

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY
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 financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

TAIWAN SECOM CO., LTD.

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Independent Auditors' Report Translated from Chinese

To Taiwan Secom Co., Ltd.

Opinion

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

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its 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 Parent Company Only Financial Statements section of our report. We are independent of the Company 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 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only 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 amounted to NT\$7,287,460 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 review 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 Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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.

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

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only 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 parent company only 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.
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. 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 parent company only 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 to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only 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 to express an opinion on the parent company only 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 parent company only 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.

Liu, Hui-Yuan

Wang, Hsuan-Hsuan

Ernst & Young, Taiwan

March 14, 2023

Notice to Readers

The accompanying financial statements are intended only to present the 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 financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only 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 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 Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY 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	%
Current assets					
Cash and cash equivalents	4 and 6	\$936,635	4	\$719,608	4
Financial assets at fair value through profit or loss, current	4, 5 and 6	42,138	-	-	-
Financial assets at fair value through other comprehensive income, current	4, 5 and 6	39,919	-	37,029	-
Contract assets, current	4 and 6	11,900	-	23,082	-
Notes receivable, net	4, 5 and 6	162,986	1	138,957	1
Accounts receivable, net	4, 5 and 6	664,729	3	584,391	3
Accounts receivable from related parties, net	4, 6 and 7	199,737	1	161,551	1
Finance lease receivables, net	4, 5 and 6	80,831	1	69,127	-
Inventories, net	4 and 6	172,058	1	187,598	1
Prepayments		485,718	2	471,372	2
Other current assets		73,573	-	122,870	1
Total current assets		<u>2,870,224</u>	<u>13</u>	<u>2,515,585</u>	<u>13</u>
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4, 5 and 6	28,379	-	42,138	-
Financial assets at fair value through other comprehensive income, non-current	4, 5 and 6	57,641	-	81,108	1
Financial assets measured at amortised cost, non-current	4, 6 and 8	11,500	-	11,500	-
Investments accounted for using the equity method	4, 5 and 6	11,210,894	53	9,789,895	50
Property, plant and equipment	4, 6 and 7	5,799,589	28	4,774,395	24
Right-of-use assets, net	4, 6 and 7	236,322	1	156,720	1
Investment property, net	4, 5 and 6	281,674	1	281,900	1
Intangible assets	4 and 6	108,219	1	66,855	-
Deferred tax assets	4, 5 and 6	316,859	1	326,052	2
Prepayment for equipment		10,887	-	1,089,870	6
Refundable deposits	7	233,203	1	234,344	1
Long-term receivables	5 and 6	38,376	-	36,885	-
Long-term financial lease receivables	4, 5 and 6	143,359	1	180,836	1
Other assets, non-current		33,458	-	29,135	-
Total non-current assets		<u>18,510,360</u>	<u>87</u>	<u>17,101,633</u>	<u>87</u>
Total assets		<u>\$21,380,584</u>	<u>100</u>	<u>\$19,617,218</u>	<u>100</u>

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

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY 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	%
Current liabilities					
Short-term loans	4 and 6	\$800,000	3	\$300,000	2
Contract liabilities, current	4 and 6	1,296,105	6	1,176,341	6
Notes payable		205,342	1	99,237	1
Notes payable to related parties	7	155,622	1	149,827	1
Accounts payable		200,247	1	266,504	1
Accounts payable to related parties	7	83,167	-	74,987	-
Other payables	7	653,409	3	615,554	3
Current tax liabilities	4, 5 and 6	142,437	1	142,065	1
Lease liabilities, current	6 and 7	133,137	1	81,825	-
Current portion of long-term loans	4 and 6	2,300,000	11	1,140,000	6
Other current liabilities		74,431	-	71,298	-
Total current liabilities		6,043,897	28	4,117,638	21
Non-current liabilities					
Contract liabilities, non-current	4 and 6	12,237	-	18,901	-
Long-term loans	4 and 6	1,400,000	7	1,900,000	10
Provisions, non-current	4	7,200	-	7,200	-
Lease liabilities, non-current	6 and 7	102,306	-	73,660	-
Long-term notes payables and accounts payables	4	-	-	15,860	-
Net defined benefit liabilities, non-current	4, 5 and 6	1,207,446	6	1,291,925	7
Guarantee deposits	6	565,773	3	583,817	3
Total non-current liabilities		3,294,962	16	3,891,363	20
Total liabilities		9,338,859	44	8,009,001	41
Equity attributable to the parent					
Capital					
Common stock	6	4,511,971	21	4,511,971	23
Capital surplus	6	906,891	4	824,811	4
Retained earnings	6				
Legal reserve		4,220,058	19	3,970,792	20
Special reserve		15,352	-	100,384	1
Unappropriated earnings		2,741,795	13	2,504,000	13
Other components of equity	4 and 6	(91,087)	-	(15,352)	-
Treasury stock	4 and 6	(263,255)	(1)	(288,389)	(2)
Total equity		12,041,725	56	11,608,217	59
Total liabilities and equity		\$21,380,584	100	\$19,617,218	100

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

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY 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	%
Operating revenue	4 and 7	\$7,318,357	100	\$7,215,142	100
Less : Sales returns and allowances		(30,897)	-	(35,111)	-
Net revenue	6	7,287,460	100	7,180,031	100
Operating costs	6 and 7	(3,848,618)	(53)	(3,742,818)	(52)
Gross profit		3,438,842	47	3,437,213	48
Operating expenses	6 and 7				
Sales and marketing expenses		(705,069)	(10)	(628,139)	(9)
General and administrative expenses		(1,181,626)	(16)	(1,139,324)	(16)
Research and development expenses		(108,624)	(1)	(100,143)	(1)
Expected credit losses		(10,987)	-	(4,900)	-
Subtotal		(2,006,306)	(27)	(1,872,506)	(26)
Operating income		1,432,536	20	1,564,707	22
Non-operating income and loss					
Interest income	6 and 7	1,206	-	1,622	-
Other income	6	25,471	-	17,868	2
Other gains and losses	6 and 7	50,047	1	91,674	-
Finance costs	6	(46,962)	(1)	(32,004)	(1)
Share of profit or loss of associates accounted for using the equity method		1,413,827	19	1,152,677	16
Subtotal		1,443,589	19	1,231,837	17
Income before tax		2,876,125	39	2,796,544	39
Income tax expenses	4, 5 and 6	(297,384)	(4)	(269,860)	(4)
Net income		2,578,741	35	2,526,684	35
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6	12,866	-	(35,485)	-
Unrealized (losses) gains on financial assets at fair value through other comprehensive income	6	(17,554)	-	34,385	-
Share of other comprehensive (loss) income of associates and joint ventures-may not be reclassified subsequently to profit or loss	6	(31,482)	-	45,614	1
Income tax related to items that will not be reclassified	6	(1,544)	-	4,258	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures-may be reclassified subsequently to profit or loss	6	41,253	-	(6,159)	-
Total other comprehensive income (loss), net of tax		3,539	-	42,613	1
Total comprehensive income		<u>\$2,582,280</u>	<u>35</u>	<u>\$2,569,297</u>	<u>36</u>
Earnings per share (NT\$)	4 and 6				
Basic earnings per share		<u>\$5.85</u>		<u>\$5.73</u>	
Diluted earnings per share		<u>\$5.84</u>		<u>\$5.73</u>	

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

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Description	Common Stock	Capital Surplus	Retained Earnings			Other Components of Equity		Treasury Stock	Total 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		
Balance as of January 1, 2021	\$4,511,971	\$813,963	\$3,741,171	\$58,666	\$2,502,570	\$(104,597)	\$4,213	\$(288,389)	\$11,239,568
Appropriations and distributions of 2020 unappropriated earnings									
Legal reserve	-	-	229,621	-	(229,621)	-	-	-	-
Special reserve	-	-	-	41,718	(41,718)	-	-	-	-
Cash dividends	-	-	-	-	(2,219,890)	-	-	-	(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	-	-	-	-	-	-	32,830
Cash dividends of capital surplus	-	(36,096)	-	-	-	-	-	-	(36,096)
Net income in 2021	-	-	-	-	2,526,684	-	-	-	2,526,684
Other comprehensive (loss) income, net of tax in 2021	-	-	-	-	(33,679)	(6,158)	82,450	-	42,613
Total comprehensive income	-	-	-	-	2,493,005	(6,158)	82,450	-	2,569,297
Disposal of equity instrument at fair value through other comprehensive income by subsidiaries					(899)		899		
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 under the equity method		(34,618)				8,394			(26,224)
Balance as of December 31, 2021	<u>\$4,511,971</u>	<u>\$824,811</u>	<u>\$3,970,792</u>	<u>\$100,384</u>	<u>\$2,504,000</u>	<u>\$(102,361)</u>	<u>\$87,009</u>	<u>\$(288,389)</u>	<u>\$11,608,217</u>
Balance as of January 1, 2022	\$4,511,971	\$824,811	\$3,970,792	\$100,384	\$2,504,000	\$(102,361)	\$87,009	\$(288,389)	\$11,608,217
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	-	-	-	-	-	-	5,020
Net income in 2022	-	-	-	-	2,578,741	-	-	-	2,578,741
Other comprehensive (loss) income, net of tax in 2022	-	-	-	-	50,271	41,253	(87,985)	-	3,539
Total comprehensive income	-	-	-	-	2,629,012	41,253	(87,985)	-	2,582,280
Acquisition of company's share by subsidiaries recognized as treasury stock	-	-	-	-	-	-	-	(5,824)	(5,824)
Disposal of company's share by subsidiaries recognized as treasury stock transaction	-	28,054	-	-	-	-	-	30,958	59,012
Parent company's cash dividends received by subsidiaries	-	49,006	-	-	-	-	-	-	49,006
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	-	-	-	-	103	-	(103)	-	-
Balance as of December 31, 2022	<u>\$4,511,971</u>	<u>\$906,891</u>	<u>\$4,220,058</u>	<u>\$15,352</u>	<u>\$2,741,795</u>	<u>\$(61,108)</u>	<u>\$(29,979)</u>	<u>\$(263,255)</u>	<u>\$12,041,725</u>

