015,512	\$366,497	\$10,525,987	\$1,836,651	\$(434,227)	\$11,928,411
2021.12.31 segment liabilities	\$8,009,001	\$351,353	\$1,662,360	\$450,755	\$10,473,469	\$1,704,446	\$(583,550)	\$11,594,365
2021.3.31 segment liabilities	\$7,476,434	\$336,365	\$2,092,660	\$439,137	\$10,344,596	\$1,816,203	\$(334,839)	\$11,825,960

(2) Information on reconciliations of profit or loss of reportable segments:

	For the three-month periods ended March 31,	
	2022	2021
Total profit or loss for reportable segments	\$1,055,759	\$890,398
Other profit	125,938	177,845
Elimination of inter-segment profit	(348,573)	(326,864)
Profit before tax from continuing operations	\$833,124	\$741,379



## Attachment 1

## Significant intercompany transactions between consolidated entities

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)							
Number (Note 1)	Company Name	Counter Party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
	<u>For the three-month period ended March 31, 2022</u>						
0	Taiwan Secom Co., Ltd.	LeeBao Security Co., Ltd.	1	Costs	64,065	Note 4	2%
0	Taiwan Secom Co., Ltd.	Titan Star International Co., Ltd.	1	Costs	129,097	Note 4	3%
0	Taiwan Secom Co., Ltd.	Titan Star International Co., Ltd.	1	Accounts payable	55,008	-	0%
0	Taiwan Secom Co., Ltd.	Titan Star International Co., Ltd.	1	Guarantee deposits	30,000	-	1%
0	Taiwan Secom Co., Ltd.	Aion Technologies Inc.	1	Costs	39,883	Note 4	1%
0	Taiwan Secom Co., Ltd.	Aion Technologies Inc.	1	Accounts payable	12,048	-	0%
0	Taiwan Secom Co., Ltd.	Ching-Dian Tech Co., Ltd.	1	Revenues	11,566	Note 4	0%
0	Taiwan Secom Co., Ltd.	Lee Way Electronics Co., Ltd.	1	Revenues	14,801	Note 4	0%
0	Taiwan Secom Co., Ltd.	Brightron Technology and Engineering Corporation	1	Accounts receivable	21,038	-	0%
1	Titan Star International Co., Ltd.	Taiwan Secom Co., Ltd.	2	Revenues	145,094	Note 4	4%
2	Aion Technologies Inc.	Taiwan Secom Co., Ltd.	2	Revenues	64,024	Note 4	2%
3	Goyun Security Co., Ltd.	KuoHsing Security Co., Ltd.	3	Revenues	14,950	Note 4	0%

Note 1: The Company and its subsidiaries are coded as follows:

(1) The Company is coded "0".

(2) Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

(1) Parent company to subsidiary

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: When calculating the percentage of transaction amount to the consolidated revenues or the consolidated assets: Items of the balance sheets are calculated as its ending balance to total consolidated assets; items of income statement are calculated by its cumulative balance to the total consolidated income.

Note 4: The trading conditions of revenues and costs are in accordance with the general market conditions, and the terms of payment are equivalent to non-related parties.

## Attachment 2

Financing provided to others for three-month period ended March 31, 2022

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

No.	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party	Limit of total financing amount
													Item	Value		
1	Speed Investment Co., Ltd.	Lots Home Entertainment Co., Ltd.	Other receivables - related parties	Yes	\$60,000	\$60,000	\$53,000	1.0%	(Note 6(2))	\$-	Business turnover	\$-	-	\$-	\$684,900 (Note 1)	\$1,369,799 (Note 2)
2	Speed Investment Co., Ltd.	SIGMU D.P.T. Company Ltd.	Other receivables - related parties	Yes	50,000	50,000	-	1.0%	(Note 6(2))	-	Business turnover	-	-	-	684,900 (Note 1)	1,369,799 (Note 2)
3	Speed Investment Co., Ltd.	Living Plus Food & Beverage Co., Ltd.	Other receivables - related parties	Yes	20,000	20,000	20,000	1.0%	(Note 6(2))	-	Business turnover	-	-	-	684,900 (Note 1)	1,369,799 (Note 2)
4	Taiwan Secom Co., Ltd.	LeeBao Security Co., Ltd.	Other receivables - related parties	Yes	1,600,000	1,600,000	-	0.6%~0.9%	(Note 6(2))	-	Business turnover	-	-	-	2,479,723	4,959,446
5	Taiwan Secom Co., Ltd.	Titan Star International Co., Ltd.	Other receivables - related parties	Yes	600,000	600,000	-	0.6%~0.9%	(Note 6(2))	-	Business turnover	-	-	-	2,479,723 (Note 3 (1))	4,959,446 (Note 4)
6	Taiwan Secom Co., Ltd.	Gowin Building Management and Maintenance Co., Ltd.	Other receivables - related parties	Yes	300,000	300,000	-	0.6%~0.9%	(Note 6(2))	-	Business turnover	-	-	-	2,479,723 (Note 3 (1))	4,959,446 (Note 4)
7	Taiwan Secom Co., Ltd.	KuoHsing Security Co., Ltd.	Other receivables - related parties	Yes	80,000	80,000	-	0.6%~0.9%	(Note 6(2))	-	Business turnover	-	-	-	2,479,723 (Note 3 (1))	4,959,446 (Note 4)

