

**TAIWAN SECOM CO., LTD. AND  
SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REPORT OF INDEPENDENT AUDITORS  
FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

Address: 6F, No.139, Zhengzhou Rd., City of Taipei, Taiwan, Republic of China

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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### **Representation Letter**

The entities included in the consolidated financial statements as of December 31, 2022 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of combined financial statements than the Consolidated Financial Statements.

Very truly yours,

Taiwan Secom Co., Ltd.

Chairman: Lin Hsiao-Hsin

March 14 , 2023

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

To Taiwan Secom Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated balance sheets of Taiwan Secom Co., Ltd. (the “Company”) and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

Revenue recognized by the Company and its subsidiaries' amounted to NT\$15,357,445 thousand for the year ended December 31, 2022, and the revenue consists of security system revenue which is the Company's main source of revenue. The customer contracts include various performance conditions and terms, due to the practice of the industry. The Company needed to make the judgment when the performance obligation is completed based on the terms of customer orders or contracts, and recognized revenue when the company satisfies a performance obligation. Due to the revenue derived from rendering service received in advance, the timing to recognize the revenue is significant judgment for the Company is determined as a key audit matter.

Our audit procedures included, but not limited to:

1. Assessing the appropriateness of the accounting policy of revenue recognition and the process of generating and recognizing revenue; evaluating and testing the design and operating effectiveness of internal controls around revenue recognition.
2. Selecting samples to perform tests of details, reviewing significant terms and condition of contracts and assessing the performance obligation and the trading price to verify the occurrence of sales transaction.
3. Acquiring the detail of the revenue recognition for the contract liabilities for security system revenue by month, and selecting samples to renew the contract period and reassess the accuracy of the amount of revenue recognition to verify the reasonableness of the timing of revenue recognition.
4. Executing cut-off testing procedures.

We also consider the appropriateness of the disclosures of operating revenue. Please refer to Note 6.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Others**

We have audited and expressed an unqualified opinion including on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Liu, Hui-Yuan

Wang, Hsuan-Hsuan

Ernst & Young, Taiwan  
March 14, 2023

## **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 Standards on Auditing of 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  
December 31, 2022 and December 31, 2021  
(Expressed in Thousands of New Taiwan Dollars)

| Assets                                                                         | Notes         | As of               |            |                     |            |
|--------------------------------------------------------------------------------|---------------|---------------------|------------|---------------------|------------|
|                                                                                |               | December 31, 2022   |            | December 31, 2021   |            |
|                                                                                |               | Amount              | %          | Amount              | %          |
| <b>Current assets</b>                                                          |               |                     |            |                     |            |
| Cash and cash equivalents                                                      | 4 and 6       | \$5,153,467         | 20         | \$4,665,344         | 20         |
| Financial assets at fair value through profit or loss, current                 | 4, 5 and 6    | 64,472              | -          | 1,020               | -          |
| Financial assets at fair value through other comprehensive income, current     | 4, 5 and 6    | 269,473             | 1          | 267,133             | 1          |
| Financial assets measured at amortized cost, current                           | 4, 6 and 8    | 257,783             | 1          | 352,269             | 2          |
| Contract assets, current                                                       | 4 and 6       | 456,121             | 2          | 327,088             | 1          |
| Notes receivable, net                                                          | 4, 5 and 6    | 190,244             | 1          | 182,628             | 1          |
| Accounts receivable, net                                                       | 4, 5 and 6    | 1,222,555           | 5          | 873,644             | 4          |
| Operating lease receivables                                                    | 4, 6 and 7    | 261,564             | 1          | 258,183             | 1          |
| Finance lease receivables                                                      | 4, 5 and 6    | 26,819              | -          | 86,766              | -          |
| Inventories, net                                                               | 4, 5 and 6    | 81,465              | -          | 69,685              | -          |
| Prepayments                                                                    | 4 and 6       | 564,068             | 2          | 540,406             | 2          |
| Other current assets                                                           |               | 755,425             | 3          | 632,546             | 3          |
| <b>Total current assets</b>                                                    |               | <u>9,674,302</u>    | <u>37</u>  | <u>8,477,055</u>    | <u>36</u>  |
| <b>Non-current assets</b>                                                      |               |                     |            |                     |            |
| Financial assets at fair value through profit or loss, non-current             | 4, 5 and 6    | 186,360             | 1          | 102,190             | -          |
| Financial assets at fair value through other comprehensive income, non-current | 4, 5 and 6    | 173,375             | 1          | 207,080             | 1          |
| Financial assets measured at amortized cost, non-current                       | 4, 6 and 8    | 132,075             | 1          | 147,263             | 1          |
| Investments accounted for using the equity method                              | 4, 5 and 6    | 4,230,179           | 16         | 4,112,111           | 17         |
| Property, plant and equipment                                                  | 4, 6, 7 and 8 | 8,825,335           | 34         | 7,178,382           | 30         |
| Right-of-use assets                                                            | 4, 6 and 7    | 881,801             | 3          | 644,652             | 3          |
| Investment property                                                            | 4, 5, 6 and 8 | 23,661              | -          | 38,758              | -          |
| Intangible assets                                                              | 4 and 6       | 482,078             | 2          | 362,696             | 2          |
| Deferred tax assets                                                            | 4, 5 and 6    | 411,752             | 2          | 420,305             | 2          |
| Prepayment for equipment                                                       |               | 300,354             | 1          | 1,237,226           | 5          |
| Refundable deposits                                                            | 7             | 335,863             | 1          | 350,770             | 1          |
| Long-term receivables                                                          | 5 and 6       | 49,940              | -          | 54,276              | -          |
| Other assets, non-current                                                      | 4, 5 and 6    | 143,621             | 1          | 181,414             | 1          |
| <b>Total non-current assets</b>                                                |               | <u>52,695</u>       | <u>-</u>   | <u>38,766</u>       | <u>1</u>   |
|                                                                                |               | <u>16,229,089</u>   | <u>63</u>  | <u>15,075,889</u>   | <u>64</u>  |
| <b>Total assets</b>                                                            |               | <u>\$25,903,391</u> | <u>100</u> | <u>\$23,552,944</u> | <u>100</u> |

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

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

| Liabilities and Equity                       | Notes      | As of               |            |                     |
|----------------------------------------------|------------|---------------------|------------|---------------------|
|                                              |            | December 31, 2022   |            | December 31, 2021   |
|                                              |            | Amount              | %          | Amount              |
| <b>Current liabilities</b>                   |            |                     |            |                     |
| Short-term loans                             | 4, 6 and 8 | \$830,000           | 3          | \$500,000           |
| Short-term bills payable                     | 6          | 30,000              | -          | 50,000              |
| Contract liabilities, current                | 4 and 6    | 1,427,258           | 6          | 1,301,963           |
| Notes payable                                |            | 353,222             | 1          | 175,710             |
| Accounts payable                             |            | 805,122             | 3          | 636,401             |
| Accounts payable to related parties          | 7          | 26,057              | -          | 26,355              |
| Other payables                               | 6          | 2,327,855           | 9          | 2,370,494           |
| Current tax liabilities                      | 4, 5 and 6 | 265,088             | 1          | 264,729             |
| Provisions, current                          | 4 and 6    | 988                 | -          | 224                 |
| Lease liabilities                            | 6          | 296,586             | 1          | 231,523             |
| Lease liabilities to related parties         | 6 and 7    | 15,308              | -          | 17,268              |
| Current portion of long-term loans           | 4, 6 and 8 | 2,360,500           | 9          | 1,149,793           |
| Other current liabilities                    | 4, 6 and 7 | 132,708             | 1          | 123,933             |
| <b>Total current liabilities</b>             |            | <b>8,870,692</b>    | <b>34</b>  | <b>6,848,393</b>    |
| <b>Non-current liabilities</b>               |            |                     |            |                     |
| Contract Liabilities, non-current            | 6          | 15,319              | -          | 18,901              |
| Long-term loans                              | 4, 6 and 8 | 1,792,339           | 7          | 2,036,168           |
| Provisions, non-current                      | 4 and 6    | 117,102             | -          | 7,200               |
| Lease liabilities                            | 6          | 553,729             | 2          | 371,605             |
| Lease liabilities to related parties         | 6 and 7    | 10,287              | -          | 23,184              |
| Long-term payables                           |            | 10,586              | -          | 15,860              |
| Net defined benefit liabilities, non-current | 4, 5 and 6 | 1,372,487           | 6          | 1,564,993           |
| Guarantee deposits                           | 6          | 631,423             | 3          | 648,061             |
| <b>Total non-current liabilities</b>         |            | <b>4,503,272</b>    | <b>18</b>  | <b>4,685,972</b>    |
| <b>Total liabilities</b>                     |            | <b>13,373,964</b>   | <b>52</b>  | <b>11,534,365</b>   |
| <b>Equity attributable to the parent</b>     |            |                     |            |                     |
| <b>Capital</b>                               |            |                     |            |                     |
| Common stock                                 | 6          | 4,511,971           | 17         | 4,511,971           |
| <b>Capital surplus</b>                       | 6          | 906,891             | 3          | 824,811             |
| <b>Retained earnings</b>                     | 6          |                     |            |                     |
| Legal reserve                                |            | 4,220,058           | 16         | 3,970,792           |
| Special reserve                              |            | 15,352              | -          | 100,384             |
| Unappropriated earnings                      |            | 2,741,795           | 11         | 2,504,000           |
| <b>Other components of equity</b>            | 4 and 6    | (91,087)            | -          | (15,352)            |
| <b>Treasury stock</b>                        | 4 and 6    | (263,255)           | (1)        | (288,389)           |
| <b>Non-controlling interests</b>             | 6          | 487,702             | 2          | 410,362             |
| <b>Total equity</b>                          |            | <b>12,529,427</b>   | <b>48</b>  | <b>12,018,579</b>   |
| <b>Total liabilities and equity</b>          |            | <b>\$25,903,391</b> | <b>100</b> | <b>\$23,552,944</b> |

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 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>                                                                                                            | 4 and 7    | \$15,396,020 | 100  | \$14,189,161 | 100  |
| <b>Less : Sales returns and allowances</b>                                                                                          |            | (38,575)     | -    | (54,264)     | -    |
| <b>Net revenue</b>                                                                                                                  | 6          | 15,357,445   | 100  | 14,134,897   | 100  |
| <b>Operating costs</b>                                                                                                              | 6 and 7    | (10,283,900) | (67) | (9,100,685)  | (64) |
| <b>Gross profit</b>                                                                                                                 |            | 5,073,545    | 33   | 5,034,212    | 36   |
| <b>Operating expenses</b>                                                                                                           | 6 and 7    |              |      |              |      |
| Sales and marketing expenses                                                                                                        |            | (869,303)    | (6)  | (805,649)    | (6)  |
| General and administrative expenses                                                                                                 |            | (1,605,860)  | (10) | (1,445,429)  | (10) |
| Research and development expenses                                                                                                   |            | (123,194)    | (1)  | (112,028)    | (1)  |
| Expected credit losses                                                                                                              |            | (11,131)     | -    | (5,220)      | -    |
| Subtotal                                                                                                                            |            | (2,609,488)  | (17) | (2,368,326)  | (17) |
| <b>Operating income</b>                                                                                                             |            | 2,464,057    | 16   | 2,665,886    | 19   |
| <b>Non-operating income and loss</b>                                                                                                |            |              |      |              |      |
| Interest income                                                                                                                     | 6          | 13,395       |      | 10,022       | -    |
| Other income                                                                                                                        | 6          | 25,966       | -    | 52,295       | -    |
| Other gains and losses                                                                                                              | 5 and 6    | 32,245       | -    | (37,631)     | -    |
| Finance costs                                                                                                                       | 6          | (66,244)     | -    | (49,384)     | -    |
| Share of profit or loss of associates accounted for using the equity method                                                         |            | 661,774      | 4    | 444,257      | 3    |
| Subtotal                                                                                                                            |            | 667,136      | 4    | 419,559      | 3    |
| <b>Income before income tax</b>                                                                                                     |            | 3,131,193    | 20   | 3,085,445    | 22   |
| <b>Income tax expenses</b>                                                                                                          | 4, 5 and 6 | (523,243)    | (3)  | (506,560)    | (4)  |
| <b>Net income</b>                                                                                                                   |            | 2,607,950    | 17   | 2,578,885    | 18   |
| <b>Other comprehensive income</b>                                                                                                   | 6          |              |      |              |      |
| <b>Items that will not be reclassified subsequently to profit or loss</b>                                                           |            |              |      |              |      |
| Remeasurements of defined benefit plans                                                                                             |            | 61,477       | -    | (34,100)     | -    |
| Unrealized (losses) gains on financial assets at fair value through other comprehensive income                                      |            | (43,785)     | -    | 68,412       | 1    |
| Share of other comprehensive (loss) income of associates and joint ventures- may not be reclassified subsequently to profit or loss |            | (49,775)     | -    | 21,562       | -    |
| Income tax related to items that will not be reclassified                                                                           |            | (11,266)     | -    | 3,981        | -    |
| <b>Items that may be reclassified subsequently to profit or loss</b>                                                                |            |              |      |              |      |
| Exchange differences on translation of foreign operations                                                                           |            | 1,303        | -    | 5,379        | -    |
| Share of other comprehensive (loss) income of associates and joint ventures- may be reclassified subsequently to profit or loss     |            | 41,256       | -    | (11,989)     | -    |
| <b>Total other comprehensive (loss) income, net of tax</b>                                                                          |            | (790)        | -    | 53,245       | 1    |
| <b>Total comprehensive income</b>                                                                                                   |            | \$2,607,160  | 17   | \$2,632,130  | 19   |
| <b>Net income attributable to:</b>                                                                                                  |            |              |      |              |      |
| Shareholders of the parent                                                                                                          |            | \$2,578,741  |      | \$2,526,684  |      |
| Non-controlling interests                                                                                                           | 6          | 29,209       |      | 52,201       |      |
| <b>Comprehensive income attributable to:</b>                                                                                        |            |              |      |              |      |
| Shareholders of the parent                                                                                                          |            | \$2,582,280  |      | \$2,569,297  |      |
| Non-controlling interests                                                                                                           | 6          | 24,880       |      | 62,833       |      |
| <b>Earnings per share (NT\$)</b>                                                                                                    | 6          |              |      |              |      |
| Basic earnings per share                                                                                                            |            | \$5.85       |      | \$5.73       |      |
| Diluted earnings per share                                                                                                          | 6          | \$5.84       |      | \$5.73       |      |

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

## TAIWAN SECOR CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

|                                                                                                             | Equity Attributable to the Parent Company |                 |                   |                 |                         |                                                           |                                                                                              |           | Non-Controlling Interests | Total Equity |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------------|-------------------|-----------------|-------------------------|-----------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------|---------------------------|--------------|
|                                                                                                             | Common Stock                              | Capital Surplus | Retained Earnings |                 |                         | Other Components of Equity                                |                                                                                              |           |                           |              |
|                                                                                                             |                                           |                 | 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 |           |                           |              |
| <b>Balance as of January 1, 2021</b>                                                                        | \$4,511,971                               | \$813,963       | \$3,741,171       | \$58,666        | \$2,502,570             | \$(104,597)                                               | \$4,213                                                                                      | \$459,044 | \$11,698,612              |              |
| Appropriations and distributions of 2020 unappropriated earnings                                            | -                                         | -               | -                 | -               | (229,621)               | -                                                         | -                                                                                            | -         | -                         |              |
| Legal reserve                                                                                               | -                                         | -               | 229,621           | -               | (41,718)                | -                                                         | -                                                                                            | -         | -                         |              |
| Special reserve                                                                                             | -                                         | -               | -                 | 41,718          | (2,219,890)             | -                                                         | -                                                                                            | -         | -                         |              |
| Cash dividends                                                                                              | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | -         | (2,219,890)               |              |
| Other changes in capital reserve                                                                            | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | -         | -                         |              |
| Share of changes in net assets of associates and joint ventures accounted for using the equity method       | -                                         | 32,830          | -                 | -               | -                       | -                                                         | -                                                                                            | 7         | 32,837                    |              |
| Cash dividends of capital surplus                                                                           | -                                         | (36,096)        | -                 | -               | -                       | -                                                         | -                                                                                            | -         | (36,096)                  |              |
| Net income in 2021                                                                                          | -                                         | -               | -                 | -               | 2,526,684               | (6,158)                                                   | 82,450                                                                                       | 52,201    | 2,578,885                 |              |
| Other comprehensive (loss) income, net of tax in 2021                                                       | -                                         | -               | -                 | -               | (33,679)                | (6,158)                                                   | 82,450                                                                                       | 10,632    | 53,245                    |              |
| Total comprehensive (loss) income                                                                           | -                                         | -               | -                 | -               | 2,493,005               | (6,158)                                                   | 82,450                                                                                       | 62,833    | 2,632,130                 |              |
| Disposal of equity instrument at fair value through other comprehensive income by subsidiaries              | -                                         | -               | -                 | -               | (899)                   | -                                                         | 899                                                                                          | (75)      | (75)                      |              |
| Disposal of equity instrument at fair value through other comprehensive income                              | -                                         | -               | -                 | -               | 553                     | -                                                         | (553)                                                                                        | -         | -                         |              |
| Parent company's cash dividends received by subsidiaries                                                    | -                                         | 48,732          | -                 | -               | -                       | -                                                         | -                                                                                            | -         | 48,732                    |              |
| Disposal of investments accounted for using the equity method                                               | -                                         | (34,618)        | -                 | -               | -                       | 8,394                                                     | -                                                                                            | -         | (26,224)                  |              |
| Difference between consideration given received and carrying amount of interests in subsidiaries            | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | -         | -                         |              |
| Increase (decrease) through changes in ownership interests in subsidiaries                                  | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | (70,020)  | (70,020)                  |              |
| Decrease in non-controlling interests                                                                       | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | 885       | 885                       |              |
| <b>Balance as of December 31, 2021</b>                                                                      | \$4,511,971                               | \$824,811       | \$3,970,792       | \$100,384       | \$2,504,000             | \$(102,361)                                               | \$87,009                                                                                     | \$410,362 | (42,312)                  |              |
| <b>Balance as of January 1, 2022</b>                                                                        | \$4,511,971                               | \$824,811       | \$3,970,792       | \$100,384       | \$2,504,000             | \$(102,361)                                               | \$87,009                                                                                     | \$410,362 | \$11,608,217              |              |
| Appropriations and distributions of 2021 unappropriated earnings                                            | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | -         | -                         |              |
| Legal reserve                                                                                               | -                                         | -               | 249,266           | -               | (249,266)               | -                                                         | -                                                                                            | -         | -                         |              |
| Special reserve                                                                                             | -                                         | -               | -                 | (85,032)        | 85,032                  | -                                                         | -                                                                                            | -         | -                         |              |
| Cash dividends                                                                                              | -                                         | -               | -                 | -               | (2,255,986)             | -                                                         | -                                                                                            | -         | (2,255,986)               |              |
| Other changes in capital reserve                                                                            | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | -         | -                         |              |
| Share of changes in net assets of associates and joint ventures accounted for using the equity method       | -                                         | 5,020           | -                 | -               | 2,578,741               | -                                                         | -                                                                                            | 17        | 5,037                     |              |
| Net income in 2022                                                                                          | -                                         | -               | -                 | -               | 50,271                  | 41,253                                                    | (87,985)                                                                                     | 29,209    | 2,607,950                 |              |
| Other comprehensive (loss) income, net of tax in 2022                                                       | -                                         | -               | -                 | -               | 2,629,012               | 41,253                                                    | (87,985)                                                                                     | (4,329)   | (790)                     |              |
| Total comprehensive (loss) income                                                                           | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | 24,880    | 2,607,160                 |              |
| Acquisition of company's share by subsidiaries recognized as treasury stock                                 | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | -         | -                         |              |
| Disposal of company's share by subsidiaries recognized as treasury stock transaction                        | -                                         | 28,054          | -                 | -               | -                       | -                                                         | -                                                                                            | -         | (5,824)                   |              |
| Parent company's cash dividends received by subsidiaries                                                    | -                                         | 49,006          | -                 | -               | -                       | -                                                         | -                                                                                            | -         | 59,012                    |              |
| Disposal of equity instrument at fair value through other comprehensive income by subsidiaries              | -                                         | -               | -                 | -               | 28,900                  | -                                                         | (28,900)                                                                                     | -         | -                         |              |
| Disposal of equity instrument at fair value through other comprehensive income of interests in subsidiaries | -                                         | -               | -                 | -               | 103                     | -                                                         | (103)                                                                                        | -         | -                         |              |
| Increase in non-controlling interests                                                                       | -                                         | -               | -                 | -               | -                       | -                                                         | -                                                                                            | (40,053)  | (40,053)                  |              |
| <b>Balance as of December 31, 2022</b>                                                                      | \$4,511,971                               | \$906,891       | \$4,220,058       | \$15,352        | \$2,741,795             | \$(61,108)                                                | \$(29,979)                                                                                   | \$487,702 | \$12,529,427              |              |