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

TAIWAN SECOM CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Description	2022	2021
Cash flows from operating activities:		
Profit before tax from continuing operations	\$2,876,125	\$2,796,544
Income before tax	2,876,125	2,796,544
Adjustments to reconcile income before tax to net cash provided by operating activities:		
Expected credit losses	10,987	4,900
Depreciation	1,023,718	1,022,230
Amortization	48,542	43,673
Interest expense	46,962	32,004
Interest income	(1,206)	(1,622)
Dividend income	(7,676)	(2,242)
Share of gain of associates and accounted for using the equity method	(1,413,827)	(1,152,677)
Gain on lease modification	(3)	-
Gain on disposal of property, plant and equipment	(5,110)	(2,851)
Gain on disposal of investments	-	(26,077)
Impairment loss	45,000	22,330
Changes in operating assets and liabilities:		
Contract assets	11,182	(4,279)
Notes receivable, net	(24,029)	4,450
Notes receivable from related parties, net	-	581
Accounts receivable, net	(91,325)	(23,959)
Accounts receivable from related parties, net	(38,186)	(62,927)
Finance lease receivables	25,773	(33,427)
Long-term receivables	(1,491)	(3,593)
Contract liabilities	113,100	(5,787)
Inventories, net	(172,931)	(198,503)
Prepayments	(14,346)	(146,596)
Other current assets	49,297	(57,751)
Notes payable	106,105	(53,329)
Notes payable to related parties	5,795	103,019
Accounts payable	(82,117)	102,357
Accounts payable to related parties	8,180	19,776
Other payables	37,855	62,154
Other current liabilities	3,133	3,187
Net defined benefit liabilities, non-current	(71,613)	(68,581)
Cash generated from operations	2,487,894	2,373,004
Interest received	1,206	1,622
Interest paid	(44,440)	(29,712)
Income tax paid	(289,362)	(295,748)
Net cash provided by operating activities	2,155,298	2,049,166
Cash flows from investing activities:		
Acquisition of financial assets at fair value through profit or loss	(28,379)	(42,138)
Acquisition of financial assets at fair value through other comprehensive income	(152)	(17,260)
Disposal of financial assets at fair value through other comprehensive income	314	-
Capital deducted by cash of financial assets at fair value through other comprehensive income	2,860	2,178
Acquisition of investments accounted for using the equity method	(619,761)	(22,945)
Capital deducted by cash of investments accounted for using the equity method	-	358,200
Acquisition of property, plant and equipment	(727,095)	(705,595)
Proceeds from disposal of property, plant and equipment	7,756	7,353
Acquisition of intangible assets	(89,906)	(41,277)
(Increase) decrease in prepayment for equipment	87,553	(58,829)
Decrease (Increase) in refundable deposits	1,141	(16,788)
Increase in other assets	(4,323)	(25,343)
Dividends received	692,250	656,035
Net cash (used in) provided by investing activities	(677,742)	93,591
Cash flows from financing activities:		
Increase (decrease) in short-term loans	500,000	(1,100,000)
Increase in long-term loans	1,300,000	1,400,000
Decrease in long-term loans	(640,000)	(226,000)
Decrease in guarantee deposits	(18,189)	(15,061)
Cash payments for the principal portion of lease liability	(146,354)	(142,393)
Cash dividends paid	(2,255,986)	(2,255,986)
Net cash used in financing activities	(1,260,529)	(2,339,440)
Net increase (decrease) in cash and cash equivalents	217,027	(196,683)
Cash and cash equivalents at the beginning of the year	719,608	916,291
Cash and cash equivalents at the end of the year	\$936,635	\$719,608

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

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN SECOM CO., LTD.
NOTES TO PARENT COMPANY ONLY 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 parent company only financial statements of the Company 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 Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2022. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Company.

- (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 Company 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 Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company 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 Company'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 parent company only financial statements of the Company 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").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

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

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT\$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at its 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.

(4) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- B. The Company holds the asset primarily for the purpose of trading
- C. The Company 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 Company expects to settle the liability in its normal operating cycle
- B. The Company 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 Company 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.

(5) 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.

(6) Financial instruments

Financial assets and financial liabilities are recognized when the Company 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 Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company 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 Company'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 recognise 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. Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company 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 Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Company 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 Company 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 Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company 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 Company 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.

(7) 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 Company.

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 Company 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.

(8) 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.

(9) Investments accounted for using the equity method

The investment in a subsidiary is according to “Rule Governing the Preparation of Financial Statements 21 by Securities Issuers”. Therefore, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements. According to IFRS 10 — Consolidated Financial Statements, agreeing with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries and associates and share of other comprehensive income of subsidiaries and associates in the parent company only financial statements.

The Company’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 Company 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 Company’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 Company 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 Company and the associate or joint venture are eliminated to the extent of the Company’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 Company's percentage of ownership interests in the associate or joint venture, the Company 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 Company's interest in an associate or a joint venture is reduced or increased as the Company 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 Company disposes the associate or joint venture.

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

The Company 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 Company 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 Company 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 Company 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.

(10) 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 Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

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

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

(11) Investment property

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

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

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

The Company 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.

(12) Leases

The Company 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 Company 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 Company 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 Company 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 Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

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

At the commencement date, the Company 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 Company 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 Company 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 Company 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 Company 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 Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company 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 Company 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 Company accounted for as short-term leases or leases of low-value assets, the Company 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 Company 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.

Company as a lessor

At inception of a contract, the Company 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 Company 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 Company allocates the consideration in the contract applying IFRS 15.

The Company 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.

(13) 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.

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 Company's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(14) Impairment of non-financial assets

The Company 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 Company 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 Company 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.

(15) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company 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.

(16) 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.

(17) Revenue recognition

The Company'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 Company 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 Company 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 Company 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 Company's sale of goods is from 30 to 90 days. For most of the contracts, when the Company 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 Company 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 Company 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 Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

A. The Company provides system security services, corporate security guarding services, and cash deliver services. Services consideration is negotiated by contracts or orders, and provided based on contract periods. As the Company provides services over the contract period, the customers simultaneously receive and consume the benefits provided by the Company. 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 Company, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities. However, part of the contractual considerations of the Company are collected evenly throughout the contract periods. When the Company 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 Company provide customized security system services based on customers' needs. The Company have the right to execute the considerations of services 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 Company exceed the customers' payment, the contract assets are recognized. However, if the customers' payments exceed the services provided by the Company. Contract liabilities should be recognized accordingly.

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

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

(18) 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.

(19) Post-employment benefits

All regular employees of the Company 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 Company's parent company only financial statements.

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.

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 Company 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.

(20) 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 Company 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.

5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Company's parent company only 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 Company's accounting policies, management made the following judgments, which have the most significant effect on the amounts recognized in the parent company only financial statements:

A. Investment properties

Certain properties of the Company 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 Company 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-Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company 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 Company holds less than 20% voting rights in certain affiliated enterprises. However, the Company has significant influence after taking into consideration that the Company has the representation on the board of directors or equivalent governing body of the investee and other factors over certain affiliated enterprises. Additionally, the Company holds less than 50% voting rights in certain affiliated enterprises but the Company is the largest shareholder. However, after factoring into conditions such as absolute size of the Company's holding, relative size of the other shareholdings, how widely spread are the remaining shareholders, contractual arrangements between shareholders, potential voting rights, etc., the Company 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 Company 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 Company 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 Company 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 Company as of December 31, 2022.

E. Accounts receivables—estimation of impairment loss

The Company 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	\$5,675	\$5,895
Checking and saving accounts	930,960	673,718
Cash equivalent	-	39,995
Total	<u>\$936,635</u>	<u>\$719,608</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:		
Convertible bond	\$42,138	\$42,138
Convertible preferred shares	28,379	-
Total	<u>\$70,517</u>	<u>\$42,138</u>
Current	\$42,138	\$-
Non-current	28,379	42,138
Total	<u>\$70,517</u>	<u>\$42,138</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	\$39,919	\$37,029
Unlisted companies stocks	57,641	81,108
Total	<u>\$97,560</u>	<u>\$118,137</u>
Current	\$39,919	\$37,029
Non-current	57,641	81,108
Total	<u>\$97,560</u>	<u>\$118,137</u>

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

The Company'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 December 31,	
	2022	2021
Related to investments held at the end of the reporting period	\$7,676	\$2,242
Related to investments derecognized during the period	-	-
Dividends recognized during the period	<u>\$7,676</u>	<u>\$2,242</u>

In terms of the Company's investment strategy, the Company 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 December 31,	
	2022	2021
The fair value of the investments at the date of derecognition	\$3,174	\$2,178
The cumulative gain or loss on disposal reclassified from other equity to retained earnings	103	553

(4) Financial assets measured at amortized cost

	As of December 31,	
	2022	2021
Time deposits	\$11,500	\$11,500
Less: loss allowance	-	-
Total	<u>\$11,500</u>	<u>\$11,500</u>
Current	\$-	\$-
Non-current	11,500	11,500
Total	<u>\$11,500</u>	<u>\$11,500</u>

The financial assets as measured at amortized cost were not pledged. Please refer to Note 6(18) 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	\$162,986	\$138,957
Less: loss allowance	-	-
Total	<u>\$162,986</u>	<u>138,957</u>

Notes receivable were not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(18) 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	\$693,766	\$605,614
Less: loss allowance	(29,037)	(21,223)
Subtotal	664,729	584,391
Accounts receivable from related parties	199,737	161,551
Less: loss allowance	-	-
Subtotal	199,737	161,551
Long-term receivables	38,376	36,885
Less: loss allowance	-	-
Subtotal	38,376	36,885
Total	<u>\$902,842</u>	<u>\$782,827</u>

Accounts receivable were not pledged.

Trade receivables are generally on 30-90 day terms. The total carrying amount as of December 31, 2022 and 2021 are NT\$931,879 thousand and NT\$804,050 thousand, respectively. Please refer to Note 6(18) for more details on loss allowance of trade receivables for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(7) Inventories

	As of December 31,	
	2022	2021
Merchandise inventories	<u>\$172,058</u>	<u>\$187,598</u>

The cost of inventories recognized in expenses amounted to NT\$474,731 thousand and NT\$528,977 thousand for the years ended December 31, 2022 and 2021, respectively, including the write-down of inventories of NT\$0 thousand in both periods.

Inventory valuation losses were not recognized for the years ended December 31, 2022 and 2021.

Inventories were not pledged.

(8) Investments accounted for using the equity method

Investees	As of December 31,			
	2022		2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
Speed Investment Co., Ltd.	\$3,192,308	100.00	\$2,875,207	100.00
LeeBao Security Co., Ltd.	1,770,928	100.00	1,487,250	100.00
Goyun Security Co., Ltd.	603,439	100.00	549,558	100.00
Chung Hsing E-Guard Co., Ltd.	11,503	100.00	10,756	100.00
Goldsun Express & Logistics Co., Ltd.	693,819	100.00	687,306	100.00
KuoHsing Security Co., Ltd.	626,467	83.77	598,707	83.77
Gowin Building Management and Maintenance Co., Ltd.	635,825	80.96	512,228	80.96
Aion Technologies Inc. (Note 1)	235,714	87.42	202,614	74.00
Taiwan Secom Insurance Brokerage Services Inc.	27,985	90.00	27,871	90.00
Lee Way Electronics Co., Ltd.	124,331	34.29	107,934	34.29
Lots Home Entertainment Co., Ltd.	4,030	1.93	3,909	1.93
TransAsia Catering Services Ltd.	683,380	67.02	758,822	67.02
Brighton Technology and Engineering Corporation	16,394	5.18	26,819	5.18
Golden Harvest Food Enterprise Ltd (Note 2)	520,193	97.84	-	-
Subtotal	<u>9,146,316</u>		<u>7,848,981</u>	
Investments in associates:				
Goldsun Building Materials Co., Ltd.	1,747,174	6.59	1,623,596	6.59
TransAsia Airways Corp.	-	10.05	-	10.05
Tech Elite Holdings Ltd.	-	39.22	-	39.22
Anfeng Enterprise Co., Ltd.	15,238	30.00	14,497	30.00
GALC Inc.	12,080	30.00	9,483	30.00
HuaYa Development Co., Ltd. (Note 3)	290,086	42.52	293,338	49.83
Subtotal	<u>2,064,578</u>		<u>1,940,914</u>	
Total	<u>\$11,210,894</u>		<u>\$9,789,895</u>	

Note 1: The Company acquired 715,296 shares and 1,647,249 shares of Aion Technologies Inc. from minority shareholders for NT\$11,774 thousand and NT\$27,114 thousand during May and June of 2022, respectively. The Company's ownership percentage 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.