Note 1 : According to Fund loan and operating procedures of Speed Investment Co., Ltd., limit of financing amount for individual counter-party is as follow :

- (1) If the financing is related to business transactions, financing to Speed Investment Co., Ltd. shall not exceed 20% of the net assets values from the latest financial statements.
- (2) Associated with short-term capital needs, financing to Speed Investment Co., Ltd. shall not exceed 20% of the net assets values from the latest financial statements.

Note 2 : Total financing amount of Speed Investment Co., Ltd. shall not exceed 40% of the audited/reviewed net assets value of the most current period.

Note 3 : According to Fund loan and operating procedures of Taiwan Secom Co., Ltd., limit of financing amount for individual counter-party is as follow :

- (1) If the financing is related to business transactions, financing to Taiwan Secom Co., Ltd. shall not exceed 20% of the net assets values from the latest financial statements.
- (2) Associated with short-term capital needs, financing to Taiwan Secom Co., Ltd. shall not exceed 20% of the net assets values from the latest financial statements.

Note 4 : Total financing amount of Taiwan Secom Co., Ltd. shall not exceed 40% of the audited/reviewed net assets value of the most current period.

Note 5 : According to the Interpretation Letter of (93) Basic Secret No. 167, the accounts receivable of the related parties that exceed the normal credit period are transferred to other receivables and are regarded as financing.

Note 6 : (1) Total amount of the financing is disclosed herein if the financing is related to business transactions.

- (2) The reasons and counterparties of the financing are addressed herein as the financing was associated with short-term capital needs.

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)													
No.	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount	Guarantee provided by parent company (Note 6)	Guarantee provided by a subsidiary (Note 6)	Guarantee provided to subsidiaries in Mainland China (Note 6)
		Company name	Relationship										
0	Taiwan Secom Co., Ltd.	LeeBao Security Co., Ltd.	An investee which holds directly 100% of equity interest.	\$3,719,585 (Note 1)	\$1,200,000	\$1,200,000	\$500,000	\$-	9.68%	6,199,308 (Note 4)	Y	N	N
0	Taiwan Secom Co., Ltd.	KuoHsing Security Co., Ltd.	An investee which holds directly 83.77% of equity interest.	3,719,585 (Note 1)	50,000	-	-	-	0.00%	6,199,308 (Note 4)	Y	N	N
0	Taiwan Secom Co., Ltd.	Gowin Building Management Services Co., Ltd.	An investee which holds directly 80.96% of equity interest.	3,719,585 (Note 1)	450,000	437,780	87,780	-	3.53%	6,199,308 (Note 4)	Y	N	N
0	Taiwan Secom Co., Ltd.	Lee Way Electronics Co., Ltd.	An investee which holds directly 34.29% of equity interest.	3,719,585 (Note 1)	100,000	100,000	-	-	0.81%	6,199,308 (Note 4)	Y	N	N
0	Taiwan Secom Co., Ltd.	Brightron Technology and Engineering Corporation	An investee which holds directly 5.18% of equity interest.	3,719,585 (Note 1)	500,000	180,000	-	-	1.45%	6,199,308 (Note 4)	Y	N	N
0	Taiwan Secom Co., Ltd.	SIGMU D.P.T. Company Ltd.	An investee which holds indirectly 5.18% of equity interest.	3,719,585 (Note 1)	30,000	-	-	-	0.00%	6,199,308 (Note 4)	Y	N	N
0	Taiwan Secom Co., Ltd.	Gowin Smart Parking Co., Ltd.	An investee which holds indirectly 100% of equity interest.	3,719,585 (Note 1)	136,300	136,300	36,300	-	1.10%	6,199,308 (Note 4)	Y	N	N
1	Aion Technologies Inc.	Brightron Technology and Engineering Corporation	An investee which holds directly 15.22% of equity interest.	56,883 (Note 2)	1,400	1,400	1,400	-	0.49%	56,883 (Note 1)	N	N	N
2	Gowin Building Management and Maintenance Co., Ltd.	Gowin Smart Parking Co., Ltd.	An investee which holds directly 100% of equity interest.	3,719,585 (Note 3)	50,000	50,000	-	-	5.66%	6,199,308 (Note 2)	N	N	N
2	Gowin Building Management and Maintenance Co., Ltd.	Taiwan Secom Co., Ltd.	Parent company	3,719,585 (Note 3)	3,850	3,850	3,850	-	0.44%	6,199,308 (Note 4)	N	Y	N
3	Speed Investment Co., Ltd.	Sunseap Solutions Taiwan Limited	An investee which holds directly 51.00% of equity interest.	3,719,585 (Note 4)	10,000	10,000	-	-	0.29%	6,199,308 (Note 2)	N	N	N