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

TAIWAN SECOM CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended December 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                                                  | \$3,131,193 | \$3,085,445 |
| Income before tax                                                                             | 3,131,193   | 3,085,445   |
| Adjustments to reconcile net income before tax to net cash provided by operating activities:  |             |             |
| Depreciation                                                                                  | 1,443,511   | 1,425,494   |
| Amortization                                                                                  | 69,665      | 61,731      |
| Expected credit losses                                                                        | 11,131      | 5,220       |
| (Gain) loss of financial assets at fair value through profit or loss                          | (17)        | 88          |
| Interest expense                                                                              | 66,244      | 49,384      |
| Interest income                                                                               | (13,395)    | (10,022)    |
| Dividend income                                                                               | (15,671)    | (9,456)     |
| Share of profit or loss of associates accounted for using the equity method                   | (661,774)   | (444,257)   |
| Loss on disposal of property, plant and equipment                                             | 28,676      | 6,327       |
| Loss on disposal of intangible assets                                                         | -           | 193         |
| Gain on disposal of investment property                                                       | (14,518)    | -           |
| Gain on disposal of investments                                                               | (52,041)    | (38,718)    |
| Impairment loss                                                                               | 45,000      | 22,330      |
| (Gain) loss on lease modification                                                             | (618)       | 541         |
| Changes in operating assets and liabilities:                                                  |             |             |
| Contract assets                                                                               | (127,994)   | (206,772)   |
| Notes receivable, net                                                                         | (7,524)     | 41,417      |
| Accounts receivable, net                                                                      | (219,894)   | (55,222)    |
| Accounts receivable from related parties, net                                                 | 4,342       | (108,486)   |
| Inventories, net                                                                              | (232,256)   | (268,041)   |
| Prepayments                                                                                   | (123,355)   | 25,423      |
| Other current assets                                                                          | (148,390)   | (30,216)    |
| Operating lease receivables                                                                   | 59,947      | (34,605)    |
| Finance lease receivables                                                                     | 26,013      | (32,758)    |
| Long-term receivables                                                                         | 4,077       | (13,735)    |
| Contract liabilities                                                                          | 121,713     | 7,380       |
| Notes payable                                                                                 | 171,119     | (13,965)    |
| Accounts payable                                                                              | 39,824      | 170,199     |
| Accounts payable to related parties                                                           | 3,160       | 13,061      |
| Other payables                                                                                | (74,859)    | 184,792     |
| Other current liabilities                                                                     | 19,987      | 72,466      |
| Provisions                                                                                    | 110,667     | -           |
| Net defined benefit liabilities, non-current                                                  | (125,303)   | (90,366)    |
| Cash generated from operations                                                                | 3,538,660   | 3,814,872   |
| Interest received                                                                             | 13,956      | 10,974      |
| Interest paid                                                                                 | (55,743)    | (39,343)    |
| Income tax paid                                                                               | (518,402)   | (517,221)   |
| Net cash provided by operating activities                                                     | 2,978,471   | 3,269,282   |
| <b>Cash flows from investing activities:</b>                                                  |             |             |
| Acquisition of financial assets at fair value through other comprehensive income              | (28,117)    | (64,431)    |
| Proceeds from disposal of financial assets at fair value through other comprehensive income   | 46,345      | 22,167      |
| Capital deducted by cash of financial assets at fair value through other comprehensive income | 5,285       | 7,727       |
| Acquisition of financial assets measured at amortized cost                                    | (833,595)   | (1,438,174) |
| Proceeds from disposal of financial assets measured at amortized cost                         | 944,240     | 1,402,054   |
| Acquisition of financial assets at fair value through profit or loss                          | (150,105)   | (42,138)    |
| Proceeds from disposal of financial assets at fair value through profit or loss               | 2,500       | -           |
| Acquisition of investments accounted for using the equity method                              | (16,139)    | (370,665)   |
| Proceeds from disposal of investments accounted for using the equity method                   | 239,311     | 52,608      |
| Acquisition of a subsidiary (deduct the cash from acquisition)                                | (488,903)   | -           |
| Acquisition of property, plant and equipment                                                  | (1,222,780) | (1,105,418) |
| Proceeds from disposal of property, plant and equipment                                       | 26,764      | 34,386      |
| Decrease in refundable deposits                                                               | 16,267      | 20,344      |
| Acquisition of intangible assets                                                              | (110,202)   | (62,606)    |
| Proceeds from disposal of investment property                                                 | 29,210      | -           |
| Increase in prepayment for equipment                                                          | (54,558)    | (215,043)   |
| (Increase) decrease in other assets                                                           | (9,006)     | 105,611     |
| Dividends received                                                                            | 363,243     | 295,319     |
| Net cash used in investing activities                                                         | (1,240,240) | (1,358,259) |
| <b>Cash flows from financing activities:</b>                                                  |             |             |
| Increase (decrease) in short-term loans                                                       | 311,000     | (1,100,000) |
| Decrease in short-term bills payable                                                          | (70,000)    | (100,000)   |
| Increase in long-term loans                                                                   | 1,608,500   | 1,400,000   |
| Decrease in long-term loans                                                                   | (641,622)   | (230,039)   |
| Decrease in guarantee deposits                                                                | (16,638)    | (12,043)    |
| Cash payments for the principal portion of lease liability                                    | (346,703)   | (345,217)   |
| Cash dividends paid                                                                           | (2,255,986) | (2,255,986) |
| Changes in non-controlling interests                                                          | 39,870      | (112,194)   |
| Sale of treasury stock                                                                        | 121,471     | -           |
| Net cash used in financing activities                                                         | (1,250,108) | (2,755,479) |
| Effect of exchange rate changes on cash and cash equivalents                                  | -           | -           |
| Net increase (decrease) in cash and cash equivalents                                          | 488,123     | (844,456)   |
| Cash and cash equivalents at the beginning of the year                                        | 4,665,344   | 5,509,800   |
| Cash and cash equivalents at the end of the year                                              | \$5,153,467 | \$4,665,344 |

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  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 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 years ended December 31, 2022 and 2021 were authorized for issue by the Board of Directors on March 14, 2023.

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. The new standards and amendments had no material impact on the Group.

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

| Item | New, Revised or Amended Standards and Interpretations                                                   | Effective Date issued by IASB |
|------|---------------------------------------------------------------------------------------------------------|-------------------------------|
| a    | Disclosure Initiative - Accounting Policies – Amendments to IAS 1                                       | 1 January 2023                |
| b    | Definition of Accounting Estimates – Amendments to IAS 8                                                | 1 January 2023                |
| c    | Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 | 1 January 2023                |

(a) 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.

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

The amendments introduce the definition of accounting estimates and include 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.

(c) 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 were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2023. The standards and interpretations have no material impact on the Group.

(3) 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 2024                |
| d     | Lease Liability in a Sale and Leaseback – Amendments to IFRS 16                                                                                                                                | 1 January 2024                |
| e     | Non-current Liabilities with Covenants – Amendments to IAS 1                                                                                                                                   | 1 January 2024                |

(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) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

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. The new or amended standards and interpretations have no material impact on the Company.

#### 4. Summary of Significant Accounting Policies

##### (1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the 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 (%) |                   |
|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------|-----------------------------|-------------------|
|                                                                                                                                            |                                       |                                                              | December 31, 2022           | December 31, 2021 |
| The Company                                                                                                                                | Speed Investment Co., Ltd.            | Investment holding                                           | 100.00%                     | 100.00%           |
| The Company                                                                                                                                | Goyun Security Co., Ltd.              | Security guarding services providing                         | 100.00%                     | 100.00%           |
| The Company                                                                                                                                | LeeBao Security Co., Ltd.             | Security services providing                                  | 100.00%                     | 100.00%           |
| The Company                                                                                                                                | Chung Hsing E-Guard Co., Ltd.         | Sales of electric, telecommunications and fireproof products | 100.00%                     | 100.00%           |
| The Company                                                                                                                                | Goldsun Express & Logistics Co., Ltd. | Air cargo transporting services                              | 100.00%                     | 100.00%           |
| The Company                                                                                                                                | Aion Technologies Inc.                | Technology support services (Note 1)                         | 87.42%                      | 73.75%            |
| The Company                                                                                                                                | Golden Harvest Food Enterprise Ltd.   | Food processing and manufacturing (Note 2)                   | 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%            |

| Name of the investors                                                                                 | Name of subsidiaries                                | Nature of Business                                                            | Percentage of ownership (%) |                   |
|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------|-----------------------------|-------------------|
|                                                                                                       |                                                     |                                                                               | December 31, 2022           | December 31, 2021 |
| 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%           |
| 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%            |
| The Company, Speed Investment Co., Ltd. and Goyun Security Co., Ltd.                                  | Lots Home Entertainment Co., Ltd.                   | Digital media and movie distribution (Note 1)                                 | 89.52%                      | 89.52%            |
| The Company and Gowin Building Management and Maintenance Co., Ltd.                                   | KuoHsing Security Co., Ltd.                         | Security guarding services                                                    | 85.22%                      | 85.22%            |
| The Company and Speed Investment Co., Ltd.                                                            | Taiwan Secom Insurance Brokerage Services Inc.      | Insurance broker                                                              | 100.00%                     | 100.00%           |
| The Company, Speed Investment Co., Ltd. Aion Technologies Inc. and Titan Star International Co., Ltd. | Brightron Technology and Engineering Corporation    | Light controlling system services                                             | 96.12%                      | 96.12%            |
| LeeBao Security Co., Ltd.                                                                             | LeeBao Technology Co., Ltd.                         | Automated Teller Machine (ATM) services                                       | 100.00%                     | 100.00%           |
| Lee Way Electronics Co., Ltd.                                                                         | Lee Yuan Biomedical Co., Ltd.                       | Medical equipment and AED rental services                                     | 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%           |
| Speed Investment Co., Ltd.                                                                            | Jiansheng International Co., Ltd.                   | Retail of medical equipment                                                   | 100.00%                     | 100.00%           |
| Speed Investment Co., Ltd                                                                             | Sunseap Solutions Taiwan Limited                    | Energy-saving solutions technology                                            | 51.00%                      | 51.00%            |
| Speed Investment Co., Ltd                                                                             | Baohwa Trust Co., Ltd.                              | Information security services (Note 3)                                        | 60.00%                      | -                 |
| Speed Investment Co., Ltd                                                                             | MyStory Entertainment Co., Ltd.                     | Video content development and investment (Note 4)                             | 51.00%                      | -                 |
| Speed Investment Co., Ltd. and Goyun Security Co., Ltd.                                               | Ching-Dian Tech Co., Ltd.                           | POS system for retail                                                         | 100.00%                     | 100.00%           |
| Speed Investment Co., Ltd. and Aion Technologies Inc.                                                 | Epic Tech Taiwan Inc.                               | Information Management Platform (Note 5)                                      | 98.57%                      | 97.50%            |
| Speed Investment Co., Ltd. and TransAsia Catering Services Ltd.                                       | Livingplus Food and Beverage Co. Ltd.               | Catering services (Note 6)                                                    | 100.00%                     | 100.00%           |
| Goldsun Express & Logistics Co., Ltd.                                                                 | Goldsun Express Ltd.                                | The custom broker services                                                    | 100.00%                     | 100.00%           |
| KuoHsing Security Co., Ltd.                                                                           | KuoHsing Rental Co., Ltd.                           | Mini-Storage rental services                                                  | 100.00%                     | 100.00%           |
| Goyun Security Co., Ltd.                                                                              | Guoyun Technology Co., Ltd.                         | Car parking lot services                                                      | 100.00%                     | 100.00%           |
| Gowin Building Management and Maintenance Co., Ltd.                                                   | Gowin Security Co., Ltd.                            | Buildings' security guarding services                                         | 100.00%                     | 100.00%           |
| Gowin Building Management and Maintenance Co., Ltd.                                                   | Gowin Smart Parking Co., Ltd.                       | Car parking lot services                                                      | 100.00%                     | 100.00%           |
| Brightron Technology and Engineering Corporation                                                      | SIGMU D.P.T. Company Ltd.                           | Wholesale and installation of fire safety equipment                           | 100.00%                     | 100.00%           |
| Brightron Technology and Engineering Corporation                                                      | Comlink Fire Systems Inc.                           | Wholesale of fire safety equipment                                            | 100.00%                     | 100.00%           |
| Golden Harvest Food Enterprise Ltd.                                                                   | Tai-Shun Shi Ye Co., Ltd.                           | Garment industry (Note 2)                                                     | 100.00%                     | -                 |
| LeeBao Security Co., Ltd. and LeeBao Technology Co., Ltd.                                             | Baohong Technology Co., Ltd.                        | Network authentication service (Note 7)                                       | 70.00%                      | -                 |

Note 1: Taiwan Secom Co., Ltd. acquired 715,296 shares and 1,647,249 shares of Aion Technologies Inc. from its non-controlling interest shareholders for NT\$11,774 thousand and NT\$27,114 thousand in May and June 2022, respectively, the Group's shareholding of Aion Technologies Inc. increased to 87.42%.

Note 2: Taiwan Secom Co., Ltd. acquired 12,010,227 shares, 97.84% of ownership percentage, 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 3: Speed Investment Co., Ltd. invested Baohwa Trust Co., Ltd. NT\$30,000 thousand in March 2022. The percentage of ownership was 60%.

Note 4: Speed Investment Co., Ltd. invested MyStory Entertainment Co., Ltd. NT\$102,000 thousand in March 2022. The percentage of ownership was 97.14%. After obtaining approval from the New Taipei City government, MyStory Entertainment Co., Ltd. changed its Chinese name on April 20, 2022. In August 2022, the percentage of ownership decreased to 51.00% after non-controlling interest shareholders acquired an additional 9,500 thousand shares during the cash capital increase.

Note 5: Speed Investment Co., Ltd. and Aion Technologies Inc. joined the cash capital increase of Epic Tech Taiwan Inc. for NT\$30,000 thousand in June 2022. The percentage of ownership increased to 98.57%.

Note 6: Speed Investment Co., Ltd. joined the cash capital increase of Living Plus Food & Beverage Co., Ltd. to acquire 2,000 thousand shares for NT\$20,000 thousand in August 2022. Combined with the shares held by TransAsia Catering Services Ltd., the percentage of ownership was 100%.

Note 7: LeeBao Security Co., Ltd. and LeeBao Technology Co., Ltd. invested in Baohong Technology Co., Ltd. by acquiring 700 thousand shares for a total of NT\$7,000 thousand in December 2022. The percentage of ownership was 70%.

#### (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 comprises 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 represents 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   |
| Rental assets            | 2~6 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 |
|-----------|------------|

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 statements 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 probable 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 has a right to an amount of consideration that is unconditional, these contacts 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 arised.

## (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.

## (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.

#### (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. Please refer to Note 6 for more details.

## 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 carryforward 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. Please refer to Note 6 for disclosure on unrecognized deferred tax assets of the Group as of December 31, 2022.

## 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 December 31, |                    |
|----------------------------------------|--------------------|--------------------|
|                                        | 2022               | 2021               |
| Petty cash                             | \$11,148           | \$11,205           |
| Cash on hand for cash delivery service | 1,432,740          | 1,442,760          |
| Checking and saving accounts           | 3,352,686          | 2,839,589          |
| Time deposits                          | 2,000              | 4,594              |
| Cash equivalents                       | 354,893            | 367,196            |
| Total                                  | <u>\$5,153,467</u> | <u>\$4,665,344</u> |

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

|                                                                    | As of December 31, |                  |
|--------------------------------------------------------------------|--------------------|------------------|
|                                                                    | 2022               | 2021             |
| Financial assets mandatorily at fair value through profit or loss: |                    |                  |
| Fund                                                               | \$1,036            | \$1,020          |
| Convertible bond                                                   | 42,138             | 42,138           |
| Convertible preferred shares                                       | 28,379             | -                |
| Simple Agreement for Future Equity                                 | 21,298             | -                |
| Film and television investment agreement                           | 157,981            | 60,052           |
| Total                                                              | <u>\$250,832</u>   | <u>\$103,210</u> |
| Current                                                            | \$64,472           | \$1,020          |
| Non-current                                                        | 186,360            | 102,190          |
| Total                                                              | <u>\$250,832</u>   | <u>\$103,210</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 December 31, |                  |
|------------------------------------------------------------------------------------------|--------------------|------------------|
|                                                                                          | 2022               | 2021             |
| Equity instrument investments measured at fair value through other comprehensive income: |                    |                  |
| Listed companies stocks                                                                  | \$178,216          | \$158,738        |
| Unlisted companies stocks                                                                | 122,809            | 160,186          |
| Real estate investment trust                                                             | 141,823            | 155,289          |
| Total                                                                                    | <u>\$442,848</u>   | <u>\$474,213</u> |

|             | As of December 31, |                  |
|-------------|--------------------|------------------|
|             | 2022               | 2021             |
| Current     | \$269,473          | \$267,133        |
| Non-current | 173,375            | 207,080          |
| Total       | <u>\$442,848</u>   | <u>\$474,213</u> |

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

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2022 and 2021 are as follow:

|                                                                | For the years ended<br>December 31, |                |
|----------------------------------------------------------------|-------------------------------------|----------------|
|                                                                | 2022                                | 2021           |
| Related to investments held at the end of the reporting period | \$15,671                            | \$9,456        |
| Related to investments derecognized during the period          | -                                   | -              |
| Dividends recognized during the period                         | <u>\$15,671</u>                     | <u>\$9,456</u> |

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 years ended December 31, 2022 and 2021 are as follow:

|                                                                                                | For the years ended<br>December 31, |          |
|------------------------------------------------------------------------------------------------|-------------------------------------|----------|
|                                                                                                | 2022                                | 2021     |
| The fair value of the investments at the date of derecognition                                 | \$51,630                            | \$29,894 |
| The cumulative gain or loss on disposal reclassified from<br>other equity to retained earnings | 29,003                              | (346)    |

(4) Financial assets measured at amortized cost

|                      | As of December 31, |                  |
|----------------------|--------------------|------------------|
|                      | 2022               | 2021             |
| Financial bond       | \$29,976           | \$60,033         |
| Time deposit         | 359,882            | 439,499          |
| Less: loss allowance | -                  | -                |
| Total                | <u>\$389,858</u>   | <u>\$499,532</u> |
| Current              | \$257,783          | \$352,269        |
| Non-current          | 132,075            | 147,263          |
| Total                | <u>\$389,858</u>   | <u>\$499,532</u> |

Please refer to Note 8 for more detail on financial assets measured at amortized cost under pledge. Please refer to Note 6(22) for more details on loss allowance and Note 12 for more details on credit risk.

(5) Notes receivable

|                                                    | As of December 31, |                  |
|----------------------------------------------------|--------------------|------------------|
|                                                    | 2022               | 2021             |
| Notes receivable arising from operating activities | \$190,244          | \$182,628        |
| Less: loss allowance                               | -                  | -                |
| Total                                              | <u>\$190,244</u>   | <u>\$182,628</u> |

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(22) 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 December 31, |                    |
|------------------------------------------|--------------------|--------------------|
|                                          | 2022               | 2021               |
| Accounts receivable                      | \$1,264,834        | \$910,235          |
| Less: loss allowance                     | (42,279)           | (36,591)           |
| Subtotal                                 | <u>1,222,555</u>   | <u>873,644</u>     |
| Accounts receivable from related parties | 261,564            | 258,183            |
| Less: loss allowance                     | -                  | -                  |
| Subtotal                                 | <u>261,564</u>     | <u>258,183</u>     |
| Operating lease receivables              | 26,819             | 86,766             |
| Less: loss allowance                     | -                  | -                  |
| Subtotal                                 | <u>26,819</u>      | <u>86,766</u>      |
| Long-term receivables                    | 49,940             | 54,276             |
| Less: loss allowance                     | -                  | -                  |
| Subtotal                                 | <u>49,940</u>      | <u>54,276</u>      |
| Total                                    | <u>\$1,560,878</u> | <u>\$1,272,869</u> |

Accounts receivable were not pledged.

Accounts receivable are generally on 15-120 day terms. The total carrying amount as of December 31, 2022 and 2021 are NT\$1,603,157 thousand and NT\$1,309,460 thousand, respectively. Please refer to Note 6(22) for more details on loss allowance of accounts receivable for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk.

(7) Inventories

|                         | As of December 31, |                  |
|-------------------------|--------------------|------------------|
|                         | 2022               | 2021             |
| Merchandise inventories | \$321,962          | \$345,395        |
| Finished goods          | 24,756             | 5,628            |
| Work-in-progress        | 28,093             | 43,435           |
| Raw materials           | 171,771            | 133,508          |
| Others                  | 17,486             | 12,440           |
| Total                   | <u>\$564,068</u>   | <u>\$540,406</u> |

The cost of inventories recognized as expenses by the Group amounted to NT\$2,685,613 thousand and NT\$1,490,861 thousand for the years ended December 31, 2022 and 2021, respectively, including the write-down of inventories of NT\$44,092 thousand and 0 thousand, respectively. Additionally, the Group recognized gain from the price recovery of inventory of NT\$11,932 thousand and NT\$0 for the years 2022 and 2021, respectively. The gains resulted from the sale of obsolete inventory identified in the prior periods.