Note 3: The company did not participate in the cash capital increase of NT\$88,000 thousand conducted by HuaYa Development Co., Ltd. in March 2022, resulting in the decrease in ownership percentage to 42.52%.

A. Investments in subsidiaries

Investments in subsidiaries was accounted for investment accounted for using equity method when preparing the parent company only financial statements. The differences of accounting treatment are adjusted.

B. Investments in associates

The Company 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 investments were accounted for using the equity method.

The Company have majority of the voting rights of HuaYa Development Co., Ltd. However, after factoring into conditions such as absolute size of the Company's holding, relative size of the other shareholdings and contractual arrangements between shareholders, then the Company holds the voting rights less than the other shareholder, 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 Company'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 impairment test in 2016.

Information on the material associate of the Company:

Company name: Goldsun Building Materials Co., Ltd.

Nature of the relationship with the associate: The key management of the Company 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\$1,962,070 thousand and NT\$2,265,123 thousand, as of December 31, 2022 and 2021, respectively.

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Company'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	23,265,481	21,390,258
Proportion of the Company's ownership	6.59%	6.59%
Subtotal	1,533,196	1,409,618
Goodwill	222,792	222,792
Others	(8,814)	(8,814)
Carrying amount of the investment	<u>\$1,747,174</u>	<u>\$1,623,596</u>

	For the years ended 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 (loss) income	(138,642)	109,349
Total comprehensive income	<u>\$4,097,466</u>	<u>\$3,042,593</u>

The Company's investments in other companies are not individually material. The aggregate carrying amount of the Company's interests in other companies is NT\$317,404 thousand. The aggregate financial information based on Company's share of other companies is as follows:

	For the years ended December 31,	
	2022	2021
Profit or loss from continuing operations	\$1,780	\$(510)
Other comprehensive income (post-tax)	-	-
Total comprehensive income	<u>\$1,780</u>	<u>\$(510)</u>

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

The investment value of part of the Company's investments accounted for using the equity method has impaired, and the impairment loss recognized in 2022 and 2021 amounted to NT\$45,000 thousand and NT\$22,330 thousand, respectively. The assessment of the impairment loss is mainly due to the fact that management evaluates the recoverable value of part of subsidiaries is lower than net equity. Therefore, the impairment loss needs be recognized in the statement of comprehensive income.

(9) Property, plant and equipment

	As of December 31,	
	2022	2021
Owner occupied property, plant and equipment	<u>\$5,799,589</u>	<u>\$4,774,395</u>

A. Owner occupied property, plant and equipment

	Land and land improvements	Buildings	Machinery and equipment	Security equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost:									
As of January 1, 2022	\$1,431,386	\$907,686	\$167,044	\$8,989,306	\$484,497	\$265,718	\$781,167	\$-	\$13,026,804
Additions	-	-	1,300	565,537	84,326	38,055	37,877	-	727,095
Disposals	-	-	(54,384)	(735,832)	(89,976)	(26,496)	(5,392)	-	(912,080)
Other changes	-	-	-	188,470	-	-	-	991,430	1,179,900
As of December 31, 2022	<u>\$1,431,386</u>	<u>\$907,686</u>	<u>\$113,960</u>	<u>\$9,007,481</u>	<u>\$478,847</u>	<u>\$277,277</u>	<u>\$813,652</u>	<u>\$991,430</u>	<u>\$14,021,719</u>
As of January 1, 2021	\$1,431,386	\$907,686	\$198,994	\$8,862,644	\$485,446	\$253,413	\$706,923	\$-	\$12,846,492
Additions	-	-	5,909	546,108	35,876	39,183	78,519	-	705,595
Disposals	-	-	(37,859)	(592,635)	(36,825)	(26,878)	(4,275)	-	(698,472)
Other changes	-	-	-	173,189	-	-	-	-	173,189
As of December 31, 2021	<u>\$1,431,386</u>	<u>\$907,686</u>	<u>\$167,044</u>	<u>\$8,989,306</u>	<u>\$484,497</u>	<u>\$265,718</u>	<u>\$781,167</u>	<u>\$-</u>	<u>\$13,026,804</u>
Depreciation and impairment:									
As of January 1, 2022	\$-	\$253,467	\$147,294	\$6,701,562	\$409,978	\$163,761	\$576,347	\$-	\$8,252,409
Depreciation	-	17,310	4,780	733,129	33,674	30,712	59,550	-	879,155
Disposals	-	-	(54,372)	(734,660)	(89,771)	(25,238)	(5,393)	-	(909,434)
As of December 31, 2022	<u>\$-</u>	<u>\$270,777</u>	<u>\$97,702</u>	<u>\$6,700,031</u>	<u>\$353,881</u>	<u>\$169,235</u>	<u>\$630,504</u>	<u>-</u>	<u>\$8,222,130</u>
As of January 1, 2021	\$-	\$236,157	\$179,517	\$6,545,240	\$420,005	\$158,538	\$524,837	\$-	\$8,064,294
Depreciation	-	17,310	5,577	748,450	26,543	28,451	55,754	-	882,085
Disposals	-	-	(37,800)	(592,128)	(36,570)	(23,228)	(4,244)	-	(693,970)
As of December 31, 2021	<u>\$-</u>	<u>\$253,467</u>	<u>\$147,294</u>	<u>\$6,701,562</u>	<u>\$409,978</u>	<u>\$163,761</u>	<u>\$576,347</u>	<u>-</u>	<u>\$8,252,409</u>
Net carrying amount as of:									
December 31, 2022	<u>\$1,431,386</u>	<u>\$636,909</u>	<u>\$16,258</u>	<u>\$2,307,450</u>	<u>\$124,966</u>	<u>\$108,042</u>	<u>\$183,148</u>	<u>\$991,430</u>	<u>\$5,799,589</u>
December 31, 2021	<u>\$1,431,386</u>	<u>\$654,219</u>	<u>\$19,750</u>	<u>\$2,287,744</u>	<u>\$74,519</u>	<u>\$101,957</u>	<u>\$204,820</u>	<u>\$-</u>	<u>\$4,774,395</u>

The major components of the buildings are mainly 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.

Property, plant and equipment were not pledged.

(10) Investment property

The Company's investment properties include owned investment properties. The Company has entered into commercial property leases on its owned investment properties with terms ranged from 1 to 3 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost:			
As of January 1, 2022	\$275,593	\$8,130	\$283,723
Additions	-	-	-
As of December 31, 2022	\$275,593	\$8,130	\$283,723
As of January 1, 2021	\$275,593	\$8,130	\$283,723
Additions	-	-	-
As of December 31, 2021	\$275,593	\$8,130	\$283,723
Depreciation and impairment:			
As of January 1, 2022	\$-	\$1,823	\$1,823
Depreciation	-	226	226
As of December 31, 2022	\$-	\$2,049	\$2,049
As of January 1, 2021	\$-	\$1,597	\$1,597
Depreciation	-	226	226
As of December 31, 2021	\$-	\$1,823	\$1,823
Net carrying amount as of:			
December 31, 2022	\$275,593	\$6,081	\$281,674
December 31, 2021	\$275,593	\$6,307	\$281,900

	For the years ended December 31,	
	2022	2021
Rental income from investment property	\$3,945	\$3,945
Less : Direct operating expense generated from rental income of investment property	(226)	(226)
Total	\$3,719	\$3,719

No investment property was pledged.

Investment properties held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is NT\$327,786 thousand and NT\$314,133 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 are comparison approach and cost approach which supporting by market evidence, and the inputs used, capital interest rates and weighted average rates, are 3.92 %, 3.16% % and 2.20%, 3.39%, respectively.

(11) Intangible assets

	Computer software
Cost:	
As of January 1, 2022	\$127,488
Addition-acquired separately	89,906
Expired	<u>(34,203)</u>
As of December 31, 2022	<u>\$183,191</u>
As of January 1, 2021	\$128,529
Addition-acquired separately	41,277
Expired	<u>(42,318)</u>
As of December 31, 2021	<u>\$127,488</u>
Amortization and impairment:	
As of January 1, 2022	\$60,633
Amortization	48,542
Expired	<u>(34,203)</u>
As of December 31, 2022	<u>\$74,972</u>
As of January 1, 2021	\$59,278
Amortization	43,673
Expired	<u>(42,318)</u>
As of December 31, 2021	<u>\$60,633</u>
Net carrying amount as of:	
December 31, 2022	<u>\$108,219</u>
December 31, 2021	<u>\$66,855</u>

Recognized as amortized amount of intangible assets are as follows.

	For the years ended December 31,	
	2022	2021
Operating costs	<u>\$16,666</u>	<u>\$9,597</u>
Operating expenses	<u>\$31,876</u>	<u>\$34,076</u>

(12) Short-term loans

	Interest Rates (%)	As of December 31,	
		2022	2021
Unsecured bank loans	0.54%-1.72%	<u>\$800,000</u>	<u>\$300,000</u>

The Company's unused short-term lines of credits amounted to NT\$1,673,562 thousand and NT\$1,003,377 thousand as of December 31, 2022 and 2021, respectively.

(13) Long-term loans

Details of long-term loans are as follows:

Lenders	As of December 31, 2022	Interest Rates (%)	Maturity date and terms of repayment
Unsecured Long-term Loan			
Bank of Tokyo Mitsubishi 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
Bank of Tokyo Mitsubishi 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
Sumitomo Mitsui Banking Corporation	600,000	0.99%	Loan starting from December 18, 2020 till December 16, 2023; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking 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.
Sumitomo Mitsui Banking Corporation	700,000	1.85%	Loan starting from February 20, 2021 till February 20, 2023; repayment at the maturity date; interest paid every month
Mizuho Bank, Ltd.	100,000	2.13%	Loan starting from March 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 month
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 month
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 month
KGI Bank Co., Ltd	300,000	1.99%	Loan starting from July 22, 2022 till April 27, 2024; repayment at the maturity date; interest paid every month
Subtotal	3,700,000		
Less: current portion	(2,300,000)		
Total	<u>\$1,400,000</u>		

Lenders	As of		Maturity date and terms of repayment
	December 31,	Interest Rates	
	2021	(%)	
Unsecured Long-term Loan			
Bank of Tokyo Mitsubishi UFJ	\$40,000	0.70%-1.55%	Loan starting from May 18, 2017 till May 18, 2022; installment payment by every 6 months after 6 months from the borrowing date; interest paid every 3 months.
Bank of Tokyo Mitsubishi UFJ	500,000	0.85%-0.86%	Loan starting from December 18, 2020 till December 16, 2022; repayment at the maturity date; interest paid every 3 months
Bank of Tokyo Mitsubishi UFJ	400,000	0.85%	Loan starting from January 15, 2021 till January 13, 2023; repayment at the maturity date; interest paid every 3 months
Sumitomo Mitsui Banking Corporation	600,000	0.93%	Loan starting from December 18, 2020 till December 16, 2022; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	600,000	0.99%	Loan starting from December 18, 2020 till December 18, 2023; repayment at the maturity date; interest paid every month
Sumitomo Mitsui Banking Corporation	700,000	0.88%	Loan starting from August 20, 2021 till February 20, 2023; repayment at the maturity date; interest paid every month
Mizuho Bank, Ltd.	100,000	0.92%	Loan starting from March 22, 2021 till March 22, 2024; repayment at the maturity date; interest paid every 3 months
KGI Bank Co., Ltd	100,000	0.90%	Loan starting from May 12, 2021 till April 27, 2024; repayment at the maturity date; interest paid every month
Subtotal	3,040,000		
Less: current portion	(1,140,000)		
Total	<u>\$1,900,000</u>		

(14) Guarantee deposits

	As of December 31,	
	2022	2021
Performance security deposit	\$441,143	\$448,154
Security line deposit	124,630	135,663
Total	<u>\$565,773</u>	<u>\$583,817</u>

(15) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has 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\$64,826 thousand and NT\$60,676 thousand, respectively.