Note 1: A subsidiary in which Taiwan Secom Co., Ltd. holds directly or indirectly over 50% of equity interest. Guarantee/endorsement amount are as follows:

- (1) Total guarantee amount of the Company and its subsidiaries to net assets value of open-released parent company shall not exceed 50%.
- (2) Total guarantee amount for receiving party of the Company and its subsidiaries to net assets value of the Company shall not exceed 30%. Except for open-released parent company directly or indirectly owned exceed 90% of equity interest, and its amount to net assets value of parent company shall not exceed 10%. But not for the case of guarantee/endorsement among companies owned 100% equity interests by open-released parent company.
- (3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 2: Limit of guarantee/endorsement amount of Aion Technologies Inc. are as follows :

- (1) Total guarantee amount of the Company to net assets value from the latest financial statement shall not exceed 50%.
- (2) Guarantee/endorsement amount for receiving party to net assets value from the latest financial statement shall not exceed 20%.
- (3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 3: Limit of guarantee/endorsement amount of Gowin Building Management and Maintenance Co., Ltd. are as follows :

- (1) Total guarantee amount of the Company and its subsidiaries to net assets value of open-released parent company shall not exceed 50%.
- (2) Total guarantee amount for receiving party of the Company and its subsidiaries to net assets value of the Company shall not exceed 30%. Except for open-released parent company directly or indirectly owned exceed 90% of equity interest, and its amount to net assets value of parent company shall not exceed 10%. But not for the case of guarantee/endorsement among companies owned 100% equity interests by open-released parent company.
- (3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 4: A subsidiary in which Speed Investment Co., Ltd. holds directly or indirectly over 50% of equity interest. Guarantee/endorsement amount are as follows :

- (1) Total guarantee amount of the Company and its subsidiaries to net assets value of open-released parent company shall not exceed 50%.
- (2) Total guarantee amount for receiving party of the Company and its subsidiaries to net assets value of the Company shall not exceed 30%. Except for open-released parent company directly or indirectly owned exceed 90% of equity interest, and its amount to net assets value of parent company shall not exceed 10%. But not for the case of guarantee/endorsement among companies owned 100% equity interests by open-released parent company.
- (3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 5: A company is coded "Y" when a subsidiary is endorsed by the listed parent company, or a listed parent company is endorsed by a subsidiary, or a company with an endorsement in Mainland China.