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 December 31, |                             |                    |                             |
|--------------------------------------|--------------------|-----------------------------|--------------------|-----------------------------|
|                                      | 2022               |                             | 2021               |                             |
|                                      | Carrying amount    | Percentage of ownership (%) | Carrying amount    | Percentage of ownership (%) |
| Investments in associates:           |                    |                             |                    |                             |
| <u>Listed companies</u>              |                    |                             |                    |                             |
| Goldsun Building Materials Co., Ltd. | \$3,860,655        | 15                          | \$3,741,288        | 15                          |
| TransAsia Airways Corp.              | -                  | 12                          | -                  | 12                          |
| Subtotal                             | <u>3,860,655</u>   |                             | <u>3,741,288</u>   |                             |
| <u>Non-listed companies</u>          |                    |                             |                    |                             |
| Tech Elite Holdings Ltd.             | -                  | 39                          | -                  | 39                          |
| Anfeng Enterprise Co., Ltd.          | 15,238             | 30                          | 14,497             | 30                          |
| HuaYa Development Co., Ltd.          | 290,086            | 43                          | 293,338            | 50                          |
| eSkylink Inc.                        | 25,428             | 20                          | 22,062             | 20                          |
| Global Food Co., Ltd.                | 21,252             | 30                          | 24,443             | 30                          |
| GALC Inc.                            | 12,080             | 30                          | 9,483              | 30                          |
| Pony Drink Dream Co., Ltd.           | 5,440              | 35                          | 7,000              | 35                          |
| Subtotal                             | <u>369,524</u>     |                             | <u>370,823</u>     |                             |
| Total                                | <u>\$4,230,179</u> |                             | <u>\$4,112,111</u> |                             |

The Group possessed less than 20% of ownership of Goldsun Building Material Co., Ltd. However, since the key management of the Company doubles as 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 Group has 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 using the equity method after assessing the result of 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\$4,488,215 thousand and NT\$5,455,454 thousand, as of December 31, 2022 and 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 December 31, |                    |
|-------------------------------------|--------------------|--------------------|
|                                     | 2022               | 2021               |
| Current assets                      | \$12,657,734       | \$12,530,850       |
| Non-current assets                  | 26,293,349         | 23,229,633         |
| Current liabilities                 | (9,066,546)        | (7,137,852)        |
| Non-current liabilities             | (5,487,481)        | (6,116,784)        |
| Equity                              | 24,397,056         | 22,505,847         |
| Non-controlling interests           | (1,131,575)        | (1,115,589)        |
| Shareholders of the parent Company  | 23,265,481         | 21,390,258         |
| Proportion of the Group's ownership | 14.71%             | 15.48%             |
| Subtotal                            | 3,422,352          | 3,311,212          |
| Goodwill                            | 363,485            | 360,415            |
| Others                              | 74,818             | 69,661             |
| Carrying amount of the investment   | <u>\$3,860,655</u> | <u>\$3,741,288</u> |

|                                           | For the years ended<br>December 31, |                    |
|-------------------------------------------|-------------------------------------|--------------------|
|                                           | 2022                                | 2021               |
| Operating revenue                         | \$21,278,780                        | \$21,801,699       |
| Profit or loss from continuing operations | 4,236,108                           | 2,933,244          |
| Other comprehensive income                | (138,642)                           | 109,349            |
| Total comprehensive income                | <u>\$4,097,466</u>                  | <u>\$3,042,593</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\$ 369,524 thousand and NT\$370,823 thousand, as of December 31, 2022 and 2021, respectively. The aggregate financial information based on Group's share of other companies is as follows:

|                                           | For the years ended<br>December 31, |                |
|-------------------------------------------|-------------------------------------|----------------|
|                                           | 2022                                | 2021           |
| Profit or loss from continuing operations | \$12,181                            | \$8,357        |
| Other comprehensive income (post-tax)     | -                                   | -              |
| Total comprehensive income                | <u>\$12,181</u>                     | <u>\$8,357</u> |

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

## (9) Property, plant and equipment

|                                                                 | As of December 31, |                    |
|-----------------------------------------------------------------|--------------------|--------------------|
|                                                                 | 2022               | 2021               |
| Owner occupied property, plant and equipment                    | \$8,684,230        | \$7,028,768        |
| Property, plant and equipment leased out under operating leases | 141,105            | 149,614            |
| Total                                                           | <u>\$8,825,335</u> | <u>\$7,178,382</u> |

### A. Owner occupied property, plant and equipment

|                                            | Land and land<br>improvements | Buildings          | Machinery<br>and equipment | Security<br>equipment | Office equipment | Transportation<br>equipment | Other equipment    | Construction in<br>progress | 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                                  | 6,570                         | 201,287            | 67,368                     | 565,537               | 111,240          | 82,740                      | 169,348            | -                           | 1,204,090           |
| Disposals                                  | -                             | (20,269)           | (70,750)                   | (735,833)             | (109,184)        | (110,548)                   | (62,861)           | -                           | (1,109,445)         |
| Acquisitions through business combinations | 283,470                       | 84,613             | 36,969                     | -                     | 256              | 395                         | 16,531             | -                           | 422,234             |
| Other changes                              | -                             | -                  | -                          | 149,663               | -                | 768                         | -                  | 991,430                     | 1,141,861           |
| As of December 31, 2022                    | <u>\$3,184,280</u>            | <u>\$1,829,169</u> | <u>\$527,400</u>           | <u>\$8,821,844</u>    | <u>\$712,847</u> | <u>\$912,245</u>            | <u>\$1,237,289</u> | <u>\$991,430</u>            | <u>\$18,216,504</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                                  | 169,100                       | 34,869             | 40,056                     | 546,108               | 76,060           | 110,043                     | 98,743             | -                           | 1,074,979           |
| Disposals                                  | -                             | -                  | (128,584)                  | (592,635)             | (67,984)         | (130,150)                   | (39,780)           | -                           | (959,133)           |
| Other changes                              | -                             | -                  | -                          | 109,801               | (280)            | -                           | 226                | -                           | 109,747             |
| As of December 31, 2021                    | <u>\$2,894,240</u>            | <u>\$1,563,538</u> | <u>\$493,813</u>           | <u>\$8,842,477</u>    | <u>\$710,535</u> | <u>\$938,890</u>            | <u>\$1,114,271</u> | <u>\$-</u>                  | <u>\$16,557,764</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                               | -                             | 46,032             | 39,688                     | 733,129               | 63,874           | 84,413                      | 90,131             | -                           | 1,057,267           |
| Disposals                                  | -                             | (15,240)           | (64,050)                   | (734,660)             | (106,390)        | (83,630)                    | (50,093)           | -                           | (1,054,063)         |
| Other changes                              | -                             | -                  | -                          | -                     | 3                | -                           | -                  | -                           | 3                   |
| As of December 31, 2022                    | <u>\$-</u>                    | <u>\$531,229</u>   | <u>\$375,923</u>           | <u>\$6,700,031</u>    | <u>\$519,916</u> | <u>\$526,320</u>            | <u>\$878,855</u>   | <u>\$-</u>                  | <u>\$9,532,274</u>  |
| As of January 1, 2021                      | \$-                           | \$464,842          | \$496,606                  | \$6,545,240           | \$576,892        | \$544,019                   | \$787,324          | \$-                         | \$9,414,923         |
| Depreciation                               | -                             | 35,600             | 25,500                     | 748,450               | 52,269           | 83,844                      | 86,934             | -                           | 1,032,597           |
| Disposals                                  | -                             | (5)                | (121,821)                  | (592,128)             | (66,701)         | (102,326)                   | (35,543)           | -                           | (918,524)           |
| Other changes                              | -                             | -                  | -                          | -                     | (31)             | -                           | 102                | -                           | 71                  |
| As of December 31, 2021                    | <u>\$-</u>                    | <u>\$500,437</u>   | <u>\$400,285</u>           | <u>\$6,701,562</u>    | <u>\$562,429</u> | <u>\$525,537</u>            | <u>\$838,817</u>   | <u>\$-</u>                  | <u>\$9,529,067</u>  |
| Net carrying amount as of:                 |                               |                    |                            |                       |                  |                             |                    |                             |                     |
| December 31, 2022                          | <u>\$3,184,280</u>            | <u>\$1,297,940</u> | <u>\$151,477</u>           | <u>\$2,121,813</u>    | <u>\$192,931</u> | <u>\$385,925</u>            | <u>\$358,434</u>   | <u>\$991,430</u>            | <u>\$8,684,230</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>\$275,454</u>   | <u>\$-</u>                  | <u>\$7,028,697</u>  |

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

|                              | <u>Other equipment</u> |
|------------------------------|------------------------|
| Cost:                        |                        |
| As of January 1, 2022        | \$534,550              |
| Additions                    | 18,690                 |
| Disposals                    | (180)                  |
| Other changes                | 26,709                 |
| As of December 31, 2022      | <u>\$579,769</u>       |
| As of January 1, 2021        | \$475,087              |
| Additions                    | 30,439                 |
| Disposals                    | (114)                  |
| Other changes                | 29,138                 |
| As of December 31, 2021      | <u>\$534,550</u>       |
| Depreciation and impairment: |                        |
| As of January 1, 2022        | \$384,865              |
| Depreciation                 | 54,477                 |
| Disposals                    | (122)                  |
| Other changes                | (556)                  |
| As of December 31, 2022      | <u>\$438,664</u>       |
| As of January 1, 2021        | \$325,291              |
| Depreciation                 | 59,717                 |
| Disposals                    | (10)                   |
| Other changes                | (133)                  |
| As of December 31, 2021      | <u>\$384,865</u>       |
| Net carrying amounts as of:  |                        |
| December 31, 2022            | <u>\$141,105</u>       |
| December 31, 2021            | <u>\$149,685</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.

The redevelopment project that the Company and Goldsun Building Materials Co., Ltd. jointly invested commenced in 2022. Therefore, the payments originally recorded under the prepayment account was reclassified to the account of Construction in progress in accordance with the relevant accounting standards.

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        |
| Disposals                    | (11,910)        | (3,567)         | (15,477)        |
| As of December 31, 2022      | <u>\$14,100</u> | <u>\$13,419</u> | <u>\$27,519</u> |
| As of January 1, 2021        | \$26,010        | \$16,986        | \$42,996        |
| Disposals                    | -               | -               | -               |
| As of December 31, 2021      | <u>\$26,010</u> | <u>\$16,986</u> | <u>\$42,996</u> |
| Depreciation and impairment: |                 |                 |                 |
| As of January 1, 2022        | \$-             | \$4,238         | \$4,238         |
| Depreciation                 | -               | 404             | 404             |
| Disposals                    | -               | (784)           | (784)           |
| As of December 31, 2022      | <u>\$-</u>      | <u>\$3,858</u>  | <u>\$3,858</u>  |
| As of January 1, 2021        | \$-             | \$3,830         | \$3,830         |
| Depreciation                 | -               | 408             | 408             |
| Disposals                    | -               | -               | -               |
| As of December 31, 2021      | <u>\$-</u>      | <u>\$4,238</u>  | <u>\$4,238</u>  |
| Net carrying amount as of:   |                 |                 |                 |
| December 31, 2022            | <u>\$14,100</u> | <u>\$9,561</u>  | <u>\$23,661</u> |
| December 31, 2021            | <u>\$26,010</u> | <u>\$12,748</u> | <u>\$38,758</u> |

|                                                                                        | For the years ended<br>December 31, |                |
|----------------------------------------------------------------------------------------|-------------------------------------|----------------|
|                                                                                        | 2022                                | 2021           |
| Rental income from investment property                                                 | \$5,004                             | \$4,707        |
| Less : Direct operating expense generated from rental<br>income of investment property | (404)                               | (408)          |
| Total                                                                                  | <u>\$4,600</u>                      | <u>\$4,299</u> |

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

The fair value of investment properties is NT\$74,189 thousand and NT\$100,253 thousand, as of December 31, 2022 and 2021, respectively. The fair value has been determined based on valuations performed by an independent valuer. The valuation method used is direct capitalized method, and the inputs used are discount rates and growth rates:

|                     | As of December 31, |             |
|---------------------|--------------------|-------------|
|                     | 2022               | 2021        |
| Capitalization Rate | 2.20%              | 1.76%~1.77% |

(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               | -                | 107,993           | -                     | 2,209          | 110,202          |
| Acquisitions through business combinations | 123,845          | -                 | -                     | -              | 123,845          |
| Expired                                    | -                | (46,934)          | -                     | -              | (46,934)         |
| As of December 31, 2022                    | <u>\$643,498</u> | <u>\$275,883</u>  | <u>\$17,432</u>       | <u>\$3,709</u> | <u>\$940,522</u> |
| As of January 1, 2021                      | \$549,822        | \$207,059         | \$17,432              | \$-            | \$774,313        |
| Addition-acquired separately               | -                | 61,106            | -                     | 1,500          | 62,606           |
| Disposal of subsidiaries                   | (30,169)         | (240)             | -                     | -              | (30,409)         |
| Expired                                    | -                | (53,301)          | -                     | -              | (53,301)         |
| Other changes                              | -                | 200               | -                     | -              | 200              |
| As of December 31, 2021                    | <u>\$519,653</u> | <u>\$214,824</u>  | <u>\$17,432</u>       | <u>\$1,500</u> | <u>\$753,409</u> |
| Amortization and impairment:               |                  |                   |                       |                |                  |
| As of January 1, 2022                      | \$252,711        | \$123,516         | \$14,319              | \$167          | \$390,713        |
| Amortization                               | -                | 65,862            | 2,490                 | 1,313          | 69,665           |
| Impairment                                 | 45,000           | -                 | -                     | -              | 45,000           |
| Expired                                    | -                | (46,934)          | -                     | -              | (46,934)         |
| As of December 31, 2022                    | <u>\$297,711</u> | <u>\$142,444</u>  | <u>\$16,809</u>       | <u>\$1,480</u> | <u>\$458,444</u> |
| As of January 1, 2021                      | \$260,550        | \$117,830         | \$11,829              | \$-            | \$390,209        |
| Amortization                               | -                | 59,074            | 2,490                 | 167            | 61,731           |
| Disposal of subsidiaries                   | (30,169)         | (87)              | -                     | -              | (30,256)         |
| Impairment                                 | 22,330           | -                 | -                     | -              | 22,330           |
| Expired                                    | -                | (53,301)          | -                     | -              | (53,301)         |
| As of December 31, 2021                    | <u>\$252,711</u> | <u>\$123,516</u>  | <u>\$14,319</u>       | <u>\$167</u>   | <u>\$390,713</u> |
| Net carrying amount as of:                 |                  |                   |                       |                |                  |
| December 31, 2022                          | <u>\$345,787</u> | <u>\$133,439</u>  | <u>\$623</u>          | <u>\$2,229</u> | <u>\$482,078</u> |
| December 31, 2021                          | <u>\$266,942</u> | <u>\$91,308</u>   | <u>\$3,113</u>        | <u>\$1,333</u> | <u>\$362,696</u> |

Recognized as amortization of intangible assets are as follows.

|                    | For the years ended<br>December 31, |                 |
|--------------------|-------------------------------------|-----------------|
|                    | 2022                                | 2021            |
| Operating costs    | <u>\$28,108</u>                     | <u>\$20,789</u> |
| Operating expenses | <u>\$41,557</u>                     | <u>\$40,942</u> |

(12) Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill acquired through business combinations and licences with indefinite lives have been allocated to three cash-generating units, which are also reportable operating segments, for impairment testing as follows:

- A. Security guard cash-generating unit;
- B. Catering service cash-generating unit; and
- C. Other business cash-generating unit.

Carrying amount of goodwill and licenses allocated to each of the cash-generating units:

| As of December 31,<br>Goodwill | Security guard unit |          | Catering service unit |           |
|--------------------------------|---------------------|----------|-----------------------|-----------|
|                                | 2022                | 2021     | 2022                  | 2021      |
|                                | \$27,548            | \$27,548 | \$221,913             | \$143,068 |
| As of December 31,<br>Goodwill | Other business unit |          | Total                 |           |
|                                | 2022                | 2021     | 2022                  | 2021      |
|                                | \$96,326            | \$96,326 | \$345,787             | \$266,942 |

Security guard cash-generating unit

The recoverable amount of the security guard unit has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The post-tax discount rates applied to cash flow projections is 14.92% (2021: 13.42%) and cash flows beyond the five-year period are extrapolated using a 0% (2021: 0%) growth rate that is the same as the long-term average growth rate for the security guard industry. As a result of this analysis, management has identified no impairment loss for goodwill which is allocated to this cash-generating unit.

Catering service cash-generating unit

The recoverable amount of the catering service unit, NT\$1,248,503 thousand, has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The post-tax discount rates applied to cash flow projections is between 11.03%~11.18% (2021: 12.37%) and cash flows beyond the five-year period are extrapolated using a 0.5% (2021: 0.5%) growth rate that is the same as the long-term average growth rate for the other business industry. As a result of this analysis, management has recognized an impairment loss of NT\$ 45,000 thousand against goodwill previously carried at NT\$ 266,913 thousand for the year ended December 31, 2022.

### Other business cash-generating unit

The recoverable amount of the other business unit has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The post-tax discount rates applied to cash flow projections are between 11.61%~12.12% (2021: 12.26%~12.57%) and cash flows beyond the five-year period are extrapolated using a 0% (2021: 0%) growth rate that is the same as the long-term average growth rate for the other business industry. As a result of this analysis, management has identified no impairment loss for goodwill which is allocated to this cash-generating unit.

### Key assumptions used in value-in-use calculations

The calculation of value-in-use for the cash-generating unit is most sensitive to the following assumptions:

- A. Discount rates; and
- B. Growth rate used to extrapolate cash flows beyond the budget period.

Discount rates - Discount rates reflect the current market assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, while the cost of liabilities is measured by the interest bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on publicly available market information.

Growth rate estimates - Rates are based on published industry research. For the reasons explained above, the long-term average growth rate used to extrapolate the budget for the Catering unit has been adjusted in a conservative way.

### Sensitivity to changes in assumptions

With regard to the assessment of value-in-use calculation of the Cash-generating unit, management believes that no reasonably possible change existed in any of the above key assumptions which would cause the carrying value of the unit to materially exceed its recoverable amount.

For the catering service unit, the estimated recoverable amount is equal to its carrying value which is adjusted for the impairment loss and, consequently, any adverse change in a key assumption would result in a further impairment loss. The implications of the key assumptions for the recoverable amount are discussed below:

Discount rates - Discount rates should consider the historical financial position or the risks specific to the catering service unit. Management has considered the possibility of historical financial position or the specific risks. If the specific risks increased 1%, a further impairment may result.

(13) Short-term loans

|                      | Interest Rates (%) | As of December 31, |                  |
|----------------------|--------------------|--------------------|------------------|
|                      |                    | 2022               | 2021             |
| Unsecured bank loans | 0.54%-1.72%        | \$800,000          | \$500,000        |
| Secured bank loans   | 1.72%              | 30,000             | -                |
| Total                |                    | <u>\$830,000</u>   | <u>\$500,000</u> |

The Group's unused short-term lines of credits amounted to NT\$4,070,562 thousand and NT\$2,740,000 thousand, as of December 31, 2022 and 2021, respectively.

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

(14) Short-term bills payables

| Nature                                     | Guarantee Agency                | As of December 31, 2022 | Interest Rate (%) | Period  |
|--------------------------------------------|---------------------------------|-------------------------|-------------------|---------|
| Commercial paper                           | China Bills Finance Corporation | \$30,000                | 1.94%             | 32 days |
| Less: discount on short-term bills payable |                                 | -                       |                   |         |
| Net                                        |                                 | <u>\$30,000</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                                   |                                    | 50,000                  |                   |         |
| Less: discount on short-term bills payable |                                    | -                       |                   |         |
| Net                                        |                                    | <u>\$50,000</u>         |                   |         |

(15) Other payables

|                           | As of December 31, |                    |
|---------------------------|--------------------|--------------------|
|                           | 2022               | 2021               |
| Other accrued expenses    | \$1,468,714        | \$1,354,780        |
| ATM replenishment payable | 722,156            | 906,512            |
| Others                    | 136,985            | 109,202            |
| Total                     | <u>\$2,327,855</u> | <u>\$2,370,494</u> |

(16) Long-term loans

Details of long-term loans are as follows:

| Lenders                                 | As of<br>December<br>31, 2022 | Interest Rates<br>(%) | Maturity date and terms of repayment                                                                                                                                                                          |
|-----------------------------------------|-------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <u>Unsecured Loan</u>                   |                               |                       |                                                                                                                                                                                                               |
| Bank of Tokyo-Mitsubishi<br>UFJ         | \$400,000                     | 2.49%                 | Loan starting from September 22, 2022 till September 22, 2025; repayment at the maturity date; interest paid every 3 months.                                                                                  |
| Bank of Tokyo-Mitsubishi<br>UFJ         | 400,000                       | 0.86%                 | Loan starting from January 15, 2021 till January 13, 2023; repayment at the maturity date; interest paid every 3 months                                                                                       |
| Sumitomo Mitsui Banking<br>Corporation  | 700,000                       | 1.85%                 | Loan starting from August 20, 2021 till February 20, 2023; repayment at the maturity date; interest paid every month                                                                                          |
| Sumitomo Mitsui Banking<br>Corporation  | 600,000                       | 0.99%                 | Loan starting from December 18, 2020 till December 18, 2023; repayment at the maturity date; interest paid every month                                                                                        |
| Sumitomo Mitsui Banking<br>Corporation  | 600,000                       | 1.82%                 | Loan originally starting from December 18, 2020 till December 16, 2022, extended to January 16, 2023; repayment at the maturity day; interest paid every month.                                               |
| Mizuho Bank, Ltd.                       | 100,000                       | 2.13%                 | Loan starting from September 22, 2021 till March 22, 2024; repayment at the maturity date; interest paid every 3 months.                                                                                      |
| Mizuho Bank, Ltd.                       | 200,000                       | 1.73%                 | Loan starting from July 11, 2022 till July 5, 2025; repayment at the maturity date; interest paid every 3 months.                                                                                             |
| Mizuho Bank, Ltd.                       | 200,000                       | 1.73%                 | Loan starting from July 11, 2022 till July 5, 2025; repayment at the maturity date; interest paid every 3 months.                                                                                             |
| Mizuho Bank, Ltd.                       | 200,000                       | 1.73%                 | Loan starting from July 11, 2022 till July 5, 2025; repayment at the maturity date; interest paid every 3 months.                                                                                             |
| GI Bank Co., Ltd.                       | 300,000                       | 1.99%                 | Loan starting from July 22, 2021 till April 27, 2024; repayment at the maturity date; interest paid every month                                                                                               |
| <u>Secured Loan</u>                     |                               |                       |                                                                                                                                                                                                               |
| Sunny Bank Ltd.                         | 144,339                       | 1.87%                 | Loan starting from July 28, 2020 till March 18, 2024; repayment at the maturity date; interest paid every month.                                                                                              |
| Sunny Bank Ltd.                         | 12,500                        | 1.33%                 | Loan starting from September 20, 2022 till December 15, 2023; repayment at the maturity date; interest paid every month.                                                                                      |
| JihSun International<br>Commercial Bank | 296,000                       | 1.70%                 | Loan starting from November 21, 2022 till November 21, 2025; installment payment of 4,000 thousand by every month; the remaining repayment for the remaining at the maturity date; interest paid every month. |
| Subtotal                                | 4,152,839                     |                       |                                                                                                                                                                                                               |
| Less: current portion                   | (2,360,500)                   |                       |                                                                                                                                                                                                               |
| Total                                   | <u>\$1,792,339</u>            |                       |                                                                                                                                                                                                               |

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

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

(17) Guarantee deposits

|                              | As of December 31, |                  |
|------------------------------|--------------------|------------------|
|                              | 2022               | 2021             |
| Performance security deposit | \$497,916          | \$502,358        |
| Security line deposit        | 125,737            | 136,770          |
| Others                       | 7,770              | 8,933            |
| Total                        | <u>\$631,423</u>   | <u>\$648,061</u> |

(18) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C.. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NT\$ 238,505 thousand and NT\$220,821 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15<sup>th</sup> year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$ 136,458 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The average durations of the defined benefits plan obligation are 10 years and 12 years as of December 31, 2022 and 2021, respectively

Pension costs recognized in profit or loss for the years ended December 31, 2022 and 2021:

|                                                                          | For the years ended<br>December 31, |          |
|--------------------------------------------------------------------------|-------------------------------------|----------|
|                                                                          | 2022                                | 2021     |
| Current period service costs                                             | \$41,800                            | \$44,739 |
| Interest expense (income) of net defined benefit liabilities<br>(assets) | 8,701                               | 7,011    |
| Total                                                                    | \$50,501                            | \$51,750 |