Defined benefits plan

The Company adopts 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 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes 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 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 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 mandation, 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 Company expects to contribute NT\$105,327 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 7 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 December 31,	
	2022	2021
Current period service costs	\$31,569	\$33,873
Interest expense (income) of net defined benefit liabilities (assets)	7,105	5,830
Total	<u>\$38,674</u>	<u>\$39,703</u>

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

	As of December 31,	
	2022	2021
Defined benefit obligation	\$1,437,619	\$1,496,274
Plan assets at fair value	(230,173)	(204,349)
Other non-current liabilities – Net defined benefit liabilities recognized on the balance sheets	<u>\$1,207,446</u>	<u>\$1,291,925</u>

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

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2021	\$1,509,367	\$(184,346)	\$1,325,021
Current period service costs	33,873	-	33,873
Net interest expense (income)	6,641	(811)	5,830
Subtotal	40,514	(811)	39,703
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	21,865	-	21,865
Actuarial gains and losses arising from changes in financial assumptions	(7,555)	-	(7,555)
Experience adjustments	23,153	-	23,153
Return on plan assets	-	(1,978)	(1,978)
Subtotal	37,463	(1,978)	35,485
Payments from the plan	(91,070)	91,070	-
Contributions by employer	-	(108,284)	(108,284)
As of December 31, 2021	1,496,274	(204,349)	1,291,925
Current period service costs	31,569	-	31,569
Net interest expense (income)	8,229	(1,124)	7,105
Subtotal	39,798	(1,124)	38,674

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	645	-	645
Actuarial gains and losses arising from changes in financial assumptions	(107,739)	-	(107,739)
Experience adjustments	108,141	-	108,141
Return on plan assets	-	(13,913)	(13,913)
Subtotal	1,047	(13,913)	(12,866)
Payments from the plan	(99,500)	99,500	-
Contributions by employer	-	(110,287)	(110,287)
As of December 31, 2022	\$1,437,619	\$(230,173)	\$1,207,446

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	1.62%	0.55%
Expected rate of salary increases	1.20%	1.00%

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%	\$-	\$49,127	\$-	\$67,796
Discount rate decreases by 0.5%	54,061	-	110,379	-
Future salary increases by 0.5%	54,016	-	109,255	-
Future salary decreases by 0.5%	-	49,555	-	67,828

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.

(16)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 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 making good 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 its subsidiaries were NT\$263,255 thousand and NT\$288,389 thousand with a total of the 9,079,805 shares and 10,273,805 shares, respectively. Golden Harvest Food Enterprise Ltd., a subsidiary of the Company, held 56,000 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 1,250,000 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:

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

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

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

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(20) for further details on employees' compensation and remuneration to directors and supervisors.

(17) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Sale of goods revenue	\$689,950	\$751,842
Rendering of service revenue	6,597,510	6,428,189
Total	<u>\$7,287,460</u>	<u>\$7,180,031</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 System
Sale of goods	\$689,950
Rendering of services	6,597,510
Total	<u>\$7,287,460</u>
Timing of revenue recognition:	
At a point in time	\$689,950
Over time	6,597,510
Total	<u>\$7,287,460</u>

For the year ended December 31, 2021:

	Electronic System
Sale of goods	\$751,842
Rendering of services	6,428,189
Total	<u>\$7,180,031</u>
Timing of revenue recognition:	
At a point in time	\$751,842
Over time	6,428,189
Total	<u>\$7,180,031</u>

B. Contract balances

a. Contract assets – current

	2022.12.31	2021.12.31	2021.1.1
Rendering of services	<u>\$11,900</u>	<u>\$23,082</u>	<u>\$18,803</u>

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

Please refer to Note 6(18) for more details on the impairment impact.

b. Contract liabilities – current and non-current

	2022.12.31	2021.12.31	2021.1.1
Current	\$1,296,105	\$1,176,341	\$1,170,597
Non-Current	12,237	18,901	30,432
Total	<u>\$1,308,342</u>	<u>\$1,195,242</u>	<u>\$1,201,029</u>
	2022.12.31	2021.12.31	2021.1.1
Rendering of services	<u>\$1,308,342</u>	<u>\$1,195,242</u>	<u>\$1,201,029</u>

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

	For the years ended December 31,	
	2022	2021
The opening balance transferred to revenue	\$(1,134,493)	\$(1,131,891)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,247,593	1,126,104

C. Transaction price allocated to unsatisfied performance obligations

The Company's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$1,308,342 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 Company's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT\$1,195,242 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.

(18) Expected credit losses

	For the years ended December 31,	
	2022	2021
Operating expenses – Expected credit losses		
Contract assets	\$-	\$-
Trade receivables	10,987	4,900
Subtotal	10,987	4,900
Non-operating income and expenses - Expected credit losses		
Financial assets measured at amortized cost	-	-
Total	<u>\$10,987</u>	<u>\$4,900</u>

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

The credit risk for the Company's financial assets measured at amortized cost are assessed as low (the same as the assessment result in the beginning of the period) and the Company only transacts with banks and institutions with good credit rating. Therefore, the loss allowance amounts to NT\$0 thousand which is measured at the expected credit loss ratio of 0%.

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

- A. The gross carrying amount of contract asset is NT\$11,900 thousand, and its loss allowance amounted to NT\$0 thousand which is measured at expected credit loss ratio of 0%.
- B. The Company 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 follows:

As of December 31, 2022

Group 1

	Not yet due	Overdue					Total
	(note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$1,180,633	\$64,858	\$43,013	\$3,220	\$13,475	\$13,856	\$1,319,055
Loss ratio	0-2%	2-10%	10-30%	30-50%	50-80%	80-100%	
Lifetime expected credit losses	(1,836)	(1,300)	(4,324)	(966)	(6,755)	(13,856)	(29,037)
Total	<u>\$1,178,797</u>	<u>\$63,558</u>	<u>\$38,689</u>	<u>\$2,254</u>	<u>\$6,720</u>	<u>\$-</u>	<u>\$1,290,018</u>

As of December 31, 2021

Group 1

	Not yet due	Overdue					Total
	(note)	1-90 days	91-180 days	181-270 days	271-365 days	>=365 days	
Gross carrying amount	\$1,122,116	\$46,682	\$9,078	\$976	\$879	\$13,239	\$1,192,970
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)
Total	\$1,118,713	\$44,944	\$7,221	\$586	\$283	\$-	\$1,171,747

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

The movement in the loss allowance of trade receivables during the years ended December 31, 2022 and 2021 are as follows:

	Accounts receivables	Notes receivable	Others (Note)
Balance as of January 1, 2022	\$21,223	\$-	\$-
Addition/(reversal) for the current period	10,987	-	-
Write off	(3,173)	-	-
Balance as of December 31, 2022	\$29,037	\$-	\$-
Balance as of January 1, 2021	\$19,575	\$-	\$-
Addition/(reversal) for the current period	4,900	-	-
Write off	(3,252)	-	-
Balance as of December 31, 2021	\$21,223	\$-	\$-

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

(19) Leases

A. Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment and other equipment. The lease terms range from one to five years.

The effect of the Company's lease 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 buildings	\$235,130	\$154,821
Transportation equipment	1,192	1,899
Total	<u>\$236,322</u>	<u>\$156,720</u>

During the years ended December 31, 2022 and 2021, the Company's additions to right-of-use assets are NT\$224,243 thousand and NT\$66,752 thousand, respectively.

(ii) Lease liabilities

	As of December 31,	
	2022	2021
Lease liabilities	<u>\$235,443</u>	<u>\$155,485</u>
Current	\$133,137	\$81,825
Non-current	102,306	73,660

Please refer to Note 6(21)(D) for the interest on lease liabilities recognized during the years ended December 31, 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 December 31,	
	2022	2021
Land and buildings	\$143,353	\$136,907
Transportation equipment	984	3,012
Total	<u>\$144,337</u>	<u>\$139,919</u>

c. Income and costs relating to leasing activities

	For the years ended December 31,	
	2022	2021
The expenses relating to short-term leases	\$14,470	\$17,995
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	6,002	5,837
Total	<u>\$20,472</u>	<u>\$23,832</u>

d. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounted to NT\$166,826 thousand and NT\$166,225 thousand, respectively.

e. Other information relating to leasing activities

(i) Extension and termination options

Some of the Company's agreement (e.g. property rental agreement) contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company 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 Company. After the commencement date, the Company 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 Company 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. Company as a lessor

Please refer to Note 6(10) for details on the Company'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 Company has entered into leases on certain 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 December 31,	
	2022	2021
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$17,795	\$15,626
Subtotal	17,795	15,626
Lease income for finance leases		
Selling profit or loss	3,580	9,387
Finance income on the net investment in the lease	4,833	5,403
Subtotal	8,413	14,790
Total	\$26,208	\$30,416

For operating leases entered by the Company, 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	\$17,115	\$28,598
Beyond one year but not later than two years	7,815	7,874
Beyond two years but not later than three years	1,986	6,735
Beyond three years but not later than four years	72	5,817
Beyond four years but not later than five years	-	72
Beyond five years	-	-
Total	\$26,988	\$49,096

For finance leases entered by the Company, 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	\$85,296	\$73,863
Beyond one year but not later than two years	62,086	76,517
Beyond two years but not later than three years	43,379	53,307
Beyond three years but not later than four years	28,531	34,600
Beyond four years but not later than five years	14,335	19,752
Beyond five years	-	3,292
Total undiscounted lease payments	233,627	261,331
Less: Unearned finance income to finance leases	(9,437)	(11,368)
Less: loss allowance	-	-
Net investment in the lease (Finance lease receivables)	\$224,190	\$249,963
Current	\$80,831	\$69,127
Non-current	143,359	180,836

(20) 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	\$1,022,164	\$979,651	\$2,001,815	\$951,290	\$904,376	\$1,855,666
Labor and health insurance	98,812	93,936	192,748	95,973	90,228	186,201
Pension	56,493	47,007	103,500	54,131	46,248	100,379
Remuneration to directors	-	120,912	120,912	-	125,229	125,229
Other employee benefits expense	40,182	29,281	69,463	39,970	29,700	69,670
Depreciation	822,558	201,160	1,023,718	826,290	195,940	1,022,230
Amortization	16,332	32,210	48,542	9,597	34,076	43,673

The headcount of the Company were 2,470 and 2,450, including 7 non-employee directors as of December 31, 2022 and 2021, respectively.