Securities held for three-month period ended March 31, 2022 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Holder	Type and name of securities	Relationship	Financial statement account	Ending balance				Note
				Units/Shares	Book value	Percentage of ownership	Fair value (NTD)	
<u>Taiwan Secom Co., Ltd.</u>	Listed companies stocks- Taiwan Taxi Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	446,525	\$37,240	0.75%	\$83.40	
	Unlisted companies stocks- BlissCloud Group Holdings Corp	-	Financial assets at fair value through other comprehensive income-non-current	987,762	-	4.41%	-	
	Top Taiwan VIII Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,191,666	23,298	2.08%	19.55	
	GAMA Pay Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,410,714	9,088	3.01%	3.77	
	GENIRON.COM Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,591,367	53,740	10.61%	33.77	
	Global Securities Finance Corporation	-	Financial assets at fair value through other comprehensive income-non-current	29,102	291	0.16%	10.00	
	Raixin Quality Products Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,578,976	4,832	11.28%	3.06	
	Inline Group Limited (Convertible Preferred Shares)	-	Financial assets at fair value through profit or loss	100,000	28,379	1.50%	283.79	
	Convertible Bond- Inline group Limited-USD 1,500,000	-	Financial assets at fair value through profit or loss	-	42,138	-	-	
<u>Lee Way Electronics Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	163,284	17,798	0.04%	109.00	
	Unlisted companies stocks- Huijia Health Life Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	50,000	108	0.25%	2.16	
<u>LeeBao Technology Co., Ltd.</u>	Unlisted companies stocks- GENIRON.COM Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,239,180	41,847	8.26%	33.77	
<u>Ching-Dian Tech Co., Ltd.</u>	Listed companies stocks- Taiwan Taxi Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	54,100	4,512	0.09%	83.40	
	Kinpo Electronics, Inc.	-	Financial assets at fair value through other comprehensive income-current	500,000	8,475	0.03%	16.95	
<u>Tital Star International Co., Ltd.</u>	Unlisted companies stocks- International Integrated Systems, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	497,227	9,855	0.68%	19.82	
	Oriental Life Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	182,500	4,661	7.30%	25.54	
<u>Chung Hsing E-Guard Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	552,655	60,239	0.12%	109.00	
<u>Golden Harvest Food Enterprose Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	56,000	6,104	0.01%	109.00	

Securities held for three-month period ended March 31, 2022 (Excluding subsidiary, associates and jointly controlled)

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Holder	Type and name of securities	Relationship	Financial statement account	Ending balance				Note
				Units/Shares	Book value	Percentage of ownership	Fair value (NTD)	
<u>KuoHsing Security Co., Ltd.</u>	Listed companies stocks-							
	Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	3,625,284	\$395,156	0.80%	\$109.00	
	Wellpool Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	281,000	19,698	0.78%	70.10	
	Taiwan Taxi Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	470,837	39,268	0.79%	83.40	
<u>Gowin Building Management Services Co., Ltd.</u>	Listed companies stocks-							
	Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	2,232,564	243,350	0.49%	109.00	
<u>Lots Home Entertainment Co., Ltd.</u>	Unlisted companies stocks-							
	The Tag-Along Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	44,453	250	15.00%	5.62	
	Daxiao Creative Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000,000	4,530	6.90%	4.53	
	Film investment agreement		Financial assets at fair value through profit or loss	-	36,236	-	-	
<u>Goyun Security Co., Ltd.</u>	Listed companies stocks-							
	Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	252,820	27,557	0.06%	109.00	
	Wellpool Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	181,500	12,723	0.50%	70.10	
<u>Speed Investment Co., Ltd.</u>	Listed companies stocks-							
	Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	3,447,198	375,745	0.76%	109.00	
	Wellpool Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	302,500	21,206	0.84%	70.10	
	Taiwan Taxi Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	11,000	917	0.02%	83.40	
	Kinpo Electronics, Inc.		Financial assets at fair value through other comprehensive income-current	100,000	1,695	0.01%	16.95	
	Unlisted companies stocks-							
	Top Taiwan VI Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	335,000	3,480	2.17%	10.39	
	Mingfu Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	100,000	414	9.09%	4.14	
	Yuji Venture Capital Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	506,250	7,391	3.75%	14.60	
	Imperial Food Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	300,000	1,665	3.00%	5.55	
	Fund-							
	AsiaVest Opportunities Fund	-	Financial assets at fair value through profit or loss-current	200	1,037	0.74%	USD 184.93	
<u>TransAsia Catering Service Ltd.</u>	Fund-							
	O-Bank No.1 Real Estate Investment Trust	-	Financial assets at fair value through other comprehensive income-current	17,046,000	153,244	5.68%	8.99	
<u>Aion Technologies Inc.</u>	Listed companies stocks-							
	Taiwan Taxi Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	366,345	30,443	0.62%	83.10	
	Taiwan Shin Kong Security Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	15,000	599	0.00%	39.93	

Attachment 5 : Purchases or sales of goods from or to related parties reaching NT\$300 million or 20% of paid-in capital or more