Changes in the defined benefit obligation and fair value of plan assets are as follows:

|                                                                                                                  | As of December 31, |             |
|------------------------------------------------------------------------------------------------------------------|--------------------|-------------|
|                                                                                                                  | 2022               | 2021        |
| Defined benefit obligation                                                                                       | \$1,838,573        | \$1,984,635 |
| Plan assets at fair value                                                                                        | (466,086)          | (419,642)   |
| Other non-current liabilities – Net defined benefit liabilities<br>recognized on the consolidated balance sheets | \$1,372,487        | \$1,564,993 |

Reconciliation of liability of the defined benefit plan is as follows:

|                                                                               | Defined benefit<br>obligation | Fair value of<br>plan assets | Benefit<br>liability (asset) |
|-------------------------------------------------------------------------------|-------------------------------|------------------------------|------------------------------|
| As of January 1, 2021                                                         | \$2,016,375                   | \$(392,237)                  | \$1,624,138                  |
| Current period service costs                                                  | 44,739                        | -                            | 44,739                       |
| Net interest expense (income)                                                 | 8,599                         | (1,588)                      | 7,011                        |
| Subtotal                                                                      | 53,338                        | (1,588)                      | 51,750                       |
| Remeasurements of the net defined benefit<br>liability (asset):               |                               |                              |                              |
| Actuarial gains and losses arising from<br>changes in demographic assumptions | 22,023                        | -                            | 22,023                       |
| Actuarial gains and losses arising from<br>changes in financial assumptions   | (18,334)                      | -                            | (18,334)                     |
| Experience adjustments                                                        | 32,968                        | -                            | 32,968                       |
| Return on plan assets                                                         | -                             | (5,126)                      | (5,126)                      |
| Subtotal                                                                      | 36,657                        | (5,126)                      | 31,531                       |
| Payments from the plan                                                        | (121,735)                     | 121,735                      | -                            |
| Contributions by employer                                                     | -                             | (142,426)                    | (142,426)                    |
| As of December 31, 2021                                                       | 1,984,635                     | (419,642)                    | 1,564,993                    |
| Current period service costs                                                  | 41,800                        | -                            | 41,800                       |
| Net interest expense (income)                                                 | 10,987                        | (2,286)                      | 8,701                        |
| Subtotal                                                                      | 52,787                        | (2,286)                      | 50,501                       |
| Remeasurements of the net defined benefit<br>liability (asset):               |                               |                              |                              |
| Actuarial gains and losses arising from<br>changes in demographic assumptions | 2,635                         | -                            | 2,635                        |
| Actuarial gains and losses arising from<br>changes in financial assumptions   | (154,880)                     | -                            | (154,880)                    |
| Experience adjustments                                                        | 115,742                       | (30,699)                     | 85,043                       |
| Return on plan assets                                                         | -                             | -                            | -                            |
| Subtotal                                                                      | (36,503)                      | (30,699)                     | (67,202)                     |
| Payments from the plan                                                        | (162,346)                     | 162,346                      | -                            |
| Contributions by employer                                                     | -                             | (175,805)                    | (175,805)                    |
| As of December 31, 2022                                                       | \$1,838,573                   | \$(466,086)                  | \$1,372,487                  |

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

|                                   | As of December 31, |             |
|-----------------------------------|--------------------|-------------|
|                                   | 2022               | 2021        |
| Discount rate                     | 1.47%-1.90%        | 0.44%-0.73% |
| Expected rate of salary increases | 0.50%-2.00%        | 0.50%-2.00% |

A sensitivity analysis for significant assumption as of December 31, 2022 and 2021 is as follows:

|                                 | Effect on the defined benefit obligation |                                        |                                        |                                        |
|---------------------------------|------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------------|
|                                 | 2022                                     |                                        | 2021                                   |                                        |
|                                 | Increase in defined benefit obligation   | Decrease in defined benefit obligation | Increase in defined benefit obligation | Decrease in defined benefit obligation |
| Discount rate increases by 0.5% | \$-                                      | \$63,774                               | \$-                                    | \$92,965                               |
| Discount rate decreases by 0.5% | 70,933                                   | -                                      | 142,390                                | -                                      |
| Future salary increases by 0.5% | 70,891                                   | -                                      | 148,593                                | -                                      |
| Future salary decreases by 0.5% | -                                        | 64,292                                 | -                                      | 92,251                                 |

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

#### (19) Provisions

|                               | Onerous contract | Warranties   | Decommissioning, restoration and rehabilitation | Total            |
|-------------------------------|------------------|--------------|-------------------------------------------------|------------------|
| As of January 1, 2022         | \$-              | \$224        | \$7,200                                         | \$7,424          |
| Arising during the period     | 137,535          | 643          | -                                               | 138,178          |
| Utilized                      | (27,408)         | (104)        | -                                               | (27,512)         |
| Reversed                      | -                | -            | -                                               | -                |
| As of December 31, 2022       | <u>\$110,127</u> | <u>\$763</u> | <u>\$7,200</u>                                  | <u>\$118,090</u> |
| As of January 1, 2021         | \$-              | \$729        | \$7,200                                         | \$7,929          |
| Arising during the period     | -                | -            | -                                               | -                |
| Utilized                      | -                | -            | -                                               | -                |
| Reversed                      | -                | (505)        | -                                               | (505)            |
| As of December 31, 2021       | <u>\$-</u>       | <u>\$224</u> | <u>7,200</u>                                    | <u>\$7,424</u>   |
| Current—December 31, 2022     | \$225            | \$763        | \$-                                             | \$988            |
| Non-current—December 31 2022  | 109,902          | -            | 7,200                                           | 117,102          |
| As of December 31, 2022       | <u>\$110,127</u> | <u>\$763</u> | <u>\$7,200</u>                                  | <u>\$118,090</u> |
| Current—December 31, 2021     | \$-              | \$224        | \$-                                             | \$224            |
| Non-current—December 31, 2021 | -                | -            | 7,200                                           | 7,200            |
| As of December 31, 2021       | <u>\$-</u>       | <u>\$224</u> | <u>\$7,200</u>                                  | <u>\$7,424</u>   |

### Onerous contract

The provision of onerous contracts is the difference between the present value of the Company's existing future payment obligations under irrevocable contracts and the revenue expected to be earned from the contracts. This estimate is subject to change due to changes in input conditions.

### Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

### Decommissioning, restoration and rehabilitation

A provision has been recognized for decommissioning costs associated with a buildings owned by Group. The Group is committed to decommissioning the site as a result of the construction of the buildings.

## (20)Equity

### A. Common stock

The Company's authorized and issued capital were both NT\$5,000,000 thousand, and the issued capital was NT\$4,511,971, consisting of 451,197,093 shares with a par value of NT\$10 par share, as of December 31, 2022 and 2021, respectively. Each share has one voting right and the right to receive dividends

### B. Capital surplus

|                                                                                                 | As of December 31, |                  |
|-------------------------------------------------------------------------------------------------|--------------------|------------------|
|                                                                                                 | 2022               | 2021             |
| Additional paid-in capital                                                                      | \$4,291            | \$4,291          |
| Treasury share transactions                                                                     | 790,188            | 713,128          |
| Changes in net assets of associates and joint ventures<br>accounted for using the equity method | 109,453            | 104,433          |
| Donated surplus                                                                                 | 2,959              | 2,959            |
| Total                                                                                           | <u>\$906,891</u>   | <u>\$824,811</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 December 31, 2022 and 2021, the Company's shares held by the subsidiaries were NT\$ 263,255 thousand and NT\$288,389 thousand, with a total of 9,079,805 shares and 10,273,805 shares, respectively. Golden Harvest Food Enterprise Ltd., a subsidiary of the Company, held 56 thousand shares of the Company for NT\$5,824 thousand when it was merged in January 2022. Gowin Building Management and Maintenance Co., Ltd. disposed 1,250 thousand shares of the Company for NT\$ 30,958 thousand in 2022. The remaining 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.

When distributing earnings, the Company was obligated to set a special reserve for other net equity deductions, a reserve then can be distributed after the reversal of such deductions.

Following the order Financial-Supervisory-Securities-Corporate-NO. 1090150022. issued on March 31, 2021, upon a public company's first-time adoption of the TIFRS, 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 an equal amount of special reserve. When there is subsequently any use, disposal, or reclassification of the relevant assets, the company may reverse and book for earnings distribution the corresponding proportion originally allocated to special reserve. The Company has reversed NT\$ 85,032 thousand special reserve to undistributed earnings. As of December 31, 2022 and 2021, the special reserve were NT\$ 15,352 thousand and NT\$100,384 thousand, respectively.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on March 14, 2023 and May 30, 2022, respectively, are as follows:

|                            | Appropriation of earnings |           | Dividend per share (NT\$) |      |
|----------------------------|---------------------------|-----------|---------------------------|------|
|                            | 2022                      | 2021      | 2022                      | 2021 |
| Legal reserve              | \$265,801                 | \$249,266 |                           |      |
| Special reserve            | 75,735                    | (85,032)  |                           |      |
| Common stock-cash dividend | 2,255,986                 | 2,255,986 | \$5                       | \$5  |

Please refer to Note 6(24) for further details on employees' compensation and remuneration to directors.

#### E. Non-controlling interests

|                                                                                                 | For the years ended<br>December 31, |           |
|-------------------------------------------------------------------------------------------------|-------------------------------------|-----------|
|                                                                                                 | 2022                                | 2021      |
| Beginning balance                                                                               | \$410,362                           | \$459,044 |
| Profit attributable to non-controlling interests                                                | 29,209                              | 52,201    |
| Other comprehensive income, attributable to non-controlling interests, net of tax:              |                                     |           |
| Exchange differences resulting from translating the financial statements of a foreign operation | 1,305                               | (148)     |
| Unrealized gains (losses) on financial assets at fair value through other comprehensive income  | (6,291)                             | 10,585    |
| Remeasurements of defined benefit plan                                                          | 657                                 | 195       |
| Disposal of equity instrument at fair value through other comprehensive income                  | 1,712                               | -         |
| Share of changes in associates accounted for using the equity method                            | 17                                  | 7         |
| Cash dividend from subsidiaries                                                                 | (38,905)                            | (42,387)  |
| Capital reduction from subsidiaries                                                             | -                                   | (9,751)   |
| Cash capital increase of subsidiaries                                                           | -                                   | 11,760    |
| Acquisition of subsidiaries                                                                     | 34,747                              | -         |
| Acquisition of additional interest of a subsidiary                                              | (38,887)                            | (72,029)  |
| Changes in subsidiaries' ownership                                                              | 94,942                              | (125)     |
| Others                                                                                          | (1,166)                             | 1,010     |
| Ending balance                                                                                  | \$487,702                           | \$410,362 |

(21) Operating revenue

|                                       | For the years ended<br>December 31, |                     |
|---------------------------------------|-------------------------------------|---------------------|
|                                       | 2022                                | 2021                |
| Revenue from contracts with customers |                                     |                     |
| Sale of goods revenue                 | \$2,137,464                         | \$1,618,814         |
| Rendering of service revenue          | 12,913,043                          | 12,232,125          |
| Subtotal                              | 15,050,507                          | 13,850,939          |
| Other revenue                         | 306,938                             | 283,958             |
| Total                                 | <u>\$15,357,445</u>                 | <u>\$14,134,897</u> |

Analysis of revenue from contracts with customers during the years ended December 31, 2022 and 2021 is as follows:

A. Classification of revenue

For the year ended December 31, 2022:

|                       | Electronic<br>Systems<br>Department | Security<br>Services<br>Department | Cash<br>Delivery<br>Department | Logistics<br>Department | Other<br>Department | Total               |
|-----------------------|-------------------------------------|------------------------------------|--------------------------------|-------------------------|---------------------|---------------------|
| Sale of goods         | \$645,910                           | \$-                                | \$-                            | \$20,358                | \$1,471,196         | \$2,137,464         |
| Rendering of services | 6,200,440                           | 2,342,017                          | 1,212,755                      | 975,581                 | 2,182,250           | 12,913,043          |
| Total                 | <u>\$6,846,350</u>                  | <u>\$2,342,017</u>                 | <u>\$1,212,755</u>             | <u>\$995,939</u>        | <u>\$3,653,446</u>  | <u>\$15,050,507</u> |

Timing of revenue  
recognition:

|                    |                    |                    |                    |                  |                    |                     |
|--------------------|--------------------|--------------------|--------------------|------------------|--------------------|---------------------|
| At a point in time | \$645,910          | \$-                | \$-                | \$20,358         | \$1,471,196        | \$2,137,464         |
| Over time          | 6,200,440          | 2,342,017          | 1,212,755          | 975,581          | 2,182,250          | 12,913,043          |
| Total              | <u>\$6,846,350</u> | <u>\$2,342,017</u> | <u>\$1,212,755</u> | <u>\$995,939</u> | <u>\$3,653,446</u> | <u>\$15,050,507</u> |

For the year ended December 31, 2021:

|                       | Electronic<br>Systems<br>Department | Security<br>Services<br>Department | Cash<br>Delivery<br>Department | Logistics<br>Department | Other<br>Department | Total               |
|-----------------------|-------------------------------------|------------------------------------|--------------------------------|-------------------------|---------------------|---------------------|
| Sale of goods         | \$704,240                           | \$-                                | \$-                            | \$160,832               | \$753,742           | \$1,618,814         |
| Rendering of services | 6,063,215                           | 2,326,606                          | 1,163,160                      | 886,098                 | 1,793,046           | 12,232,125          |
| Total                 | <u>\$6,767,455</u>                  | <u>\$2,326,606</u>                 | <u>\$1,163,160</u>             | <u>\$1,046,930</u>      | <u>\$2,546,788</u>  | <u>\$13,850,939</u> |

Timing of revenue  
recognition:

|                    |                    |                    |                    |                    |                    |                     |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| At a point in time | \$704,240          | \$-                | \$-                | \$160,832          | \$753,742          | \$1,618,814         |
| Over time          | 6,063,215          | 2,326,606          | 1,163,160          | 886,098            | 1,793,046          | 12,232,125          |
| Total              | <u>\$6,767,455</u> | <u>\$2,326,606</u> | <u>\$1,163,160</u> | <u>\$1,046,930</u> | <u>\$2,546,788</u> | <u>\$13,850,939</u> |

## B. Contract balances

### a. Contract assets - current

|                       | 2022.12.31       | 2021.12.31       | 2021.1.1         |
|-----------------------|------------------|------------------|------------------|
| Rendering of services | \$456,121        | \$327,088        | \$120,316        |
| Total                 | <u>\$456,121</u> | <u>\$327,088</u> | <u>\$120,316</u> |

Based on whether the Company obtained an unconditional right to receive the consideration then transferred contract assets to trade receivables when the unconditional right exists.

Please refer to Note 6(22) for more details on the impairment impact.

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

|             | 2022.12.31         | 2021.12.31         | 2021.1.1           |
|-------------|--------------------|--------------------|--------------------|
| Current     | \$1,427,258        | \$1,301,963        | \$1,283,052        |
| Non-current | 15,319             | 18,901             | 30,432             |
| Total       | <u>\$1,442,577</u> | <u>\$1,320,864</u> | <u>\$1,313,484</u> |

The significant changes in the Group's balances of contract liabilities during the years ended December 31, 2022 and 2021 are as follows:

|                                                                                                                                      | For the years ended<br>December 31, |               |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------|
|                                                                                                                                      | 2022                                | 2021          |
| The opening balance transferred to revenue                                                                                           | \$(1,167,683)                       | \$(1,220,734) |
| Increase in receipts in advance during the period<br>(excluding the amount incurred and transferred to<br>revenue during the period) | 1,289,396                           | 1,228,114     |

## C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$ 1,442,577 thousand as of December 31, 2022. Management expects that 94% 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\$ 1,320,864 thousand as of December 31, 2021. Management expects that 93% 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.

(22) Expected credit losses

|                                                            | For the years ended<br>December 31, |                |
|------------------------------------------------------------|-------------------------------------|----------------|
|                                                            | 2022                                | 2021           |
| Operating expenses - Expected credit losses                |                                     |                |
| Contract assets                                            | \$-                                 | \$-            |
| Trade receivables                                          | 11,131                              | 5,220          |
| Subtotal                                                   | 11,131                              | 5,220          |
| Non-operating income and expenses - Expected credit losses |                                     |                |
| Financial assets measured at amortized cost                | -                                   | -              |
| Total                                                      | <u>\$11,131</u>                     | <u>\$5,220</u> |

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 December 31, 2022

| Group 1                         | Overdue               |           |             |              |              |            | Total              |
|---------------------------------|-----------------------|-----------|-------------|--------------|--------------|------------|--------------------|
|                                 | Not yet due<br>(note) | 1-90 days | 91-180 days | 181-270 days | 271-365 days | >=365 days |                    |
| Gross carrying amount           | \$1,113,476           | \$64,858  | 43,013      | 3,220        | 13,475       | 13,856     | \$1,251,898        |
| Loss ratio                      | 0-2%                  | 2-10%     | 10-30%      | 30-50%       | 50-80%       | 80-100%    |                    |
| Lifetime expected credit losses | (1,835)               | (1,301)   | (4,324)     | (966)        | (6,755)      | (13,856)   | (29,037)           |
| Subtotal                        | 1,111,641             | 63,557    | 38,689      | 2,254        | 6,720        | \$-        | 1,222,861          |
|                                 |                       |           |             |              |              |            |                    |
| Group 2                         | Overdue               |           |             |              |              |            | Total              |
|                                 | Not yet due<br>(note) | 1-90 days | 91-180 days | 181-270 days | 271-365 days | >=365 days |                    |
| Gross carrying amount           | \$743,167             | \$11,622  | \$155       | \$143        | \$-          | \$11,502   | \$766,589          |
| Loss ratio                      | 0-2%                  | 2-5%      | 5-10%       | 10-50%       | 50-90%       | 90-100%    |                    |
| Lifetime expected credit losses | (1,541)               | (113)     | (14)        | (72)         | -            | (11,502)   | (13,242)           |
| Subtotal                        | 741,626               | 11,509    | 141         | 71           | -            | -          | 753,347            |
| Total                           |                       |           |             |              |              |            | <u>\$1,976,208</u> |

## As of December 31, 2021

| Group 1                         | Overdue               |           |             |              |              |            | Total              |
|---------------------------------|-----------------------|-----------|-------------|--------------|--------------|------------|--------------------|
|                                 | Not yet due<br>(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<br>(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> |

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 during the years ended December 31, 2022 and 2021 is as follows:

|                                            | Trade<br>receivables | Notes<br>receivable | Others (Note) |
|--------------------------------------------|----------------------|---------------------|---------------|
| Balance as of January 1, 2022              | \$36,591             | \$-                 | \$-           |
| Addition/(reversal) for the current period | 11,131               | -                   | -             |
| Write off                                  | (6,660)              | -                   | -             |
| Others                                     | 1,217                | -                   | -             |
| Balance as of December 31, 2022            | <u>\$42,279</u>      | <u>\$-</u>          | <u>\$-</u>    |
| Balance as of January 1, 2021              | \$31,579             | \$-                 | \$-           |
| Addition/(reversal) for the current period | 5,220                | -                   | -             |
| Write off                                  | (3,431)              | -                   | -             |
| Others                                     | 3,223                | -                   | -             |
| Balance as of December 31, 2021            | <u>\$36,591</u>      | <u>\$-</u>          | <u>\$-</u>    |

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

## (23) 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 5 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 December 31, |                  |
|---------------------------|--------------------|------------------|
|                           | 2022               | 2021             |
| Land and land improvement | \$67,080           | \$46,737         |
| Buildings                 | 688,023            | 470,652          |
| Transportation equipment  | 126,698            | 124,410          |
| Other equipment           | -                  | 2,853            |
| Total                     | <u>\$881,801</u>   | <u>\$644,652</u> |

During the year 2022 and 2021, the Group's additions to right-of-use assets amounted to NT\$ 592,934 thousand and NT\$165,877 thousand, respectively.