The average employee benefits expenses of the Company were NT\$961 thousand and NT\$905 thousand for the years ended December 31, 2022 and 2021, respectively. The average employee salaries of the Company were NT\$813 thousand and NT\$760 thousand for the years ended December 31, 2022 and 2021, respectively. The average rate of change of the employee salaries was 7%.

The Company has established the Audit Committee in replacement of supervisors and therefore the supervisors' remuneration for the years ended December 31, 2022 and 2021 were both nil.

The Company set the policy for directors' and employees' compensation in the Company's Articles of Incorporation and established the Remuneration Committee to evaluate and monitor the Company's remuneration system for its directors and managers. The performance evaluation and remuneration of directors and managers will be refer to the comparable emoluments of the industry, and consider the individual contribution including the result of individual performance evaluation, the responsibilities assumed, achievement of personal goals etc., and based on the Company's short-term and long-term business goals, the company's financial status and company's operating performance etc. The compensation of directors and managers must be approved by the Remuneration Committee and reported to the Board of Directors for resolution.

The Company developed a comprehensive employee welfare system in accordance with laws, government regulations and regional needs to provide employees with competitive salary and welfare conditions. Employees' compensation includes monthly salary, bonus based on operation performance, and the compensation based on the Company's earnings performance and regulated by the articles. The Company conducts a performance evaluation of all employees every year to understand their job performance and uses such information as a reference for promotions, training and compensation distribution.

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

Based on 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 employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended December 31, 2022 amount to NT\$30,228 thousand and NT\$120,912 thousand, respectively and recognized as salaries expense.

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 NT\$29,435 thousand and NT\$117,741 thousand in cash as the employees' compensation and remuneration to directors for the year ended December 31, 2021.

(21) Non-operating income and expenses

A. Interest Income

	For the years ended December 31,	
	2022	2021
Financial assets measured at amounted cost	\$107	\$108
Cash in banks	612	129
Short-term commercial papers	60	1,019
Others	427	366
Total	<u>\$1,206</u>	<u>\$1,622</u>

B. Other income

	For the years ended December 31,	
	2022	2021
Rental income	\$17,795	\$15,626
Dividend income	7,676	2,242
Total	<u>\$25,471</u>	<u>\$17,868</u>

C. Other gains and losses

	For the years ended December 31,	
	2022	2021
Gain on disposal of property, plant and equipment	\$5,110	\$2,851
Gain on disposal of investments	-	26,077
Foreign exchange gain, net	106	416
Impairment loss	(45,000)	(22,330)
Miscellaneous gain	89,828	84,660
Gain on lease modification	3	-
Total	<u>\$50,047</u>	<u>\$91,674</u>

D. Finance costs

	For the years ended December 31,	
	2022	2021
Interest on borrowings from bank	\$44,440	\$29,712
Interest on lease liabilities	2,378	2,203
Total interest expenses	46,818	31,915
Interest for deposits received	144	89
Total finance costs	<u>\$46,962</u>	<u>\$32,004</u>

(22) Components of other comprehensive income

For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$12,866	\$-	\$12,866	\$(1,544)	\$11,322
Unrealized (loss) gains from equity instruments investments measured at fair value through other comprehensive income	(17,554)	-	(17,554)	-	(17,554)
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(31,482)	-	(31,482)	-	(31,482)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	41,253	-	41,253	-	41,253
Total of other comprehensive (loss) income	<u>\$5,083</u>	<u>\$-</u>	<u>\$5,083</u>	<u>\$(1,544)</u>	<u>\$3,539</u>

For the year ended December 31, 2021

		Reclassification	Other	Income tax relating to components of	Other
	Arising during	adjustments	comprehensive	other	comprehensive
	the period	during the	income, before	comprehensive	income, net of
		period	tax	income	tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(35,485)	\$-	\$(35,485)	\$4,258	\$(31,227)
Unrealized gains from equity instruments					
investments measured at fair value through other comprehensive income	34,385	-	34,385	-	34,385
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	45,614	-	45,614	-	45,614
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(6,159)	-	(6,159)	-	(6,159)
Total of other comprehensive (loss) income	\$38,355	\$-	\$38,355	\$4,258	\$42,613

(23) Income tax

The major components of corporate income tax expense for the years ended December 31, 2022 and 2021 are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (income):		
Current income tax charge	\$287,721	\$288,552
Adjustments in respect of current income tax of prior periods	2,014	(28,305)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	7,649	9,613
Total income tax expense	\$297,384	\$269,860

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred tax expense (income):		
Remeasurements of defined benefit plans	\$1,544	\$(4,258)

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

	For the years ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	\$2,876,125	\$2,796,544
Tax at the domestic rates applicable to profits in the country concerned	\$575,225	\$559,309
Tax effect of revenues exempt from taxation	(286,627)	(261,351)
Investment tax credit	(120)	-
Tax effect of deferred tax assets / liabilities	3,270	207
Corporate income surtax on undistributed retained earnings	3,622	-
Adjustments in respect of current income tax of prior periods	2,014	(28,305)
Total income tax expense recognized in profit or loss	\$297,384	\$269,860

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Unrealized bad debt expense	\$2,294	\$1,239	\$-	\$3,533
Depreciation difference for tax purpose	10,654	(294)	-	10,360
Compensation for unused vacation	7,453	-	-	7,453
Decommissioning costs	1,440	-	-	1,440
Impairment losses	149,186	-	-	149,186
Defined benefit liabilities, non-current	155,025	(8,594)	(1,544)	144,887
Deferred tax (expense)/income		<u>\$(7,649)</u>	<u>\$(1,544)</u>	
Net deferred tax assets/(liabilities)	<u>\$326,052</u>			<u>\$316,859</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$326,052</u>			<u>\$316,859</u>

For the year ended December 31, 2021

		Deferred tax	Deferred tax	
		income	(expense)	
	Beginning	income	recognized in	Ending
	balance as of	(expense)	other	balance as of
	January 1,	recognized in	comprehensive	December 31,
	2021	profit or loss	income	2021
Temporary differences				
Unrealized bad debt expense	\$2,156	\$138	\$-	\$2,294
Depreciation difference for tax purpose	10,948	(294)	-	10,654
Compensation for unused vacation	7,453	-	-	7,453
Decommissioning costs	1,440	-	-	1,440
Impairment losses	149,186	-	-	149,186
Defined benefit liabilities, non-current	160,224	(9,457)	4,258	155,025
Deferred tax (expense)/income		<u>\$ (9,613)</u>	<u>\$ 4,258</u>	
Net deferred tax assets/(liabilities)	<u>\$331,407</u>			<u>\$326,052</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$331,407</u>			<u>\$326,052</u>

Unrecognized deferred tax assets

As of December 31, 2022 and 2021, deferred tax assets that have not been recognized 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 is as follows:

	The assessment of income tax returns	Notes
The Company	Assessed and approved up to 2020	-

(24) 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 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 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.

7. Related party transactions

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

Name and nature of relationship of the related parties

Related Party Name	The Relationship with the Company
SECOM Co., Ltd.	Entity with joint control or significant influence over the Company
Speed Investment Co., Ltd.	Subsidiary
LeeBao Security Co., Ltd.	Subsidiary
Goyun Security Co., Ltd.	Subsidiary
Chung Hsing E-Guard Co., Ltd.	Subsidiary
Goldsun Express & Logistics Co., Ltd.	Subsidiary
KuoHsing Security Co., Ltd.	Subsidiary
Gowin Building Management and Maintenance Co., Ltd.	Subsidiary
Aion Technologies Inc.	Subsidiary
Taiwan Secom Insurance Brokerage Services Inc.	Subsidiary
Lee Way Electronics Co., Ltd.	Subsidiary
Lots Home Entertainment Co., Ltd.	Subsidiary
TransAsia Catering Services Ltd.	Subsidiary
Titan Star International Co., Ltd.	Subsidiary
Gowin Security Co., Ltd.	Subsidiary
LeeBao Technology Co., Ltd.	Subsidiary
Goldsun Express Co., Ltd.	Subsidiary
Brighton Technology and Engineering Corporation	Subsidiary
Ching-Dian Tech Co., Ltd.	Subsidiary
Goyun Technology Co., Ltd.	Subsidiary
Comlink Fire Systems Inc.	Subsidiary
SIGMU D.P.T. Company Ltd.	Subsidiary
KuoHsing Rental Co., Ltd.	Subsidiary
Lee Yuan Biomedical Co., Ltd.	Subsidiary
Gowin Smart Parking Co., Ltd.	Subsidiary
Living Plus Food & Beverage Co., Ltd.	Subsidiary
Sunseap Solutions Taiwan Limited	Subsidiary
Jian Sheng International Co., Ltd.	Subsidiary
Epic Tech Taiwan Inc.	Subsidiary
Baohwa Trust Co., Ltd.	Subsidiary
Golden Harvest Food Enterprise Ltd.	Subsidiary
Goldsun Building Materials Co., Ltd.	Associate
Anfeng Enterprise Co., Ltd.	Associate
Wellpool Co., Ltd.	Associate
Raixin Quality products Ltd.	Associate
Kunying Construction and Engineering Co., Ltd.	Associate
eSkylink Inc.	Associate
Taipei Port Terminal Company, Ltd.	Associate
HQ Design Co., Ltd.	Other related party
Hobby Werks Co., Ltd.	Other related party
Chengxin Investment Co., Ltd.	Other related party
Shin Lan Enterprise Inc.	Other related party
Azure International Holdings Taiwan	Other related party

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2022	2021
Subsidiaries	\$169,030	\$171,423
Associates	263,950	232,958
Other related parties	286	483
Total	<u>\$433,266</u>	<u>\$404,864</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 30-90 days, while for third party domestic sales was month-end 30-90 days. The outstanding balance at every year end was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Costs

	For the years ended December 31,	
	2022	2021
Entity with joint control or significant influence over the Company	\$4,009	\$9,301
Subsidiaries		
LeeBao Security Co., Ltd.	259,342	228,006
Others	294,252	301,974
Subtotal	<u>553,594</u>	<u>529,980</u>
Associates	-	37
Other related parties	236	141
Total	<u>\$557,839</u>	<u>\$539,459</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are between 2-3 months.