Amounts in Thousands of New Taiwan Dollars

Purchaser/Seller	Type and name of securities	Account	counterparty	Relationship with the counterparty	Beginning of the period		Buy		Sell				End of period	
					Shares	Amounts	Shares	Amounts	Shares	Selling price	Book value	Disposal (loss) profit	Shares	Amounts (Note 2)
Taiwan Secom Co., Ltd.	Golden Harvest Food Enterprose Ltd.	Investment accounted for under the equity method	Note 1	Note 1	-	\$-	12,010,227	\$520,874	-	\$-	\$-	\$-	12,010,227	\$518,435

Note 1 : In accordance with the resolution of the Board of Directors' meeting on May 13, 2021, the Company acquired 12,010,227 shares of Golden Harvest Food Enterprise Ltd. amounted to NT\$520,874 thousand from original shareholder in January 2022, the percentage of ownership is 97.84%.

Note 2 : The amount at the end of period including share of profit or loss of associates accounted for using the equity method.

## Attachment 6

Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20% of capital stock

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Purchaser (seller)	Counter-party	Relationship	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance	Percentage of total receivables (payable)	
<u>Taiwan Secom Co., Ltd.</u>	Aion Technologies Inc.	Subsidiary accounted for using the equity method	Note 1	\$64,024	Note 1	30-60 days	-	-	\$(12,048)	3%	
	Anfeng Enterprise Co., Ltd.	Investee accounted for using the equity method	Sales	63,844	4%	30-60 days	-	-	120,857	13%	
	LeeBao Security Co., Ltd.	Subsidiary accounted for using the equity method	Purchase	64,065	7%	30-60 days	-	-	(6,285)	2%	
	Titan Star International Co., Ltd.	Subsidiary accounted for using the equity method	Note 2	145,094	Note 2	30-60 days	-	-	(55,008)	15%	
<u>Goldsun Express &amp; Logistics Co., Ltd.</u>	Goldsun Building Materials Co., Ltd.	Investee accounted for using the equity method	Note 3	(117,788)	Note 3	30 days	-	-	53,094	6%	

Note 1 : The Company purchases information equipment, software and system maintenance from Aion Technologies Inc.

Note 2 : The Company purchased inventory, electronic anti-theft and electronic fireproof equipment from Titan Star International Co., Ltd, and recognized spare electronic equipment under the purchase, operating costs and fixed assets.

Note 3 : The subsidiary provides cement carrying services to Goldsun Building Materials Co., Ltd, and recognized as other operating income.

## Attachment 7

Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Company name	Counter-party	Relationship	Ending balance of receivables	Turnover rate (times)	Overdue receivables		Amount received in amount collection status subsequent period	Loss allowance
					Amount	Collection status		
Anfeng Enterprise Co., Ltd.	Taiwan Secom Co., Ltd.	Investee accounted for using the equity method	\$120,857	-	\$-	\$-	\$-	\$-



Names, locations and related information of investee companies (excluding investment in Mainland China)