(ii) Lease liabilities

|                   | As of December 31, |           |
|-------------------|--------------------|-----------|
|                   | 2022               | 2021      |
| Lease liabilities | \$875,910          | \$643,580 |
| Current           | \$311,894          | \$248,791 |
| Non-current       | 564,016            | 394,789   |

Please refer to Note 6(25) for the interest on lease liabilities recognized during the year 2022 and 2021 and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2022 and 2021.

b. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

|                           | For the years ended<br>December 31, |           |
|---------------------------|-------------------------------------|-----------|
|                           | 2022                                | 2021      |
| Land and land improvement | \$21,115                            | \$20,070  |
| Buildings                 | 272,846                             | 277,731   |
| Transportation equipment  | 34,549                              | 31,690    |
| Other equipment           | 2,853                               | 3,281     |
| Total                     | \$331,363                           | \$332,772 |

c. Income and costs relating to leasing activities

|                                                                                                                                          | For the years ended<br>December 31, |          |
|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------|
|                                                                                                                                          | 2022                                | 2021     |
| The expenses relating to short-term leases                                                                                               | \$78,518                            | \$31,246 |
| The expenses relating to leases of low-value assets<br>(Not including the expenses relating to short-term<br>leases of low-value assets) | 13,745                              | 16,470   |
| Total                                                                                                                                    | \$92,263                            | \$47,716 |

d. Cash outflow relating to leasing activities

The Group's total cash outflows for leases amounted to NT\$ 438,966 thousand and NT\$392,933 thousand for the years ended December 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 years ended<br>December 31, |           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------|-----------|
|                                                                                                          | 2022                                | 2021      |
| Lease income for operating leases                                                                        |                                     |           |
| Income relating to fixed lease payments and variable<br>lease payments that depend on an index or a rate | \$317,233                           | \$292,488 |
| Subtotal                                                                                                 | 317,233                             | 292,488   |
| Lease income for finance leases                                                                          |                                     |           |
| Selling profit or loss                                                                                   | 3,580                               | 9,387     |
| Finance income on the net investment in the lease                                                        | 4,973                               | 5,621     |
| Subtotal                                                                                                 | 8,553                               | 15,008    |
| Total                                                                                                    | \$325,786                           | \$307,496 |

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 December 31, 2022 and 2021 are as follows:

|                                                  | As of December 31, |                  |
|--------------------------------------------------|--------------------|------------------|
|                                                  | 2022               | 2021             |
| Within one year                                  | \$256,474          | \$226,987        |
| Beyond one year but not later than two years     | 10,730             | 26,794           |
| Beyond two years but not later than three years  | 2,085              | 4,864            |
| Beyond three years but not later than four years | 72                 | 1,948            |
| Beyond four years but not later than five years  | -                  | 72               |
| Beyond five years                                | -                  | -                |
| Total                                            | <u>\$269,361</u>   | <u>\$260,665</u> |

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 December 31, 2022 and 2021 are as follow:

|                                                         | As of December 31, |                  |
|---------------------------------------------------------|--------------------|------------------|
|                                                         | 2022               | 2021             |
| Within one year                                         | \$86,050           | \$74,537         |
| Beyond one year but not later than two years            | 62,199             | 77,158           |
| Beyond two years but not later than three years         | 43,491             | 53,307           |
| Beyond three years but not later than four years        | 28,644             | 34,600           |
| Beyond four years but not later than five years         | 14,438             | 19,752           |
| Beyond five years                                       | -                  | 3,292            |
| Total undiscounted lease payment                        | <u>234,822</u>     | <u>262,646</u>   |
| Less: Unearned finance income to finance leases         | (9,736)            | (11,547)         |
| Less: loss allowance                                    | -                  | -                |
| Net investment in the lease (Finance lease receivables) | <u>\$225,086</u>   | <u>\$251,099</u> |
| Current                                                 | \$81,465           | \$69,685         |
| Non-current                                             | 143,621            | 181,414          |

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

|                                 | For the years ended December 31, |                    |              |                 |                    |              |
|---------------------------------|----------------------------------|--------------------|--------------|-----------------|--------------------|--------------|
|                                 | 2022                             |                    |              | 2021            |                    |              |
|                                 | Operating costs                  | Operating expenses | Total amount | Operating costs | Operating expenses | Total amount |
| Employee benefits expense       |                                  |                    |              |                 |                    |              |
| Salaries                        | \$4,006,936                      | \$1,680,234        | \$5,687,170  | \$3,680,649     | \$1,510,203        | \$5,190,852  |
| Labor and health insurance      | 428,784                          | 129,612            | 558,396      | 397,555         | 121,941            | 519,496      |
| Pension                         | 222,280                          | 66,726             | 289,006      | 208,708         | 63,863             | 272,571      |
| Other employee benefits expense | 195,081                          | 42,686             | 237,767      | 191,167         | 42,182             | 233,349      |
| Depreciation                    | 1,190,247                        | 253,264            | 1,443,511    | 1,171,636       | 253,858            | 1,425,494    |
| Amortization                    | 28,108                           | 41,557             | 69,665       | 20,789          | 40,942             | 61,731       |

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. 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 can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit of the year ended December 31, 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2022 to be 1% of profit of the current year and 4% of profit of the current year, respectively, recognized as salary expenses. As such, employees' compensation and remuneration to directors for the year ended December 31, 2022 amounted to NT\$30,228 thousand and NT\$120,912 thousand, respectively.

A resolution was passed at a Board of Directors meeting held on March 14, 2023 to distribute NT\$30,273 thousand and NT\$121,091 thousand in cash as employees' compensation and remuneration to directors of 2022, respectively.

No material differences exist between the estimated amount and the actual distribution of the employee compensation NT\$29,435 thousand and remuneration to directors and supervisors NT\$117,741 thousand for the year ended December 31, 2021.

(25) Non-operating income and expenses

A. Interest income

|                                             | For the years ended<br>December 31, |                 |
|---------------------------------------------|-------------------------------------|-----------------|
|                                             | 2022                                | 2021            |
| Financial assets measured at amortized cost | \$1,993                             | \$1,292         |
| Cash in banks                               | 8,597                               | 5,770           |
| Short-term commercial papers                | 2,443                               | 2,617           |
| Others                                      | 362                                 | 343             |
| Total                                       | <u>\$13,395</u>                     | <u>\$10,022</u> |

B. Other income

|                 | For the years ended<br>December 31, |                 |
|-----------------|-------------------------------------|-----------------|
|                 | 2022                                | 2021            |
| Rental income   | \$10,295                            | \$8,531         |
| Dividend income | 15,671                              | 9,456           |
| Total           | <u>\$25,966</u>                     | <u>\$17,987</u> |

C. Other gains and losses

|                                                                                  | For the years ended<br>December 31, |                  |
|----------------------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                                  | 2022                                | 2021             |
| Loss on disposal of property, plant and equipment                                | \$(28,676)                          | \$(6,327)        |
| Gain on disposal of investment property                                          | 14,518                              | -                |
| Loss on disposal of intangible assets                                            | -                                   | (193)            |
| Gain on disposal of investments                                                  | 52,041                              | 38,718           |
| Foreign exchange gain (loss), net                                                | 7,430                               | (1,344)          |
| Gain (loss) on financial assets at fair value through profit<br>or loss (Note 1) | 17                                  | (88)             |
| Impairment losses                                                                | (45,000)                            | (22,330)         |
| Gain (loss) on lease modification                                                | 618                                 | (541)            |
| Other gain (loss)                                                                | 31,297                              | (11,218)         |
| Total                                                                            | <u>\$32,245</u>                     | <u>\$(3,323)</u> |

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

D. Finance costs

|                                     | For the years ended<br>December 31, |                 |
|-------------------------------------|-------------------------------------|-----------------|
|                                     | 2022                                | 2021            |
| Interest on borrowings from bank    | \$55,765                            | \$39,431        |
| Interest on lease liabilities       | 10,479                              | 9,953           |
| Total interest expenses             | 66,244                              | 49,384          |
| Unwinding of discount on provisions | -                                   | -               |
| Total finance costs                 | <u>\$66,244</u>                     | <u>\$49,384</u> |

## (26) Components of other comprehensive income

For the year ended December 31, 2022

|                                                                                                                         | Arising during<br>the period | Reclassification<br>adjustments<br>during the<br>period | Other<br>comprehensive<br>income, before<br>tax | Income tax<br>relating to<br>components of<br>other<br>comprehensive<br>income | Other<br>comprehensive<br>income, net of<br>tax |
|-------------------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------|
| Not to be reclassified to profit or loss in subsequent periods:                                                         |                              |                                                         |                                                 |                                                                                |                                                 |
| Remeasurements of defined benefit plans                                                                                 | \$61,477                     | \$-                                                     | \$61,477                                        | \$(12,411)                                                                     | \$49,066                                        |
| Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income | (43,785)                     | -                                                       | (43,785)                                        | 1,145                                                                          | (42,640)                                        |
| Share of other comprehensive loss of associates and joint ventures accounted for using the equity method                | (49,775)                     | -                                                       | (49,775)                                        | -                                                                              | (49,775)                                        |
| To be reclassified to profit or loss in subsequent periods:                                                             |                              |                                                         |                                                 |                                                                                |                                                 |
| Exchange differences resulting from translating the financial statements of a foreign operation                         | 1,303                        | -                                                       | 1,303                                           | -                                                                              | 1,303                                           |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method              | 41,256                       | -                                                       | 41,256                                          | -                                                                              | 41,256                                          |
| Total of other comprehensive income                                                                                     | <u>\$10,476</u>              | <u>\$-</u>                                              | <u>\$10,476</u>                                 | <u>\$(11,266)</u>                                                              | <u>\$(790)</u>                                  |

For the year ended December 31, 2021

|                                                                                                                | Arising during<br>the period | Reclassification<br>adjustments<br>during the<br>period | Other<br>comprehensive<br>income, before<br>tax | Income tax<br>relating to<br>components of<br>other<br>comprehensive<br>income | Other<br>comprehensive<br>income, net of<br>tax |
|----------------------------------------------------------------------------------------------------------------|------------------------------|---------------------------------------------------------|-------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------|
| Not to be reclassified to profit or loss in subsequent periods:                                                |                              |                                                         |                                                 |                                                                                |                                                 |
| Remeasurements of defined benefit plans                                                                        | \$(34,100)                   | \$-                                                     | \$(34,100)                                      | \$3,353                                                                        | \$(30,747)                                      |
| Unrealized gains from equity instruments investments measured at fair value through other comprehensive income | 68,412                       | -                                                       | 68,412                                          | 628                                                                            | 69,040                                          |
| Share of other comprehensive income of associates and joint ventures accounted for using the equity method     | 21,562                       | -                                                       | 21,562                                          | -                                                                              | 21,562                                          |
| To be reclassified to profit or loss in subsequent periods:                                                    |                              |                                                         |                                                 |                                                                                |                                                 |
| Exchange differences resulting from translating the financial statements of a foreign operation                | 5,379                        | -                                                       | 5,379                                           | -                                                                              | 5,379                                           |
| Share of other comprehensive loss of associates and joint ventures accounted for using the equity method       | (11,989)                     | -                                                       | (11,989)                                        | -                                                                              | (11,989)                                        |
| Total of other comprehensive income                                                                            | <u>\$49,264</u>              | <u>\$-</u>                                              | <u>\$49,264</u>                                 | <u>\$3,981</u>                                                                 | <u>\$53,245</u>                                 |

(27) Income tax

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

Income tax expense (income) recognized in profit or loss

|                                                                                                | For the years ended<br>December 31, |                  |
|------------------------------------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                                                | 2022                                | 2021             |
| Current income tax expense (income):                                                           |                                     |                  |
| Current income tax charge                                                                      | \$519,035                           | \$512,897        |
| Adjustments in respect of current income tax of prior periods                                  | 4,221                               | (26,454)         |
| Deferred tax expense (income):                                                                 |                                     |                  |
| Deferred tax (income) expense relating to origination<br>and reversal of temporary differences | (2,458)                             | 19,368           |
| Deferred tax income relating to origination and reversal<br>of tax loss and tax credit         | (255)                               | (497)            |
| Other components of deferred tax expense                                                       | 2,700                               | 1,246            |
| Total income tax expense (income)                                                              | <u>\$523,243</u>                    | <u>\$506,560</u> |

Income tax relating to components of other comprehensive income

|                                                                                                                               | For the years ended<br>December 31, |                  |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|------------------|
|                                                                                                                               | 2022                                | 2021             |
| Deferred tax expense (income):                                                                                                |                                     |                  |
| Remeasurements of defined benefit plans                                                                                       | \$12,411                            | \$(3,353)        |
| Unrealized gains (losses) from equity instruments<br>investments measured at fair value through other<br>comprehensive income | (1,145)                             | (628)            |
| Income tax relating to components of other comprehensive<br>income                                                            | <u>\$11,266</u>                     | <u>\$(3,981)</u> |

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

|                                                                             | For the years ended<br>December 31, |                    |
|-----------------------------------------------------------------------------|-------------------------------------|--------------------|
|                                                                             | 2022                                | 2021               |
| Accounting profit before tax from continuing operations                     | <u>\$3,131,193</u>                  | <u>\$3,085,445</u> |
| Tax at the domestic rates applicable to profits in the<br>country concerned | \$626,239                           | \$617,089          |
| Investment tax credit and loss carryforward                                 | (4,781)                             | 650                |
| Tax effect of deferred tax assets / liabilities                             | 3,239                               | (276)              |
| Tax effect of revenues exempt from taxation                                 | (110,291)                           | (83,555)           |
| Tax effect of non-deductible expenses from taxation                         | (160)                               | 279                |
| Adjustments in respect of current income tax of prior periods               | 4,221                               | (26,454)           |
| 5% surtax on unappropriated retained earnings                               | 3,625                               | 53                 |
| Others                                                                      | 1,151                               | (1,226)            |
| Total income tax expense recognized in profit or loss                       | <u>\$523,243</u>                    | <u>\$506,560</u>   |

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022

|                                           | Beginning<br>balance as of<br>January 1,<br>2022 | Deferred tax<br>income<br>(expense)<br>recognized in<br>profit or loss | Deferred tax<br>income<br>(expense)<br>recognized in<br>other<br>comprehensive<br>income | Ending<br>balance as of<br>December 31,<br>2022 |
|-------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------|
| Temporary differences                     |                                                  |                                                                        |                                                                                          |                                                 |
| Unrealized bad debt expense               | \$4,724                                          | \$671                                                                  | \$-                                                                                      | \$5,395                                         |
| Inventory valuation and obsolescence loss | 2,839                                            | 6,432                                                                  | -                                                                                        | 9,271                                           |
| Depreciation difference for tax purpose   | 14,283                                           | (402)                                                                  | -                                                                                        | 13,881                                          |
| Compensation for unused vacation          | 21,924                                           | 220                                                                    | -                                                                                        | 22,144                                          |
| Decommissioning costs                     | 1,440                                            | -                                                                      | -                                                                                        | 1,440                                           |
| Defined benefit liabilities, non-current  | 209,645                                          | (19,332)                                                               | (12,411)                                                                                 | 177,902                                         |
| Loss deduction                            | 11,725                                           | (6,750)                                                                | -                                                                                        | 4,975                                           |
| Impairment losses                         | 149,186                                          | -                                                                      | -                                                                                        | 149,186                                         |
| Others                                    | 4,539                                            | 21,874                                                                 | 1,145                                                                                    | 27,558                                          |
| Deferred tax income/(expense)             |                                                  | <u>\$2,713</u>                                                         | <u>\$(11,266)</u>                                                                        |                                                 |
| Net deferred tax assets/(liabilities)     | <u>\$420,305</u>                                 |                                                                        |                                                                                          | <u>\$411,752</u>                                |
| Reflected in balance sheet as follows:    |                                                  |                                                                        |                                                                                          |                                                 |
| Deferred tax assets                       | <u>\$420,305</u>                                 |                                                                        |                                                                                          | <u>\$411,752</u>                                |

For the year ended December 31, 2021

|                                           | Beginning<br>balance as of<br>January 1,<br>2021 | Deferred tax<br>income<br>(expense)<br>recognized in<br>profit or loss | Deferred tax<br>income<br>(expense)<br>recognized in<br>other<br>comprehensive<br>income | Ending<br>balance as of<br>December 31,<br>2021 |
|-------------------------------------------|--------------------------------------------------|------------------------------------------------------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------|
| Temporary differences                     |                                                  |                                                                        |                                                                                          |                                                 |
| Unrealized bad debt expense               | \$4,246                                          | \$478                                                                  | \$-                                                                                      | \$4,724                                         |
| Inventory valuation and obsolescence loss | 3,030                                            | (191)                                                                  | -                                                                                        | 2,839                                           |
| Depreciation difference for tax purpose   | 14,685                                           | (402)                                                                  | -                                                                                        | 14,283                                          |
| Compensation for unused vacation          | 21,192                                           | 732                                                                    | -                                                                                        | 21,924                                          |
| Decommissioning costs                     | 1,440                                            | -                                                                      | -                                                                                        | 1,440                                           |
| Defined benefit liabilities, non-current  | 213,994                                          | (7,702)                                                                | 3,353                                                                                    | 209,645                                         |
| Loss deduction                            | 24,722                                           | (12,997)                                                               | -                                                                                        | 11,725                                          |
| Impairment losses                         | 149,186                                          | -                                                                      | -                                                                                        | 149,186                                         |
| Others                                    | 2,700                                            | 1,211                                                                  | 628                                                                                      | 4,539                                           |
| Deferred tax (expense)/income             |                                                  | <u>\$(18,871)</u>                                                      | <u>\$3,981</u>                                                                           |                                                 |
| Net deferred tax assets/(liabilities)     | <u>\$435,195</u>                                 |                                                                        |                                                                                          | <u>\$420,305</u>                                |
| Reflected in balance sheet as follows:    |                                                  |                                                                        |                                                                                          |                                                 |
| Deferred tax assets                       | <u>\$435,195</u>                                 |                                                                        |                                                                                          | <u>\$420,305</u>                                |

The following table contains information of the unused tax losses of the Group:

| Year | Tax losses for the period | Unused tax losses as of |                   | Expiration year |
|------|---------------------------|-------------------------|-------------------|-----------------|
|      |                           | December 31, 2022       | December 31, 2021 |                 |
| 2011 | \$32,268                  | \$-                     | \$32,268          | 2021            |
| 2012 | 11,154                    | 11,154                  | 11,154            | 2022            |
| 2013 | 30,352                    | 23,973                  | 23,973            | 2023            |
| 2014 | 158                       | -                       | -                 | 2024            |
| 2015 | 2,988                     | -                       | -                 | 2025            |
| 2016 | 22,825                    | 14,418                  | 18,562            | 2026            |
| 2017 | 95,601                    | 86,893                  | 91,839            | 2027            |
| 2018 | 19,007                    | 16,373                  | 19,007            | 2028            |
| 2019 | 41,219                    | 18,808                  | 24,348            | 2029            |
| 2020 | 464,995                   | 361,570                 | 124,044           | 2030            |
| 2021 | 125,079                   | 118,962                 | 103,102           | 2031            |
| 2022 | 137,054                   | 137,054                 | -                 | 2032            |
|      |                           | <u>\$789,205</u>        | <u>\$448,297</u>  |                 |

#### Unrecognized deferred tax assets

As of December 31, 2022 and 2021, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amounted to NT\$135,886 thousand and NT\$133,645 thousand, respectively.

#### The assessment of income tax returns

As of December 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 2020     | -     |
| 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     | -     |

|                                                 | The assessment of income tax returns | Notes               |
|-------------------------------------------------|--------------------------------------|---------------------|
| 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     | -                   |
| Zhong Bao Insurance Services Inc.               | 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     | -                   |
| Brighton Technology and Engineering 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     | -                   |
| Guoyun 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     | -                   |
| KuoHsing 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     | -                   |
| Living Plus 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     | -                   |
| Golden Harvest Food Enterprise Ltd.             | Assessed and approved up to 2020     | -                   |
| Tai-Shun Shi Ye Co., Ltd.                       | Assessed and approved up to 2020     | -                   |
| Baohong Technology Co., Ltd.                    |                                      | Established in 2022 |
| Baohwa Trust Co., Ltd                           | -                                    | Established in 2022 |
| MyStory Entertainment Co., Ltd                  | -                                    | Established in 2022 |

## (28) 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 years ended<br>December 31, |             |
|----------------------------------------------------------------------------------------------------|--|-------------------------------------|-------------|
|                                                                                                    |  | 2022                                | 2021        |
| A. Basic earnings per share                                                                        |  |                                     |             |
| Profit attributable to ordinary equity holders of the Company (in thousands)                       |  | \$2,578,741                         | \$2,526,684 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) |  | 441,111                             | 440,923     |
| Basic earnings per share (NT\$)                                                                    |  | \$5.85                              | \$5.73      |
|                                                                                                    |  |                                     |             |
|                                                                                                    |  | For the years ended<br>December 31, |             |
|                                                                                                    |  | 2022                                | 2021        |
| B. Diluted earnings per share                                                                      |  |                                     |             |
| Profit attributable to ordinary equity holders of the Company (in thousands)                       |  | \$2,578,741                         | \$2,526,684 |
| Employee bonus (in thousands)                                                                      |  | -                                   | -           |
| Profit attributable to ordinary equity holders of the Company after dilution (in thousands)        |  | \$2,578,741                         | \$2,526,684 |
| Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands) |  | 441,111                             | \$440,923   |
| Effect of dilution:                                                                                |  |                                     |             |
| Employee bonus-stock (in thousands)                                                                |  | 302                                 | 283         |
| Weighted average number of ordinary shares outstanding after dilution (in thousands)               |  | 441,413                             | \$441,206   |
| Diluted earnings per share (NT\$)                                                                  |  | \$5.84                              | \$5.73      |

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.

## (29) 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 indirectly acquired 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<br/>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<br>(2.16% of identifiable net assets) | 8,765                   |
| Less: identifiable net assets at fair value                                        | <u>(405,794)</u>        |
| Goodwill                                                                           | <u><u>\$123,845</u></u> |

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

The net assets recognized in the financial statements ended January 3, 2022, were based on a tentative 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 deductible for income tax purposes.

From the acquisition date, goodwill of Golden Harvest Food Enterprise Ltd. and its subsidiary has contributed NT\$678,783 thousand of revenue and NT\$2,334 thousand to the net loss 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 MyStory Entertainment Co., Ltd.

MyStory Entertainment Co., Ltd. increased its capital through issuance of new shares, a total of 10,200,000 shares, on March 23, 2022. Because all shares are acquired by the Group, the percentage of ownership becomes 97.14%, and consequently the Group recognize non-controlling interests of NT\$2,982 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 the issuance of new 5,000,000 shares on January 18, 2022. The Group acquired 3,000,000 of new shares for 60% of ownership, amounting to NT\$30,000 thousand, and consequently recognized non-controlling interests of NT\$20,000 thousand.

#### Acquisition of Baohong Technology Co., Ltd.

The Group acquired 700,000 shares of Baohong Technology Co., Ltd., for 70% of ownership, amounting to NT\$7,000 thousand in December 2022. As a result, the Group recognized non-controlling interests of NT\$3,000 thousand.

### (30) Changes in ownership interests in subsidiaries

#### Acquisition of new shares in a subsidiary not in proportionate to ownership interest

Epic Tech Taiwan Inc. issued 3,000 thousand new shares through a capital increase, raising a total of NT\$30,000 thousand on May 12, 2022. The Group fully subscribed to the capital increase, thereby increasing its ownership to 98.57%. As a result, the non-controlling interest increased by NT\$283 thousand on May 12, 2022.

MyStory Entertainment Co., Ltd. increased its capital through the issuance of a total of 9,500,000 shares on August 3, 2022. Because all shares are subscribed by the non-controlling interest shareholders, the percentage of ownership for the Group decreased to 51.00%. As a result, non-controlling interests increased by NT\$94,658 thousand.

#### Acquisition of shares published by subsidiaries

During May and June of 2022, the Group acquired an additional 13.67% of the voting shares of Aion Technologies Inc. from minority shareholders, increasing ownership percentage to 87.42%. A cash consideration of NT\$38,887 thousand was paid to the non-controlling interest shareholders, therefore non-controlling interest was decreased by NT\$38,887 thousand.

#### Acquisition of subsidiaries

Please refer to Note 6(29) for the movements in non-controlling interests caused by the acquisition of subsidiaries.