(3) Accounts receivable from related parties

	As of December 31,	
	2022	2021
Subsidiary		
Brighttron Technology and Engineering Corporation	\$40,528	\$24,136
Lee Way Electronics Co., Ltd.	11,170	10,786
Others	15,379	17,913
Subtotal	67,077	52,835
Associates		
Anfeng Enterprise Co., Ltd.	130,862	108,010
Others	1,218	622
Subtotal	132,080	108,632
Other related parties	580	84
Total	199,737	161,551
Less: loss allowance	-	-
Net	\$199,737	\$161,551

(4) Notes payables to related parties

	As of December 31,	
	2022	2021
Subsidiaries		
Titan Star International Co., Ltd.	\$117,428	\$114,968
Aion Technologies Inc.	18,932	30,102
Living Plus Food & Beverage Co., Ltd.	-	256
LeeBao Security Co., Ltd.	6,382	8
Others	8,220	4,463
Subtotal	150,962	149,797
Associates	1,532	-
Other related parties	3,128	30
Total	\$155,622	\$149,827

(5) Accounts payables to related parties

	As of December 31,	
	2022	2021
Entity with joint control or significant influence over the Company	\$-	\$755
Subsidiaries		
Titan Star International Co., Ltd.	64,396	54,949
Aion Technologies Inc.	17,054	13,574
Others	1,717	2,345
Subtotal	83,167	70,868
Other related parties	-	3,364
Total	\$83,167	\$74,987

(6) Other payables to other related parties

	As of December 31,	
	2022	2021
Subsidiaries		
LeeBao Security Co., Ltd.	\$21,856	\$27,178
Aion Technologies Inc.	4,222	6,121
Others	703	1,601
Subtotal	26,781	34,900
Associates	-	186
Other related parties	95	397
Total	<u>\$26,876</u>	<u>\$35,483</u>

(7) Right-of-use assets

	As of December 31,	
	2022	2021
Other related parties	<u>\$11,412</u>	<u>\$20,601</u>

The lease deposits to other related parties amounted to both NT\$1,271 thousand as of December 31, 2022 and 2021.

(8) Lease liabilities

	As of December 31,	
	2022	2021
Other related parties	<u>\$11,476</u>	<u>\$20,708</u>

(9) Interest income

	For the years ended December 31,	
	2022	2021
Subsidiaries	<u>\$53</u>	<u>\$-</u>

(10) Lease expenditure

	For the years ended December 31,	
	2022	2021
Subsidiaries	<u>\$4,672</u>	<u>\$5,527</u>

The lease deposits to related parties amounted to NT\$30,250 thousand for both years, as of December 31, 2022 and 2021.

(11)Property transactions

	As of December 31,	
	2022	2021
Entity with joint control or significant influence over the Company	\$1,789	\$5,156
Subsidiaries	504,276	448,757
Total	<u>\$506,065</u>	<u>\$453,913</u>

The Company sold property, plant and equipment to its subsidiary for gains on disposal of property, plant and equipment of NT\$118 thousand, and received the proceeds from selling of property, plant and equipment of NT\$118 thousand for the year ended December 31, 2021.

(12)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.

(13)Key management personnel compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	\$264,395	\$245,747
Post-employment benefits	2,339	2,099
Total	<u>\$266,734</u>	<u>\$247,846</u>

8. Assets pledged as Security

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

Items	Carrying amount		Secured liabilities
	December 31, 2022	December 31, 2021	
Financial assets measured at amortized cost, non-current	<u>\$11,500</u>	<u>\$11,500</u>	Oil passbook guarantee

9. Commitments and Contingencies

None.

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 designated at fair value through profit or loss	\$70,517	\$42,138
Financial assets at fair value through other comprehensive income	97,560	118,137
Financial assets measured at amortized cost		
Cash and cash equivalents	930,960	713,713
Financial assets measured at amortized cost	11,500	11,500
Trade receivables	1,290,018	1,171,747
Refundable deposits	233,203	234,344
Subtotal	2,465,681	2,131,304
Total	<u>\$2,633,758</u>	<u>\$2,291,579</u>
<u>Financial liabilities</u>	As of December 31,	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loans	\$800,000	\$300,000
Trade and other payables	1,297,787	1,221,969
Long-term loans (including current portion with maturity less than 1 year)	3,700,000	3,040,000
Lease liabilities	235,443	155,485
Guarantee deposits	565,773	583,817
Total	<u>\$6,599,003</u>	<u>\$5,301,271</u>

(2) Financial risk management objectives and policies

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

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

The Company 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 Company.

Because non-functional currency transaction price of the company is tiny, currency risk doesn't have significant influence.

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 Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at floating interest rates, bank borrowings with fixed interest rates and floating interest rates.

The Company 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 Company's profit would decrease/increase by NT\$4,500 thousand and NT\$2,840 thousand for the years ended December 31, 2022 and 2021, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company'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 Company 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 Company's senior management on a regular basis. The Company'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 equity securities classified as equity instruments investments, measured at fair value through other comprehensive income could have an impact of NT\$(3,991) thousand and NT\$(3,703) thousand on the income or equity attributable to the Company for the years ended December 31, 2022 and 2021 respectively. An increase of 10% in the value of the listed securities would only impact equity but would not have an effect on profit or loss.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments 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 Company 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 Company'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 Company'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 immaterial compared to the total accounts receivable of the Company. The credit concentration risk of other accounts receivables is insignificant.

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

(5) Liquidity risk management

The Company'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 Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The possibility of changing of interest rates relating to borrowings with floating interest rates is low, so the Company estimates interest rates as the rate of the balance sheet date.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Borrowings	\$3,135,371	\$1,433,984	\$-	\$-	\$4,569,355
Trade and other payables	1,297,787	-	-	-	1,297,787
Lease Liability	134,956	71,307	9,959	24,000	240,222
As of December 31, 2021					
Borrowings	\$1,468,242	\$1,910,478	\$-	\$-	\$3,378,720
Trade and other payables	1,221,969	-	-	-	1,221,969
Lease Liability	82,940	41,006	9,500	26,400	159,846

Notes:

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

	Maturities					
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	Total
2022.12.31	\$133,137	\$79,596	\$11,036	\$11,674	\$-	\$235,443
2021.12.31	\$81,825	\$48,815	\$10,913	\$11,544	\$2,388	\$155,485

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

(6) Reconciliation for liabilities arising from financing activities

Information of reconciliation for liabilities during 2022 is as follows:

	Short-term loans	Long-term loans	Leases liabilities	Balance of liabilities arising from financing activities
2022.1.1	\$300,000	\$3,040,000	\$155,485	\$3,495,485
Cash flow	500,000	660,000	(146,354)	1,013,646
Non-cash changes	-	-	226,312	226,312
2022.12.31	<u>\$800,000</u>	<u>\$3,700,000</u>	<u>\$235,443</u>	<u>\$4,735,443</u>

Information of reconciliation for liabilities during 2021 is as follows:

	Short-term loans	Long-term loans	Leases liabilities	Balance of liabilities arising from financing activities
2021.1.1	\$1,400,000	\$1,866,000	\$229,429	\$3,495,429
Cash flow	(1,100,000)	1,174,000	(142,393)	(68,393)
Non-cash changes	-	-	68,449	68,449
2021.12.31	<u>\$300,000</u>	<u>\$3,040,000</u>	<u>\$155,485</u>	<u>\$3,495,485</u>

(7) Fair values of financial instruments

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company 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 payable 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 Company'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 Company.

(8) Derivative financial instruments

Embedded derivatives

The Company purchased a convertible bond in 2021. 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 Company 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 Company's assets and liabilities

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

As of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through profit or loss				
Convertible bond	\$-	\$-	\$42,138	\$42,138
Convertible preferred shares	-	-	28,379	28,379
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	39,919	-	57,641	97,560

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Convertible bond	\$-	\$-	\$42,138	\$42,138
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	37,029	-	81,108	118,137

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	Financial assets at fair value through profit or loss	Convertible preferred shares
	Stock	Convertible bond	
Beginning balances as of January 1, 2022	\$81,108	\$42,138	\$-
Total losses recognized for the year ended December 31, 2022:			
Amount recognized in OCI (present in unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	(20,293)	-	-
Acquisition/issue for the year ended December 31, 2022	-	-	28,379
Disposition/acquittance for the year ended December 31, 2022	(3,174)	-	-
Ending balances as of December 31, 2022	\$57,641	\$42,138	\$28,379

	Assets		
	Measured at fair value through other comprehensive income		
	Financial assets at fair value through profit or loss		
	Convertible preferred shares		
	Stock	Convertible bond	preferred shares
Beginning balances as of January 1, 2021	\$48,359	\$-	\$-
Total losses recognized for the year ended December 31, 2021:			
Amount recognized in OCI (present in unrealized gains or losses on measured at fair value through other comprehensive income equity instrument investment)	30,415	-	-
Acquisition/issue for the year ended December 31, 2021	4,512	\$42,138	-
Disposition/acquittance for the year ended December 31, 2021	(2,178)	-	-
Ending balances as of December 31, 2021	\$81,108	\$42,138	\$-

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 (decrease) increase in the Company's equity by NT\$6,689 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 (decrease) increase in the Company'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 (decrease) increase in the Company's profit or loss by NT\$2,838 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 (decrease) increase in the Company's equity by NT\$7,770 thousand

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

The Company'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 Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company'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)	\$-	\$-	\$327,786	\$327,786
Investments accounted for using the equity method (please refer to Note 6)	1,962,070	-	-	1,962,070

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)	\$-	\$-	\$314,133	\$314,133
Investments accounted for using the equity method (please refer to Note 6)	2,265,123	-	-	2,265,123

(10) Significant assets and liabilities denominated in foreign currencies

The Company does not have significant assets and liabilities denominated in foreign currencies. The foreign exchange gain was NT\$106 thousand and NT\$416 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 Company'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 Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(12) Other

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: None.

(2) Information on investees:

- A. Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to Attachment 8.
- B. Additional disclosures from above A.~J. of investee companies: Please refer to Attachment 2, 3 and 4.
- C. Derivative transactions of investee companies: None.

(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 shareholders: Please refer to Attachment 10.

Attachment 1

Significant intercompany transactions between consolidated entities

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

Number (Note 1)	Company Name	Counter Party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
	<u>For the year ended 2022</u>						
0	Taiwan Secom Co., Ltd.	LeeBao Security Co., Ltd.	1	Revenues	\$(33,751)	Note 4	-
0	Taiwan Secom Co., Ltd.	LeeBao Security Co., Ltd.	1	Costs	259,342	Note 4	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	Note 4	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	Note 4	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	Note 4	-
0	Taiwan Secom Co., Ltd.	Ching-Dian Tech Co., Ltd.	1	Revenues	36,738	Note 4	-
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	Note 4	-
0	Taiwan Secom Co., Ltd.	Lee Way Electronics Co., Ltd.	1	Costs	7,648	Note 4	-
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	Note 4	-
0	Taiwan Secom Co., Ltd.	Brighton Technology and Engineering Corporation	1	Costs	13,176	Note 4	-
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	Note 4	-
0	Taiwan Secom Co., Ltd.	Goyun Security Co., Ltd.	1	Revenues	10,326	Note 4	-
1	Titan Star International Co., Ltd.	Taiwan Secom Co., Ltd.	2	Revenues	629,507	Note 4	4%
2	Aion Technologies Inc.	Taiwan Secom Co., Ltd.	2	Revenues	246,572	Note 4	2%
3	Goyun Security Co., Ltd.	KuoHsing Security Co., Ltd.	3	Revenues	60,433	Note 4	-

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.