※Investee company accounted for using the equity method

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
<u>Taiwan Secom Co., Ltd.</u>	Speed Investment Co., Ltd.	Taipei City	Investment holding	\$198,200	\$138,200	264,534,739	100.00%	\$3,016,296	\$63,370	\$36,345	
	LeeBao Security Co., Ltd.	Taipei City	Security services providing	198,006	198,006	83,983,458	100.00%	1,598,466	102,686	102,431	
	Goyun Security Co., Ltd.	Kaohsiung City	Security services providing	40,034	40,034	27,705,510	100.00%	587,693	34,886	34,822	
	Chung Hsing E-Guard Co., Ltd.	Taipei City	Sales of electric, telecommunications and fireproof products	20,000	20,000	2,000,000	100.00%	10,796	40	40	
	Goldsun Express & Logistics Co., Ltd.	New Taipei City	Air cargo transporting services	613,878	613,878	59,464,914	100.00%	697,317	10,006	10,011	
	KuoHsing Security Co., Ltd.	Taipei City	Corporate security guarding services	-	-	29,321,619	83.77%	653,776	61,364	49,769	
	Gowin Building Management and Maintenance Co., Ltd.	Taipei City	Building management services providing	101,911	101,911	28,463,488	80.96%	557,700	55,814	44,510	
	Aion Technologies Inc.	Taipei City	Technology support services	139,356	139,356	12,739,895	73.75%	207,446	13,396	4,151	
	Taiwan Secom Insurance Brokerage Services Inc.	Taipei City	Insurance broker	13,063	13,063	912,600	90.00%	28,809	1,043	938	
	Lee Way Electronics Co., Ltd.	Taipei City	Police-Citizen connection and AED rental services	87,125	87,125	6,858,894	34.29%	113,373	15,860	5,438	
	Lots Home Entertainment Co., Ltd.	Taipei City	Digital video and movie distribution	186,480	186,480	683,920	1.93%	3,218	9,744	148	
	TransAsia Catering Service Ltd.	Taoyuan City	Production and sales of instant foods and in-flight catering	750,687	750,687	24,562,918	67.02%	746,975	(17,353)	(11,614)	
	Brighton Technology and Engineering Corporation	Taipei City	Light controlling system services	6,776	6,776	2,085,434	5.18%	22,892	(74,583)	(3,927)	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	1,257,922	1,257,922	77,705,747	6.59%	1,777,394	2,083,684	117,372	
	Golden Harvest Food Enterprose Ltd.	Taipei City	Catering services	520,874	-	12,010,227	97.84%	518,435	(4,912)	(2,439)	
	TransAsia Airways Corp.	Taipei City	Aviation services	833,409	833,409	76,245,604	10.05%	-	-	-	Note 1
	Tech Elite Holdings Ltd.	Hong Kong	Investment holding	66,416	66,416	2,000,000	39.22%	-	-	-	
	Anfeng Enterprise Co., Ltd.	Taipei City	Automated Teller Machine (ATM) services	10,820	10,820	900,000	30.00%	15,018	1,736	521	
	Huaya Development Co., Ltd.	Taipei City	Operating hotel and sales of cement products and asbestos waves	314,899	314,899	25,512,892	42.52%	292,482	(1,717)	(856)	
	GALC Inc.	Taipei City	Manufacturing of metal structures and building components	9,000	9,000	900,000	30.00%	9,799	1,056	317	
<u>Speed Investment Co., Ltd.</u>	Titan Star International Co., Ltd.	Taipei City	Manufacturing, selling and processing of security-related equipment and parts	272,396	272,396	97,502,010	100.00%	1,832,622	109,698	94,150	
	Jiansheng International Co., Ltd.	Taipei City	Medical equipment and AED rental services	20,000	20,000	2,000,000	1	20,386	112	85	
	Lots Home Entertainment Co., Ltd.	Taipei City	Digital video and movie distribution	375,568	375,568	29,865,578	1	178,927	9,744	7,709	
	Ching-Dian Tech Co., Ltd.	Taipei City	POS system for retail	147,780	147,780	13,992,000	1	157,192	6,350	4,727	
	Lee Way Electronics Co., Ltd.	Taipei City	Police-Citizen connection and AED rental services	103,446	103,446	9,385,856	0	184,077	15,860	7,037	
	TransAsia Catering Service Ltd.	Taoyuan City	Production and sales of instant foods and in-flight catering	80,000	80,000	2,424,242	0	73,337	(17,353)	(1,190)	
	Taiwan Secom Insurance Brokerage Services Inc.	Taipei City	Insurance broker	1,927	1,927	101,400	0	3,190	1,043	93	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	89,181	89,181	8,472,699	0	170,738	2,083,684	12,691	
	Brighton Technology and Engineering Corporation	Taipei City	Light controlling system services	124,740	124,740	28,201,692	1	284,837	(74,583)	(51,094)	
	Sunseap Solutions Taiwan Limited	Taipei City	Energy-saving solutions technology	15,300	15,300	1,530,000	51.00%	12,184	(2,690)	(661)	
	Epic Tech Taiwan Inc.	Taipei City	Information management platform	31,200	31,200	3,120,000	78.00%	2,646	(3,949)	(5,402)	
	Having Drama Entertainment Co., Ltd.	Taipei City	Video content development and investment	102,000	-	10,200,000	97.14%	102,000	(386)	-	
	Baohwa Trust Co., Ltd.	Taipei City	Information Security Services	30,000	-	3,000,000	60.00%	30,000	(415)	-	
<u>Titan Star International Co., Ltd.</u>	eSkylink Inc.	Taipei City	Telecom value-added network services	7,301	7,301	884,016	19.71%	23,437	10,164	1,374	
	Brighton Technology and Engineering Corporation	Taipei City	Light controlling system services	30,244	30,244	2,303,654	5.72%	33,615	(74,583)	(5,036)	
	TransAsia Airways Corp.	Taipei City	Aviation Services	54,007	54,007	4,405,028	0.58%	-	-	-	Note 1
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	368,654	368,654	50,923,710	4.32%	1,049,216	2,083,684	76,558	
	TransAsia Catering Service Ltd.	Taoyuan City	Production and sales of instant foods and in-flight catering	100,000	100,000	3,030,303	8.27%	66,368	(17,353)	(1,061)	