### 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                                                           |
| Taipei Port Terminal Company Limited                       | Associate                                                           |
| HQ Design Co., Ltd.                                        | Other related party                                                 |
| (2021: Wellchang Interior Design and Decoration Co., Ltd.) |                                                                     |
| Hobby Werks Co., Ltd.                                      | Other related party                                                 |
| Cheng-Shin Investment Company                              | Other related party                                                 |
| Yuan-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 years ended<br>December 31, |                    |
|-----------------------|-------------------------------------|--------------------|
|                       | 2022                                | 2021               |
| Associates            | \$968,153                           | \$1,059,263        |
| Other related parties | 4,651                               | 3,412              |
| Total                 | <u>\$972,804</u>                    | <u>\$1,062,675</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 15-120 days, while for third party domestic sales was month-end 15-120 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 December 31, |                  |
|--------------------------------------|--------------------|------------------|
|                                      | 2022               | 2021             |
| Associates                           |                    |                  |
| Goldsun Building Materials Co., Ltd. | \$121,457          | \$142,855        |
| Anfeng Enterprise Co., Ltd.          | 136,573            | 113,589          |
| Others                               | 1,353              | 1,599            |
| Subtotal                             | <u>259,383</u>     | <u>258,043</u>   |
| Other related parties                | <u>2,181</u>       | <u>140</u>       |
| Total                                | <u>261,564</u>     | <u>258,183</u>   |
| Less: loss allowance                 | -                  | -                |
| Net                                  | <u>\$261,564</u>   | <u>\$258,183</u> |

### (3) Trade and other payables to related parties

|                                                                        | As of December 31, |                 |
|------------------------------------------------------------------------|--------------------|-----------------|
|                                                                        | 2022               | 2021            |
| Entity with joint control or significant influence over the<br>Company | \$276              | \$755           |
| Associates                                                             | 22,652             | 22,206          |
| Other related parties                                                  | 3,129              | 3,394           |
| Total                                                                  | <u>\$26,057</u>    | <u>\$26,355</u> |

(4) Right-of-use asset

|                       | As of December 31, |                 |
|-----------------------|--------------------|-----------------|
|                       | 2022               | 2021            |
| Associates            | \$13,800           | \$19,458        |
| Other related parties | 11,412             | 20,601          |
| Total                 | <u>\$25,212</u>    | <u>\$40,059</u> |

The lease deposits to related parties amounted to NT\$2,024 thousand for both years, as of December 31, 2022, and 2021.

(5) Other current liabilities

|            | As of December 31, |            |
|------------|--------------------|------------|
|            | 2022               | 2021       |
| Associates | \$6,137            | \$-        |
| Total      | <u>\$6,137</u>     | <u>\$-</u> |

(6) Lease liabilities

|                       | As of December 31, |                 |
|-----------------------|--------------------|-----------------|
|                       | 2022               | 2021            |
| Associates            | \$14,120           | \$19,744        |
| Other related parties | 11,475             | 20,708          |
| Total                 | <u>\$25,595</u>    | <u>\$40,452</u> |

(7) Lease expenditure

|                       | For the years ended<br>December 31, |              |
|-----------------------|-------------------------------------|--------------|
|                       | 2022                                | 2021         |
| Associates            | \$360                               | \$360        |
| Other related parties | 16                                  | 10           |
| Total                 | <u>\$376</u>                        | <u>\$370</u> |

(8) Property transactions

|                                                                     | As of December 31, |                 |
|---------------------------------------------------------------------|--------------------|-----------------|
|                                                                     | 2022               | 2021            |
| Entity with joint control or significant influence over the Company | \$1,789            | \$5,156         |
| Associates                                                          | 1,065              | 1,544           |
| Other related parties                                               | 31,170             | 34,004          |
| Total                                                               | <u>\$34,024</u>    | <u>\$40,704</u> |

(9) 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\$45,480 thousand and NT\$45,606 thousand for the years ended December 31, 2022 and 2021, respectively. The royalty payable was NT\$22,783 thousand and NT\$22,654 thousand as of December 31, 2022 and 2021, respectively, which was recognized as other payables.

(10) Key management personnel compensation

|                              | For the years ended<br>December 31, |                  |
|------------------------------|-------------------------------------|------------------|
|                              | 2022                                | 2021             |
| Short-term employee benefits | \$270,019                           | \$251,506        |
| Post-employment benefits     | 2,339                               | 2,099            |
| Total                        | <u>\$272,358</u>                    | <u>\$253,605</u> |

8. Assets Pledged as Security

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

| Assets pledged for security                              | Carrying amount   |                   | Secured liabilities                                  |
|----------------------------------------------------------|-------------------|-------------------|------------------------------------------------------|
|                                                          | December 31, 2022 | December 31, 2021 |                                                      |
| Financial assets measured at amortized cost, current     | \$56,670          | \$51,510          | Contract security deposit                            |
| Financial assets measured at amortized cost, non-current | 121,966           | 137,154           | Contract security deposit and oil passbook guarantee |
| Property, plant and equipment - land and buildings       | 435,220           | 314,272           | Long-term and short-term loans                       |
| Investment properties - buildings                        | -                 | 3,185             | Short-term loans                                     |
| Total                                                    | <u>\$613,856</u>  | <u>\$506,121</u>  |                                                      |

9. Commitments and Contingencies

The performance guarantee issued by bank as of December 31, 2022 for customs declaration and bids for Government projects are NT\$276,076 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 December 31, |             |
|-------------------------------------------------------------------|--------------------|-------------|
|                                                                   | 2022               | 2021        |
| Financial assets mandatorily at fair value through profit or loss | \$250,832          | \$103,210   |
| Financial assets at fair value through other comprehensive income | 442,848            | 474,213     |
| Financial assets measured at amortized cost:                      |                    |             |
| Cash and cash equivalents                                         | 3,709,579          | 3,211,379   |
| Financial assets measured at amortized cost                       | 389,858            | 499,532     |
| Trade receivables                                                 | 1,976,208          | 1,706,596   |
| Refundable deposits                                               | 335,863            | 350,770     |
| Subtotal                                                          | 6,411,508          | 5,768,277   |
| Total                                                             | \$7,105,188        | \$6,345,700 |
|                                                                   |                    |             |
| <u>Financial liabilities</u>                                      | As of December 31, |             |
|                                                                   | 2022               | 2021        |
| Financial liabilities at amortized cost:                          |                    |             |
| Short-term loans                                                  | \$830,000          | \$500,000   |
| Short-term bills payable                                          | 30,000             | 50,000      |
| Trade and other payables                                          | 3,522,842          | 3,224,820   |
| Long-term loans (include expired within one year)                 | 4,152,839          | 3,185,961   |
| Lease liabilities                                                 | 875,910            | 643,580     |
| Guarantee deposits                                                | 631,423            | 648,061     |
| Total                                                             | \$10,043,014       | \$8,252,422 |

### (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 years ended December 31, 2022 and 2021 is increased/decreased by NT\$4,526 thousand and NT\$7,388 thousand, respectively.
- B. When NTD strengthens/weakens against RMB by 10%, the profit for the years ended December 31, 2022 and 2021 is increased/decreased by NT\$12 thousand and NT\$81 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\$4,982 thousand and NT\$3,686 thousand for the years ended December 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\$32,003 thousand and NT\$31,403 thousand on the equity attributable to the Group for the years ended December 31, 2022 and 2021, respectively.

Please refer to Note 12(9) 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 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 December 31, 2022 and 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.

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 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<br>year | 2 to 3 years | 4 to 5 years | > 5 years | Total       |
|--------------------------|---------------------|--------------|--------------|-----------|-------------|
| As of December 31, 2022  |                     |              |              |           |             |
| Borrowings               | \$3,233,168         | 1,693,408    | 5,090        | 163,637   | \$5,095,303 |
| Short-term bills payable | 30,000              | -            | -            | -         | 30,000      |
| Trade and other payables | 3,522,842           | -            | -            | -         | 3,522,842   |
| Lease liabilities        | 322,240             | 333,618      | 148,398      | 105,399   | 909,655     |

|                          | Less than 1<br>year | 2 to 3 years | 4 to 5 years | > 5 years | Total       |
|--------------------------|---------------------|--------------|--------------|-----------|-------------|
| As of December 31, 2021  |                     |              |              |           |             |
| 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     |

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<br>year | 1 to 5 years | 6 to 10 years | 10 to 15<br>years | >15 years | Total     |
| 2022.12.31 | \$311,894           | \$433,576    | \$74,516      | \$55,924          | \$-       | \$875,910 |
| 2021.12.31 | \$248,791           | \$271,601    | \$60,394      | \$60,407          | \$2,387   | \$643,580 |

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

#### (6) Reconciliation for liabilities arising from financing activities

Information of reconciliation for liabilities during 2022 is as follows:

|                     | Short-term<br>loans | Long-term<br>loans | Lease liabilities | Short-term bills<br>payable | Balance of<br>liabilities arising<br>from financing<br>activities |
|---------------------|---------------------|--------------------|-------------------|-----------------------------|-------------------------------------------------------------------|
| 2022.1.1            | \$500,000           | \$3,185,961        | \$643,580         | \$50,000                    | \$4,379,541                                                       |
| Cash flow           | 311,000             | 966,878            | (346,703)         | (70,000)                    | 861,175                                                           |
| Non-cash<br>changes | -                   | -                  | 579,033           | -                           | 579,033                                                           |
| Acquisition         | 19,000              | -                  | -                 | 50,000                      | 69,000                                                            |
| 2022.12.31          | \$830,000           | \$4,152,839        | \$875,910         | \$30,000                    | \$5,888,749                                                       |

Information of reconciliation for liabilities during 2021 is as follows:

|                     | Short-term<br>loans | Long-term<br>loans | Lease payables | Short-term bills<br>payable | Balance of<br>liabilities arising<br>from financing<br>activities |
|---------------------|---------------------|--------------------|----------------|-----------------------------|-------------------------------------------------------------------|
| 2021.1.1            | \$1,600,000         | \$2,016,000        | \$819,777      | \$150,000                   | \$4,585,777                                                       |
| Cash flow           | (1,100,000)         | 1,169,961          | (345,217)      | (100,000)                   | (375,256)                                                         |
| Non-cash<br>changes | -                   | -                  | 169,020        | -                           | 169,020                                                           |
| 2021.12.31          | \$500,000           | \$3,185,961        | \$643,580      | \$50,000                    | \$4,379,541                                                       |

(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(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

Embedded derivatives

The Group entered a Simple Agreement for Future Equity and purchased a Convertible bond in 2022 and 2021, respectively. Please refer to Note 6(2).

(9) 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 December 31, 2022

|                                                                             | Level 1 | Level 2 | Level 3 | Total   |
|-----------------------------------------------------------------------------|---------|---------|---------|---------|
| Financial assets:                                                           |         |         |         |         |
| Financial assets at fair value through profit or loss                       |         |         |         |         |
| Funds                                                                       | \$1,036 | \$-     | \$-     | \$1,036 |
| Convertible bond                                                            | -       | -       | 42,138  | 42,138  |
| Convertible preferred shares                                                | -       | -       | 28,379  | 28,379  |
| Simple Agreement for Future Equity                                          | -       | -       | 21,298  | 21,298  |
| Film and television investment agreement                                    | -       | -       | 157,981 | 157,981 |
| Financial assets at fair value through other comprehensive income           |         |         |         |         |
| Equity instrument measured at fair value through other comprehensive income | 320,039 | -       | 122,809 | 442,848 |

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  |
| Film and television investment agreement                                    | -       | -       | 60,052  | 60,052  |
| 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 |

Transfers between Level 1 and Level 2 during the period

During the years ended December 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 and television investment agreement | Simple Agreement for Future Equity |
| Beginning balances as of January 1, 2022                                                                                                                   | \$160,186                                                 | \$42,138         | \$-                          | \$60,052                                 | \$-                                |
| Total losses recognized for the year ended December 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 equity instrument investment measured at fair value through other comprehensive income) | (3,692)                                                   | -                | -                            | -                                        | -                                  |
| Acquisition/issue for the year ended December 31, 2022                                                                                                     | 10,640                                                    | -                | 28,379                       | 97,929                                   | 21,298                             |
| Disposition/acquittance for the year ended December 31, 2022                                                                                               | (44,325)                                                  | -                | -                            | -                                        | -                                  |
| Ending balances as of December 31, 2022                                                                                                                    | \$122,809                                                 | \$42,138         | \$28,379                     | \$157,981                                | \$21,298                           |

|                                                                                                                                                            | Assets                                                    |                  |                                          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|------------------|------------------------------------------|
|                                                                                                                                                            | Measured at fair value through other comprehensive income |                  |                                          |
|                                                                                                                                                            | Measured at fair value through profit or loss             |                  |                                          |
|                                                                                                                                                            | Stock                                                     | Convertible bond | Film and television investment agreement |
| Beginning balances as of January 1, 2021                                                                                                                   | \$102,912                                                 | \$-              | \$-                                      |
| Total losses recognized for the year ended December 31, 2021:                                                                                              |                                                           |                  |                                          |
| Amount recognized in OCI (present in unrealized gains or losses on equity instrument investment measured at fair value through other comprehensive income) | 41,489                                                    | -                | -                                        |
| Acquisition/issue for the year ended December 31, 2021                                                                                                     | 23,512                                                    | 42,138           | 60,052                                   |
| Disposition/acquittance for the year ended December 31, 2021                                                                                               | (7,727)                                                   | -                | -                                        |
| Ending balances as of December 31, 2021                                                                                                                    | \$160,186                                                 | \$42,138         | \$60,052                                 |

## 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 December 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 equity by NT\$14,813 thousand         |
| Measured at fair value through profit or loss             |                      |                                    |                          |                                                                                           |                                                                                                                                                            |
| Convertible bond                                          | Market approach      | discount for lack of marketability | 26%~32%                  | 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\$4,214 thousand  |
| Convertible preferred shares                              | Market approach      | discount for lack of marketability | 26%~32%                  | 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\$2,838 thousand  |
| Simple Agreement for Future Equity                        | 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\$2,130 thousand  |
| Film and television 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\$15,798 thousand |

As of December 31, 2021

|                                                           | 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 equity by NT\$17,490 thousand        |
| Measured at fair value through profit or loss             |                      |                                    |                          |                                                                                           |                                                                                                                                                           |
| Film and television 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\$6,005 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 December 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)                                         | \$-       | \$-     | \$74,189 | \$74,189  |
| Investments accounted for using the equity method (please refer to Note 6)             | 4,488,215 | -       | -        | 4,488,215 |

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 |

(10) Significant assets and liabilities denominated in foreign currencies

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

|                         | December 31, 2022  |                       |                |
|-------------------------|--------------------|-----------------------|----------------|
|                         | Foreign currencies | Foreign exchange rate | NTD (thousand) |
| <u>Financial assets</u> |                    |                       |                |
| Monetary items:         |                    |                       |                |
| USD                     | \$1,822,356        | 30.7100               | \$55,965       |
| EURO                    | 517                | 32.7206               | 17             |
| RMB                     | 26,800             | 4.4080                | 118            |
| JPY                     | 6,780,729          | 0.2324                | 1,576          |

Financial liabilities

Monetary items:

|     |         |        |        |
|-----|---------|--------|--------|
| USD | 348,575 | 30.710 | 10,705 |
|-----|---------|--------|--------|

|                         | 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 |
|-----|---------|---------|-------|

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 gain (loss) was NT\$7,430 thousand and NT\$(1,344) thousand for the years ended December 31, 2022 and 2021, respectively.

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

#### (11) 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.

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

| Name of subsidiaries                                | As of December 31, 2022 |           |                                                                   |
|-----------------------------------------------------|-------------------------|-----------|-------------------------------------------------------------------|
|                                                     | Shares                  | Amount    | Purpose of holding                                                |
| Speed Investment Co., Ltd.                          | 3,447,198               | \$344,721 | Financial assets at fair value through other comprehensive income |
| Kuo Hsing Security Co., Ltd                         | 3,625,284               | 362,528   | Financial assets at fair value through other comprehensive income |
| Gowin Building Management and Maintenance Co., Ltd. | 982,564                 | 98,256    | Financial assets at fair value through other comprehensive income |
| Goyun Security Co., Ltd.                            | 252,820                 | 25,282    | Financial assets at fair value through other comprehensive income |
| Chung Hsing E-Guard Co., Ltd.                       | 552,655                 | 55,266    | Financial assets at fair value through other comprehensive income |
| Lee Way Electronics Co., Ltd.                       | 163,284                 | 16,328    | Financial assets at fair value through other comprehensive income |
| Golden Harvest Food Enterprise Ltd.                 | 56,000                  | 5,600     | Financial assets at fair value through other comprehensive income |
| Total                                               | 9,079,805               | \$907,981 |                                                                   |

| 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> |                                                                   |

(13) Certain 2021 comparative accounts have been reclassified to conform to the current's presentation.

### 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: Please refer to Note 6(2).

(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) Information on major shareholder: 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 system: segment engages in security system related service.

(2) Security service: segment engages in security guarding related service.

(3) Cash delivery service: segment engages in cash delivery service.

(4) Logistics service: 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 the year ended December 31, 2022

|                                                     | Electronic<br>system<br>segment | Security<br>service<br>segment | Cash delivery<br>segment | Logistics<br>service<br>segment | Subtotal            | Other<br>operating<br>segments | Adjustment<br>and<br>elimination | Consolidated        |
|-----------------------------------------------------|---------------------------------|--------------------------------|--------------------------|---------------------------------|---------------------|--------------------------------|----------------------------------|---------------------|
| Revenue                                             |                                 |                                |                          |                                 |                     |                                |                                  |                     |
| External customer                                   | \$6,846,350                     | \$2,342,017                    | \$1,212,755              | \$995,939                       | \$11,397,061        | \$3,960,384                    | \$-                              | \$15,357,445        |
| Inter-segment                                       | 169,030                         | 276,808                        | 409,191                  | 20,701                          | 875,730             | 1,213,711                      | (2,089,441)                      | -                   |
| Total revenue                                       | <u>\$7,015,380</u>              | <u>\$2,618,825</u>             | <u>\$1,621,946</u>       | <u>\$1,016,640</u>              | <u>\$12,272,791</u> | <u>\$5,174,095</u>             | <u>\$(2,089,441)</u>             | <u>\$15,357,445</u> |
| Interest revenue                                    | 1,206                           | 1,136                          | 795                      | 558                             | 3,695               | 10,705                         | (1,005)                          | 13,395              |
| Interest expenses                                   | 46,962                          | 391                            | 10,544                   | 1,869                           | 59,766              | 7,531                          | (1,053)                          | 66,244              |
| Depreciation and<br>amortization                    | 1,072,260                       | 9,709                          | 74,564                   | 94,104                          | 1,250,637           | 262,539                        | -                                | 1,513,176           |
| Investment profit                                   | -                               | 24,506                         | -                        | -                               | 24,506              | 27,535                         | -                                | 52,041              |
| Segment profit                                      | <u>\$2,604,045</u>              | <u>\$543,443</u>               | <u>\$649,539</u>         | <u>\$64,723</u>                 | <u>\$3,861,750</u>  | <u>\$805,089</u>               | <u>\$(1,535,646)</u>             | <u>\$3,131,193</u>  |
| Assets                                              |                                 |                                |                          |                                 |                     |                                |                                  |                     |
| Investment accounted for<br>using the equity method | \$11,210,894                    | \$942,737                      | \$60,041                 | \$38,171                        | \$12,251,843        | \$5,408,003                    | \$(13,429,667)                   | \$4,230,179         |
| Segment assets                                      | <u>\$21,380,584</u>             | <u>\$2,161,961</u>             | <u>\$3,029,293</u>       | <u>\$1,264,403</u>              | <u>\$27,836,241</u> | <u>\$12,468,929</u>            | <u>\$(14,401,779)</u>            | <u>\$25,903,391</u> |
| Segment liabilities                                 | <u>\$9,338,859</u>              | <u>\$294,582</u>               | <u>\$1,258,243</u>       | <u>\$533,174</u>                | <u>\$11,424,858</u> | <u>\$2,511,595</u>             | <u>\$(562,489)</u>               | <u>\$13,373,964</u> |

For the year ended December 31, 2021

|                                                     | Electronic<br>system<br>segment | Security<br>service<br>segment | Cash delivery<br>segment | Logistics<br>service<br>segment | Subtotal            | Other<br>operating<br>segments | Adjustment<br>and<br>elimination | Consolidated        |
|-----------------------------------------------------|---------------------------------|--------------------------------|--------------------------|---------------------------------|---------------------|--------------------------------|----------------------------------|---------------------|
| Revenue                                             |                                 |                                |                          |                                 |                     |                                |                                  |                     |
| External customer                                   | \$6,767,455                     | \$2,326,606                    | \$1,163,160              | \$1,106,245                     | \$11,363,466        | \$2,771,431                    | \$-                              | \$14,134,897        |
| Inter-segment                                       | 171,423                         | 265,167                        | 370,574                  | 17,573                          | 824,737             | 1,191,730                      | (2,016,467)                      | -                   |
| Total revenue                                       | <u>\$6,938,878</u>              | <u>\$2,591,773</u>             | <u>\$1,533,734</u>       | <u>\$1,123,818</u>              | <u>\$12,188,203</u> | <u>\$3,963,161</u>             | <u>\$(2,016,467)</u>             | <u>\$14,134,897</u> |
| Interest revenue                                    | \$1,622                         | \$593                          | \$252                    | \$445                           | \$2,912             | \$8,195                        | \$(1,085)                        | \$10,022            |
| Interest expenses                                   | 32,004                          | 138                            | 10,099                   | 1,954                           | 44,195              | 6,374                          | (1,185)                          | 49,384              |
| Depreciation and<br>amortization                    | 1,065,902                       | 11,481                         | 70,480                   | 91,417                          | 1,239,280           | 247,945                        | -                                | 1,487,225           |
| Investment profit                                   | 26,077                          | -                              | -                        | -                               | 26,077              | 12,641                         | -                                | 38,718              |
| Segment profit                                      | <u>\$2,555,392</u>              | <u>\$503,247</u>               | <u>\$571,362</u>         | <u>\$63,320</u>                 | <u>\$3,693,321</u>  | <u>\$836,320</u>               | <u>\$(1,444,196)</u>             | <u>\$3,085,445</u>  |
| Assets                                              |                                 |                                |                          |                                 |                     |                                |                                  |                     |
| Investment accounted for<br>using the equity method | \$9,789,895                     | \$868,336                      | \$52,781                 | \$37,321                        | \$10,748,333        | \$4,980,449                    | \$(11,616,671)                   | \$4,112,111         |
| Segment assets                                      | <u>\$19,617,219</u>             | <u>\$2,137,193</u>             | <u>\$3,149,609</u>       | <u>\$1,174,646</u>              | <u>\$26,078,667</u> | <u>\$10,531,372</u>            | <u>\$(13,057,095)</u>            | <u>\$23,552,944</u> |
| Segment liabilities                                 | <u>\$8,009,001</u>              | <u>\$351,353</u>               | <u>\$1,662,360</u>       | <u>\$450,755</u>                | <u>\$10,473,469</u> | <u>\$1,704,446</u>             | <u>\$(643,550)</u>               | <u>\$11,534,365</u> |