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

No.	Lender	Counter-party	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for financing	Loss allowance	Collateral		financing amount for individual counter-party	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.

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

No.	Endorsor/Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/endorsement	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										
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.	Brightron 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.	Brightron 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 company that directly and indirectly holds more than 90% of the voting shares in the Company.

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

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

(2) Total guarantee amount for receiving party of the Company and its subsidiaries to net assets value of the Company shall not exceed 30%. Except for open-released parent company directly or indirectly owned exceed 90% of equity interest, and its amount to net assets value of parent company shall not exceed 10%. But not for the case of guarantee/endorsement among companies owned 100% equity interests by open-released parent company.

(3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 5: Limit of guarantee/endorsement amount of Aion Technologies Inc. are as follows :

(1) Total guarantee amount of the Company to net assets value from the latest financial statement shall not exceed 50%.

(2) Guarantee/endorsement amount for receiving party to net assets value from the latest financial statement shall not exceed 20%.

(3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 6: Limit of guarantee/endorsement amount of Gowin Building Management and Maintenance Co., Ltd. are as follows :

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

(2) Total guarantee amount for receiving party of the Company and its subsidiaries to net assets value of the Company shall not exceed 30%. Except for open-released parent company directly or indirectly owned exceed 90% of equity interest, and its amount to net assets value of parent company shall not exceed 10%. But not for the case of guarantee/endorsement among companies owned 100% equity interests by open-released parent company.

(3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 7: A subsidiary in which Speed Investment Co., Ltd. holds directly or indirectly over 50% of equity interest. Guarantee/endorsement amount are as follows :

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

(2) Total guarantee amount for receiving party of the Company and its subsidiaries to net assets value of the Company shall not exceed 30%. Except for open-released parent company directly or indirectly owned exceed 90% of equity interest, and its amount to net assets value of parent company shall not exceed 10%. But not for the case of guarantee/endorsement among companies owned 100% equity interests by open-released parent company.

(3) Beside abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 8: 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 abovementioned limit, guarantee/endorsement amount of an investee company that has a business relationship with the Company shall not exceed trading amount, which is higher between sales and purchases.

Note 9: 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- 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- 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- 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- 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- 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- GENIRON.COM Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,239,180	30,781	8.26%	24.84	
<u>Ching-Dian Tech Co., Ltd.</u>	Listed companies stocks- Taiwan Taxi Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	54,100	4,837	0.09%	89.40	
	Kinpo Electronics, Inc.	-	Financial assets at fair value through other comprehensive income-current	480,000	6,480	0.03%	13.50	
<u>Tital Star International Co., Ltd.</u>	Unlisted companies stocks- International Integrated Systems, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	497,227	7,200	0.68%	14.48	
	Oriental Life Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	182,500	6,220	7.30%	34.08	
<u>Chung Hsing E-Guard Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	552,655	55,266	0.12%	100.00	
<u>Golden Harvest Food Enterprose Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	56,000	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	Fair value (NTD)	
<u>KuoHsing Security Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd. Wellpool Co., Ltd. Taiwan Taxi Co., Ltd.	Parent Company - -	Financial assets at fair value through other comprehensive income-current Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-current	3,625,284 281,000 470,837	\$362,528 18,574 42,093	0.80% 0.78% 0.79%	\$100.00 66.10 89.40	
<u>Gowin Building Management Services Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd.	Parent Company	Financial assets at fair value through other comprehensive income-current	982,564	98,256	0.22%	100.00	
<u>Lots Home Entertainment Co., Ltd.</u>	Unlisted companies stocks- The Tag-Along Co., Ltd. Daxiao Creative Co., Ltd. Yiyi Pictures Co., Ltd.	- - -	Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-non-current	44,453 1,000,000 44,000	9,840 250 1,767	15.00% 6.90% 5.50%	221.36 0.25 40.16	
	Film and television investment agreement		Financial assets at fair value through profit or loss-non-current	-	61,101	0.00%	61,101	
<u>Goyun Security Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd. Wellpool Co., Ltd.	Parent Company -	Financial assets at fair value through other comprehensive income-current Financial assets at fair value through other comprehensive income-non-current	252,820 181,500	25,282 11,997	0.06% 0.50%	100.00 66.10	
<u>Speed Investment Co., Ltd.</u>	Listed companies stocks- Taiwan Secom Co., Ltd. Wellpool Co., Ltd. Taiwan Taxi Co., Ltd.	Parent Company - -	Financial assets at fair value through other comprehensive income-current Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-current	3,447,198 302,500 11,000	344,721 19,995 983	0.76% 0.84% 0.02%	100.00 66.10 89.40	
	Unlisted companies stocks- Top Taiwan VI Venture Capital Co., Ltd. Mingfu Technology Co., Ltd. Yuji Venture Capital Co., Ltd. Imperial Food Co., Ltd.	- - - -	Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-non-current Financial assets at fair value through other comprehensive income-non-current	167,500 100,000 431,250 300,000	1,354 468 6,745 441	2.17% 9.09% 3.75% 3.00%	8.08 4.68 15.64 1.47	
	Simple agreement for Future equity (SAFE) AUTOPASS.INC	-	Financial assets at fair value through profit or loss-current	-	21,298	-	21,298.00	
	Fund- AsiaVest Opportunities Fund	-	Financial assets at fair value through profit or loss-current	200	1,036	1.18%	US\$168.83	
<u>TransAsia Catering Service Ltd.</u>	Fund- O-Bank No.1 Real Estate Investment Trust	-	Financial assets at fair value through other comprehensive income-current	17,046,000	141,823	5.68%	8.32	
<u>Aion Technologies Inc.</u>	Listed companies stocks- Taiwan Taxi Co., Ltd. Taiwan Shin Kong Security Co., Ltd.	- -	Financial assets at fair value through other comprehensive income-current Financial assets at fair value through other comprehensive income-current	366,345 15,000	32,751 587	0.62% 0.00%	89.40 39.13	
<u>MyStory Entertainment Co., Ltd.</u>	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	counterparty	Relationship with the counterparty	Beginning of the period		Buy		Sell				End of period	
					Shares	Amounts	Shares	Amounts	Shares	Selling price	Book value	Disposal (loss) profit	Shares	Amounts (Note 2)
Taiwan Secom Co., Ltd.	Golden Harvest Food Enterprose Ltd.	Investment accounted for using the equity method	Note 1	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)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit Term	Unit price	Credit Term	Balance	Percentage of total receivables (payable)	
<u>Taiwan Secom Co., Ltd.</u>	Aion Technologies Inc.	Subsidiary accounted for using the equity method	Note 1	\$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 & 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	\$-

Attachment 8-1

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

※ Investee company accounted for using the equity method

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

Investor company	Investee company	Location	Main businesses and products	Initial Investment		Ending balance			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership	Book value			
<u>Taiwan Secom Co., Ltd.</u>	Speed Investment Co., Ltd.	Taipei City	Investment holding	\$198,200	\$138,200	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	
	Lots 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%	-	-	-	
	Anfeng 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	
<u>Speed Investment Co., Ltd.</u>	Titan Star International Co., Ltd.	Taipei City	Manufacturing, selling and processing of security-related equipment and parts	272,396	272,396	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	
	Lots 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)	(80,828)	
	Sunseap Solutions Taiwan Limited	Taipei City	Catering services	15,300	15,300	1,530,000	51.00%	8,150	(9,207)	(4,696)	
	Epic Tech Taiwan Inc.	Taipei City	Energy-saving solutions technology	55,200	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)	
<u>Titan Star International Co., Ltd.</u>	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 Company'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.

※ Investee company accounted for using the equity method

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

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

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

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 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	Number of shares	Percentage of ownership (%)
SECOM CO. LTD		123,110,870	27.29%
Shin Kong Life Insurance Co., Ltd		34,908,205	7.73%

The Contents of Statements of Major Accounting Items

Item	Index
Major Accounting Items in Assets, Liabilities and Equity	
Statement of Cash and Cash Equivalents	1
Statement of Financial Assets at Fair Value Through Profit and Loss, non-current	2
Statement of Financial Assets at Fair Value Through Other Comprehensive Income, Current	3
Statement of Notes Receivable	Note 6(5)
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Statement of Changes in Property, Plant and Equipment and Accumulated Depreciation	Note 6(9)
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Statement of Changes in Accumulated Depreciation and Accumulated Impairment of Right-Of-Use Assets	11
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Contract Liabilities	16
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Statement of Operating Costs	18
Statement of Sales and Marketing Expenses	19
Statement of General and Administrative Expenses	20
Statement of Research and Development Expenses	21

As of December 31, 2022

Item	Description	Amount	Note
Petty cash		\$5,675	
Cash in banks			
Savings account		741,397	
Checking account		189,563	
Total		<u>\$936,635</u>	

TAIWAN SECOM CO., LTD.

2.STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS, CURRENT

As of December 31, 2022

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

Financial Instruments Name Of Securities	Description	Units/shares	Par Value (NTD)	Amount	Rate(%)	Cost	Fair Value		Note
							Unit Price (NTD)	Amount	
<u>Convertible bond</u>									
Inline Group Limited		-	- 元	USD 1,500,000	8.00%	\$42,138	-	\$42,138	
Total						<u>\$42,138</u>		<u>\$42,138</u>	

TAIWAN SECOM CO., LTD.

3. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, CURRENT

As of December 31, 2022

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

Financial Instruments Name of Securities	Description	Units/shares	Par Value (NTD)	Amount	Rate(%)	Cost	Fair Value		Note
							Unit Price (NTD)	Amount	
<u>Shares</u>									
Taiwan Taxi Co., Ltd.		446,525	10.00	\$4,465	-	\$34,927	89.40	\$39,919	
Add: Measured at fair value through other comprehensive income – current						4,992			
Total						<u>\$39,919</u>		<u>\$39,919</u>	

TAIWAN SECOM CO., LTD.

4. STATEMENT OF ACCOUNTS RECEIVABLE

As of December 31, 2022

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

Item	Description	Amount	Note
Third parties			
Others	The amount of individual item in others does not exceed 5% of the account balance.	\$693,766	
Less: Loss allowance		<u>(29,037)</u>	
Net		<u>664,729</u>	
Related parties			
Brightron Technology and Engineering Corporation		40,528	
Lee Way Electronic Co., Ltd.		11,170	
Anfeng Enterprise Co., Ltd.		130,862	
Others	The amount of individual item in others does not exceed 5% of the account balance.	17,177	
Subtotal		<u>199,737</u>	
Less: Loss allowance		<u>-</u>	
Net		<u>199,737</u>	
Subtotal		<u><u>\$864,466</u></u>	

TAIWAN SECOM CO., LTD.

5. STATEMENT OF INVENTORY

As of December 31, 2022

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

Item	Description	Amount		Note
		Cost	Market Value	
Electronic fireproof equipment		\$52,397	\$108,618	1 The market value is the lower of cost and net realizable value of inventories.
Electronic anti-theft equipment		75,270	141,694	
Surveillance equipment		42,374	76,232	
Vault equipment		2,017	4,873	
Total		172,058	\$331,417	2 No inventories were pledged.
Allowance to reduce inventory to market		-		
Net		\$172,058		

TAIWAN SECOM CO., LTD.