Note 1 : On January 11, 2017, the shareholders meeting of TransAsia Airways Corp., which is the Group's investee recognized in investments accounted for under the equity method, approved the liquidation proposal. No more investment income or loss has been recognized since 2017.

Names, locations and related information of investee companies (excluding investment in Mainland China)

※Investee company accounted for using the equity method

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
<u>Goldsun Express &amp; Logistics Co., Ltd.</u>	Goldsun Express Ltd.	Taipei City	The custom broker services	\$26,833	\$26,833	3,361,248	100.00%	\$37,616	\$309	\$309	
<u>Goyun Security Co., Ltd.</u>	Gowin Building Management and Maintenance Co., Ltd.	Taipei City	Building management services providing	15,000	15,000	2,154,042	6.13%	47,207	55,814	3,226	Note 1
	TransAsia Airways Corp.	Taipei City	Aviation Services	28,978	28,978	1,635,080	0.22%	-	-	-	
	Ching-Dian Tech Co., Ltd.	Taipei City	POS system for retail	10,080	10,080	1,008,000	6.72%	11,300	6,350	341	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	69,882	69,882	7,531,136	0.64%	121,939	2,083,684	8,611	
	Guoyun Technology Co., Ltd.	Kaohsiung City	Car parking lot services	150,000	150,000	15,000,000	100.00%	130,941	529	529	
	Lots Home Entertainment Co., Limited	Taipei City	Digital video and movie distribution	1,814	1,814	1,240,688	3.49%	7,325	9,744	257	
<u>KuoHsing Security Co., Ltd.</u>	Gowin Building Management and Maintenance Co., Ltd.	Taipei City	Building management services providing	26,615	26,615	4,540,260	12.91%	137,051	55,814	5,354	Note 1
	Lee Way Electronics Co., Ltd.	Taipei City	Police-Citizen connection and AED rental services	20,020	20,020	1,804,972	9.02%	38,609	15,860	1,191	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	287,475	287,478	16,300,599	1.38%	373,806	2,083,684	25,378	
	TransAsia Airways Corp.	Taipei City	Aviation Services	47,581	47,581	4,360,832	0.57%	-	-	-	
	Chung Po Rental Co., Ltd.	New Taipei City	Mini-Storage rental services	10,000	10,000	1,000,000	100.00%	7,754	82	82	
	TransAsia Catering Service Ltd.	Taoyuan City	Production and sales of instant foods and in-flight catering	70,000	70,000	2,121,212	5.79%	46,894	(17,353)	(1,042)	
<u>Gowin Building Management and Maintenance Co., Ltd.</u>	Gowin Security Co., Ltd.	Taipei City	Corporate security guarding services	40,000	40,000	4,000,000	100.00%	97,125	5,970	5,970	Note 1
	KuoHsing Security Co., Ltd.	Taipei City	Corporate security guarding services	12,515	12,515	506,692	1.45%	17,210	61,364	863	
	TransAsia Airways Corp.	Taipei City	Aviation Services	19,639	19,639	2,101,872	0.28%	-	-	-	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	74,779	74,779	4,279,913	0.36%	85,050	2,083,684	5,581	
	Gowin Smart Parking Co., Ltd.	Taipei City	Car parking lot services	50,000	50,000	5,000,000	100.00%	42,374	1,473	1,178	
<u>Lee Way Electronics Co., Ltd.</u>	Lee Yuan Biomedical Co., Ltd.	Taipei City	Medical equipment and AED rental services	30,000	30,000	5,000,000	100.00%	95,038	7,485	7,485	
	TransAsia Catering Service Ltd.	Taoyuan City	Production and sales of instant foods and in-flight catering	50,000	50,000	1,515,152	4.13%	32,925	(17,353)	(744)	
<u>LeeBao Security Co., Ltd.</u>	LeeBao Technology Co., Ltd.	Taipei City	Automated Teller Machine (ATM) services	50,000	50,000	5,000,000	100.00%	53,281	399	499	
<u>Aion Computer Communication Co., Ltd.</u>	Brightron Technology and Engineering Corporation	Taipei City	Light controlling system services	81,623	81,623	6,132,000	15.22%	92,918	(74,583)	(2,614)	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	76,600	76,600	3,499,811	0.30%	91,724	2,083,684	5,661	
	Epic Tech Taiwan Inc.	Taipei City	Information management platform	7,800	7,800	780,000	19.50%	761	(3,949)	(1,251)	
<u>TransAsia Catering Services Ltd.</u>	Global Food Co., Ltd.	Taoyuan City	Retail of food product	18,000	18,000	1,800,000	30.00%	24,543	(263)	100	
	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	205,172	194,053	7,931,574	0.67%	200,926	2,083,684	10,288	
	Living Plus Food & Beverage Co., Ltd.	Taipei City	Catering services	14,180	14,180	8,000,000	100.00%	1,725	(3,906)	(3,872)	
<u>Ching-Dian Tech Co., Ltd.</u>	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	101,478	101,486	4,145,000	0.35%	112,070	2,083,684	6,992	
<u>Lots Home Entertainment Co., Limited</u>	Goldsun Building Materials Co., Ltd.	Taipei City	Ready mixed concrete, real estate sale, and lease	66,118	66,118	6,760,906	0.57%	134,895	2,083,684	10,046	
<u>Living Plus Food &amp; Beverage Co., Ltd.</u>	Pony Drink Dream Co., Ltd.	Taipei City	Catering services	7,000	7,000	700,000	35.00%	6,631	(885)	(245)	
<u>Golden Harvest Food Enterprose Ltd.</u>	Tai-Shun Shi Ye CO., LTD.	Taipei City	Garment Industry	29,900	-	2,990,000	100.00%	25,159	(1,811)	(1,776)	
<u>Brightron Technology and Engineering Corporation</u>	SIGMU D.P.T. Company Ltd.	Taipei City	Wholesale and installation of fire safety equipment	100,281	100,281	3,080,800	100.00%	68,722	(35,751)	(32,838)	
	Comlink Fire Systems Inc.	Taoyuan City	Wholesale of fire safety equipment	40,917	40,917	206,250	100.00%	24,671	(18)	(18)	