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

- (2) Information on reconciliations of revenue, profit or loss, assets, liabilities and other material items of reportable segments:

A. Revenue:

|                                        | For the years ended<br>December 31, |                     |
|----------------------------------------|-------------------------------------|---------------------|
|                                        | 2022                                | 2021                |
| Total revenue from reportable segments | \$12,272,791                        | \$12,188,203        |
| Other revenue                          | 5,174,095                           | 3,963,161           |
| Elimination of inter-segment revenue   | (2,089,441)                         | (2,016,467)         |
| Total revenue                          | <u>\$15,357,445</u>                 | <u>\$14,134,897</u> |

B. Profit or loss:

|                                              | For the years ended<br>December 31, |                    |
|----------------------------------------------|-------------------------------------|--------------------|
|                                              | 2022                                | 2021               |
| Total profit or loss for reportable segments | \$3,861,750                         | \$3,693,321        |
| Other profit                                 | 805,089                             | 836,320            |
| Elimination of inter-segment profit          | (1,535,646)                         | (1,444,196)        |
| Profit before tax from continuing operations | <u>\$3,131,193</u>                  | <u>\$3,085,445</u> |

C. Assets:

|                                                                 | As of December 31,  |                     |
|-----------------------------------------------------------------|---------------------|---------------------|
|                                                                 | 2022                | 2021                |
| Total assets of reportable segments                             | \$27,836,241        | \$26,078,667        |
| Other assets                                                    | 12,468,929          | 10,531,372          |
| Elimination of investment accounted for using the equity method | (13,429,667)        | (11,616,671)        |
| Elimination of intersegment activities                          | (972,112)           | (1,440,424)         |
| Segment assets                                                  | <u>\$25,903,391</u> | <u>\$23,552,944</u> |

D. Liabilities:

|                                          | As of December 31,  |                     |
|------------------------------------------|---------------------|---------------------|
|                                          | 2022                | 2021                |
| Total liabilities of reportable segments | \$11,424,858        | \$10,473,469        |
| Other liabilities                        | 2,511,595           | 1,704,446           |
| Elimination of intersegment activities   | (562,489)           | (643,550)           |
| Segment liabilities                      | <u>\$13,373,964</u> | <u>\$11,534,365</u> |

E. Other material items:

For the year ended December 31, 2022

|                               | Reportable<br>segments | Other<br>operating<br>segments | Adjustments | Consolidated |
|-------------------------------|------------------------|--------------------------------|-------------|--------------|
| Interest income               | \$3,695                | \$10,705                       | \$(1,005)   | \$13,395     |
| Interest expenses             | 59,766                 | 7,531                          | (1,053)     | 66,244       |
| Depreciation and amortization | 1,250,637              | 262,539                        | -           | 1,513,176    |
| Investment profit             | 24,506                 | 27,535                         | -           | 52,041       |

For the year ended December 31, 2021

|                               | Reportable<br>segments | Other<br>operating<br>segments | Adjustments | Consolidated |
|-------------------------------|------------------------|--------------------------------|-------------|--------------|
| Interest income               | \$2,912                | \$8,195                        | \$(1,085)   | \$10,022     |
| Interest expenses             | 44,195                 | 6,374                          | (1,185)     | 49,384       |
| Depreciation and amortization | 1,239,280              | 247,945                        | -           | 1,487,225    |
| Investment profit             | 26,077                 | 12,641                         | -           | 38,718       |

(3) Geographical information

Revenue from external customers

|        | For the years ended<br>December 31, |              |
|--------|-------------------------------------|--------------|
|        | 2022                                | 2021         |
| Taiwan | \$15,357,445                        | \$14,134,897 |

## Attachment 1

## Significant intercompany transactions between consolidated entities

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

| Number<br>(Note 1) | Company Name                       | Counter Party                                   | Relationship<br>(Note 2) | Intercompany Transactions    |            |                                                                       |
|--------------------|------------------------------------|-------------------------------------------------|--------------------------|------------------------------|------------|-----------------------------------------------------------------------|
|                    |                                    |                                                 |                          | Financial Statements<br>Item | Amount     | Percentage of<br>Consolidated Net Revenue<br>or Total Assets (Note 3) |
|                    | For the year ended 2022            |                                                 |                          |                              |            |                                                                       |
| 0                  | Taiwan Secom Co., Ltd.             | LeeBao Security Co., Ltd.                       | 1                        | Revenues                     | \$(33,751) | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | LeeBao Security Co., Ltd.                       | 1                        | Costs                        | 259,342    | 2%                                                                    |
| 0                  | Taiwan Secom Co., Ltd.             | LeeBao Security Co., Ltd.                       | 1                        | Accrued expenses             | 21,856     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Titan Star International Co., Ltd.              | 1                        | Costs                        | 134,617    | 1%                                                                    |
| 0                  | Taiwan Secom Co., Ltd.             | Titan Star International Co., Ltd.              | 1                        | Accounts payable             | 64,396     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Titan Star International Co., Ltd.              | 1                        | Notes payable                | 117,428    | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Titan Star International Co., Ltd.              | 1                        | Refundable deposits          | 30,000     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Aion Technologies Inc.                          | 1                        | Costs                        | 117,907    | 1%                                                                    |
| 0                  | Taiwan Secom Co., Ltd.             | Aion Technologies Inc.                          | 1                        | Accounts payable             | 17,054     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Aion Technologies Inc.                          | 1                        | Notes payable                | 18,932     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | KuoHsing Security Co., Ltd.                     | 1                        | Revenues                     | 18,828     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Ching-Dian Tech Co., Ltd.                       | 1                        | Revenues                     | 36,738     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Ching-Dian Tech Co., Ltd.                       | 1                        | Accounts receivable          | 7,153      | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Lee Way Electronics Co., Ltd.                   | 1                        | Revenues                     | 46,743     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Lee Way Electronics Co., Ltd.                   | 1                        | Costs                        | 7,648      | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Lee Way Electronics Co., Ltd.                   | 1                        | Accounts receivable          | 11,170     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Brighton Technology and Engineering Corporation | 1                        | Revenues                     | 41,625     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Brighton Technology and Engineering Corporation | 1                        | Costs                        | 13,176     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Brighton Technology and Engineering Corporation | 1                        | Accounts receivable          | 40,528     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Gowin Building Management Services Co., Ltd.    | 1                        | Revenues                     | 15,852     | -                                                                     |
| 0                  | Taiwan Secom Co., Ltd.             | Goyun Security Co., Ltd.                        | 1                        | Revenues                     | 10,326     | -                                                                     |
| 1                  | Titan Star International Co., Ltd. | Taiwan Secom Co., Ltd.                          | 2                        | Revenues                     | 629,507    | 4%                                                                    |
| 2                  | Aion Technologies Inc.             | Taiwan Secom Co., Ltd.                          | 2                        | Revenues                     | 246,572    | 2%                                                                    |
| 3                  | Goyun Security Co., Ltd.           | KuoHsing Security Co., Ltd.                     | 3                        | Revenues                     | 60,433     | -                                                                     |

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 the year ended December 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 counter-party | Reason for financing | Loss allowance | Collateral |       | Limit of financing amount for individual | Limit of total financing amount |
|                                                                      |                            |                                                     |                                     |               |                                |                |                        |                                   |                     |                                  |                      |                | Item       | Value |                                          |                                 |
| 1                                                                    | Taiwan Secom Co., Ltd.     | LeeBao Security Co., Ltd.                           | Other receivables - related parties | Yes           | \$1,600,000                    | \$174,000      | \$-                    | Refer to the market Interest Rate | (Note 6(2))         | \$-                              | Business turnover    | \$-            | -          | \$-   | \$2,408,345 (Note 1 (2))                 | \$4,816,690 (Note 2)            |
| 2                                                                    | Taiwan Secom Co., Ltd.     | Titan Star International Co., Ltd.                  | Other receivables - related parties | Yes           | 600,000                        | 197,000        | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 2,408,345 (Note 1 (2))                   | 4,816,690 (Note 2)              |
| 3                                                                    | Taiwan Secom Co., Ltd.     | Gowin Building Management and Maintenance Co., Ltd. | Other receivables - related parties | Yes           | 300,000                        | 91,000         | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 2,408,345 (Note 1 (2))                   | 4,816,690 (Note 2)              |
| 4                                                                    | Taiwan Secom Co., Ltd.     | KuoHsing Security Co., Ltd.                         | Other receivables - related parties | Yes           | 111,000                        | 111,000        | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 2,408,345 (Note 1 (2))                   | 4,816,690 (Note 2)              |
| 5                                                                    | Taiwan Secom Co., Ltd.     | Brighton Technology and Engineering Corporation     | Other receivables - related parties | Yes           | 35,000                         | 35,000         | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 2,408,345 (Note 1 (2))                   | 4,816,690 (Note 2)              |
| 6                                                                    | Taiwan Secom Co., Ltd.     | Trans Asia Catering Services Ltd.                   | Other receivables - related parties | Yes           | 79,000                         | 79,000         | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 2,408,345 (Note 1 (2))                   | 4,816,690 (Note 2)              |
| 7                                                                    | Taiwan Secom Co., Ltd.     | Goyun Security Co., Ltd.                            | Other receivables - related parties | Yes           | 61,000                         | 61,000         | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 2,408,345 (Note 1 (2))                   | 4,816,690 (Note 2)              |
| 8                                                                    | Speed Investment Co., Ltd. | Lots Home Entertainment Co., Ltd.                   | Other receivables - related parties | Yes           | 60,000                         | 60,000         | 33,000                 | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 764,015 (Note 3 (2))                     | 1,528,031 (Note 4)              |
| 9                                                                    | Speed Investment Co., Ltd. | SIGMU D.P.T. Company Ltd.                           | Other receivables - related parties | Yes           | 50,000                         | 50,000         | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 764,015 (Note 3 (2))                     | 1,528,031 (Note 4)              |
| 10                                                                   | Speed Investment Co., Ltd. | Living Plus Food & Beverage Co., Ltd.               | Other receivables - related parties | Yes           | 20,000                         | 20,000         | -                      | Refer to the market Interest Rate | (Note 6(2))         | -                                | Business turnover    | -              | -          | -     | 764,015 (Note 3 (2))                     | 1,528,031 (Note 4)              |

Note 1 : 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 2 : 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 3 : 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 4 : 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 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.

Attachment 3  
Endorsement/Guarantee provided to others for the year ended December 31, 2022

| No. | Endorser/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 | Percentage of accumulated guarantee amount to net assets value from the latest financial statement | Limit of total guarantee/endorsement amount | Guarantee provided by parent company (Note 9) | Guarantee provided by a subsidiary (Note 9) | Guarantee provided to subsidiaries in Mainland China (Note 9) |
|-----|-----------------------------------------------------|-------------------------------------------------|-----------------------|-----------------------------------------------------------|--------------------------------|----------------|------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|---------------------------------------------|---------------------------------------------------------------|
|     |                                                     | Company name                                    | Relationship (Note 3) |                                                           |                                |                |                        |                                            |                                                                                                    |                                             |                                               |                                             |                                                               |
| 0   | Taiwan Secom Co., Ltd.                              | Gowin Building Management Services Co., Ltd.    | (Note 3)              | \$3,612,518 (Note 4)                                      | \$450,000                      | \$175,847      | \$75,847               | -                                          | 1.46%                                                                                              | \$6,020,863 (Note 4)                        | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | Gowin Smart Parking Co., Ltd.                   | (Note 3)              | 3,612,518 (Note 4)                                        | 136,300                        | 74,300         | 24,300                 | -                                          | 0.62%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | KuoHsing Security Co., Ltd.                     | (Note 1)              | 3,612,518 (Note 4)                                        | 50,000                         | -              | -                      | -                                          | 0.00%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | LeeBao Security Co., Ltd.                       | (Note 3)              | 3,612,518 (Note 4)                                        | 1,200,000                      | 1,000,000      | -                      | -                                          | 8.30%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | Brighton Technology and Engineering Corporation | (Note 3)              | 3,612,518 (Note 4)                                        | 500,000                        | 180,000        | -                      | -                                          | 1.49%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | SIGMU D.P.T. Company Ltd.                       | (Note 3)              | 3,612,518 (Note 4)                                        | 30,000                         | -              | -                      | -                                          | 0.00%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | Lee Way Electronics Co., Ltd.                   | (Note 3)              | 3,612,518 (Note 4)                                        | 200,000                        | 100,000        | -                      | -                                          | 0.83%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 0   | Taiwan Secom Co., Ltd.                              | TransAsia Catering Services Ltd                 | (Note 3)              | 3,612,518 (Note 4)                                        | 300,000                        | 296,000        | 296,000                | -                                          | 2.46%                                                                                              | 6,020,863 (Note 4)                          | Y                                             | N                                           | N                                                             |
| 1   | Aion Technologies Inc.                              | Brighton Technology and Engineering Corporation | (Note 3)              | 60,802 (Note 5)                                           | 1,400                          | 1,400          | 1,400                  | -                                          | 0.46%                                                                                              | 60,802 (Note 5)                             | N                                             | N                                           | N                                                             |
| 2   | Gowin Building Management and Maintenance Co., Ltd. | Taiwan Secom Co., Ltd.                          | (Note 2)              | 3,612,518 (Note 6)                                        | 3,850                          | 3,310          | 3,310                  | -                                          | 0.35%                                                                                              | 6,020,863 (Note 6)                          | N                                             | Y                                           | N                                                             |
| 2   | Gowin Building Management and Maintenance Co., Ltd. | Gowin Smart Parking Co., Ltd.                   | (Note 3)              | 3,612,518 (Note 6)                                        | 50,000                         | 50,000         | -                      | -                                          | 5.26%                                                                                              | 6,020,863 (Note 6)                          | N                                             | N                                           | N                                                             |
| 3   | Speed Investment Co., Ltd.                          | Sunseap Solutions Taiwan Limited                | (Note 1)              | 3,612,518 (Note 7)                                        | 10,000                         | 10,000         | -                      | -                                          | 0.26%                                                                                              | 6,020,863 (Note 7)                          | N                                             | N                                           | N                                                             |
| 4   | Goyun Security Co., Ltd.                            | Goyun Technology Co., Ltd.                      | (Note 3)              | 59,593 (Note 8)                                           | 50,000                         | 50,000         | -                      | -                                          | 7.88%                                                                                              | 6,020,863 (Note 8)                          | N                                             | N                                           | N                                                             |

Note 1: The Company directly and indirectly holds more than 50% of the voting shares.

Note 2: A company that directly and indirectly holds more than 50% of the voting shares in the Company.

Note 3: A subsidiary in which Taiwan Secom Co., Ltd. holds directly or indirectly over 50% of the equity interest.

Note 4: (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 above-mentioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed 20%.

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 above-mentioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed 20%.

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 above-mentioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed 30%.

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 above-mentioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed 30%.

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

(1) This is the total contact amount agreed by KuoHsing Security Co., Ltd. and Formosa Petrochemical Corporation for the gate access control service. Goyun Security Co., Ltd. is the collateral guarantor for the agreement, so if Kuo Hsing Security Co., Ltd. is unable to deliver the service in accordance with the contract term, Goyun Security Co., Ltd. will be held liable for the compensation to Formosa Petrochemical Corporation.

(2) Total guarantee amount of the Company and its subsidiaries to net assets value of open-released parent company shall not exceed 50%.

(3) 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.

(4) Beside above-mentioned 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.

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 the year ended December 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-<br>Taiwan Taxi Co., Ltd.                     | -              | Financial assets at fair value through other comprehensive income-current     | 446,525        | \$39,919   | 0.75%                   | \$89.40          |
|                                            | Unlisted companies stocks-<br>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 | 905,666        | 10,833     | 2.08%                   | 11.96            |
|                                            | GAMA Pay Co., Ltd.                                                    | -              | Financial assets at fair value through other comprehensive income-non-current | 1,657,366      | 4,326      | 2.07%                   | 2.61             |
|                                            | GENIRON.COM Inc.                                                      | -              | Financial assets at fair value through other comprehensive income-non-current | 1,591,367      | 39,529     | 10.61%                  | 24.84            |
|                                            | Raixin Quality Products Ltd.                                          | -              | Financial assets at fair value through other comprehensive income-non-current | 1,578,976      | 2,953      | 11.28%                  | 1.87             |
|                                            | Inline Group Limited (Convertible Preferred Shares)                   | -              | Financial assets at fair value through profit or loss-non-current             | 100,000        | 28,379     | 1.50%                   | 283.79           |
|                                            | Convertible Bond-<br>Inline group Limited-USD 1,500,000               | -              | Financial assets at fair value through profit or loss-current                 | -              | 42,138     | -                       | 42.138           |
| <u>Lee Way Electronics Co., Ltd.</u>       | Listed companies stocks-<br>Taiwan Secom Co., Ltd.                    | Parent Company | Financial assets at fair value through other comprehensive income-current     | 163,284        | 16,328     | 0.04%                   | 100.00           |
|                                            | Unlisted companies stocks-<br>Huijia Health Life Technology Co., Ltd. | -              | Financial assets at fair value through other comprehensive income-non-current | 50,000         | 102        | 0.25%                   | 2.04             |
| <u>LeeBao Technology Co., Ltd.</u>         | Unlisted companies stocks-<br>GENIRON.COM Inc.                        | -              | Financial assets at fair value through other comprehensive income-non-current | 1,239,180      | 30,781     | 8.26%                   | 24.84            |
|                                            | Listed companies stocks-<br>Taiwan Taxi Co., Ltd.                     | -              | Financial assets at fair value through other comprehensive income-current     | 54,100         | 4,837      | 0.09%                   | 89.40            |
| <u>Ching-Dian Tech Co., Ltd.</u>           | Kinpo Electronics, Inc.                                               | -              | Financial assets at fair value through other comprehensive income-current     | 480,000        | 6,480      | 0.03%                   | 13.50            |
|                                            | Unlisted companies stocks-<br>International Integrated Systems, Inc.  | -              | Financial assets at fair value through other comprehensive income-non-current | 497,227        | 7,200      | 0.68%                   | 14.48            |
| <u>Trial Star International Co., Ltd.</u>  | Oriental Life Co., Ltd.                                               | -              | Financial assets at fair value through other comprehensive income-non-current | 182,500        | 6,220      | 7.30%                   | 34.08            |
|                                            | Listed companies stocks-<br>Taiwan Secom Co., Ltd.                    | Parent Company | Financial assets at fair value through other comprehensive income-current     | 552,655        | 55,266     | 0.12%                   | 100.00           |
| <u>Chung Hsing E-Guard Co., Ltd.</u>       |                                                                       |                |                                                                               |                |            |                         |                  |
| <u>Golden Harvest Food Enterprise Ltd.</u> | Listed companies stocks-<br>Taiwan Secom Co., Ltd.                    | Parent Company | Financial assets at fair value through other comprehensive income-current     | 56,000         | 5,600      | 0.01%                   | 100.00           |
|                                            |                                                                       |                |                                                                               |                |            |                         |                  |

## Attachment 4-2

Securities held for the year ended December 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 |            |
| KuoHsing Security Co., Ltd.                                                                                                                                       | Listed companies stocks-<br>Taiwan Secom Co., Ltd.<br>Wellpool Co., Ltd.<br>Taiwan Taxi Co., Ltd.             | Parent Company<br>-<br>- | Financial assets at fair value through other comprehensive income-current     | 3,625,284      | \$362,528  | 0.80%                   | \$100.00   |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 281,000        | 18,574     | 0.78%                   | 66.10      |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-current     | 470,837        | 42,093     | 0.79%                   | 89.40      |
| Gowin Building Management Services Co., Ltd.                                                                                                                      | Listed companies stocks-<br>Taiwan Secom Co., Ltd.                                                            | Parent Company           | Financial assets at fair value through other comprehensive income-current     | 982,564        | 98,256     | 0.22%                   | 100.00     |
| Lots Home Entertainment Co., Ltd.                                                                                                                                 | Unlisted companies stocks-<br>The Tag-Along Co., Ltd.<br>Daviao Creative Co., Ltd.<br>Yiyi Pictures Co., Ltd. | -                        | Financial assets at fair value through other comprehensive income-non-current | 44,453         | 9,840      | 15.00%                  | 221.36     |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 1,000,000      | 250        | 6.90%                   | 0.25       |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 44,000         | 1,767      | 5.50%                   | 40.16      |
| Goyun Security Co., Ltd.                                                                                                                                          | Film and television investment agreement                                                                      | -                        | Financial assets at fair value through profit or loss-non-current             | -              | 61,101     | 0.00%                   | 61,101     |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-current     | 252,820        | 25,282     | 0.06%                   | 100.00     |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 181,500        | 11,997     | 0.50%                   | 66.10      |
| Speed Investment Co., Ltd.                                                                                                                                        | Listed companies stocks-<br>Taiwan Secom Co., Ltd.<br>Wellpool Co., Ltd.<br>Taiwan Taxi Co., Ltd.             | Parent Company<br>-<br>- | Financial assets at fair value through other comprehensive income-current     | 3,447,198      | 344,721    | 0.76%                   | 100.00     |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 302,500        | 19,995     | 0.84%                   | 66.10      |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-current     | 11,000         | 983        | 0.02%                   | 89.40      |
| Unlisted companies stocks-<br>Top Taiwan VI Venture Capital Co., Ltd.<br>Mingfu Technology Co., Ltd.<br>Yuji Venture Capital Co., Ltd.<br>Imperial Food Co., Ltd. | -                                                                                                             | -                        | Financial assets at fair value through other comprehensive income-non-current | 167,500        | 1,354      | 2.17%                   | 8.08       |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 100,000        | 468        | 9.09%                   | 4.68       |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-non-current | 431,250        | 6,745      | 3.75%                   | 15.64      |
| Simple agreement for Future equity (SAFE)<br>AUTOPASS, INC                                                                                                        | -                                                                                                             | -                        | Financial assets at fair value through other comprehensive income-non-current | 300,000        | 441        | 3.00%                   | 1.47       |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through profit or loss-current                 | -              | 21,298     | -                       | 21,298.00  |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through profit or loss-current                 | 200            | 1,036      | 1.18%                   | US\$168.83 |
| TransAsia Catering Service Ltd.                                                                                                                                   | Fund-<br>AsiaVest Opportunities Fund                                                                          | -                        | Financial assets at fair value through profit or loss-current                 | 17,046,000     | 141,823    | 5.68%                   | 8.32       |
| Aion Technologies Inc.                                                                                                                                            | Fund-<br>O-Bank No.1 Real Estate Investment Trust                                                             | -                        | Financial assets at fair value through other comprehensive income-current     | 366,345        | 32,751     | 0.62%                   | 89.40      |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through other comprehensive income-current     | 15,000         | 587        | 0.00%                   | 39.13      |
|                                                                                                                                                                   |                                                                                                               |                          | Financial assets at fair value through profit or loss-non-current             | -              | 96,880     | -                       | 96,880     |
| MyStory Entertainment Co., Ltd.                                                                                                                                   | Film and television investment agreement                                                                      | -                        | Financial assets at fair value through profit or loss-non-current             | -              | 96,880     | -                       | 96,880     |

Attachment 5 : Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more

| Amounts in Thousands of New Taiwan Dollars |                                     |                                                  |                                    |                         |         |            |           |        |               |            |                        |               |                  |
|--------------------------------------------|-------------------------------------|--------------------------------------------------|------------------------------------|-------------------------|---------|------------|-----------|--------|---------------|------------|------------------------|---------------|------------------|
| Purchaser/Seller                           | Type and name of securities         | Account                                          | 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 Enterprise Ltd. | Investment accounted for using the equity method | Note 1                             | -                       | \$-     | 12,010,227 | \$520,874 | \$-    | \$-           | \$-        | \$-                    | 12,010,227    | \$520,193        |

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., which amounted to NT\$520,874 thousand, from the original shareholder on January 2022. The percentage of ownership is 97.84%.