6. STATEMENT OF PREPAYMENT

As of December 31, 2022

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

Item	Description	Amount	Note
Prepayment for construction expenses		\$410,378	
Other prepaid expenses		51,633	
Others	The amount of individual item in others does not exceed 5% of the account balance.	23,707	
Total		<u>\$485,718</u>	

TAIWAN SECOM CO., LTD.

7. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS, NON-CURRENT

As of December 31, 2022

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

Financial Instruments Name Of Securities	Description	Units/shares	Par Value (NTD)	Amount	Rate(%)	Cost	Fair Value		Note
							Unit Price (NTD)	Amount	
<u>Convertible preferred stocks</u>									
Inline Group Limited		100,000	10	\$1,000		\$28,379	28.38	\$28,379	
Total						<u>\$28,379</u>		<u>\$28,379</u>	

TAIWAN SECOM CO., LTD.

8. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME, NON-CURRENT

As of December 31, 2022

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

Financial Instruments Name of Securities	Description	Units/shares	Par Value (NTD)	Amount	Rate(%)	Cost	Fair Value		Note
							Unit Price (NTD)	Amount	
<u>Stocks</u>									
BlissCloud Group Holdings Corp		987,762	10.00	\$9,878		\$41,270	\$-	\$-	
TOP TAIWAN VIII VENTURE CAPITAL CO., LTD.		905,666	23.93	21,673		9,057	11.96	10,833	
GAMA PAY CO., LTD.		1,657,366	10.00	16,574		50,000	2.61	4,326	
Geniron Technology Co., Ltd.)		1,591,367	10.00	15,914		3,152	24.84	39,529	
RAIXIN QUALITY PRODUCTS LTD.		1,578,976	10.00	15,790		36,895	1.87	2,953	
Add: Measured at fair value through other comprehensive income — non-current						(82,733)			
Total						<u>\$57,641</u>		<u>\$57,641</u>	

TAIWAN SECOM CO., LTD.

9. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

For the Year Ended December 31, 2022

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

Investee Company	As of January 1, 2022		Additions		Investment Income (loss) recognized	Parent company's cash dividends received by subsidiaries	Cash Dividend	Decrease		Stock Dividend	As of December 31, 2022			Fair Value		Pledged as Security	Note
	Units/Shares	Value	Units/Shares	Value				Units/Shares	Value		Units/Shares	% of Ownership	Value	Unit Price (NTD)	Amount		
<u>Investments in subsidiaries:</u>																	
Speed Investment Co., Ltd.	258,534,739	\$2,875,207	27,162,780	\$70,031	\$229,488	\$17,582	\$-	-	\$-	-	285,697,519		\$3,192,308	\$11.95	\$3,412,677	None.	
LeeBao Security Co., Ltd.	83,983,458	1,487,250	-	19,934	313,744	-	(50,000)	-	-	20,000,000	103,983,458		1,770,928	14.30	1,487,250	None.	
Goyun Security Co., Ltd.	27,705,510	549,558	-	4,519	137,033	1,264	(88,935)	-	-	-	27,705,510		603,439	20.78	575,852	None.	
Chung Hsing E-Guard Co., Ltd.	2,000,000	10,756	-	-	(16)	2,763	(2,000)	-	-	-	2,000,000		11,503	34.12	68,232	None.	
Goldsun Express & Logistics Co., Ltd.	59,464,914	687,306	-	363	50,154	-	(44,004)	-	-	-	59,464,914		693,819	11.55	686,583	None.	
KuoHsing Security Co., Ltd.	29,321,619	598,707	-	-	178,388	15,509	(159,832)	-	(6,305)	-	29,321,619		626,467	31.96	937,247	None.	
Gowin Building Management Services Co., Ltd.	28,463,488	512,228	-	61,747	188,949	10,949	(138,048)	-	-	-	28,463,488		635,825	25.12	715,042	None.	
Aion Technologies Inc.	12,739,895	202,614	2,362,545	38,887	29,136	-	(34,585)	-	(338)	-	15,102,440		235,714	14.37	217,010	None.	
Taiwan Secom Insurance Brokerage Services Inc.	912,600	27,871	-	-	5,589	-	(5,475)	-	-	-	912,600		27,985	30.54	27,872	None.	
Lee Way Electronics Co., Ltd.	6,858,894	107,934	-	4,454	31,409	665	(20,131)	-	-	-	6,858,894		124,331	17.81	122,168	None.	
Lots Home Entertainment Co., Ltd.	683,920	3,909	-	-	275	-	-	-	(154)	-	683,920		4,030	5.72	3,909	None.	
TransAsia Catering Services Co., Ltd.	24,562,918	758,822	-	-	(18,189)	-	-	-	(57,253)	-	24,562,918		683,380	22.25	546,444	None.	
Brighton Technology and Engineering	2,085,434	26,819	-	-	(10,425)	-	-	-	-	-	2,085,434		16,394	10.75	22,417	None.	
Golden Harvest Food Enterprise Ltd.	-	-	12,010,227	515,050	4,869	274	-	-	-	-	12,010,227		520,193	-	-	None.	
Goldsun Building Materials Co., Ltd.	77,705,747	1,623,596	-	-	271,642	-	(139,870)	-	(8,194)	-	77,705,747		1,747,174	25.25	1,962,070	None.	
TransAsia Airways Corp.	76,245,604	-	-	-	-	-	-	-	-	-	76,245,604		-	-	-	None.	
Tech Elite Holdings Ltd.	2,000,000	-	-	-	-	-	-	-	-	-	2,000,000		-	-	-	None.	
Anfeng Enterprise Co., Ltd.	900,000	14,497	-	-	2,001	-	(1,260)	-	-	-	900,000		15,238	16.11	14,497	None.	
GALC Inc.	900,000	9,483	-	-	3,031	-	(434)	-	-	-	900,000		12,080	10.54	9,483	None.	
HuaYa Development Co., Ltd.	25,512,892	293,338	-	-	(3,252)	-	-	-	-	-	25,512,892		290,086	10.08	257,253	None.	
Total		\$9,789,895		\$714,985	\$1,413,826	\$49,006	\$(684,574)		\$(72,244)	20,000,000			\$11,210,894		\$11,066,006		

TAIWAN SECOM CO., LTD.

10. STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

For the Year Ended December 31, 2022

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

Item	Land	Transportation Equipment	Total	Note
2022.01.01	\$436,602	\$13,777	\$450,379	
Additions	223,967	276	224,243	
Disposals	(163,093)	-	(163,093)	
2022.12.31	<u>\$497,476</u>	<u>\$14,053</u>	<u>\$511,529</u>	

TAIWAN SECOM CO., LTD.

11. STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT OF RIGHT-OF-USE ASSETS

For the Year Ended December 31, 2022

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

Item	Land	Transportation Equipment	Total	Note
2022.01.01	\$281,781	\$11,877	\$293,658	
Additions	143,353	984	144,337	
Disposals	(162,788)	-	(162,788)	
2022.12.31	<u>\$262,346</u>	<u>\$12,861</u>	<u>\$275,207</u>	

TAIWAN SECOM CO., LTD.

12. STATEMENT OF REFUNDABLE DEPOSITS

As of December 31, 2022

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

Item	Description	Amount	Note
Gurantee deposits for bid		\$73,214	
Gurantee deposits for lease		109,796	
Other guarantee deposits		50,193	
Total		<u>\$233,203</u>	

TAIWAN SECOM CO., LTD.

13. STATEMENT OF NOTES PAYABLE

As of December 31, 2022

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

Name	Description	Amount	Note
Notes payable - third parties			
Others	The amount of individual item in others does not exceed 5% of the account balance.	\$205,342	
Total		<u>\$205,342</u>	

TAIWAN SECOM CO., LTD.

14. STATEMENT OF ACCOUNTS PAYABLE

As of December 31, 2022

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

Name	Description	Amount	Note
Accounts payable - third parties			
Others	The amount of individual item in others does not exceed 5% of the account balance.	\$200,247	
Total		<u>\$200,247</u>	

TAIWAN SECOM CO., LTD.

15. STATEMENT OF OTHER PAYABLES

As of December 31, 2022

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

Item	Description	Amount	Note
Accrued bonus		\$274,353	
Accrued remuneration to directors and the employee's compensation		151,140	
Business tax payable		43,769	
Other payable to related parties		26,876	
Others	The amount of individual item in others does not exceed 5% of the account balance.	157,271	
Total		<u>\$653,409</u>	

TAIWAN SECOM CO., LTD.

16. CONTRACT LIABILITIES

As of December 31, 2022

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

Item	Description	Amount	Note
Electronic service expenses		\$1,025,322	
Electronic construction expenses		283,020	
Others			
Total		<u>\$1,308,342</u>	

TAIWAN SECOM CO., LTD.

17. LEASE LIABILITIES

As of December 31, 2022

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

Item	Description	Lease Period	Discount Rate	Amount	Note
Land	Office, factory and dormitory lease	2005.05~2037.12	1.125%	\$234,258	
Transportation Equipment	Vehicle for business use lease	2017.01~2025.01	1.125%	<u>1,185</u>	
Total				<u><u>\$235,443</u></u>	

TAIWAN SECOM CO., LTD.

18. STATEMENT OF OPERATING COSTS

For the Year Ended December 31, 2022

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

Item	Description	Amount	Note
Electronic service costs			
Salary expenses		\$888,384	
Depreciation		804,519	
Hotline expenses		226,113	
Others		<u>462,090</u>	
Subtotal		2,381,106	
Electronic construction costs		937,748	
Other operating costs		<u>529,764</u>	
Operating costs total		<u><u>\$3,848,618</u></u>	

TAIWAN SECOM CO., LTD.

19. STATEMENT OF SALES AND MARKETING EXPENSES

For the Year Ended December 31, 2022

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

Item	Description	Amount	Note
Salary expenses		\$420,914	
Advertising expenses		97,141	
Insurance expenses		48,623	
Depreciation		38,639	
Others	The amount of individual item in others does not exceed 5% of the account balance.	99,752	
Total		<u>\$705,069</u>	

TAIWAN SECOM CO., LTD.

20. STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES

For the Year Ended December 31, 2022

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

Item	Description	Amount	Note
Salary expenses		\$648,587	
Depreciation		160,319	
Other expenses		79,756	
Repair and maintenance expenses		59,325	
Others	The amount of individual item in others does not exceed 5% of the account balance.	233,639	
Total		<u>\$1,181,626</u>	

TAIWAN SECOM CO., LTD.

21. STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES

For the Year Ended December 31, 2022

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

Item	Description	Amount	Note
Salary expenses		\$78,311	
Depreciation		2,202	
Amoritization		1,672	
Outsourced research and development expenses		3,565	
Insurance expenses		6,050	
Others	The amount of individual item in others does not exceed 5% of the account balance.	16,824	
Total		<u>\$108,624</u>	