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of Outflow March 31, 2022
					Outflow	Inflow						
Yixun (China) Software Co., Ltd.	R&D, production of computer applications, programs, talent training, web applications and other software sales and technical consulting services	\$197,278	(2)	\$-	\$-	\$-	\$-	\$-	17.20%	\$-	\$-	\$-
Zanyun (China) Software Co., Ltd.	Computer and peripheral software wholesale and retail, computer software services, data processing services, network information supply and management consultants	USD 4,800	(2)	-	-	-	-	-	17.20%	-	-	-

Accumulated Investment in Mainland China as of 2022/3/31	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3)
\$-	\$120,801	\$7,709,343

Note 1: The methods for engaging in investment in Mainland China include the following:

- (1) Direct investment in Mainland China.
- (2) Indirectly investment in Mainland China through companies registered in a third region. (Please specify the name of the company in third region).
- (3) Other methods

Note 2: The investment income (loss) recognized in current period:

- (1) Please specify if no investment income (loss) has been recognized as still in the preparation stage.
- (2) The investment income (loss) were determined based on the following:
  - a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm.
  - b. The financial statements certificated by the CPA of the parent company in Taiwan.
  - c. Others.

Note 3: The Company is based on the new regulations promulgated by the Ministry of Economic Affairs in the Republic of China in 2008. The calculation method for the mainland area is 60% of the net value or the combined net value, whichever is higher.

Note 4: In order to simplify the investment structure, the Group sold the entire equity of Northern Bank Securities Software Development Co., Ltd. in the first quarter of 2016 and lost control from that date.

Attachment 10

Major Shareholders Information

(Amounts in Thousands of New Taiwan Dollars unless otherwise stated)

Name	Shares Number of shares	Percentage of ownership (%)
SECOM CO. LTD	123,110,870	27.29%
Shin Kong Life Insurance Co., Ltd	36,808,205	8.16%