Note 2 : The amount at the end of period included 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) |                                           |
|                                                                      |                                      |                                                  | 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            | \$246,572 | Note 1                                | 30-60 days  | -                                       | -           | \$ (17,054)                             | 3%                                        |
|                                                                      | Anfeng Enterprise Co., Ltd.          | Investee accounted for using the equity method   | Sales             | 258,455   | 4%                                    | 30-60 days  | -                                       | -           | 130,862                                 | 12%                                       |
|                                                                      | LeeBao Security Co., Ltd.            | Subsidiary accounted for using the equity method | Purchase          | 259,342   | 7%                                    | 30-60 days  | -                                       | -           | (21,856)                                | 3%                                        |
|                                                                      | Titan Star International Co., Ltd.   | Subsidiary accounted for using the equity method | Note 2            | 629,507   | Note 2                                | 30-60 days  | -                                       | -           | (64,396)                                | 10%                                       |
| <u>Goldsun Express &amp; Logistics Co., Ltd.</u>                     | Goldsun Building Materials Co., Ltd. | Investee accounted for using the equity method   | Note 3            | (493,771) | Note 3                                | 30 days     | -                                       | -           | 102,165                                 | 9%                                        |

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 | \$130,862                     | 2.16                  | \$-                 | -                 | \$42,701                                                      | \$-            |

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   |                         | Book value  | Net income (loss) of investee company | Investment income (loss) | Note   |
|                                                                      |                                                     |                 |                                                                               | Ending balance     | Beginning balance | Number of shares | Percentage of ownership |             |                                       |                          |        |
| Taiwan Secom Co., Ltd.                                               | Speed Investment Co., Ltd.                          | Taipei City     | Investment holding                                                            | \$198,200          | \$138,200         | 285,697,519      | 100.00%                 | \$3,192,308 | \$299,880                             | \$229,488                |        |
|                                                                      | LeeBao Security Co., Ltd.                           | Taipei City     | Security services providing                                                   | 198,006            | 198,006           | 103,983,458      | 100.00%                 | 1,770,928   | 313,865                               | 313,744                  |        |
|                                                                      | Goyun Security Co., Ltd.                            | Kaohsiung City  | Security services providing                                                   | 40,034             | 40,034            | 27,705,510       | 100.00%                 | 603,439     | 138,297                               | 137,033                  |        |
|                                                                      | Chung Hsing E-Guard Co., Ltd.                       | Taipei City     | Sales of electric, telecommunications and fireproof products                  | 20,000             | 20,000            | 2,000,000        | 100.00%                 | 11,503      | 2,722                                 | (16)                     |        |
|                                                                      | Goldsun Express & Logistics Co., Ltd.               | New Taipei City | Air cargo transporting services                                               | 613,878            | 613,878           | 59,464,914       | 100.00%                 | 693,819     | 49,982                                | 50,154                   |        |
|                                                                      | KuoHsing Security Co., Ltd.                         | Taipei City     | Corporate security guarding services                                          | -                  | -                 | 29,321,619       | 83.77%                  | 626,467     | 231,464                               | 178,388                  |        |
|                                                                      | Gowin Building Management and Maintenance Co., Ltd. | Taipei City     | Building management services providing                                        | 101,911            | 101,911           | 28,463,488       | 80.96%                  | 635,825     | 246,911                               | 188,949                  |        |
|                                                                      | Aion Technologies Inc.                              | Taipei City     | Technology support services                                                   | 178,243            | 139,356           | 15,102,440       | 87.42%                  | 235,714     | 36,615                                | 29,136                   |        |
|                                                                      | Taiwan Secom Insurance Brokerage Services Inc.      | Taipei City     | Insurance broker                                                              | 13,063             | 13,063            | 912,600          | 90.00%                  | 27,985      | 6,211                                 | 5,589                    |        |
|                                                                      | Lee Way Electronics Co., Ltd.                       | Taipei City     | Police-Citizen connection and AED rental services                             | 87,125             | 87,125            | 6,858,894        | 34.29%                  | 124,331     | 79,493                                | 31,409                   |        |
|                                                                      | Lois Home Entertainment Co., Ltd.                   | Taipei City     | Digital media and movie distribution                                          | 186,480            | 186,480           | 683,920          | 1.93%                   | 4,030       | 17,772                                | 275                      |        |
|                                                                      | 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%                  | 683,380     | (32,212)                              | (18,189)                 |        |
|                                                                      | Brighton Technology and Engineering Corporation     | Taipei City     | Light controlling system services                                             | 6,776              | 6,776             | 2,085,434        | 5.18%                   | 16,394      | (142,903)                             | (10,425)                 |        |
|                                                                      | Golden Harvest Food Enterprise Ltd.                 | Taipei City     | Catering services                                                             | 520,874            | -                 | 12,010,227       | 97.84%                  | 520,193     | 5,393                                 | 4,869                    |        |
|                                                                      | 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%                   | 1,747,174   | 4,132,218                             | 271,642                  |        |
|                                                                      | 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%                  | -           | -                                     | -                        |        |
|                                                                      | Anfang Enterprise Co., Ltd.                         | Taipei City     | Automated Teller Machine (ATM) services                                       | 10,820             | 10,820            | 900,000          | 30.00%                  | 15,238      | 6,667                                 | 2,001                    |        |
|                                                                      | 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%                  | 290,086     | (6,928)                               | (3,252)                  |        |
|                                                                      | GALC Inc                                            | Taipei City     | Manufacturing of metal structures and building components                     | 9,000              | 9,000             | 900,000          | 30.00%                  | 12,080      | 9,694                                 | 3,032                    |        |
| Speed Investment Co., Ltd.                                           | Titan Star International Co., Ltd.                  | Taipei City     | Manufacturing, selling and processing of security-related equipment and parts | 272,396            | 272,396           | 119,306,110      | 100.00%                 | 2,070,816   | 308,504                               | 308,504                  |        |
|                                                                      | Jiansheng International Co., Ltd.                   | Taipei City     | Medical equipment and AED rental services                                     | 20,000             | 20,000            | 2,000,000        | 100.00%                 | 20,343      | 262                                   | 249                      |        |
|                                                                      | Lois Home Entertainment Co., Ltd.                   | Taipei City     | Digital media and movie distribution                                          | 375,568            | 375,568           | 29,865,578       | 84.10%                  | 176,448     | 17,772                                | 13,414                   |        |
|                                                                      | Ching-Dian Tech Co., Ltd.                           | Taipei City     | POS system for retail                                                         | 147,780            | 147,780           | 13,992,000       | 93.28%                  | 158,975     | 16,375                                | 16,715                   |        |
|                                                                      | Lee Way Electronics Co., Ltd.                       | Taipei City     | Police-Citizen connection and AED rental services                             | 103,446            | 103,446           | 9,385,856        | 46.93%                  | 187,307     | 79,493                                | 38,276                   |        |
|                                                                      | TransAsia Catering Service Ltd.                     | Taoyuan City    | Production and sales of instant foods and in-flight catering                  | 80,000             | 80,000            | 2,424,242        | 6.61%                   | 71,525      | (32,212)                              | (1,794)                  |        |
|                                                                      | Taiwan Secom Insurance Brokerage Services Inc.      | Taipei City     | Insurance broker                                                              | 1,927              | 1,927             | 101,400          | 10.00%                  | 3,109       | 6,211                                 | 621                      |        |
|                                                                      | Goldsun Building Materials Co., Ltd.                | Taipei City     | Ready mixed concrete, real estate sale, and lease                             | 89,181             | 89,181            | 8,472,699        | 0.72%                   | 167,511     | 4,132,218                             | 29,645                   |        |
|                                                                      | Brighton Technology and Engineering Corporation     | Taipei City     | Light controlling system services                                             | 124,740            | 124,740           | 28,201,692       | 70.00%                  | 255,103     | (142,903)                             | (80,838)                 |        |
|                                                                      | Sunscap Solutions Taiwan Limited                    | Taipei City     | Catering services                                                             | 15,300             | 15,300            | 1,530,000        | 51.00%                  | 8,150       | (9,207)                               | (4,696)                  |        |
|                                                                      | Epice Tech Taiwan Inc.                              | Taipei City     | Energy-saving solutions technology                                            | 31,200             | 31,200            | 5,520,000        | 78.86%                  | 14,812      | (18,977)                              | (17,237)                 |        |
|                                                                      | MyStory Entertainment Co., Ltd.                     | Taipei City     | Video content development and investment                                      | 102,000            | -                 | 10,200,000       | 51.00%                  | 98,999      | (5,149)                               | (3,001)                  |        |
|                                                                      | Baohwa Trust Co., Ltd.                              | Taipei City     | Information Security Services                                                 | 30,000             | -                 | 3,000,000        | 60.00%                  | 19,900      | (16,833)                              | (10,100)                 |        |
|                                                                      | Livingplus Food and Beverage Co., Ltd.              | Taipei City     | Catering services                                                             | 20,000             | -                 | 2,000,000        | 94.67%                  | 16,594      | (8,442)                               | (3,406)                  |        |
|                                                                      | eSkylink Inc.                                       | Taipei City     | Telecom value-added network services                                          | 7,301              | 7,301             | 884,016          | 19.71%                  | 25,428      | 39,515                                | 9,922                    |        |
|                                                                      | Brighton Technology and Engineering Corporation     | Taipei City     | Light controlling system services                                             | 30,244             | 30,244            | 2,303,654        | 5.72%                   | 32,000      | (142,903)                             | (6,651)                  |        |
|                                                                      | 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                             | 317,979            | 368,654           | 50,923,710       | 3.72%                   | 890,096     | 4,132,218                             | 176,792                  |        |
|                                                                      | 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%                   | 63,673      | (32,212)                              | (2,240)                  |        |

Note 1 : 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. 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 |                   | Number of shares | Ending balance          |            | Net income (loss) of investee company | Investment income (loss) recognized | Note |
|                                                                      |                                                            |                 |                                                              | Ending balance     | Beginning balance |                  | Percentage of ownership | Book value |                                       |                                     |      |
| <u>Goldsun Express &amp; Logistics Co., Ltd.</u>                     | <u>Goldsun Express Ltd.</u>                                | New Taipei City | The custom broker services                                   | \$26,833           | \$26,833          | 3,361,248        | 100.00%                 | \$38,171   | \$2,208                               |                                     |      |
| <u>Goyun Security Co., Ltd.</u>                                      | <u>Gowin Building Management and Maintenance Co., Ltd.</u> | Taipei City     | Building management services providing                       | 15,000             | 15,000            | 2,154,042        | 6.13%                   | 48,502     | 246,911                               | 15,524                              |      |
|                                                                      | <u>TransAsia Airways Corp.</u>                             | Taipei City     | Aviation Services                                            | 28,978             | 28,978            | 1,635,080        | 0.22%                   | -          | -                                     | -                                   |      |
|                                                                      | <u>Ching-Dian Tech Co., Ltd.</u>                           | Taipei City     | POS system for retail                                        | 10,080             | 10,080            | 1,008,000        | 6.72%                   | 11,366     | 16,375                                | 1,174                               |      |
|                                                                      | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Ready mixed concrete, real estate sale, and lease            | 42,045             | 69,882            | 4,531,136        | 0.38%                   | 72,052     | 4,132,218                             | 21,536                              |      |
|                                                                      | <u>Guoyun Technology Co., Ltd.</u>                         | Kaohsiung City  | Car parking lot services                                     | 150,000            | 150,000           | 15,000,000       | 100.00%                 | 132,026    | 2,616                                 | 2,615                               |      |
|                                                                      | <u>Lois Home Entertainment Co., Limited</u>                | Taipei City     | Digital media and movie distribution                         | 1,814              | 1,814             | 1,240,688        | 3.49%                   | 76,875     | 17,772                                | 453                                 |      |
|                                                                      | <u>Gowin Building Management and Maintenance Co., Ltd.</u> | Taipei City     | Building management services providing                       | 26,615             | 26,615            | 4,540,260        | 12.91%                  | 140,909    | 246,911                               | 32,500                              |      |
|                                                                      | <u>Lee Way Electronics Co., Ltd.</u>                       | Taipei City     | Police-Citizen connection and AED rental services            | 20,020             | 20,020            | 1,804,972        | 9.02%                   | 39,174     | 79,493                                | 7,142                               |      |
| <u>Gowin Building Management and Maintenance Co., Ltd.</u>           | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Ready mixed concrete, real estate sale, and lease            | 287,475            | 287,478           | 16,300,599       | 1.38%                   | 367,364    | 4,132,218                             | 56,939                              |      |
|                                                                      | <u>TransAsia Airways Corp.</u>                             | Taipei City     | Aviation Services                                            | 47,581             | 47,581            | 4,360,832        | 0.57%                   | -          | -                                     | -                                   |      |
|                                                                      | <u>KuoHsing Rental Co., Ltd.</u>                           | New Taipei City | Mini-Storage rental services                                 | 10,000             | 10,000            | 1,000,000        | 100.00%                 | 8,232      | 560                                   | 560                                 |      |
|                                                                      | <u>TransAsia Catering Service Ltd.</u>                     | Taoyuan City    | Production and sales of instant foods and in-flight catering | 70,000             | 70,000            | 2,121,212        | 5.79%                   | 45,237     | (32,212)                              | (1,641)                             |      |
|                                                                      | <u>Gowin Security Co., Ltd.</u>                            | Taipei City     | Corporate security guarding services                         | 40,000             | 40,000            | 4,000,000        | 100.00%                 | 84,097     | 18,022                                | 18,022                              |      |
|                                                                      | <u>KuoHsing Security Co., Ltd.</u>                         | Taipei City     | Corporate security guarding services                         | 12,515             | 12,515            | 506,692          | 1.45%                   | 16,872     | 231,464                               | 2,813                               |      |
|                                                                      | <u>TransAsia Airways Corp.</u>                             | Taipei City     | Aviation Services                                            | 19,639             | 19,639            | 2,101,872        | 0.28%                   | -          | -                                     | -                                   |      |
|                                                                      | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Ready mixed concrete, real estate sale, and lease            | 79,807             | 65,894            | 4,479,913        | 0.38%                   | 88,497     | 4,132,218                             | 14,122                              |      |
| <u>Lee Way Electronics Co., Ltd.</u>                                 | <u>Gowin Smart Parking Co., Ltd.</u>                       | Taipei City     | Car parking lot services                                     | 50,000             | 50,000            | 5,000,000        | 100.00%                 | 60,001     | 18,670                                | 18,805                              |      |
| <u>Lee Yuan Electronics Co., Ltd.</u>                                | <u>Lee Yuan Biomedical Co., Ltd.</u>                       | Taipei City     | Medical equipment and AED rental services                    | 30,000             | 30,000            | 5,000,000        | 100.00%                 | 97,883     | 35,879                                | 35,879                              |      |
|                                                                      | <u>TransAsia Catering Service Ltd.</u>                     | Taoyuan City    | Production and sales of instant foods and in-flight catering | 50,000             | 50,000            | 1,515,152        | 4.13%                   | 32,209     | (32,212)                              | (1,459)                             |      |
|                                                                      | <u>LeeBao Technology Co., Ltd.</u>                         | Taipei City     | Automated Teller Machine (ATM) services                      | 50,000             | 50,000            | 5,000,000        | 100.00%                 | 53,552     | 3,051                                 | 3,051                               |      |
|                                                                      | <u>Baohong Technology Co., Ltd.</u>                        | Taipei City     | Network authentication service                               | 6,500              | -                 | 650,000          | 65.00%                  | 6,489      | (17)                                  | (11)                                |      |
| <u>Aion Computer Communication Co., Ltd.</u>                         | <u>Brighton Technology and Engineering Corporation</u>     | Taipei City     | Light controlling system services                            | 81,623             | 81,623            | 6,132,000        | 15.22%                  | 86,530     | (142,903)                             | (20,390)                            |      |
|                                                                      | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Ready mixed concrete, real estate sale, and lease            | 76,600             | 76,600            | 3,499,811        | 0.30%                   | 89,659     | 4,132,218                             | 11,391                              |      |
|                                                                      | <u>Epic Tech Taiwan Inc.</u>                               | Taipei City     | Information management platform                              | 13,800             | 7,800             | 1,380,000        | 19.71%                  | 3,703      | (18,977)                              | (4,309)                             |      |
|                                                                      | <u>Global Food Co., Ltd.</u>                               | Taoyuan City    | Retail of food product                                       | 18,000             | 18,000            | 1,800,000        | 30.00%                  | 21,252     | 7,256                                 | 1,914                               |      |
| <u>TransAsia Catering Services Ltd.</u>                              | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Sales of digital signage, monitors, and etc.                 | 205,172            | 194,053           | 7,931,574        | 0.67%                   | 199,452    | 4,132,218                             | 29,325                              |      |
|                                                                      | <u>Living Plus Food &amp; Beverage Co., Ltd.</u>           | Taipei City     | Catering services                                            | 14,180             | 14,180            | 112,700          | 5.33%                   | 323        | (8,442)                               | (5,274)                             |      |
|                                                                      | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Sales of digital signage, monitors, and etc.                 | 101,478            | 101,486           | 4,145,000        | 0.35%                   | 106,237    | 4,132,218                             | 14,510                              |      |
|                                                                      | <u>Ching-Dian Tech Co., Ltd.</u>                           | Taoyuan City    | Sales of digital signage, monitors, and etc.                 | 66,118             | 66,118            | 6,760,906        | 0.57%                   | 132,613    | 4,132,218                             | 23,690                              |      |
| <u>Lois Home Entertainment Co., Limited</u>                          | <u>Goldsun Building Materials Co., Ltd.</u>                | Taipei City     | Sales of digital signage, monitors, and etc.                 | 7,000              | 7,000             | 700,000          | 35.00%                  | 5,440      | (4,670)                               | (1,436)                             |      |
| <u>Living Plus Food &amp; Beverage Co., Ltd.</u>                     | <u>Pony Drink Dream Co., Ltd.</u>                          | Taipei City     | Catering services                                            | 29,900             | -                 | 2,990,000        | 100.00%                 | 28,375     | 1,439                                 | 1,439                               |      |
| <u>Golden Harvest Food Enterprise Ltd.</u>                           | <u>Tai-Shun Shi Ye Co., Ltd.</u>                           | Taoyuan City    | Garment Industry                                             | 100,281            | 100,281           | 3,080,800        | 100.00%                 | 58,008     | (37,289)                              | (34,310)                            |      |
| <u>Brighton Technology and Engineering Corporation</u>               | <u>SIGMU D.P.T. Company Ltd.</u>                           | Taipei City     | Wholesale and installation of fire safety equipment          | 40,917             | 40,917            | 206,250          | 100.00%                 | 15,564     | (306)                                 | (373)                               |      |
|                                                                      | <u>Comlink Fire Systems Inc.</u>                           | Taoyuan City    | Wholesale of fire safety equipment                           | 500                | -                 | 50,000           | 5.00%                   | 499        | (17)                                  | (1)                                 |      |
| <u>LeeBao Technology Co., Ltd.</u>                                   | <u>Baohong Technology Co., Ltd.</u>                        | Taipei City     | Network authentication service                               |                    |                   |                  |                         |            |                                       |                                     |      |

Attachment 9  
Investment in Mainland China

| (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 January 1, 2022 | Investment Flows |        | Accumulated Outflow of Investment from Taiwan as of December 31, 2022 | Net income (loss) of investee company | Percentage of Ownership | Investment income (loss) recognized | Carrying Value as of December 31, 2022 | Accumulated Inward Remittance of Earnings as of Outflow December 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 2022/12/31 | Investment Amounts Authorized by Investment Commission, MOEA | Upper Limit on Investment (Note 3) |
|-----------------------------------------------------------|--------------------------------------------------------------|------------------------------------|
| \$-                                                       | \$120,801                                                    | \$7,517,657                        |

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      | Percentage of ownership (%) |
| SECOM CO. LTD                                                        | 123,110,870 | 27.29%                      |
| Shin Kong Life Insurance Co., Ltd                                    | 34,908,205  | 7.73%                       |